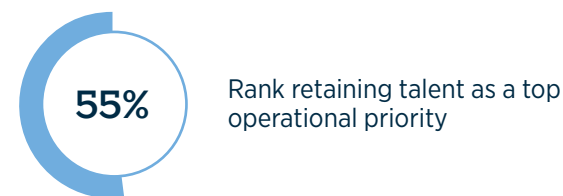


# Top Trends FOR HEALTHCARE EMPLOYERS

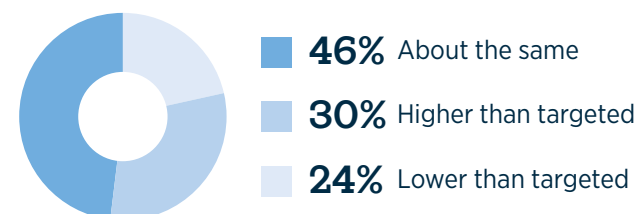
Over the past few years, the healthcare industry has transformed due to the COVID-19 pandemic, technological innovation and evolving workforce expectations. Healthcare employers are now focused on stabilizing and energizing their workforce while preparing for and adapting to policy-driven disruptions. To help ensure long-term retention and resilience, they're reevaluating their people strategies and emphasizing flexibility, employee engagement and financial wellbeing — establishing the groundwork for a more adaptive, technology-enabled and people-focused workforce.

## 1 Retaining critical talent through enhanced compensation and benefits

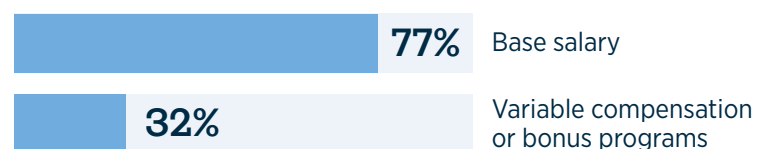
Although the healthcare workforce has largely returned to pre-pandemic stability, this recovery has come at a significant cost. To retain critical talent, especially nurses and physicians, employers have had to substantially increase wages and expand benefits. Despite these efforts, workforce retention remains the top operational priority across the industry.



### Actual vs Targeted Turnover Rate in 2024



### Total Rewards Enhanced to Support Employee Recruitment and Retention



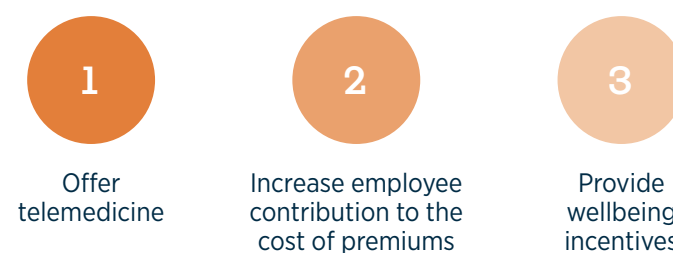
## 2 Navigating rising healthcare costs in 2025

As healthcare costs rise, large systems are leveraging their market power to negotiate better terms and conducting contract reviews to identify pricing discrepancies. Recovered funds are being reinvested into employee benefits or used to offset expenses. However, increased employee cost sharing may be necessary as the impacts of recent federal policy changes are better understood, and employers will likely be compelled to reassess benefits for broader cost containment.

Nearly **3 in 4** Expect higher healthcare costs in 2025 compared to 2024



### Top Healthcare Cost-Control Tactics



## 3 Improving engagement with clear communication and growth opportunities

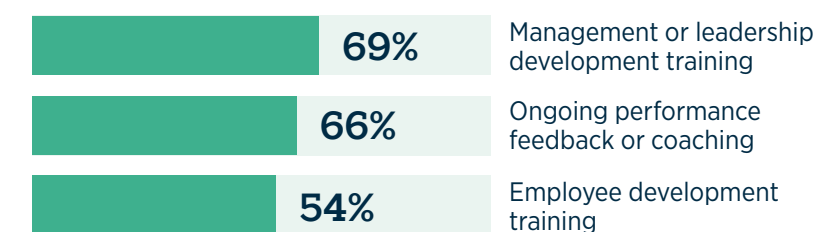
Improving employee engagement is vital for retention, prompting healthcare employers to conduct regular surveys to gauge workforce sentiment. Clear, transparent communication from leadership builds trust, while supporting career growth and development boosts employees' sense of purpose, value and long-term commitment to the organization.

### Have Conducted a Survey to Measure Engagement



Less than **3 in 5** Believe their workforce is highly engaged

### Career Growth and Development Initiatives Offered



## 4 Addressing emotional wellbeing to prevent stress and burnout

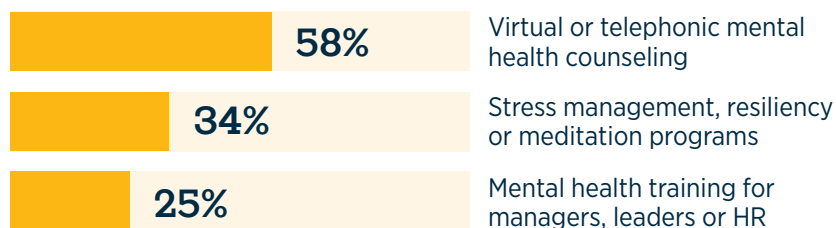
Emotional wellbeing is increasingly important for healthcare employers and carries high stakes. Long hours, understaffing and emotional demands on workers can lead to compassion fatigue, burnout and even medical errors. Managers play a crucial role in supporting stressed employees, yet few industry employers provide mental health training for managers, leaders or HR personnel.



Report that emotional wellbeing has become more important to their organization in 2025

More than **3 in 4** Believe leaders are concerned about the impact of stress and burnout on the organization

### Mental and Emotional Health Initiatives Offered

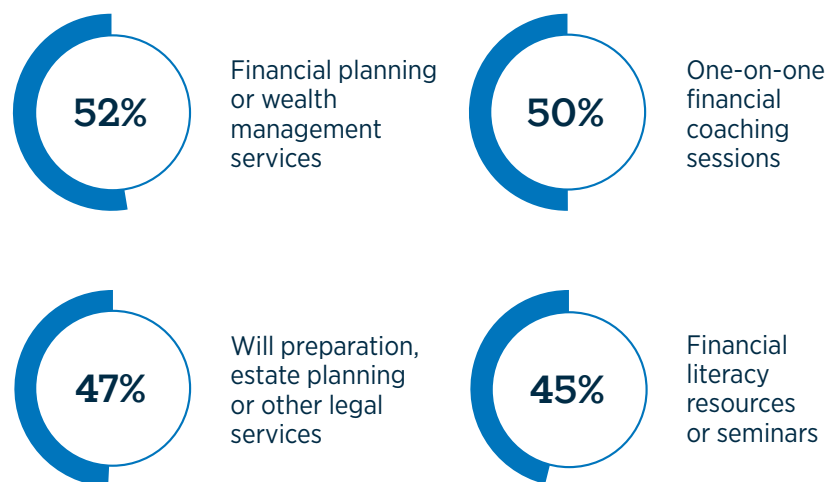


## 5 Strengthening financial health by offering diverse resources

Healthcare employers are using retirement planning with long-term incentives to retain executives and physicians. While split-dollar arrangements are common in the C-suite, similar strategies are being extended to physicians due to their critical role and turnover risk. Employers can also improve the financial health of all employees by offering diverse tools and resources for informed financial decisions.

More than **9 in 10** Provide support to retirement plan participants

### Financial Planning and Literacy Initiatives Offered



### Thought Leader POV



“Post-COVID attraction and retention efforts have stabilized the industry. However, healthcare organizations now face challenges from government policy changes. Reductions in Medicaid eligibility, funding and provider payments, along with Affordable Care Act modifications, will increase the number of uninsured Americans. Healthcare organizations must now actively seek cost-cutting measures beyond total rewards. Leveraging their market power to negotiate rates and contracts with third-party administrators and wrap networks can help mitigate the impact on employees.”

— Andy Davidson  
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Source: Gallagher's 2025 US Benefits Strategy & Benchmarking Survey. Data was collected from 705 US healthcare employers between January and March 2025.

Contact your local Gallagher consultant or visit [AJG.com/healthcare-consulting](https://ajg.com/healthcare-consulting) to learn more.

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