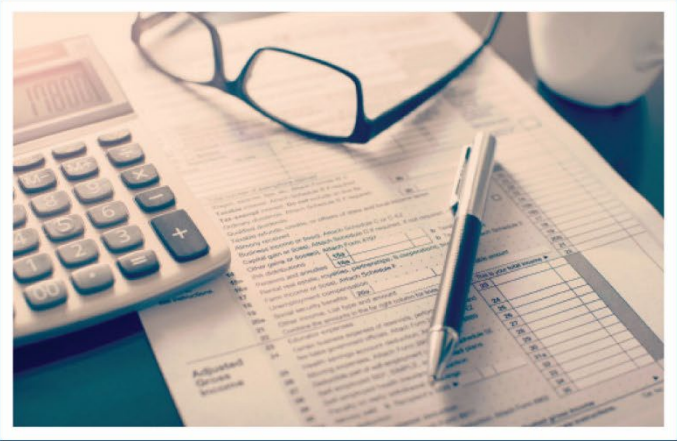


Healthcare Costs for Employers in Construction Could Rise Over 10% in 2027



Healthcare Cost Pressures Continue for Construction Employers

Healthcare costs remain a top concern for employers of the construction industry across Western New York as organizations prepare for the 2027 plan year. While national healthcare inflation continues to make headlines, local businesses are experiencing the impact firsthand through higher renewal rates, increasing prescription drug costs, specialty medications, and growing demand for healthcare services.

The good news is that New York employers may see some relief compared to recent years. The average insurance rate increase to group and community rated space among New York carriers for the 2027 plan year has been approved at approximately 8%. This marks the lowest average approved rate increase since 2022. Even so, an 8% increase can still have a meaningful impact on employer budgets, translating to roughly \$600 more per year, or about \$50 per month, for the average covered employee.

Carrier Rate Increases Vary Significantly

The picture varies significantly by carrier. Some local businesses are seeing larger increases to group and community rated space, including approximately 6.2% from Independent Health and 13.5% from Univera, while Highmark received a 0% increase, highlighting the importance of evaluating all available options during the renewal process.

The Impact on Construction Businesses and Employees

The construction industry is already facing higher operating costs, wage pressures, and workforce challenges which adds another layer of complexity. Workers feel the effects as well, often through increased payroll contributions, higher deductibles, and greater out-of-pocket expenses.

As healthcare affordability becomes a growing concern, employers must balance cost containment with providing benefits that help attract and retain talent.

Taking a Proactive Approach to Benefits Strategy

As we look ahead, a proactive benefits strategy is more important than ever. Employers should evaluate plan design, pharmacy programs, wellness initiatives, employee engagement efforts, and alternative funding options to ensure they are maximizing the value of every healthcare dollar spent.

That's where Lawley can help. With deep roots in Western New York, an insurance team dedicated specifically to the construction industry, and extensive experience in the local benefits marketplace, Lawley works closely with employers to analyze renewals, benchmark plans, identify cost-saving opportunities, and develop long-term strategies that support both business goals and employee well-being.

Contact Us

Members of the Construction Exchange of WNY have access to exclusive healthcare benefits assistance through Lawley.

If you are concerned about your upcoming renewal or are wondering how your benefits program compares to other businesses in the construction industry, contact CONEX's designated insurance consultant, Phil Scaffidi, at Lawley Insurance. He'll discuss strategies that can help manage costs of your construction business while continuing to provide valuable benefits for your employees.

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