WEEKLY EMPLOYER UPDATE

SIX DEVELOPMENTS EMPLOYERS SHOULD WATCH THIS WEEK

A practical briefing on ACA affordability, workforce reporting, healthcare affordability, pharmacy risk and self-funding decisions.

This week brought several developments that deserve more than a headline. The common thread is that compliance, workforce strategy and health-plan economics are becoming harder to separate. Employers should use the news to refine 2027 contribution decisions, employee-retention strategy, pharmacy forecasting and plan governance.

10.22%	24%	8 PTS
ACA affordability percentage for plan years beginning in 2027 [1]	U.S. workers reporting job lock because of health insurance [3]	Increase in reported job lock since 2021 [3]

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THE COMMON THREAD

Employers need to connect compliance decisions with employee affordability, pharmacy exposure and a documented process for managing health-plan risk.

Information current as of July 26, 2026. Developments reviewed: July 20-26, 2026. Full source list appears on page 3.

THIS WEEK'S DEVELOPMENTS

1

TOPIC 1

2027 ACA Affordability Rises to 10.22% [1]

The IRS released Revenue Procedure 2026-26 on July 21. For plan years begining in: 2027, employer-sponsored coverage is considered affordable for this purpose when the employee's required contribution for the lowest-cost self-only option providing minimum value does not exceed 10.22% of household income. The percentage is up from 9.96% for 2026. The increase may create more contribution flexibility, but affordability should remain a workforce and retention decision - not simply a ceiling to maximize.

What employers should do: Model 2027 employee-only contributions under each safe harbor before renewal decisions are final. Pay special attention to lower-paid and variable-hour employees, and document the payroll data, safe harbor and approval process used.

2

TOPIC 2

EEOC Proposes Ending Annual EEO-1 Reporting [2]

The EEOC voted to advance a proposed rule that would eliminate the annual EEO-1 workforce-data submission for covered employers. The proposal is not final. Reuters reports that federal law would still require employers to make and keep the underlying records, and a public-comment process must occur before any final rule. The practical risk is reacting too early to a proposal that may change, face litigation or be revisited by a future administration.

What employers should do: Keep current EEO-1 processes, demographic records and internal review controls in place until a final rule changes the obligation. Track the proposal and continue using workforce data to identify possible discrimination, pay-equity or promotion-pattern concerns.

3

TOPIC 3

Job Lock Exposes a Benefits-Affordability Problem [3]

A new West Health-Gallup study found that 24% of U.S. workers with employer-sponsored coverage - about 23 million adults - remain in jobs they would prefer to leave because they fear losing health insurance. That is eight percentage points higher than in 2021. Job lock was more common among workers with chronic conditions and among people experiencing significant healthcare-cost stress. Benefits can support retention, but retention driven by fear is not the same as engagement.

What employers should do: Review employee contributions and out-of-pocket exposure by wage band, not only in the aggregate. Pair the analysis with turnover data, exit interviews, plan utilization and employee-feedback results to determine whether the benefits program is creating real value or simply dependence.

MARKET WATCH & EMPLOYER ACTIONS

4

TOPIC 4

Generic-Drug Tariff Plan Creates a Future Cost Watch [4]

The proposed phased tariff plan would keep imported generics at 0% for two years beginning August 1, then move to 100% for one year and 200% thereafter. The immediate 2026 impact is limited, but it raises longer-term sourcing, shortage and pricing questions.

What employers should do: Ask the PBM how it monitors manufacturer concentration, shortages and generic sourcing, and add supply-chain risk to pharmacy governance.

5

TOPIC 5

Oncology and Obesity Pipelines Keep Moving [5-6]

The FDA posted a new targeted oncology approval, while Lilly reported positive Phase 3 retatrutide results and plans a first-quarter 2027 FDA application. Both reinforce the need to forecast specialty oncology and anti-obesity therapies as multiyear budget categories.

What employers should do: Require a 24- to 36-month specialty pipeline forecast and review prior authorization, site of care, rebates and the plan's written GLP-1 policy.

6

TOPIC 6

Self-Funding Example Highlights Stop-Loss Design [7]

Manistee County approved self-funding, projected to save $85,000 annually and avoid an 8% renewal increase. It reportedly has specific stop-loss at $125,000 but declined aggregate coverage. The example shows why both protections and maximum liability must be modeled separately.

What employers should do: Compare specific and aggregate protection, contract basis, lasers, exclusions, reimbursement timing, runout and maximum annual liability.

THIS WEEK'S EMPLOYER ACTION LIST

1. Recalculate 2027 ACA affordability before setting employee contributions.
2. Maintain current EEO-1 records and processes while the proposal is pending.
3. Add benefits affordability and job lock to retention and workforce planning.
4. Request a pharmacy pipeline and generic-supply risk review from the PBM.
5. Confirm July 31 Form 5500 and PCORI obligations, then document completion.

ABOUT CORRY HULL

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SOURCES

[1] IRS - Revenue Procedure 2026-26
[2] Reuters - EEOC proposal on EEO-1 reporting
[3] Gallup - One in Four U.S. Employees Locked in Jobs
[4] Reuters - Generic-drug tariff policy watch
[5] FDA - What's New Related to Drugs
[6] Reuters - Retatrutide Phase 3 and filing plan
[7] Manistee News Advocate - County self-funding decision