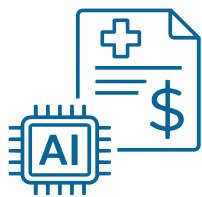


5 Factors Driving 2027 Healthcare Cost Trend

Commercial healthcare costs are projected to rise by 9% in 2027, the highest level in 17 years. For employers, this could mean higher premiums, rising deductibles and growing pressure on benefit budgets. For employees, that translates to real affordability concerns, and for employers, a shrinking window to act before costs reshape how coverage is structured.

According to PwC's Medical Cost Trend: Behind the Numbers 2027, the following five key forces are behind this sustained rise:



1. AI-powered Revenue Capture

AI documentation and coding tools are helping providers bill with greater specificity and severity, without proportionate increases in care intensity. Nearly 70% of the health plans surveyed named this a top-three cost driver.



2. Inflation and Provider Consolidation

Rising costs within provider organizations, combined with market consolidation that limits competition, are pushing reimbursement rates higher across the board.



3. Surging Pharmacy Costs

Specialty drugs and the rapid expansion of GLP-1 therapies are driving pharmacy spending faster than overall medical trend. Traditional formulary controls alone are no longer enough to manage the growth.



4. Behavioral Health Utilization

Demand for behavioral health services shows no signs of slowing. With trend rates for this category projected at 10%-20%—among the highest of any service line—utilization is set to remain a leading driver of cost growth well beyond 2027 as more members enter treatment and stay in it longer.



5. No Surprises Act Arbitration

The Independent Dispute Resolution process has created an ongoing reimbursement inflator, with 2.6 million cases filed in 2025 and providers winning 88% of disputes.

What Can Employers Do?

A 9% trend is a planning signal, not a verdict. By engaging now, understanding their own cost drivers and acting before renewal, employers can shape how these pressures land rather than merely react to them.

Contact us for more healthcare resources.