

2025 EMPLOYER
**Health Care
Strategy Survey**

The Results Are In: 2025 Employer Health Care Strategy Survey

August 20, 2024

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President & CEO

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About the Survey

Fielded in June and July 2024 to employer members of Business Group on Health:

125 employers completed the survey representing **17.1** million covered lives in the U.S.

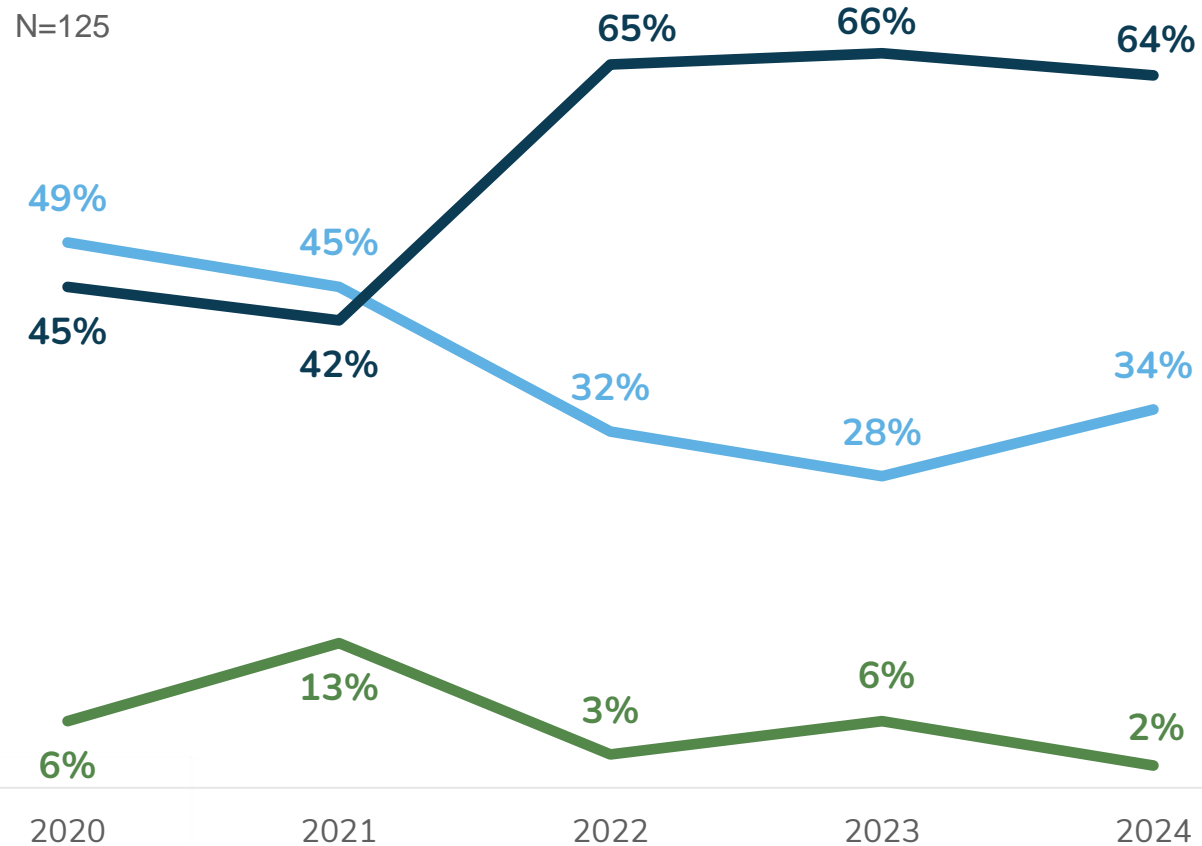
Findings provide insight into employers' views on the rapidly changing health care environment and critical information on health care costs, health policy priorities, plan design trends and employer initiatives, including health equity, virtual health and mental health, among others.



Employer Perspectives

The Role of Health and Well-being in Employers' Workforce Strategy, 2020-2024

Nearly all (98%) employers believe that their health and well-being strategy has a key role to play in their overall workforce strategy, including 64% who believe it has an integral role to play.



Our health and well-being strategy is an **integral part** of our workforce strategy

Our health and well-being strategy is a **consideration** in our workforce strategy

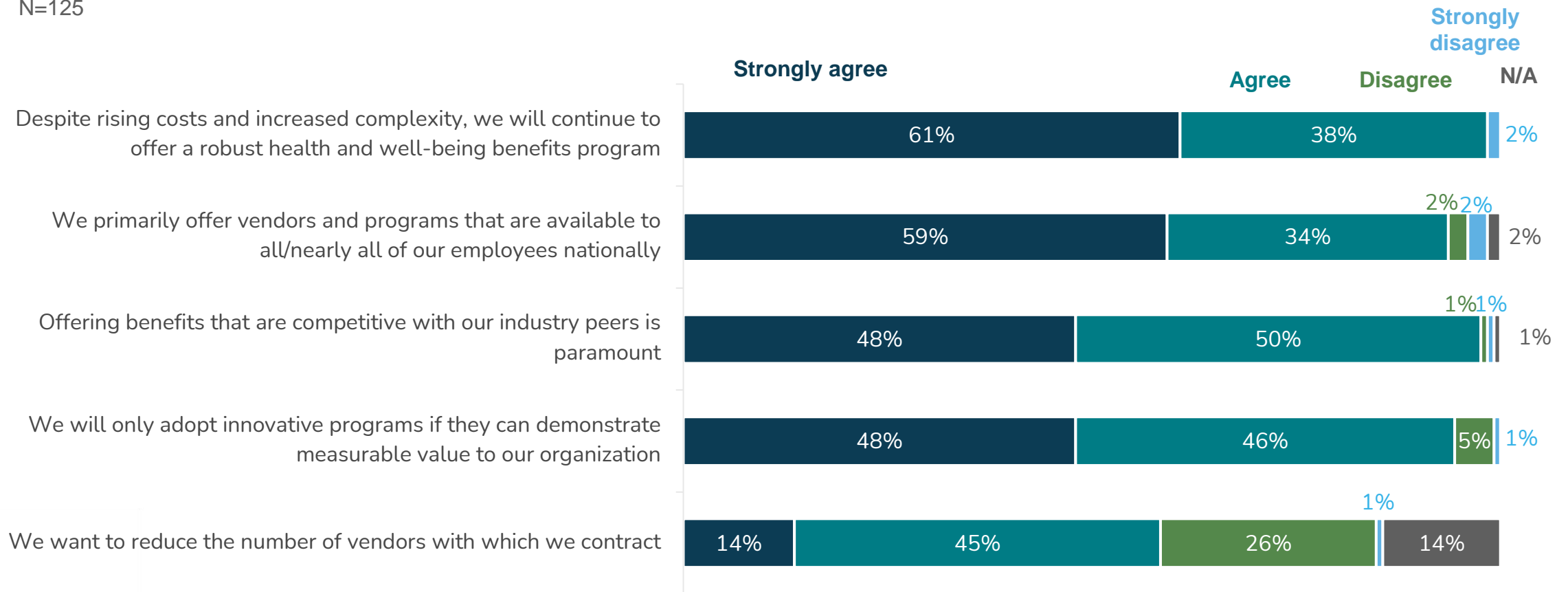
Our health and well-being strategy is **viewed separately** from our workforce strategy

Q: Which of the following best describes the role your organization's health and well-being strategy plays in its overall workforce strategy?

Employers' Perspectives on Health and Well-being, 2024

Most employers plan to continue offering robust health and well-being benefits and programs to their employees while also prioritizing that their benefits remain competitive within their industry.

N=125




Q: For each of the following statements, please indicate your organization's perspective:

Employers' Health and Well-being Priorities, 2025

Employers' top priorities for 2025 revolve around costs: health care cost overall, affordability for employees and the organization and pharmacy costs.

N=125

RANK	PRIORITY	
1		Health care cost overall
2		Affordability for employees
3		Affordability for the organization
4		Pharmacy cost overall
5		Employee experience
6		Provider quality
7		Vendor/partner performance and effectiveness
8		Data integration and transparency

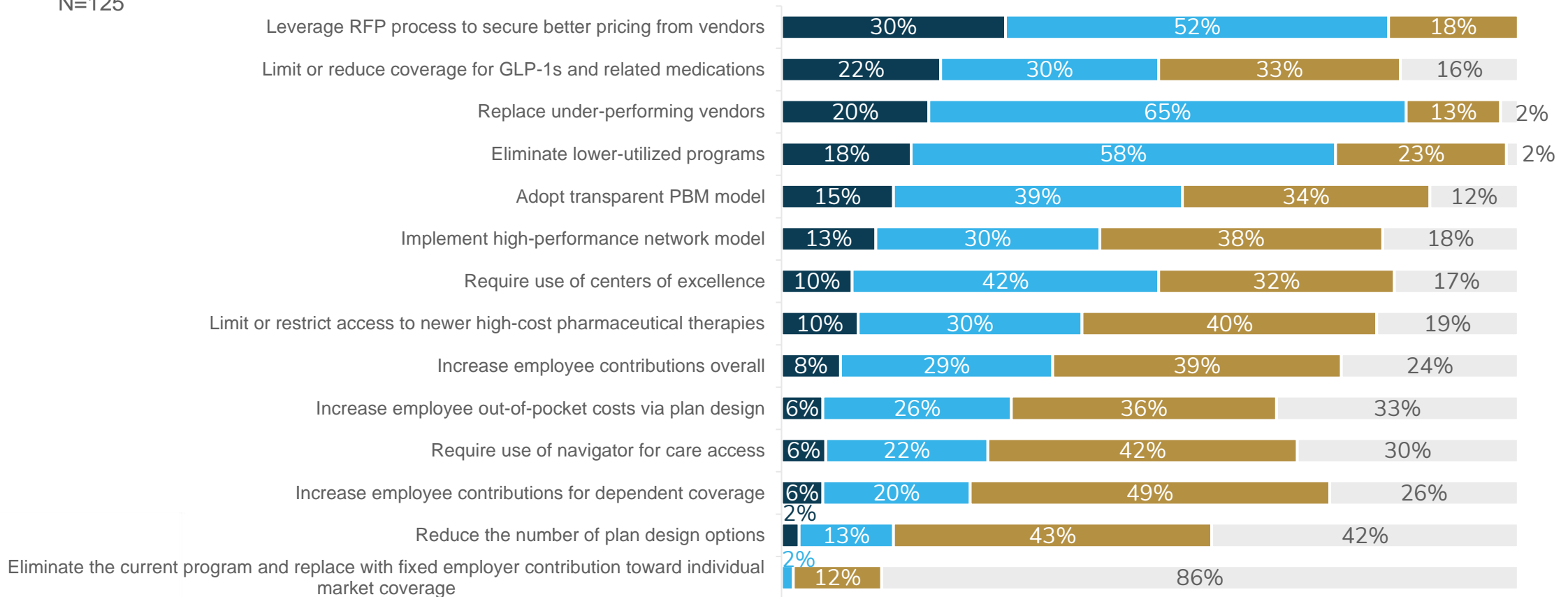
Q: In an increasingly complex environment for employers, how is your organization prioritizing the following efforts for 2025? Please rank the following from 1= highest priority to 8= lowest priority.

Strategies Employers Would Consider for Reducing Costs, 2024

This chart shows the major levers employers would pull, if necessary, to keep health care costs flat, including redoubling efforts focused on vendor performance and leveraging the RFP process to get better pricing from vendors.

N=125

■ Implement immediately ■ Strongly consider ■ Mildly consider ■ Consider only as a last resort

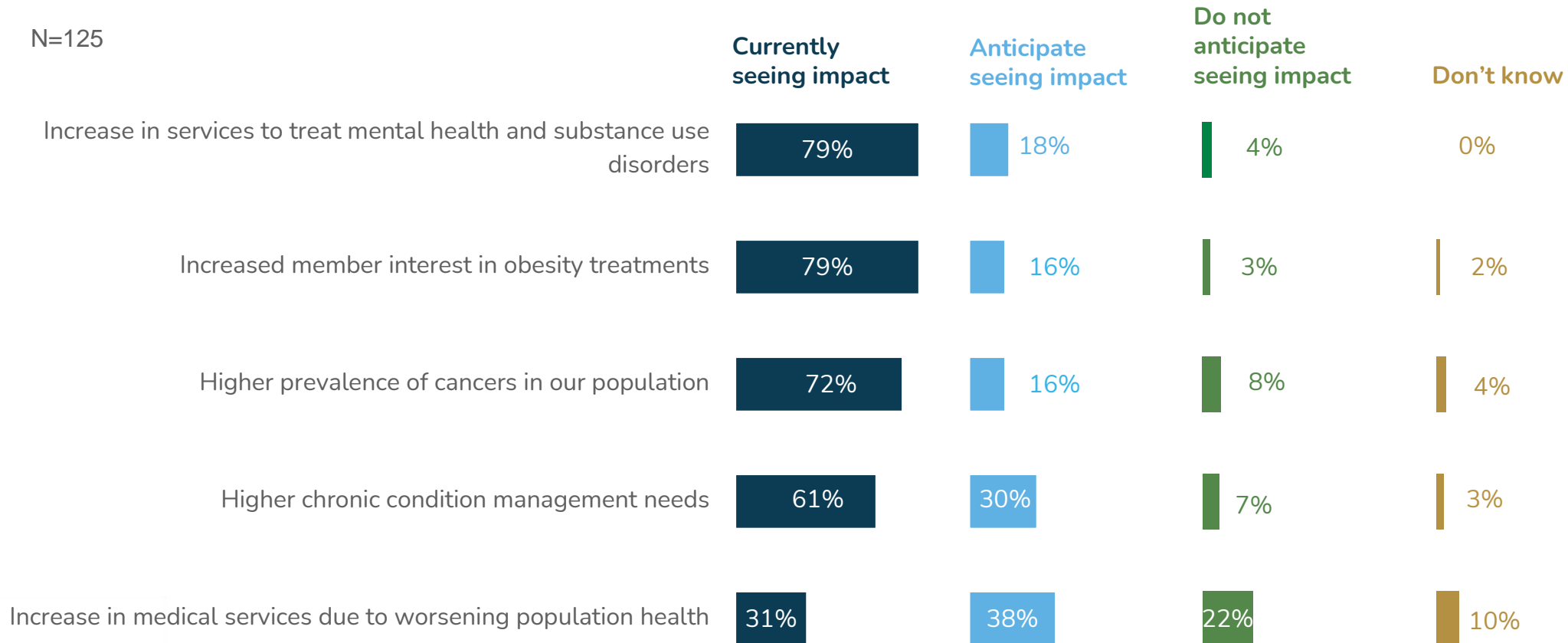


Q: If your organization required you to make program changes that resulted in 2025 company costs no higher than 2024 company costs, how would you consider the following alternatives?

Employer Experience with Health and Well-being Trends, 2024

Employers are seeing a number of trends persist as well as emerging, including increased mental health services, increased interest in obesity treatments and higher prevalence of cancers.

N=125



Note: Percentages may not add up to 100% due to rounding.

Q: Please indicate whether your organization is experiencing the impact of any of the following trends.

Efforts to Improve Global Health Care Strategy, 2024

Expanding mental health services is the top initiative pursued by global employers, followed by global program consistency and data measurement.

N=85



Q: For your global health care strategy, to what extent is your organization pursuing the following types of programs and initiatives in all or most of the countries you have employees?











Health Care Policy Perspectives

Employer Priorities for the Administration and Congress, 2024

Employers report that protecting and affirming ERISA preemption should be the highest priority for the administration and Congress.

N=123

90%
of employers report that ERISA preemption is very important/important to their organization.

RANKED PRIORITY		
1		Protecting and affirming ERISA preemption
2		Addressing mental health and health care workforce shortages outside of employer plan requirements
3		Increasing generic medications through changes to patents and the FDA process
4		Reducing administrative burden of complying with regulations
5		Permanently allowing telehealth pre-deductible for HDHPs
6		Adding provider quality data to transparency requirements
7		Enacting uniform federal paid medical and family leave that preempts state and local requirements
8		Allowing primary care pre-deductible for HDHPs

Q: How important is ERISA preemption of state and local requirements to your organization?

Q: How should the administration and Congress prioritize the following? Please rank the following from 1=highest priority to 8=lowest

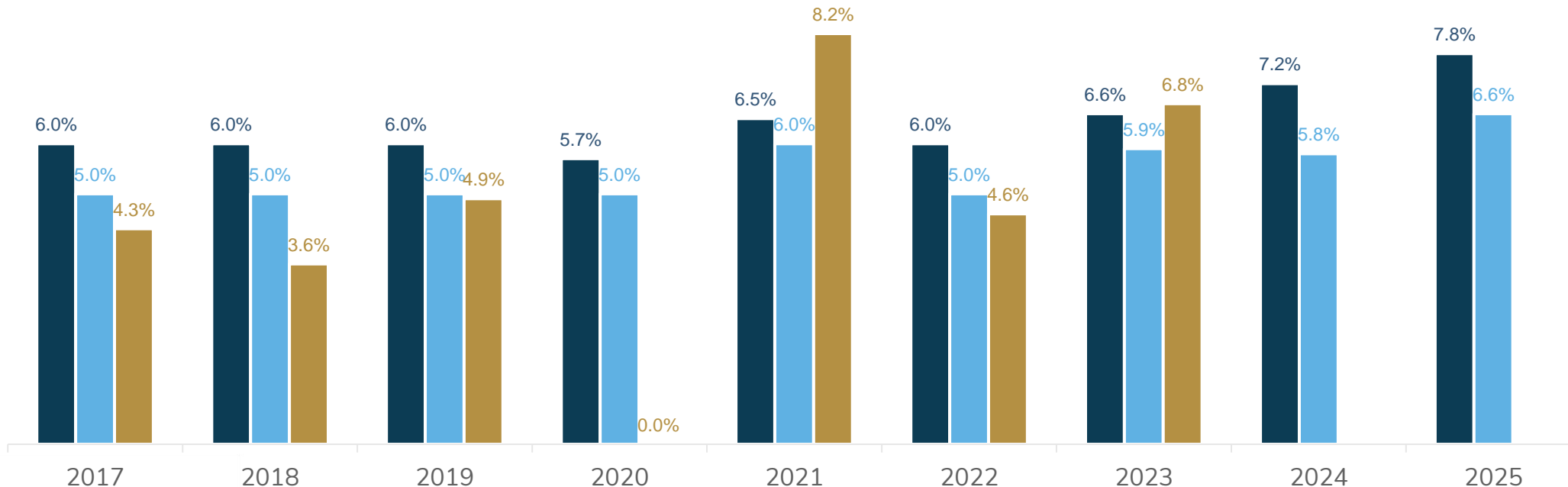
Health Care Cost Expectations

Median Increase in Health Care Cost Trend (Actual and Projected), 2017-2025

Actual health care trend among employers was 6.8% in 2023, which was higher than projected. Before plan design changes, health care cost trend projections for 2024 and 2025 are expected to be 7.2% and 7.8% respectively before plan design changes take place.

N=59-76

■ Projection (before plan design changes) ■ Projection (after plan design changes) ■ Actual health care trend

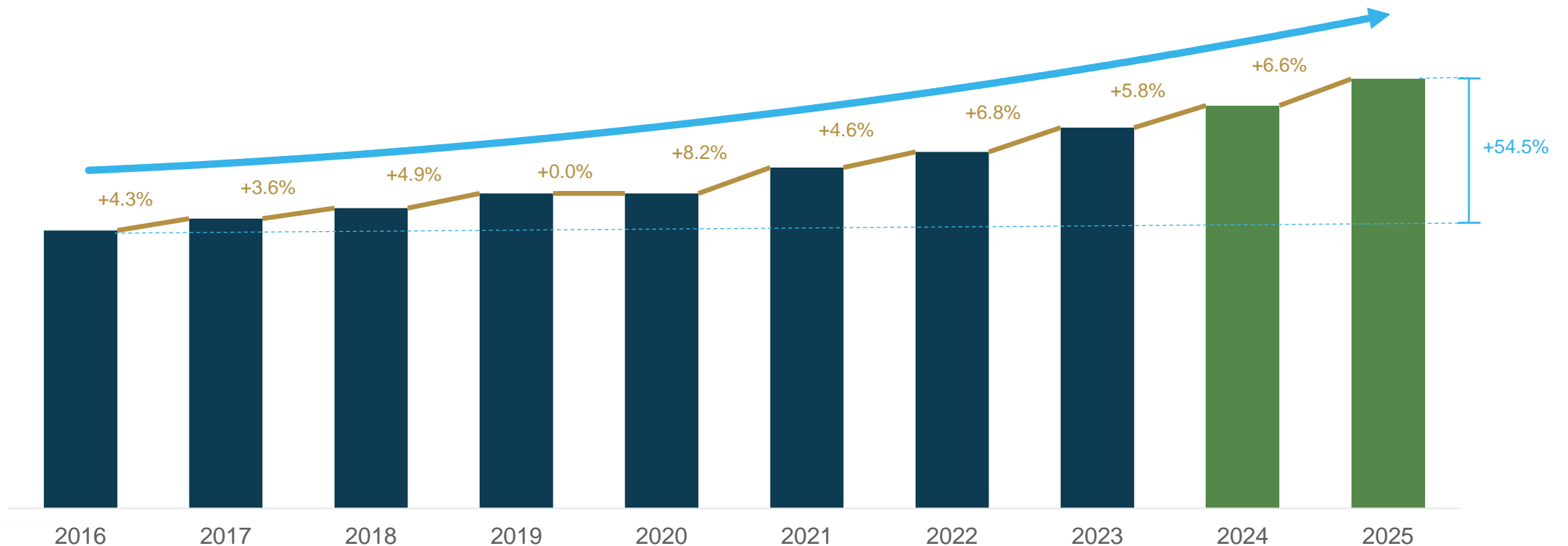


The compounding effect of high health care trend increases means that by 2025 health care costs are projected to be more than 50% higher than they were at the start of 2017.

Q: What level of total health care cost trend (including pharmacy) did your organization anticipate for 2023, and what did your total health care trend actually turn out to be?
Q: For 2024 and 2025, what total health care cost trend (including pharmacy) is your organization anticipating?

The Impact of Compounding Health Care Trend on Total Costs, 2016-2025

N=59-76



Note: Actual health care trend is used through 2023, but 2024 and 2025 are based on after plan design change projections.

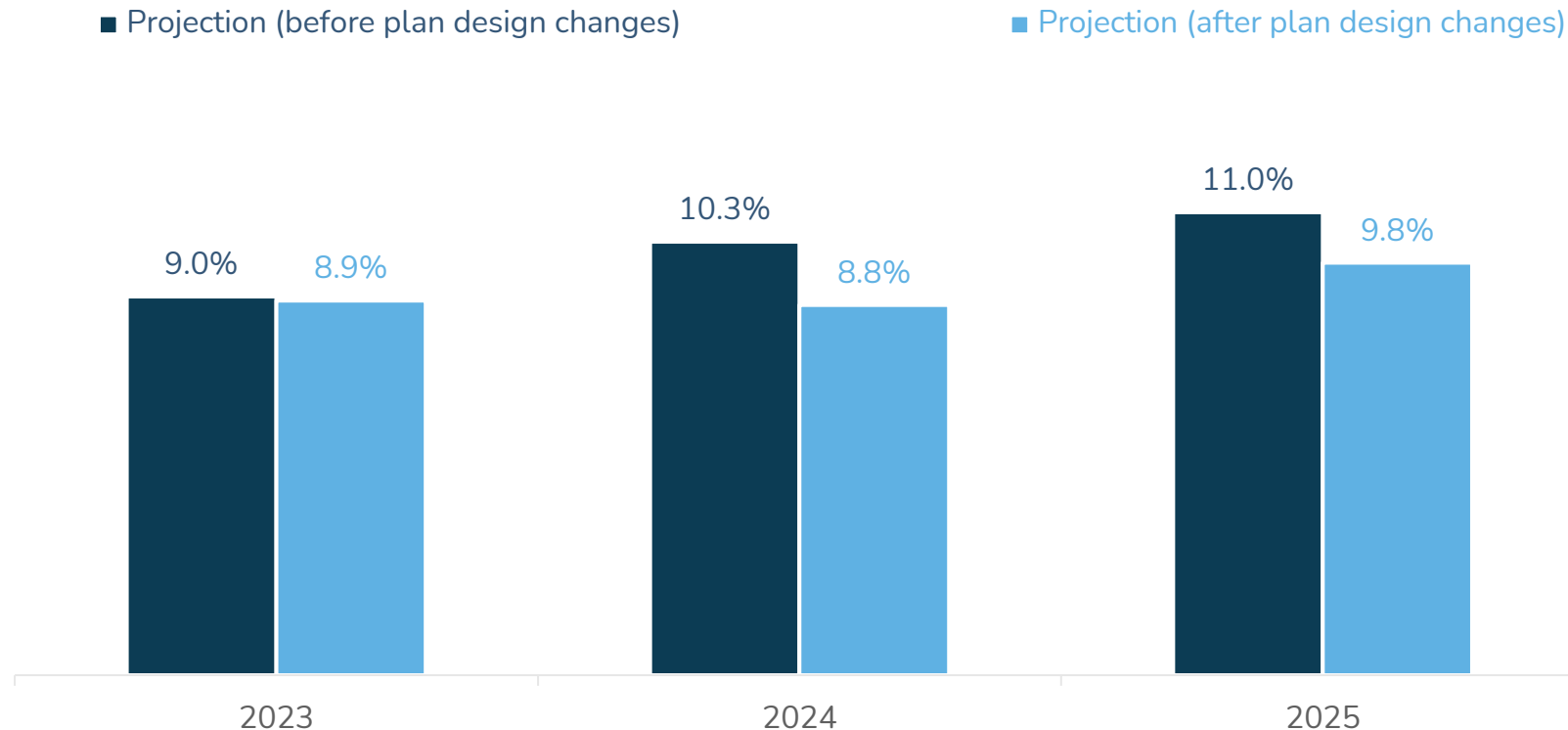
Q: What level of total health care cost trend (including pharmacy) did your organization anticipate for 2023, and what did your total health care trend actually turn out to be?

Q: For 2024 and 2025, what total health care cost trend (including pharmacy) is your organization anticipating?

Median Increase in Projected Pharmacy Trend 2024-2025

Pharmacy cost trend outpaces overall health care cost trend, with pharmacy costs expected to increase by 11% if employers make no adjustments in 2025, and by 9.8% after accounting for plan design changes.

N=39-57

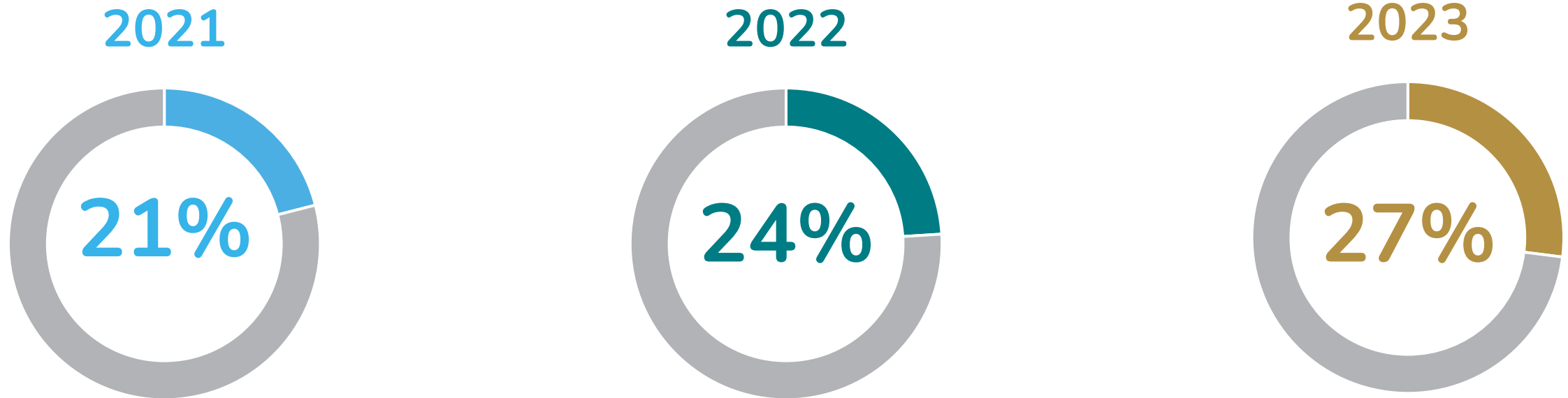


Q: For 2024 and 2025, what total health care cost trend (including pharmacy) is your organization anticipating?

Percentage of Health Care Spend on Pharmacy Overall (Median), 2021-2023

Over just 2 years, employers have reported that the median amount of overall health care spend on pharmacy has risen from 21% to 27%.

N=72

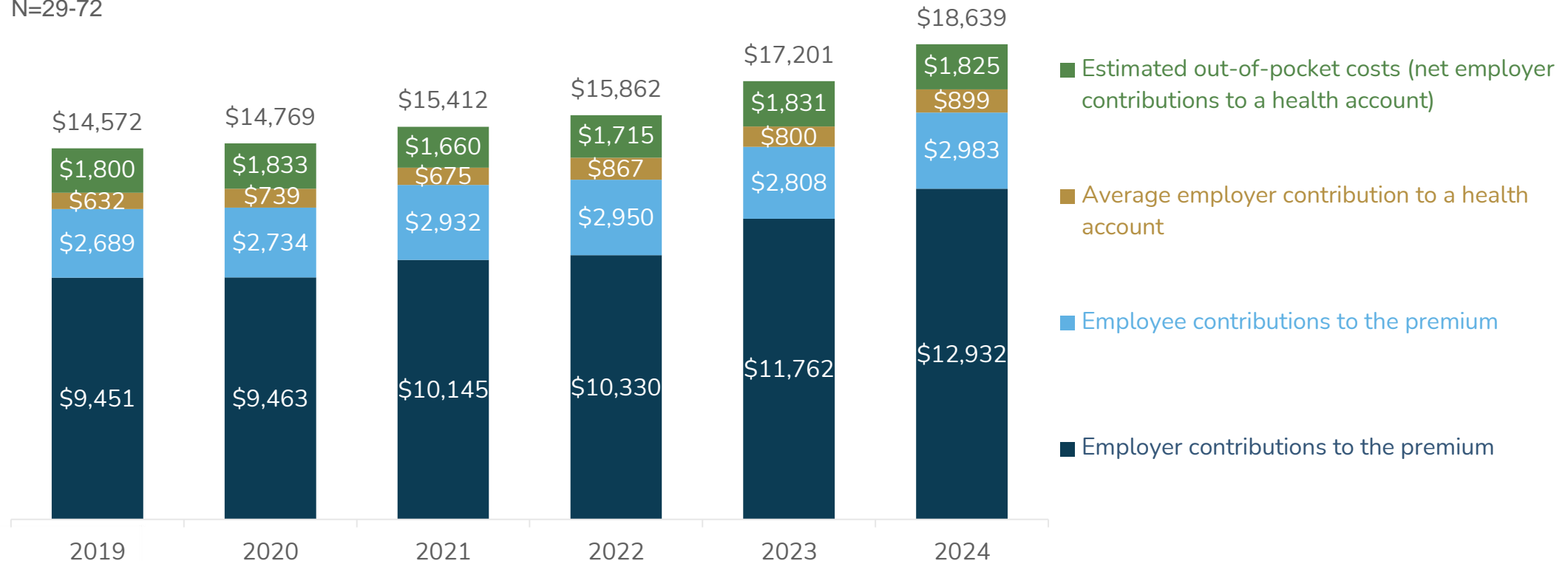


Q: What percentage of your organization's health care spend for 2023 was spent on pharmacy overall (including pharmacy through the medical benefit)?

Estimated Health Care Costs, 2019-2024

In 2024, the estimated total cost of health care per employee is \$18,639—a \$1,438 increase from 2023. Most of that cost increase will be absorbed by the employer in the form of premiums and contributions to employees' health accounts.

N=29-72

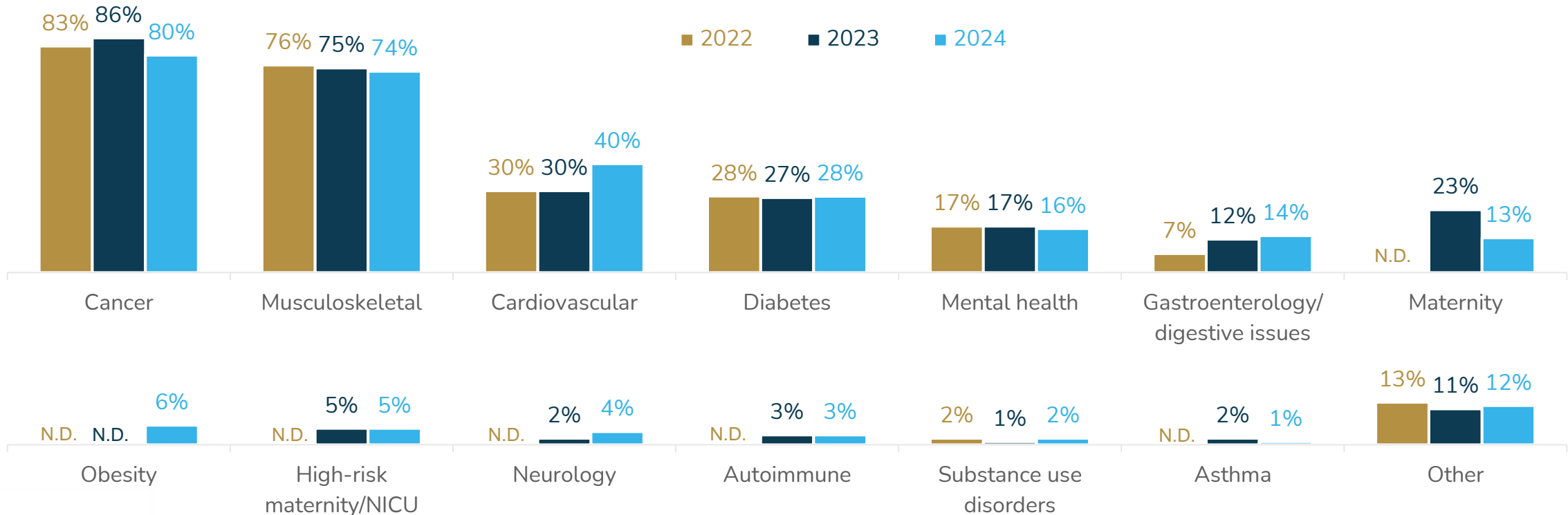


Q: For 2024, what is your organization estimating the total cost of health care to be on a per capita basis?

Conditions Driving Cost, 2022-2024

The most reported condition that drives health care costs for 2024 was cancer, followed by musculoskeletal and cardiovascular conditions.

N=118



N.D.: No data collected for that year.

Note: Respondents were asked to select their top three conditions. The percentages indicate the conditions that were the top, second or third conditions impacting trend.

Note: Other responses included: preventive care; Pompe disease; degenerative arthritis; and congenital abnormalities.

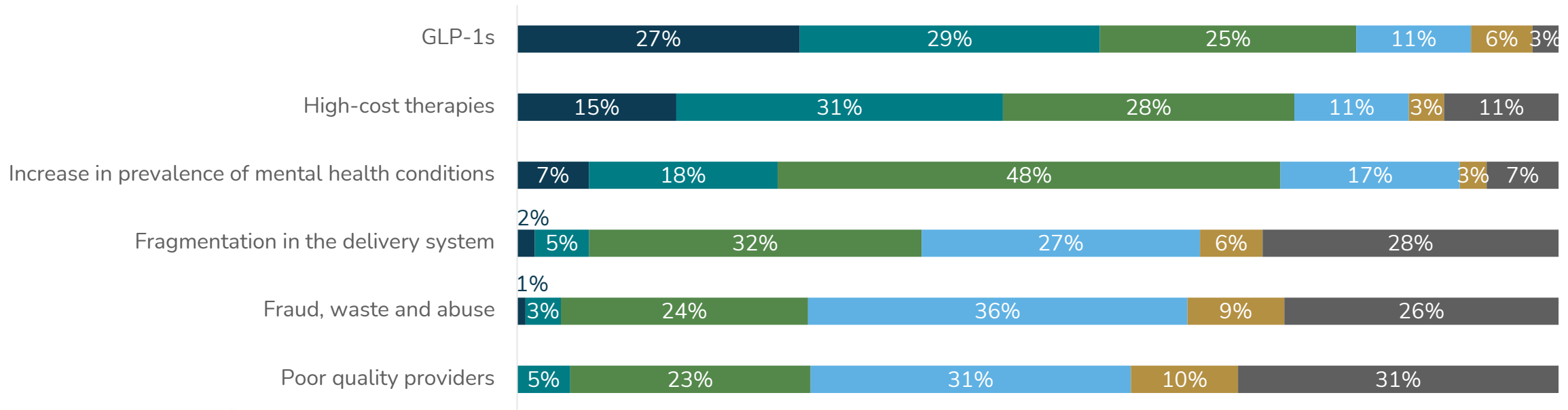
Q: What are the top three conditions impacting your organization's health care costs for 2024?

Drivers of Health Care Costs in 2024

Both GLP-1s and high-cost therapies are driving health care costs to a great or very great extent.

N=118

■ Very great extent
 ■ Great extent
 ■ Moderate extent
 ■ Slight extent
 ■ Not at all
 ■ Don't know



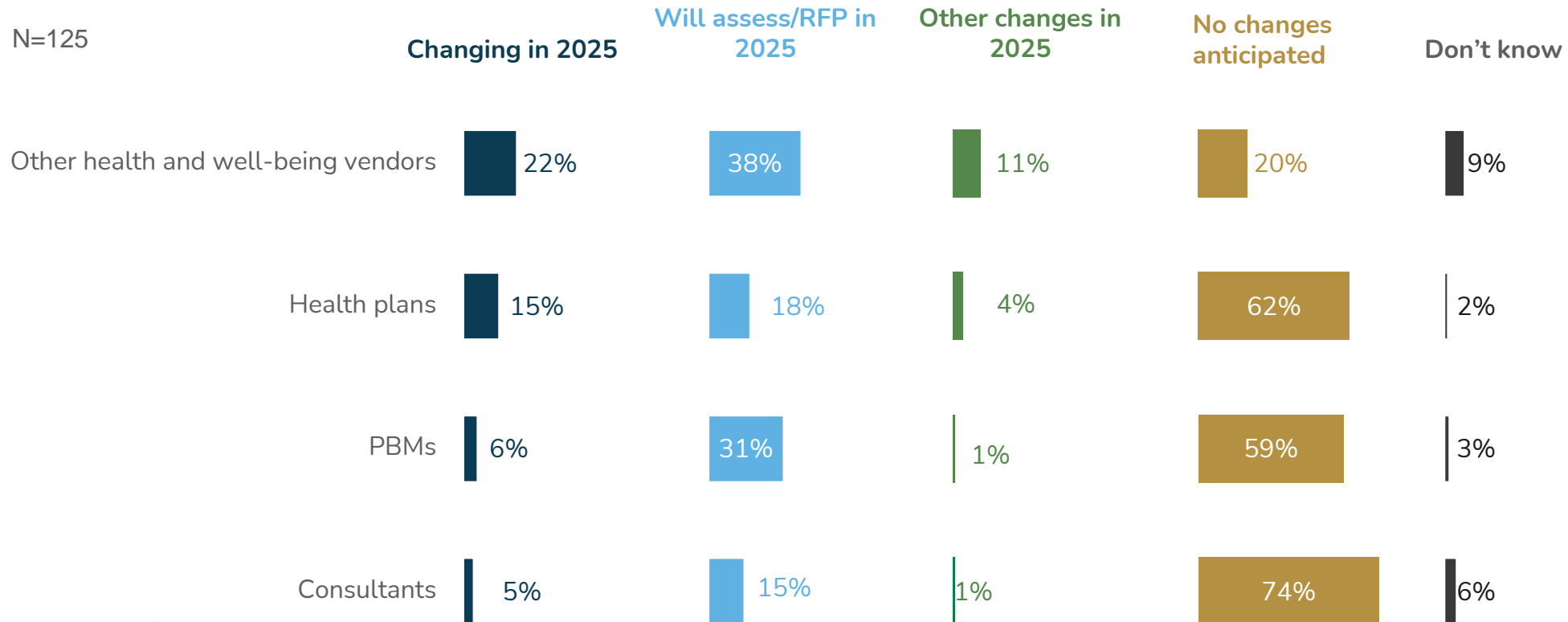
Q: To what extent are the following drivers of health care costs at your organization in 2024?



Vendors and Partners

Employers Assessing Partnerships and Making Changes, 2025

The most activity in partnerships is among health and well-being vendors—either making changes or going to RFP. In 2025, a third of employers will assess or put their PBM out to bid.



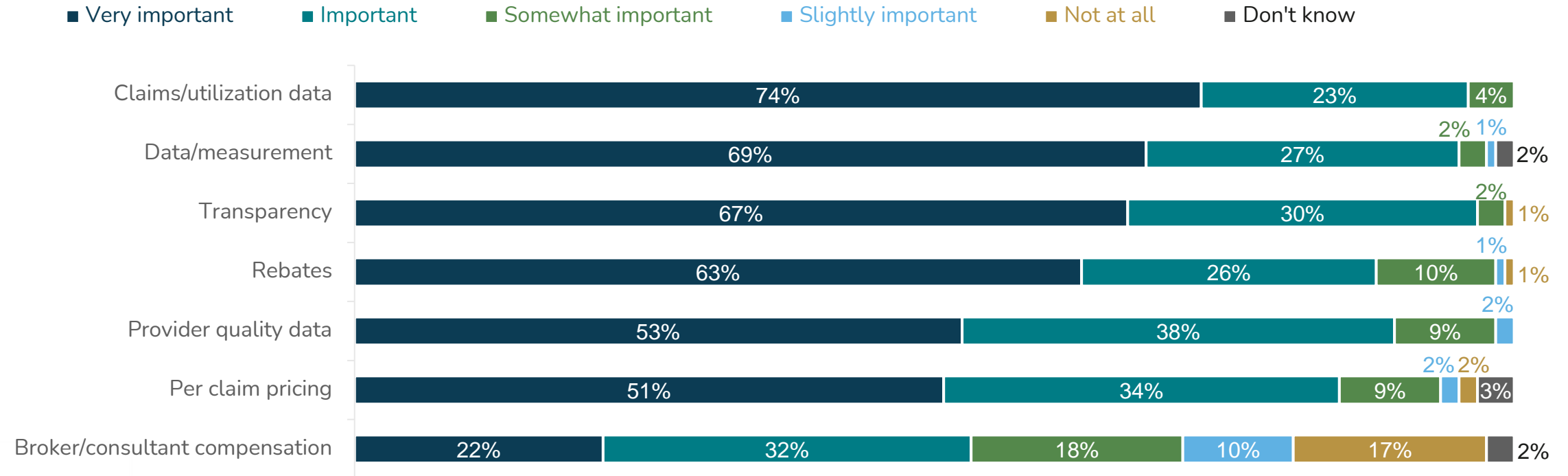
Note: Specific changes included: adding new health and well-being vendor initiatives; reducing number of vendors; conducting reviews and RFPs to identify under-performing initiatives.

Q: With regard to partnerships (e.g., consultants, health plans, PBMs, other vendors), are you considering the following changes in 2025?

Importance of Different Aspects of Partnerships, 2024

Employers say that claims/utilization data, data measurement and transparency are critical in assessing health plan and PBM partnerships.

N=125



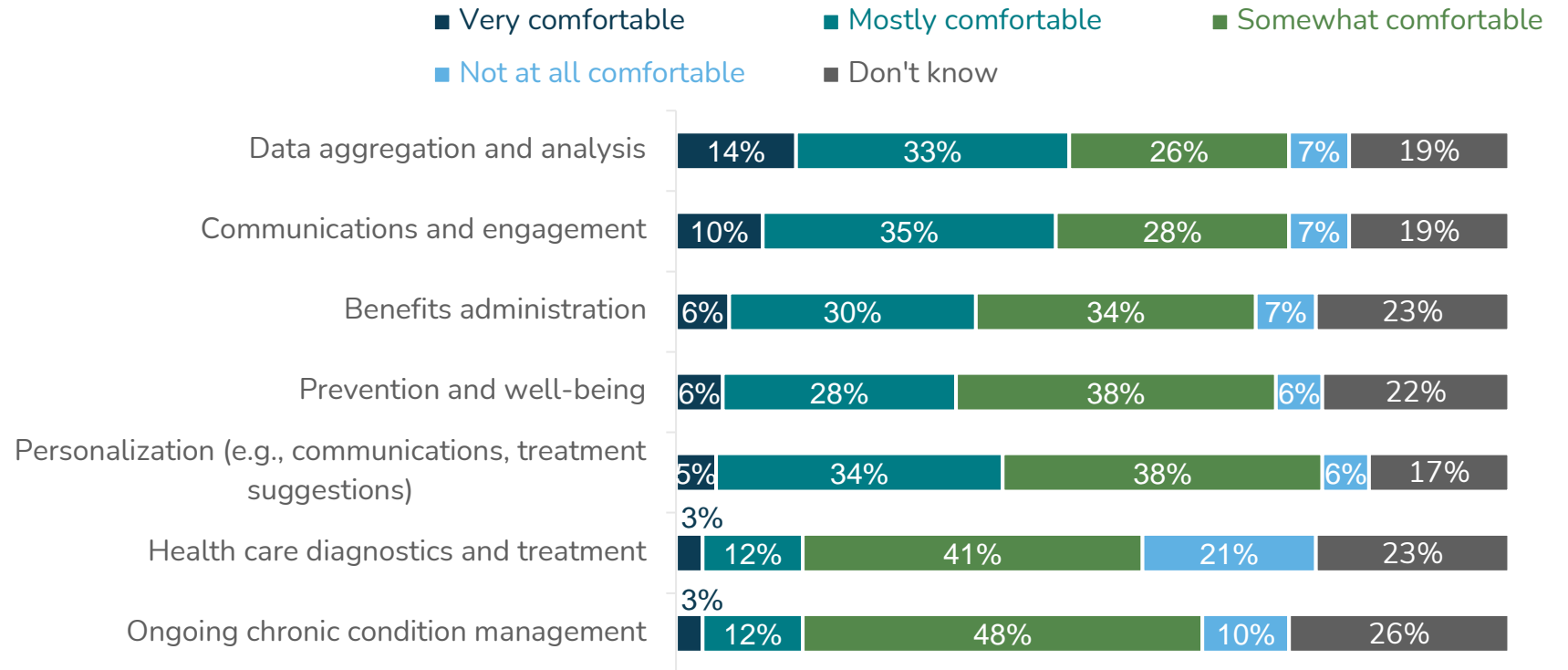
Q: When assessing health plan and PBM partnerships, how are important are the following items?

Use of Artificial Intelligence in Health and Well-being, 2024

Employers have differing levels of comfort with the use of AI in health and well-being depending on how it is being utilized: They are more comfortable using it with data analysis and communications and less comfortable when it is used for health care diagnostics or managing ongoing chronic conditions.

N=125

70%
of employers recognize the promise of AI, but have reservations as well



Q: In the health and well-being space, which best describes your organization's view of Artificial Intelligence (AI)?

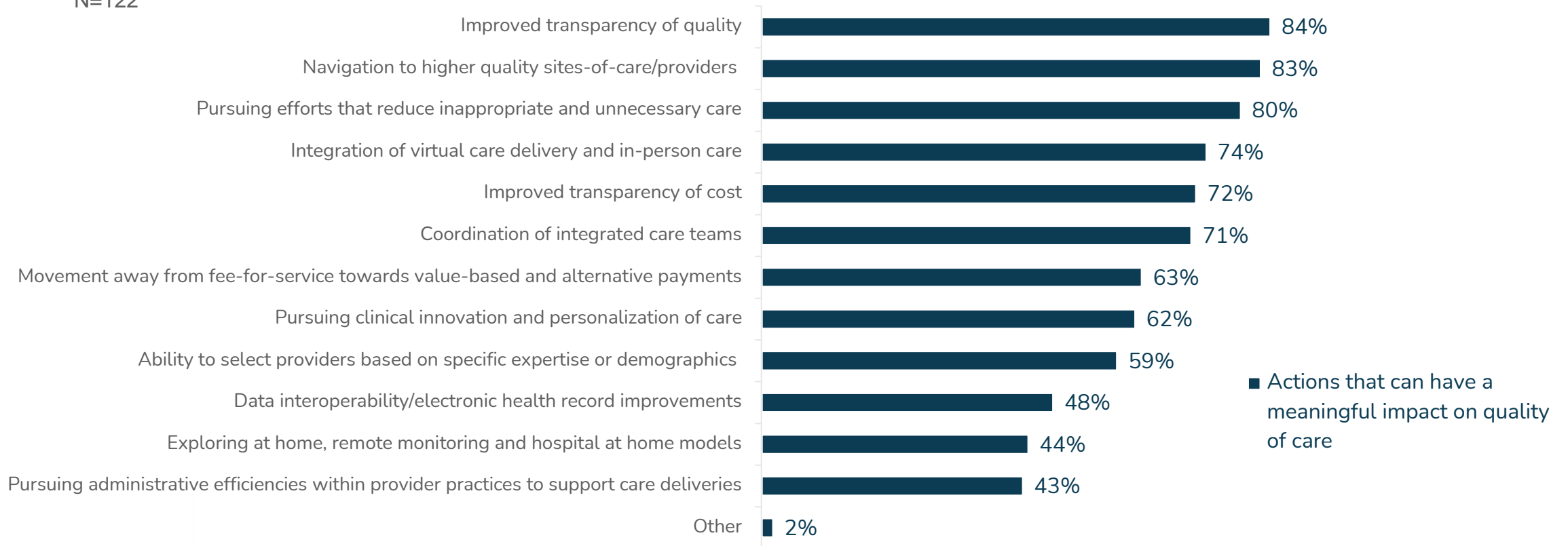
Q: What is your organization's comfort level with its partners using artificial intelligence in the health and well-being space?

Health Care Delivery

Actions to Impact the Quality of Care, 2024

Employers see improved transparency of quality information as the key to impacting quality of care, followed by navigation.

N=122



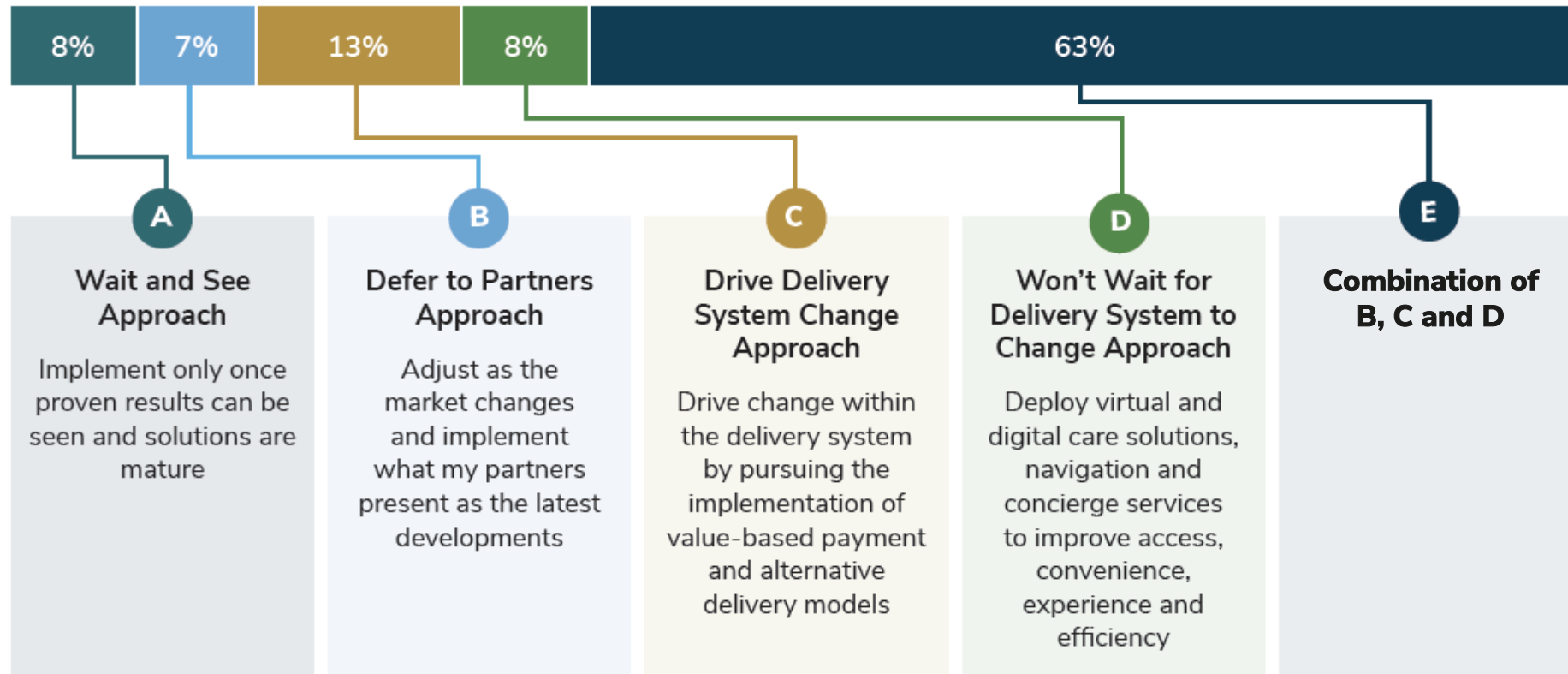
Note: Other responses included: improving health literacy.

Q: As employers and other industry stakeholders work to improve quality of care, which actions can have a meaningful impact on quality? (Select all that apply)

Approaches to Driving Change, 2024

Eighty-five percent of employers are actively driving change through alternative delivery, payment and network arrangements as well as through virtual solutions, navigation and services to improve access, convenience, experience and efficiency.

N=122



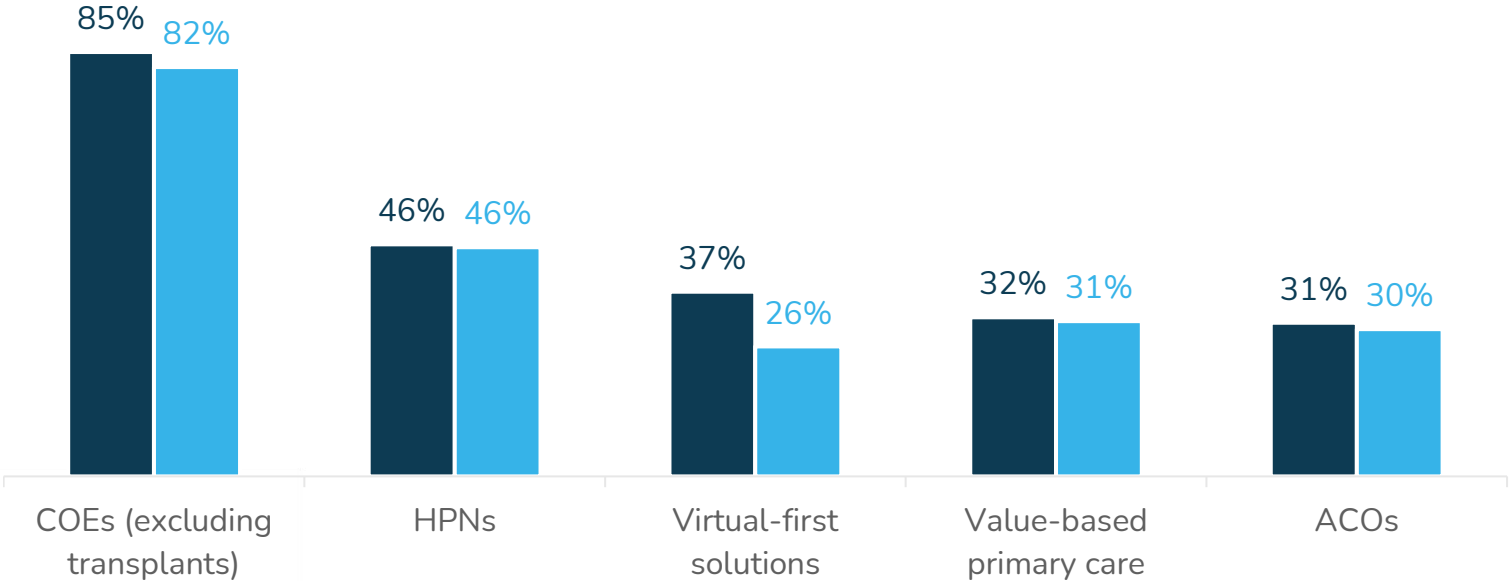
Q: Which best describes your organization's approach toward driving change with regard to delivery of health care services?

Employer Use of Various Delivery Reforms, 2024-2025

Employers are actively pursuing various types of delivery reforms, with COEs as the most common vehicle; virtual-first solutions may see a slight drop in 2025.

N=122

■ 2024 ■ 2025



Accountable Care Organizations (ACOs): ACOs are health care providers who come together in a delivery model that ultimately accepts responsibility for the quality and cost of care for a defined population.

High-performance Networks (HPNs): High-performance networks typically include networks that encourage enrollees to choose network providers deemed high performing on efficiency and quality measures.

Centers of Excellence (COEs): Centers of excellence are groups of health care providers who practice high-quality, efficient care for reasonable and predictable prices, often leading to reduced total cost of care with improved outcomes.

Value-based Primary Care: Employees are “assigned” to a primary care provider (PCP) and in turn, the PCP is accountable for improving the health of a population that is assigned to them by leveraging innovations and practices that optimizes population health, coordinating across other provider groups, integrating mental health and embracing virtual care delivery where appropriate.

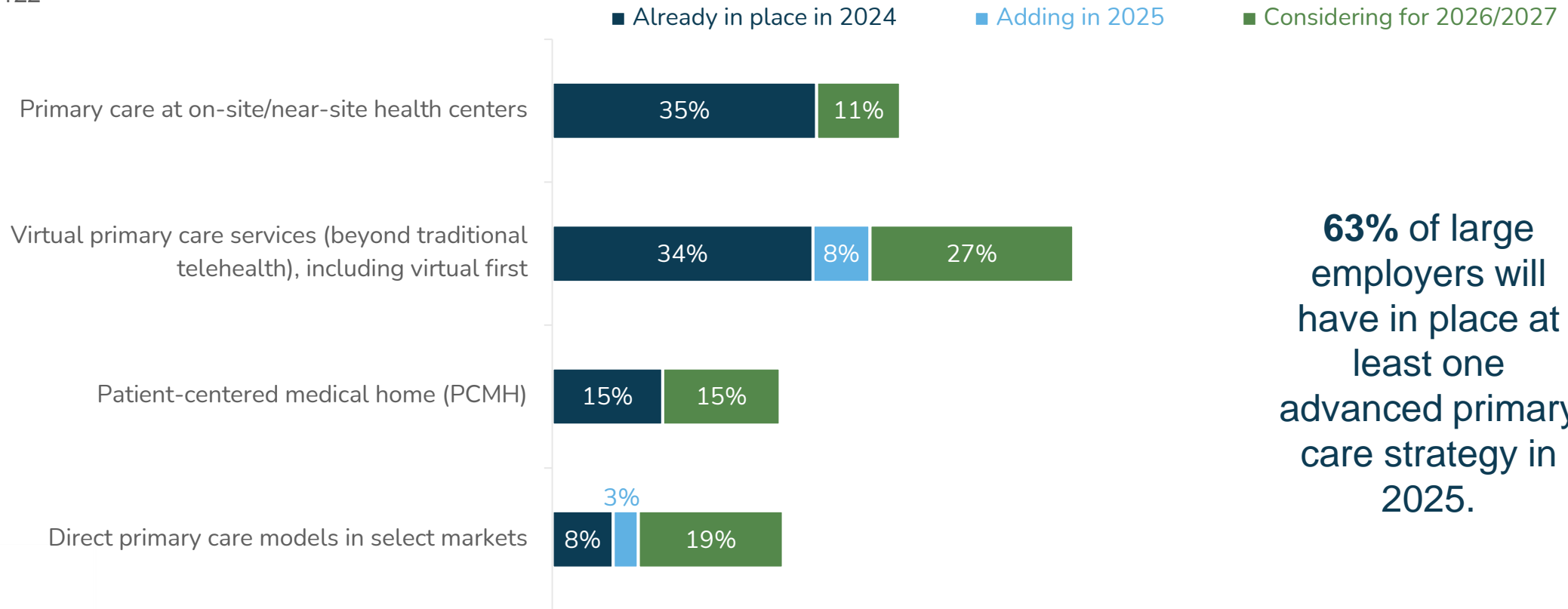
Virtual-first Solutions: Care delivery approaches that require or heavily incentivize the use of virtual care before provision of in-person care, with exceptions for examinations or treatments that necessitate in-person care.

Q: In 2025, will your organization actively pursue any of the following? (Select all that apply)

Advanced Primary Care Strategies, 2024-2027

A majority of employers have adopted at least one advanced primary care strategy over the years. Most employers won't be making any changes in 2025, but some are considering changes for 2026/2027.

N= 122



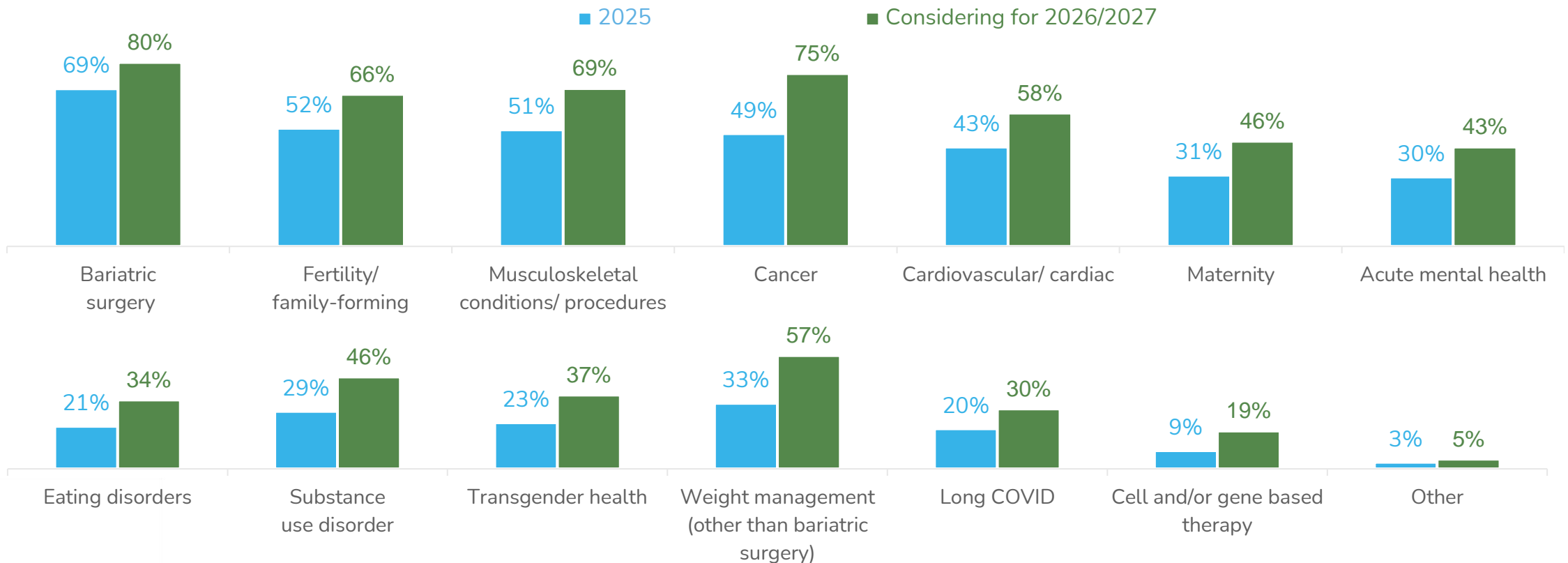
63% of large employers will have in place at least one advanced primary care strategy in 2025.

Q: Which of the following primary care strategies does (or will) your organization have in place?

Centers of Excellence by Condition, 2025-2027

The most common conditions/procedures that employers will have COEs for are bariatric surgery, fertility/family-forming and musculoskeletal conditions. The most potential growth for 2026/2027 is for cancer and weight management COEs.

N=122



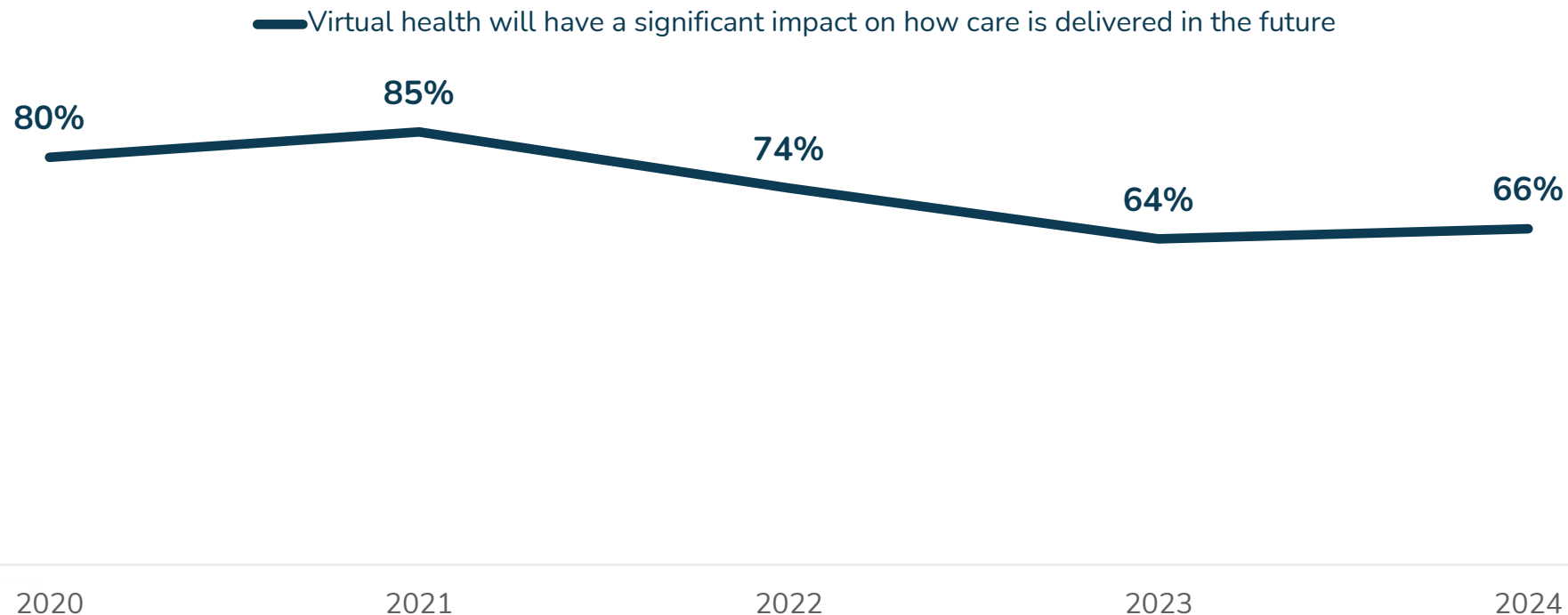
Note: Other responses include: transplants; and specialty pharmacy infusion.

Q: In 2025, will your organization offer centers of excellence (COE) for any of the following procedures/conditions? (Select all that apply)

Views of Virtual Health, 2020-2024

Two-thirds of employers see virtual health as having a significant impact on health care in the future.

N=122



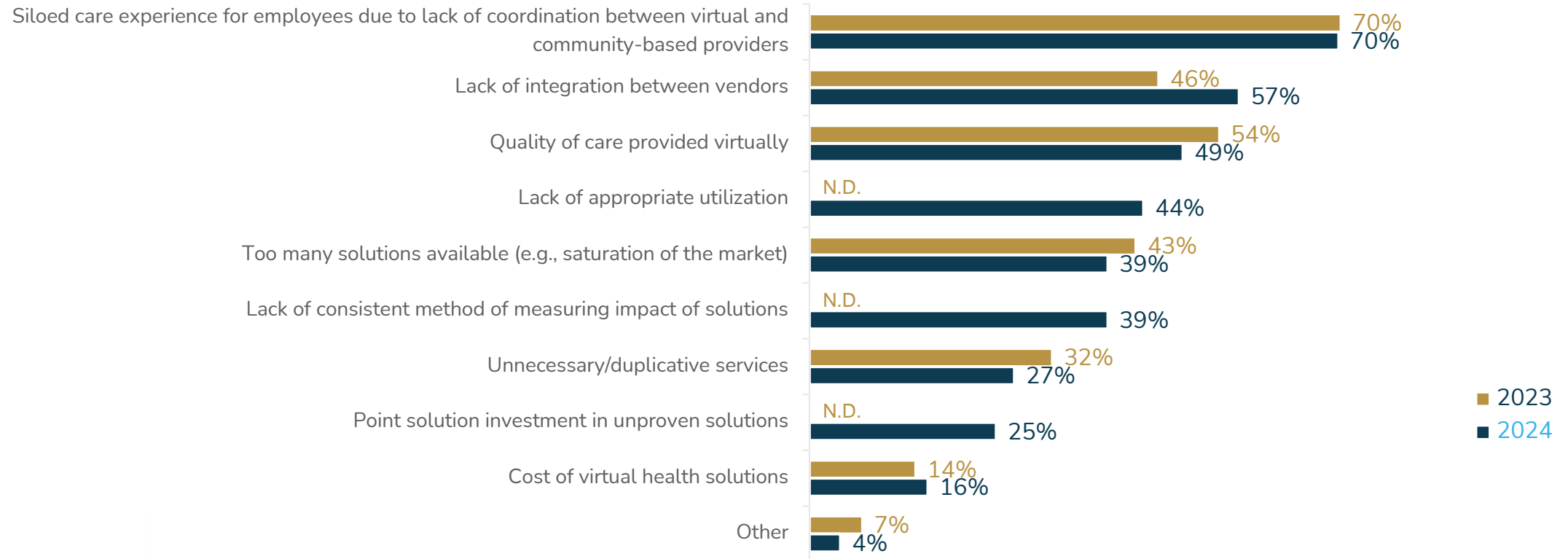
Note: Percentages reflect employers who selected significant or very significant impact.

Q: How significant of a role does your organization think all forms of virtual health (e.g., telehealth, teletherapy, remote condition support, virtual health opportunities through bricks-and-mortar providers) will have on how health care is delivered in the next 3-5 years?

Concerns Regarding Virtual Health, 2023-2024

Lack of integration and coordination remain as employers' chief concerns regarding virtual health.

N=122



Note: N.D. indicates no data collected on that question for the specified year

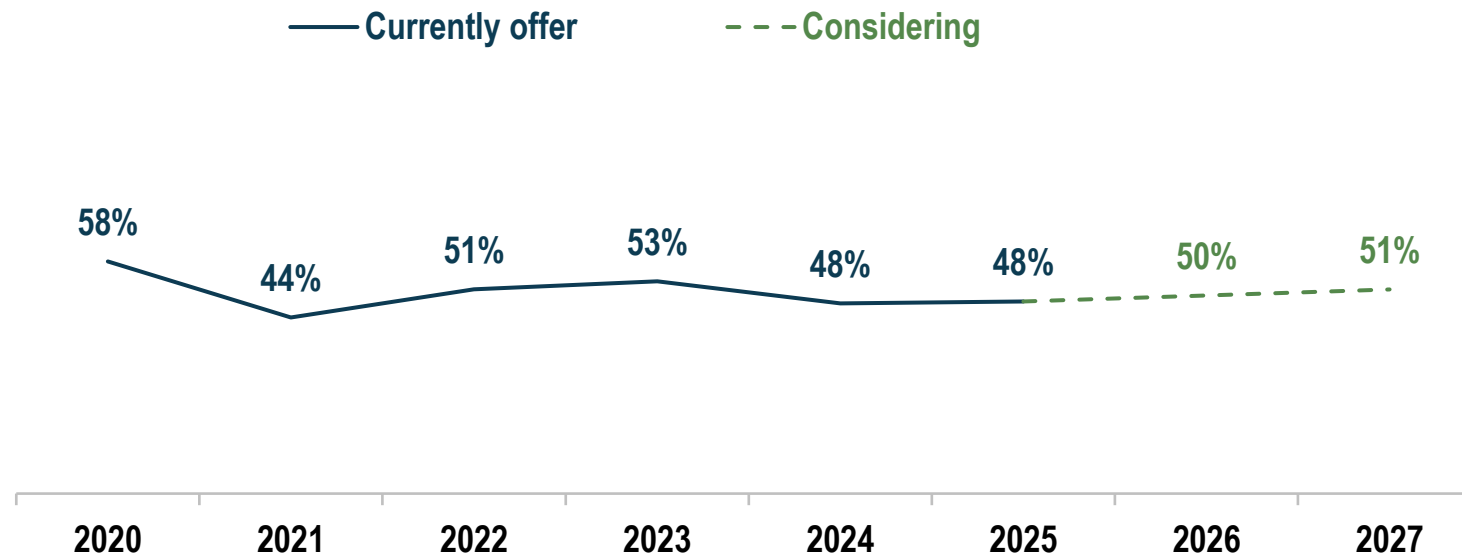
Other responses included: Lack of interest by members, member education on telehealth services, patient/member adoption.

Q: What concerns does your organization have regarding virtual health in 2024? (Select all that apply)

On-site Health/Well-being Clinic Offerings, 2020-2027

The percentage of employers offering on-site health/well-being clinics will remain consistent between 2024 and 2027, with about half of employers making clinics available on-site.

N=122



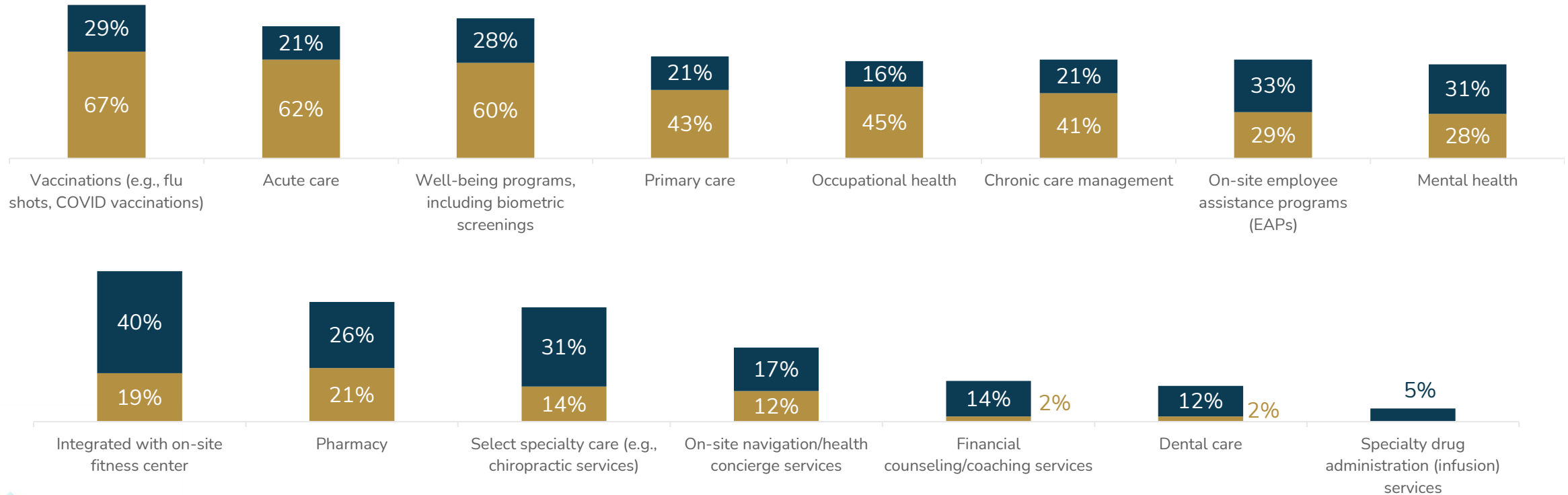
Q: In 2025, will your organization have one or more on-site health/well-being clinics?

On-site Health and Well-being Clinic Services, 2025

Acute, occupational and primary care tend to be offered at all clinics, while other services are only available at some clinics (e.g., pharmacy, select specialty care).

N=58

■ All centers ■ At least one center

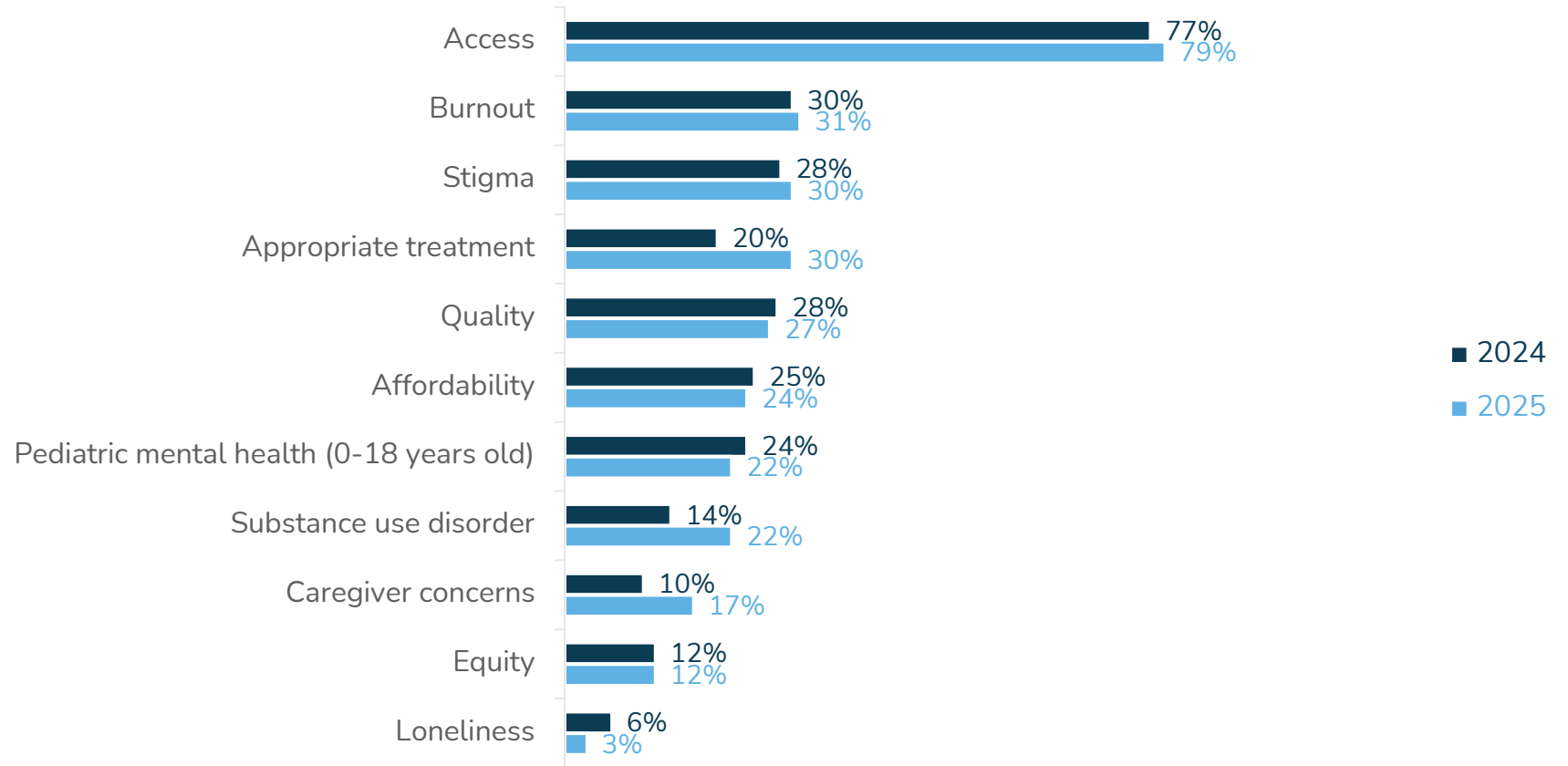


Q: What services are (or will be) offered in at least some of your on-site health and well-being clinics in 2025?

Mental Health Focus Areas, 2024-2025

Access, burnout, and stigma are top focus areas for 2025.

N=121



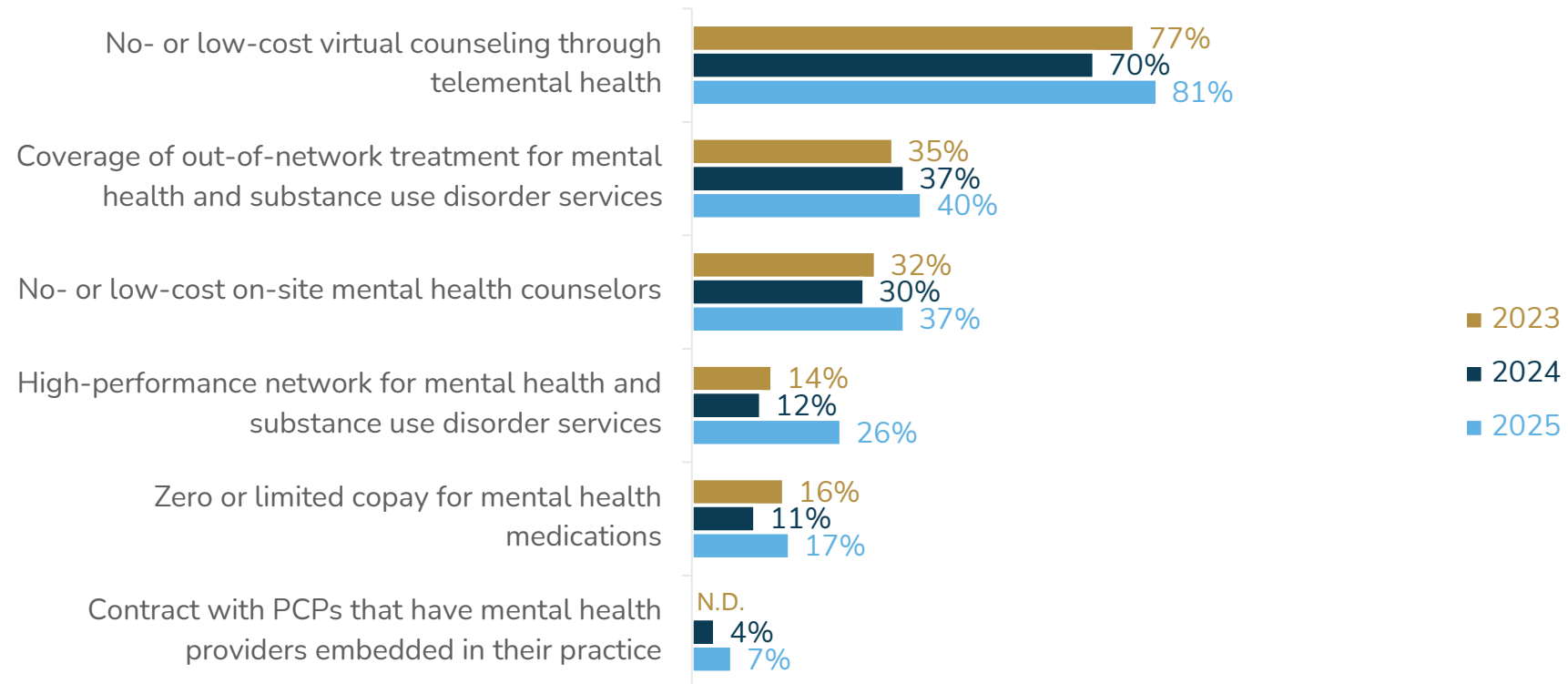
Note: Respondents could select up to three responses.

Q: What top three areas of mental health will your organization focus on in 2025?

Approaches to Improve Mental Health Access, 2023-2025

In 2025, more employers will be implementing new plan design features to help employees and their dependents better access quality mental health services.

N=121



N.D.: No data collected for that year.

Q: In 2025, will your organization have any of the following plan design features in place to help employees access quality mental health services? (Select all that apply)

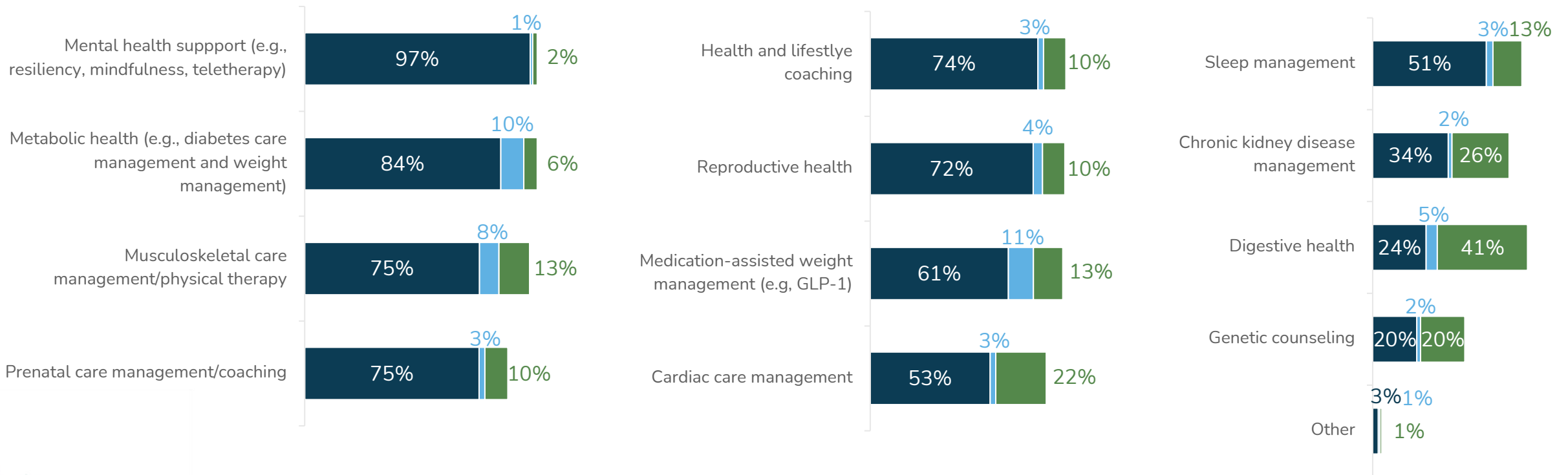
Health Care Program Design

Current and Projected Service/Solution Offerings, 2024-2027

Mental health support, metabolic health and musculoskeletal health services solutions are commonly offered by employers. There is more interest in offering digestive health services in the future.

N=121

■ **Already in place in 2024** ■ **Adding in 2025** ■ **Considering for 2026/2027**

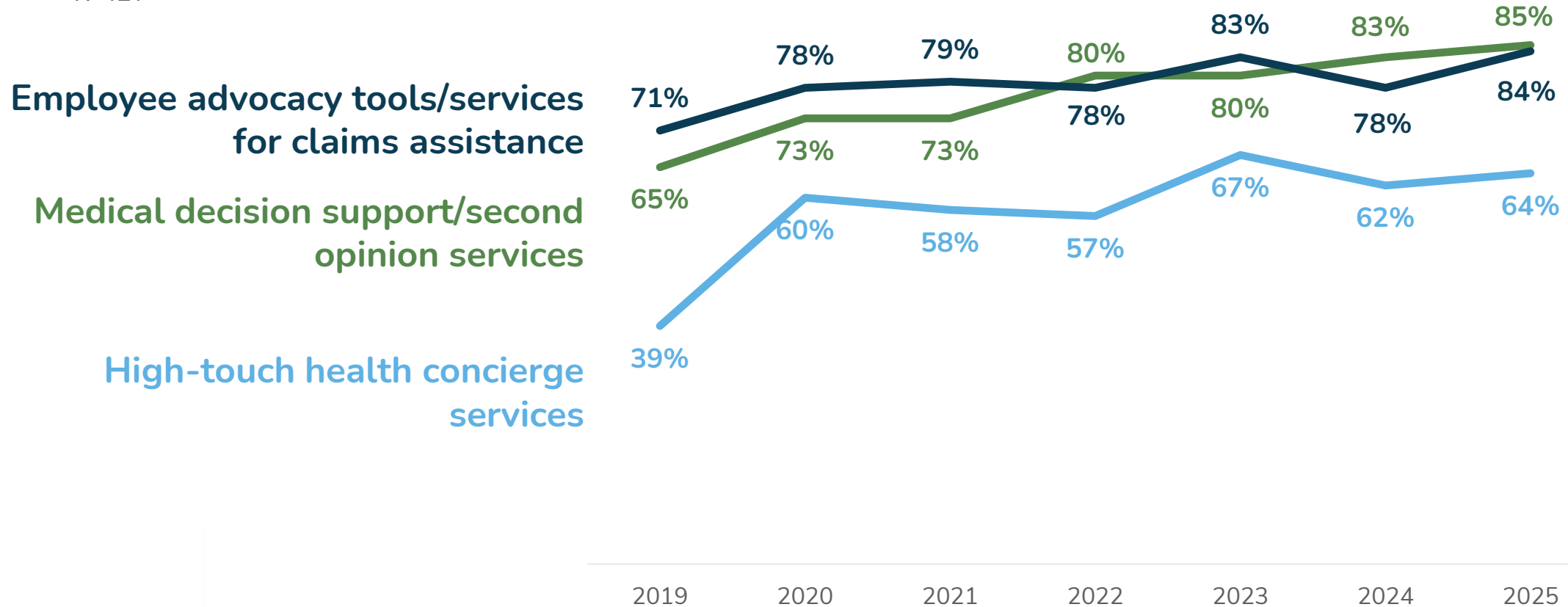


Note: Other responses included: virtual multi-cancer early detection services.
Q: Which of the following services/solutions does (or will) your organization offer to employees?

Navigation Tools and Programs, 2019-2025

Medical decision support/second opinion services continues an upward trajectory.

N=121

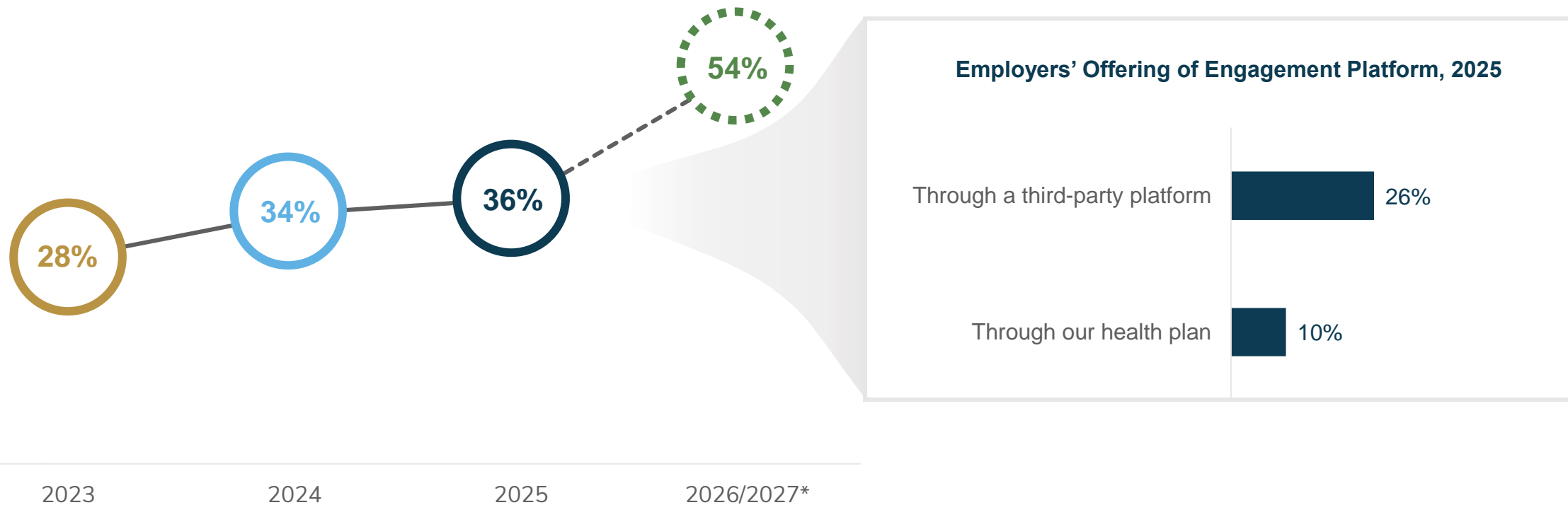


Q: Which of the following tools or programs will your employees have access to either through the health plan or a directly contracted relationship in 2025? (Select all that apply)

Adoption of Engagement Platforms, 2023-2027

Over one-third of employers will offer an engagement platform in 2025 and an additional 18% are considering it for 2026/2027.

N=121

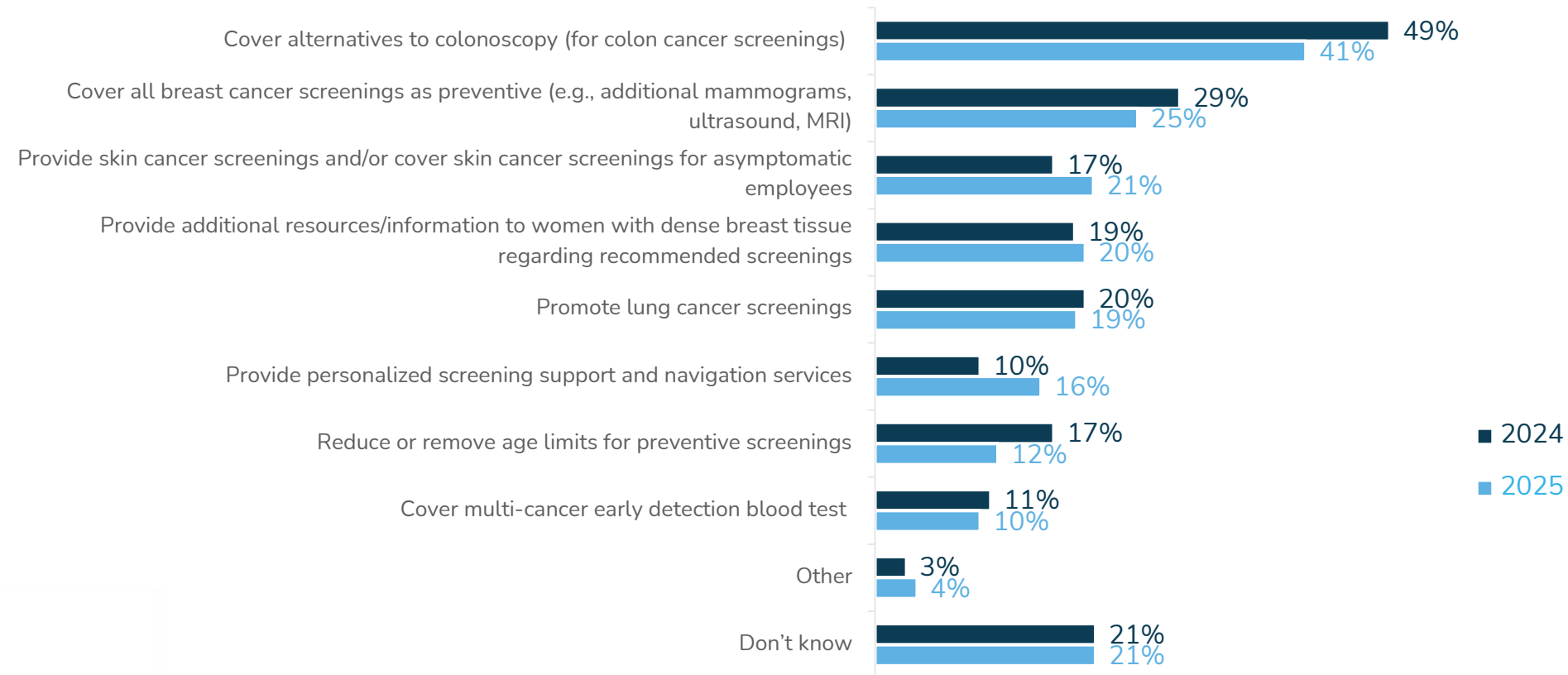


*Data for 2026/2027 is based on those employers offering in 2025 and those considering offering for 2026/2027.
Q: Do you contract with an engagement platform to act as a navigator across all your vendor offerings?

Cancer Screening Measures, 2024-2025

In addition to covering recommended screenings, many employers offer additional screenings and promote additional screening methods or additional tactics to detect cancers earlier.

N=120



87% of large employers will have at least one of these screening methods in place in 2025.

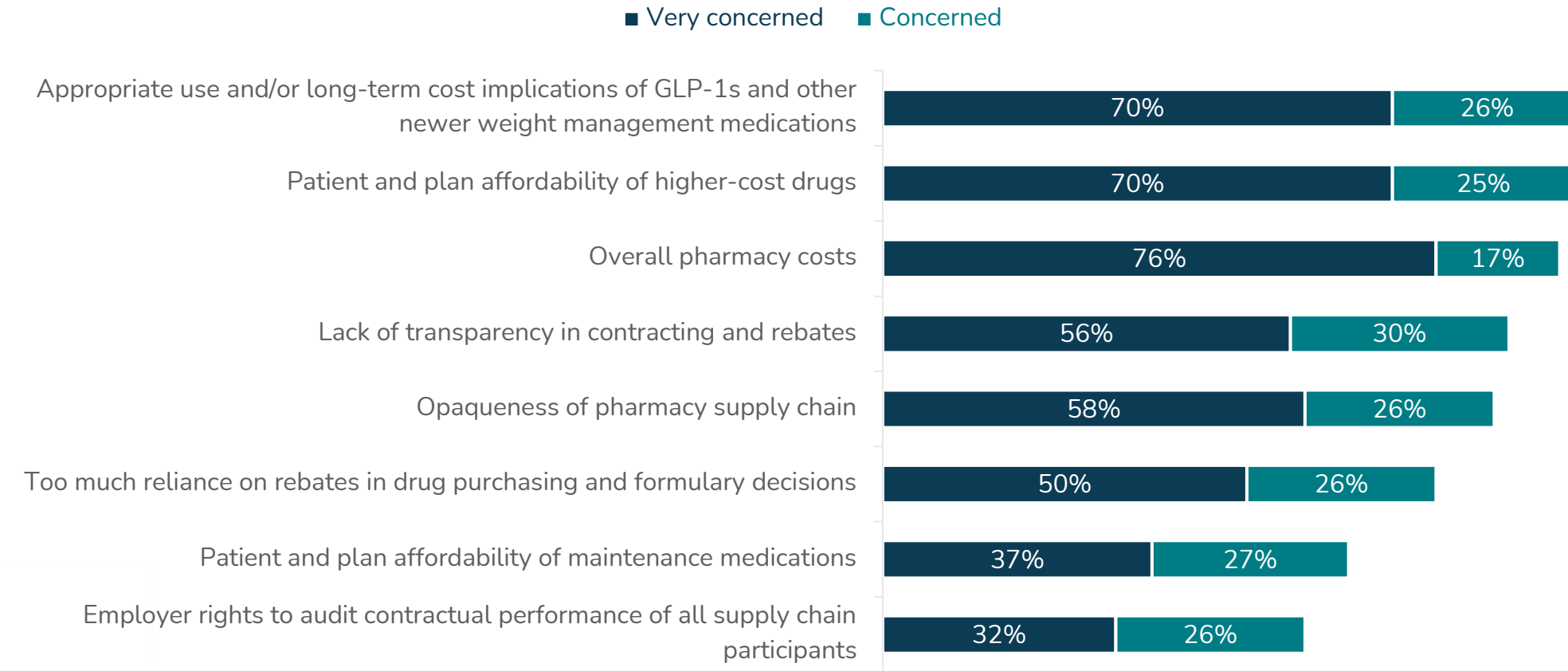
Note: Other responses included: breast cancer screening pilot; mobile mammograms; and increased focus on the effectiveness of navigation partner.
Q: In 2025, will your organization implement any of the following cancer screening measures? (Select all that apply)

Pharmacy Management

Pharmacy Benefit Concerns, 2024

The long-term cost implications of GLP-1s, patient and plan affordability of higher-costs drugs and overall pharmacy costs top employer pharmacy concerns for 2024.

N=121

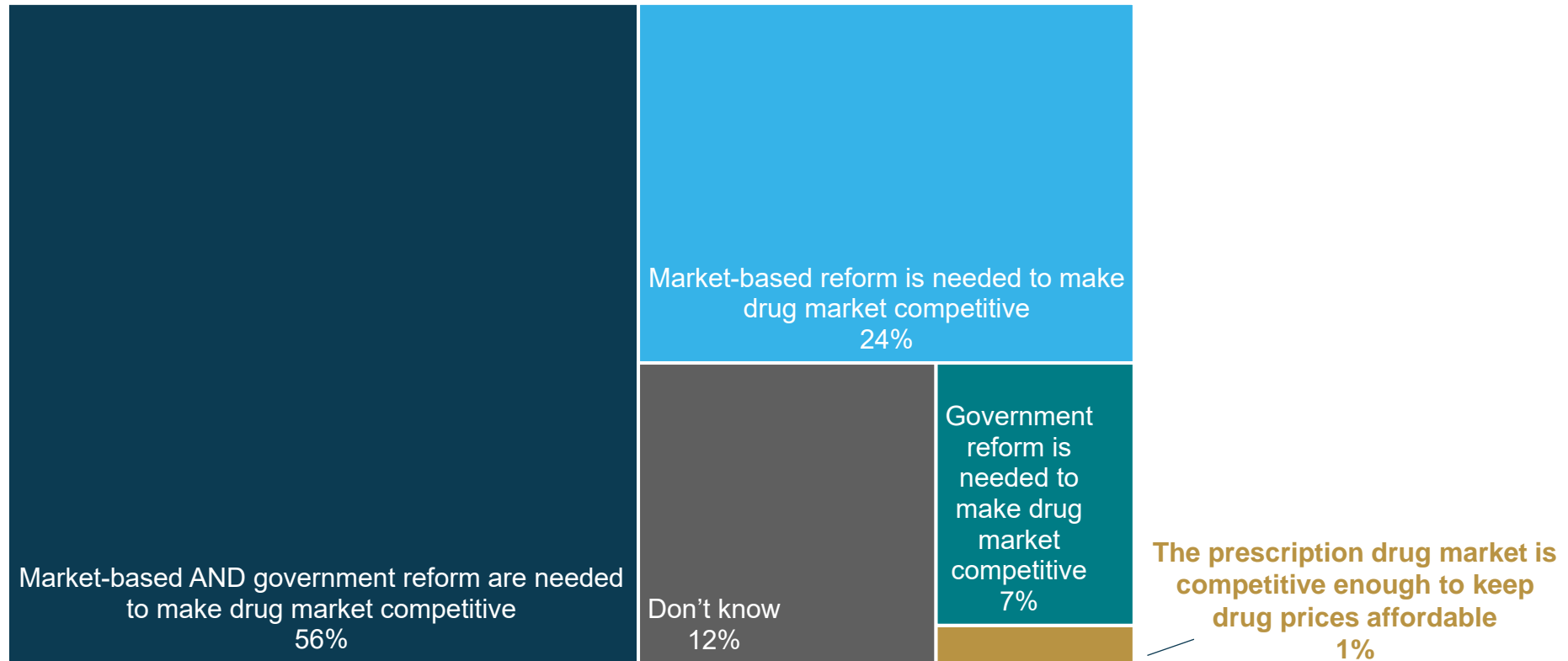


Q: How concerned are you regarding the following pharmacy issues?

Perspectives on Whether the Prescription Drug Market Is Competitive, 2023-2024

Only 1% of employers believe that the drug market is competitive enough to keep drug prices affordable. Most employers believe that market-based reform and government reform are needed.

N=121

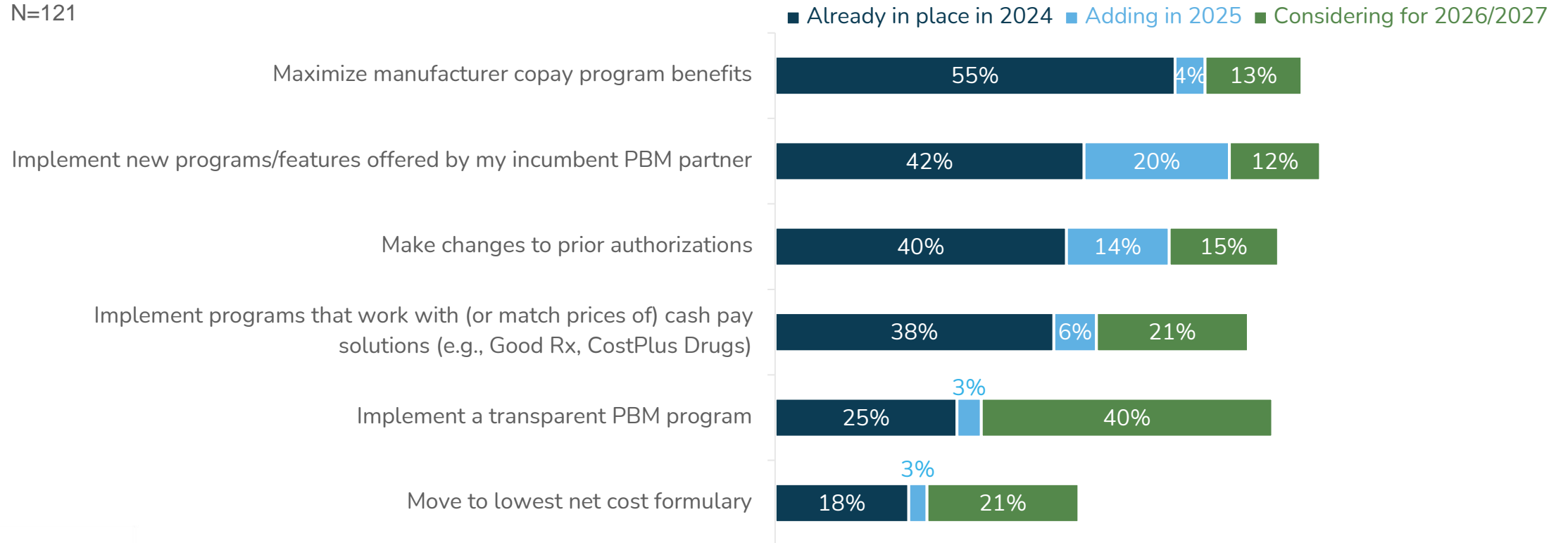


Q: Do you think the prescription drug market is competitive enough to keep drug prices affordable?

Pharmacy Management Strategies, 2024-2027

More than half of employer offer benefits to maximize manufacturer copay programs. Looking to 2027, there is a lot of employer interest in transparent PBM programs and cash pay solutions.

N=121



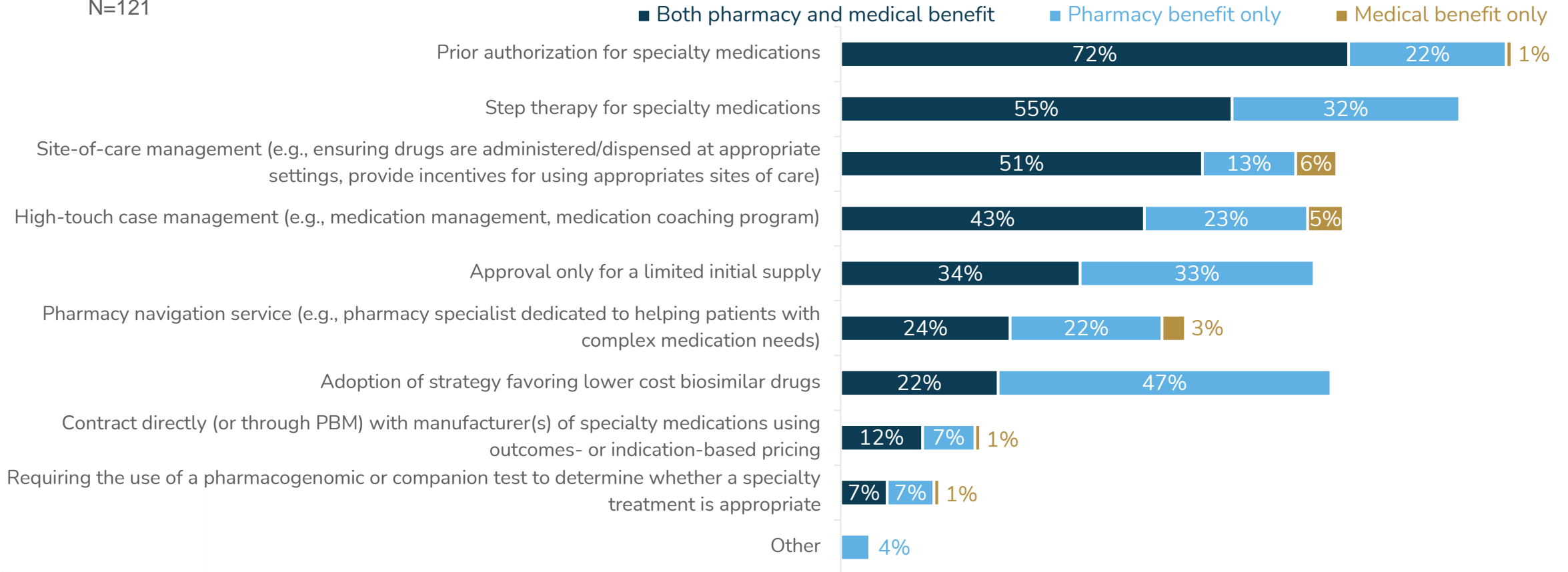
Note: Respondents could select multiple responses.

Q: In 2025, what initiatives will you have in place to reduce or manage the cost of pharmacy benefits?

Tactics to Manage Specialty Pharmacy, 2025

Nearly all employers use prior authorization to manage the utilization of specialty pharmaceuticals for both pharmacy and medical benefits. Some other utilization strategies are only in place for pharmacy coverage.

N=121

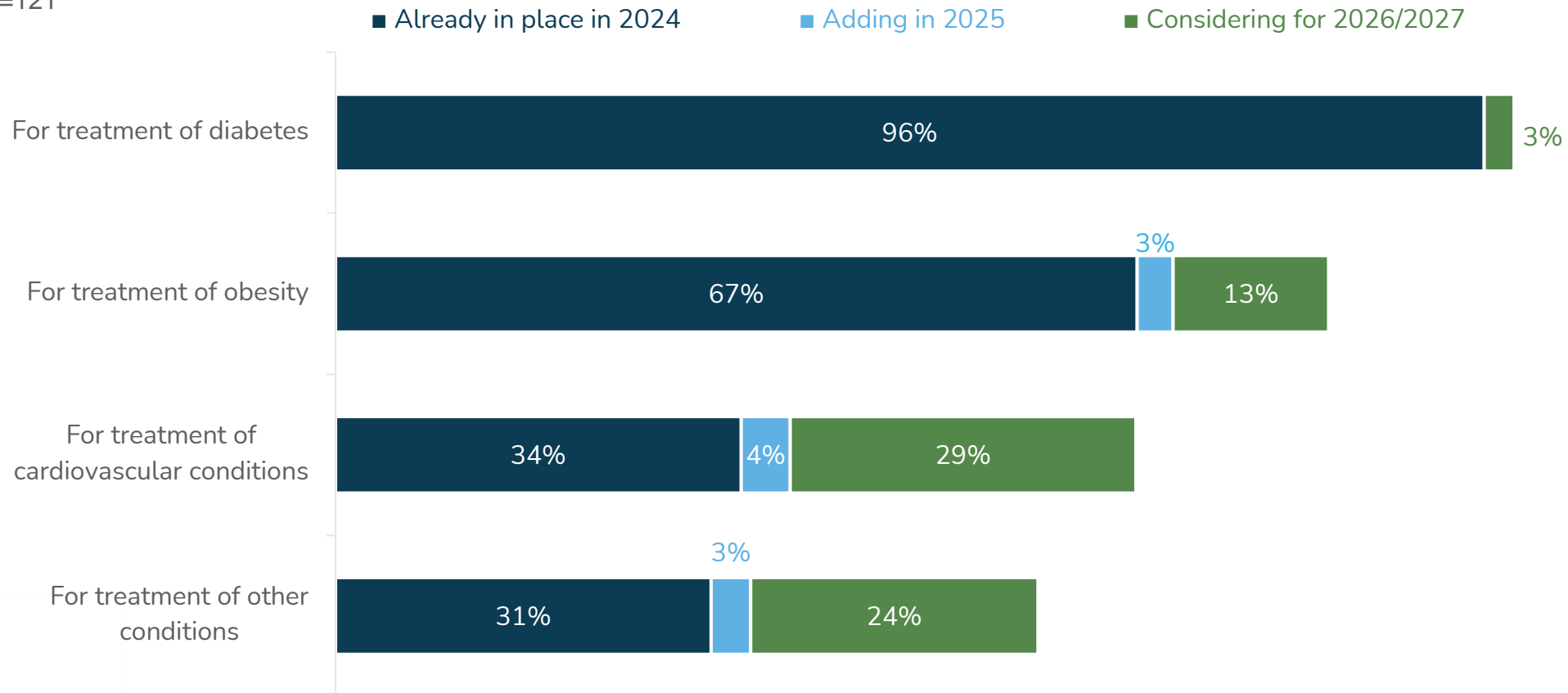


Note: Other responses included: specialty pharmacy carve-out; and moving to consultant pharmacy coalition.
Q: For 2025, which methods will your organization use to manage the utilization of specialty pharmaceuticals?

Coverage of GLP-1s by Condition, 2024-2027

Nearly all employers (96%) cover GLP-1s for treatment of diabetes, and 70% will cover GLP-1s for treatment of obesity in 2025.

N=121

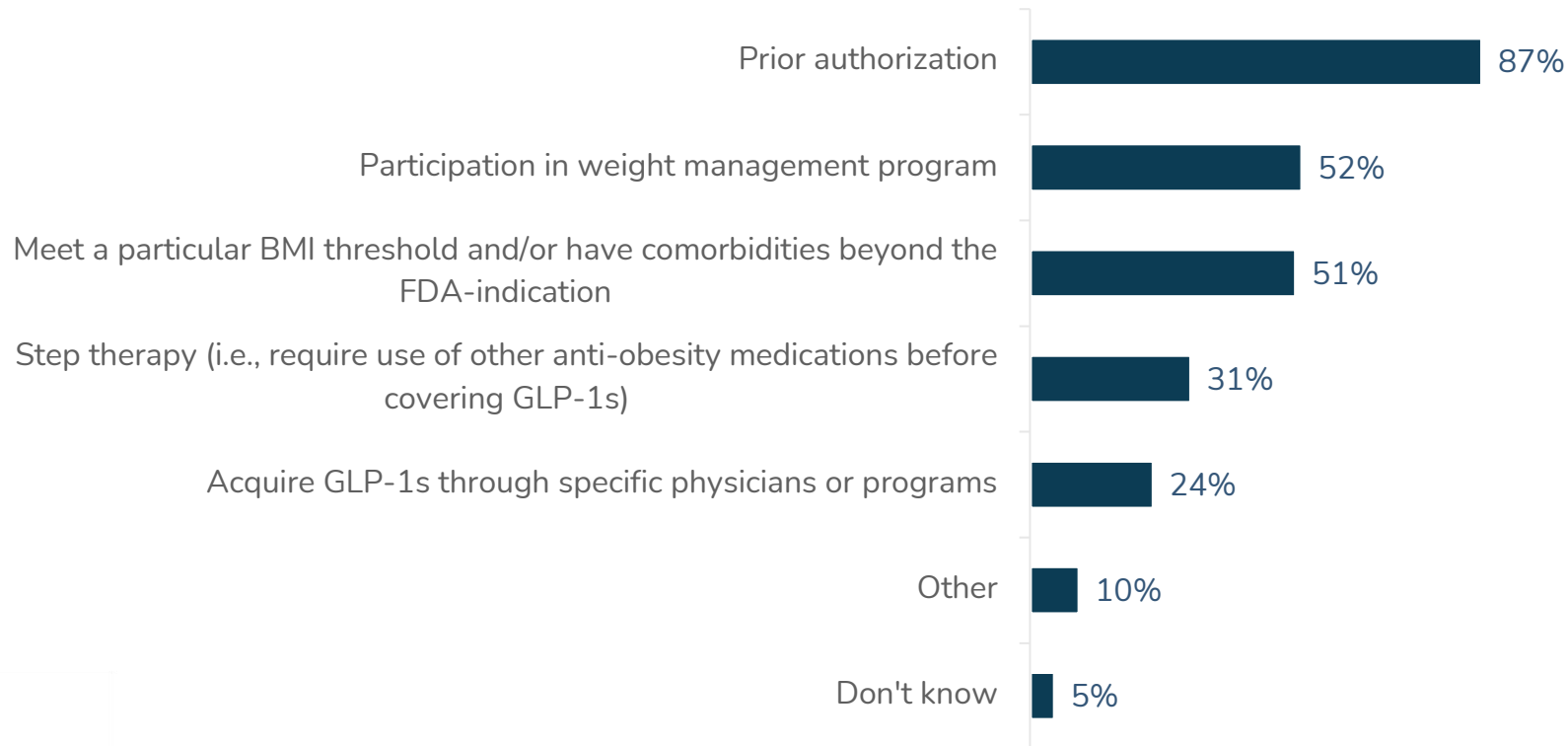


Note: Other conditions that were covered by some employers included: weight loss; any condition for which the FDA has approved the use of GLP-1s.
Q: Does (or will) your company (or its health plan/PBM) cover GLP-1s under the following conditions?

Requirements to Manage the use of GLP-1s for Obesity, 2025

Among employers that cover GLP-1s for obesity, the most common utilization tactic is prior authorization.

N=84



Note: Respondents could select multiple responses.

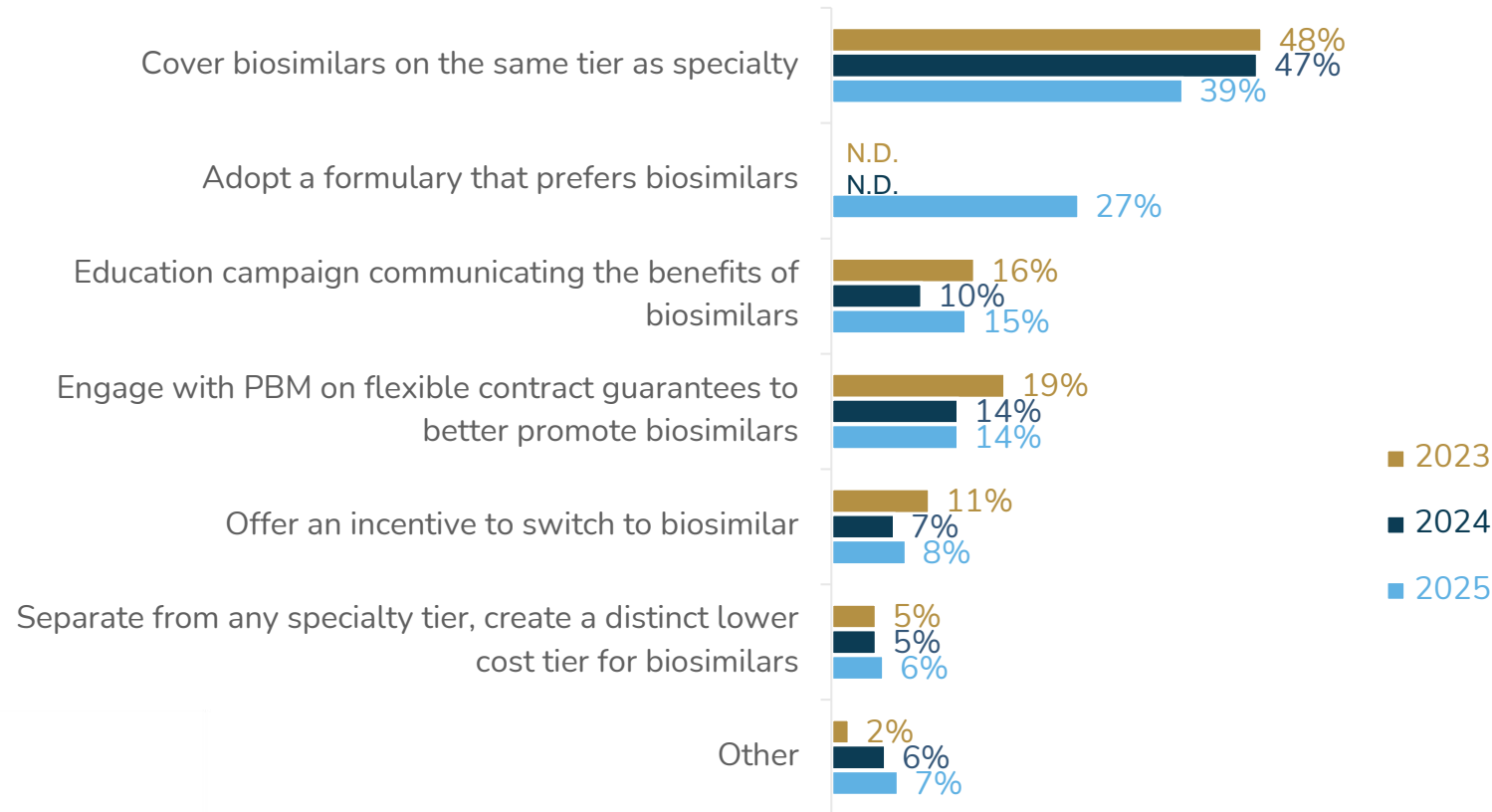
Note: Other responses included: weight management program at on-site wellness center; duration limit of 18 months; require A1C levels; and still reviewing requirements.

Q: For 2025, which requirements or conditions will your organization use to manage the use of GLP-1s for obesity? (Select all that apply)

Biosimilar Coverage, 2022-2024

The most common strategies employers use regarding biosimilars are covering them on the same tier as specialty drugs or adopting a formulary that prefers biosimilars (i.e., placing on a lower-cost tier than specialty).

N=121



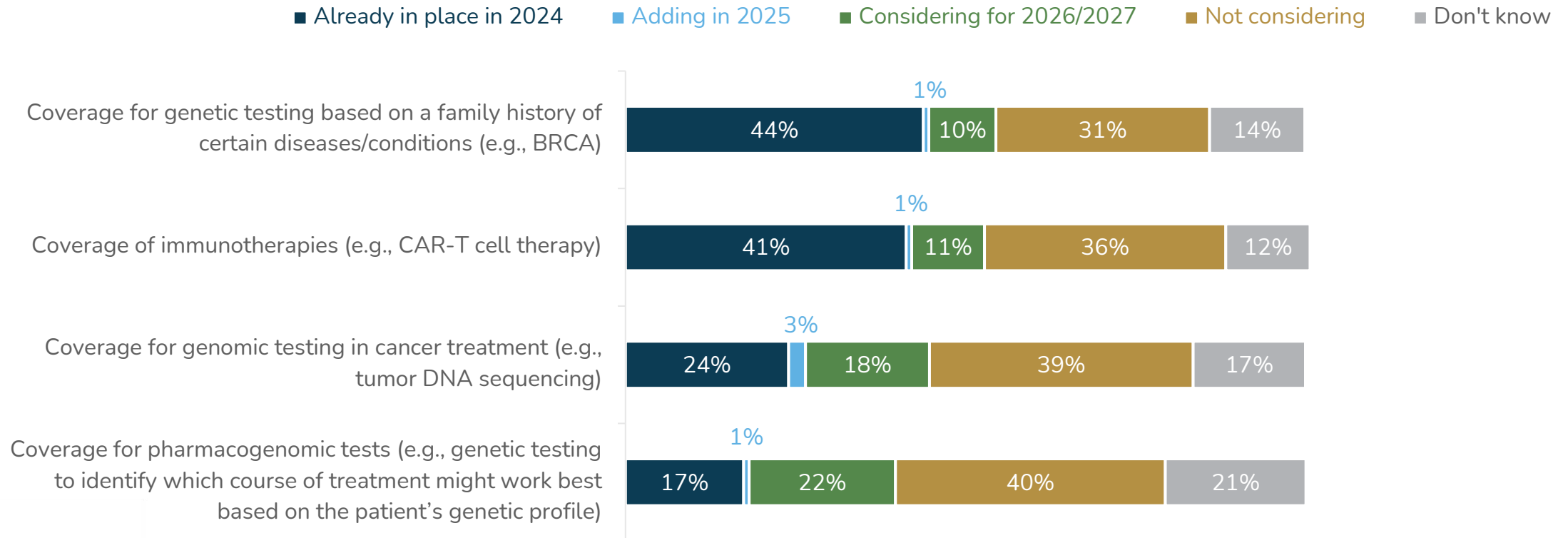
A third of employers (**33%**) were unsure how biosimilars are managed in their program, indicating an opportunity for closer collaboration with their PBM and consulting partners to address this area of pharmacy.

Note: Other responses included: it varies by biosimilar; cover biosimilars on two different tiers; cover based on lowest net cost.
Q: For 2024, which methods will your organization use to cover biosimilars? (Select all that apply)

Employer Coverage of Genetic Testing, 2023-2026

45% of employers will cover genetic testing based on family history for certain diseases in 2025, and 42% will cover immunotherapies.

N=121



Q: Which of the following aspects of genetic and cell-based therapies do (or will) you cover?

Tactics to Address High-cost Therapies, 2022-2027

Managing high-cost therapies remains a challenge for employers. Some employers having implemented various strategies to mitigate the impact of costs, and more are considering doing so in the future.

N=121

	2022	2023	2024	2025
DELAY INCLUSION AT LAUNCH				
Delay inclusion of new treatments from formulary at the launch date for a predetermined amount of time or when the PBM can determine efficacy/safety	46%	39%	32%	32%
INDICATION- AND OUTCOMES-BASED PRICING				
Contract directly with PBM or manufacturer to pay for a specific drug based on outcomes and/or use within a specific population	20%	21%	17%	19%
STOP-LOSS INSURANCE				
Purchasing insurance for a specific drug to help offset financial risk beyond a certain threshold (e.g., \$1M)	19%	14%	12%	13%
PBM/HEALTH PLAN RISK POOL				
Pay a fixed price based on the number of members in the plan to make the pharmacy costs more consistent	4%	10%	11%	11%
DRUG FINANCING MODEL				
For specific high-cost drugs, the employer is able to pay for the treatment over time, instead of a lump sum when the claim hits their plan	2%	1%	0%	1%

50% of employers are considering implementing additional tactics by 2027 to manage rising costs. Top tactics considered are:

1. stop-loss insurance;
2. indication- and outcomes-based pricing; and
3. delaying inclusion at launch.

*Data for 2027 is based on those employers considering offering in 2026 or 2027.

Q: What strategies or tactics does (or will) your organization have in place to mitigate the impact of high-price drugs?

Health Equity

Addressing Health Inequities in Specific Areas or for Specific Populations, 2025

The vast majority of employers are implementing programs or strategies to address the specific inequities impacting employees.

Employers that will implement at least one strategy by 2025 to:

89%

support **LGBTQ+** employees in their health and well-being programs

86%

advance health equity within **women's and reproductive** health

83%

improve **affordability** in their health and well-being programs

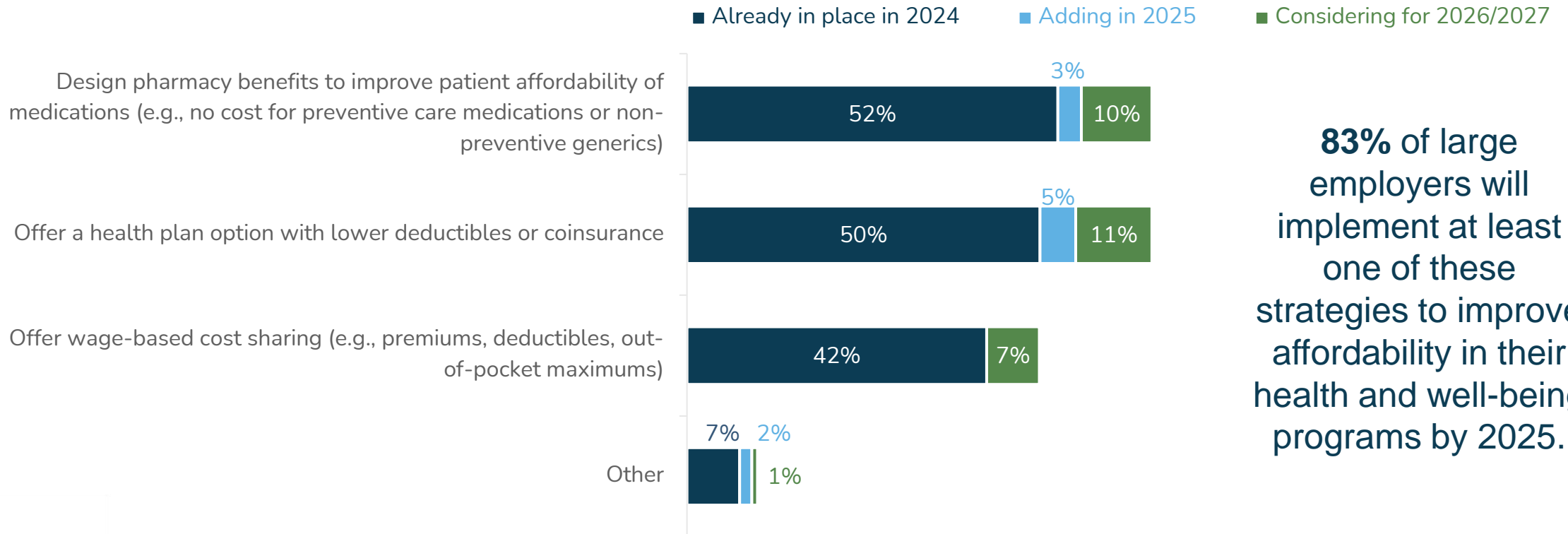
70%

support employees with a **disability** or who are **neurodiverse**

Improving Affordability in Health and Well-being Programs, 2024-2027

Employers are addressing affordability in both pharmacy benefits and health plan options.

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83% of large employers will implement at least one of these strategies to improve affordability in their health and well-being programs by 2025.

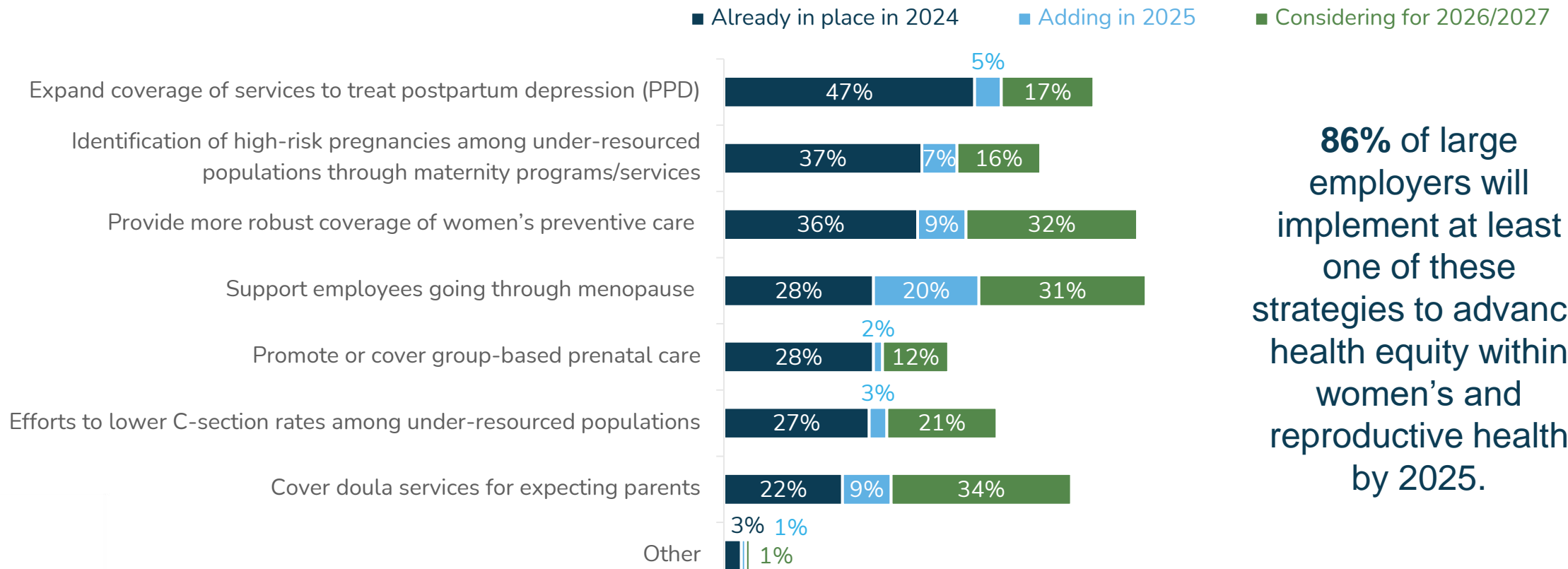
Note: Other responses included: higher health account contributions for lower paid employees; low or no cost share for surgeries at COEs; and wellness credits based on salary.

Q: Is your organization doing any of the following to address affordability issues for lower income employees?

Advancing Health Equity Within Women’s and Reproductive Health, 2024-2027

Employers already have a number of benefits in place for women’s and reproductive health. In 2025, more employers plan to provide menopause support.

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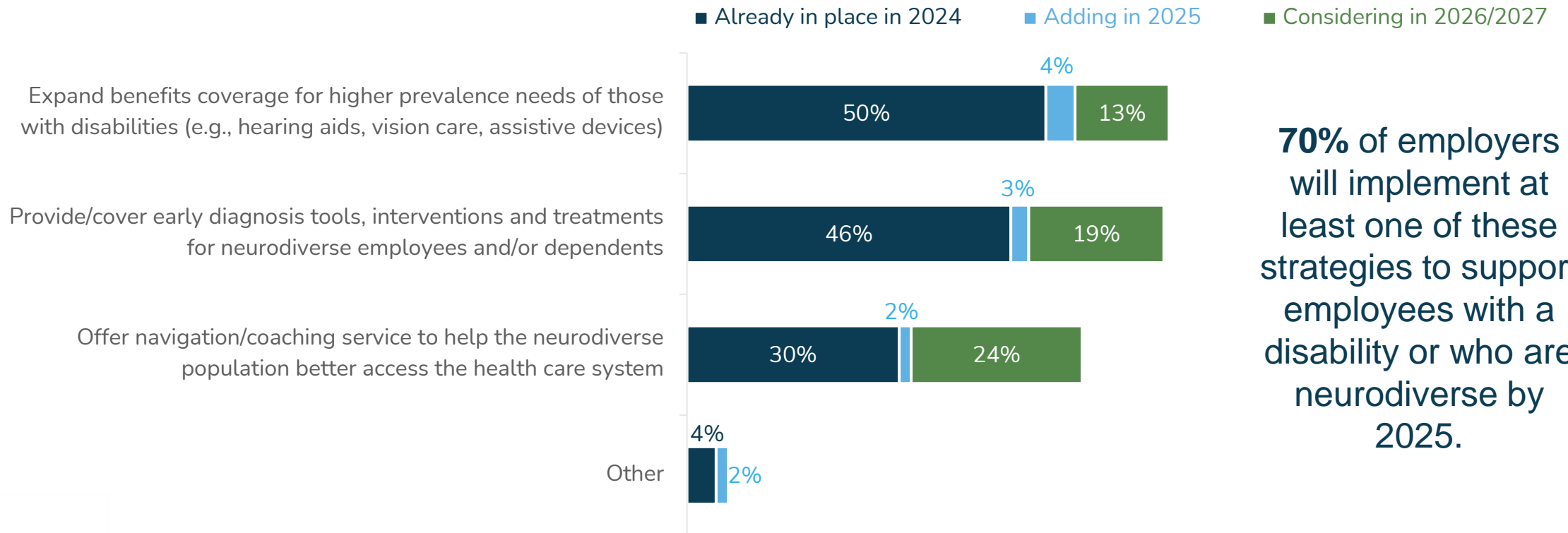
86% of large employers will implement at least one of these strategies to advance health equity within women’s and reproductive health by 2025.

Note: Other responses included: provide a subsidy for adoption and surrogate services; and offer menopause support and doula support through virtual services.
 Q: Is your organization doing any of the following to advance health equity within women’s and reproductive health?

Supporting Employees with a Disability or who are Neurodiverse, 2024-2027

Half of employers have expanded benefit coverage for higher prevalence needs of those with disabilities, and some (30%) are offering navigation or coaching services to help the neurodiverse population better access health care.

N=121



70% of employers will implement at least one of these strategies to support employees with a disability or who are neurodiverse by 2025.

Note: Other responses included: employee resource group; and education and training for employees and managers on neurodiversity.
Q: Is your organization doing any of the following to support employees with a disability or whom are neurodiverse?

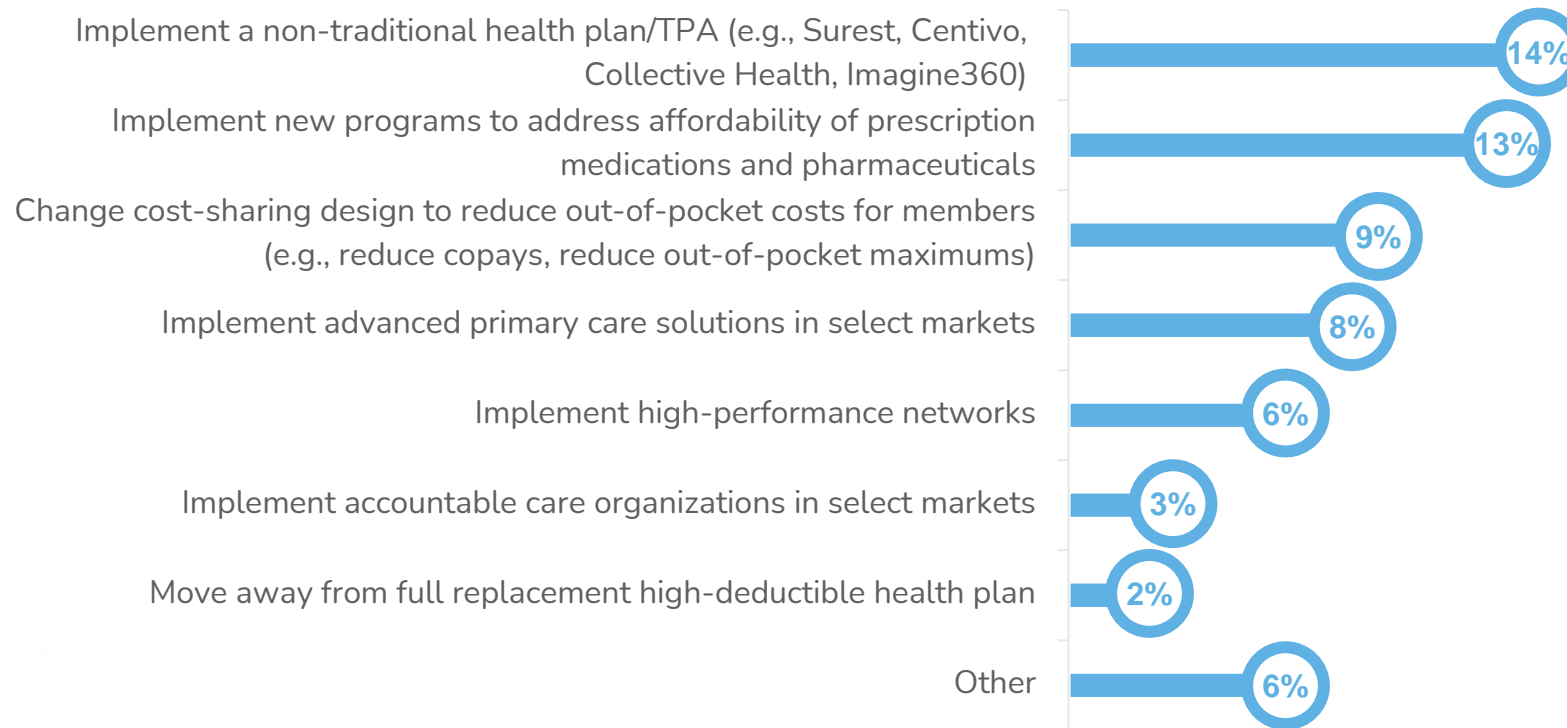


Looking Forward

Employers' Plan Design or Eligibility Changes, 2025

The most common types of plan design or eligibility change for 2025 will be implementation of a non-traditional health plan/TPA and programs to address affordability of prescription medications.

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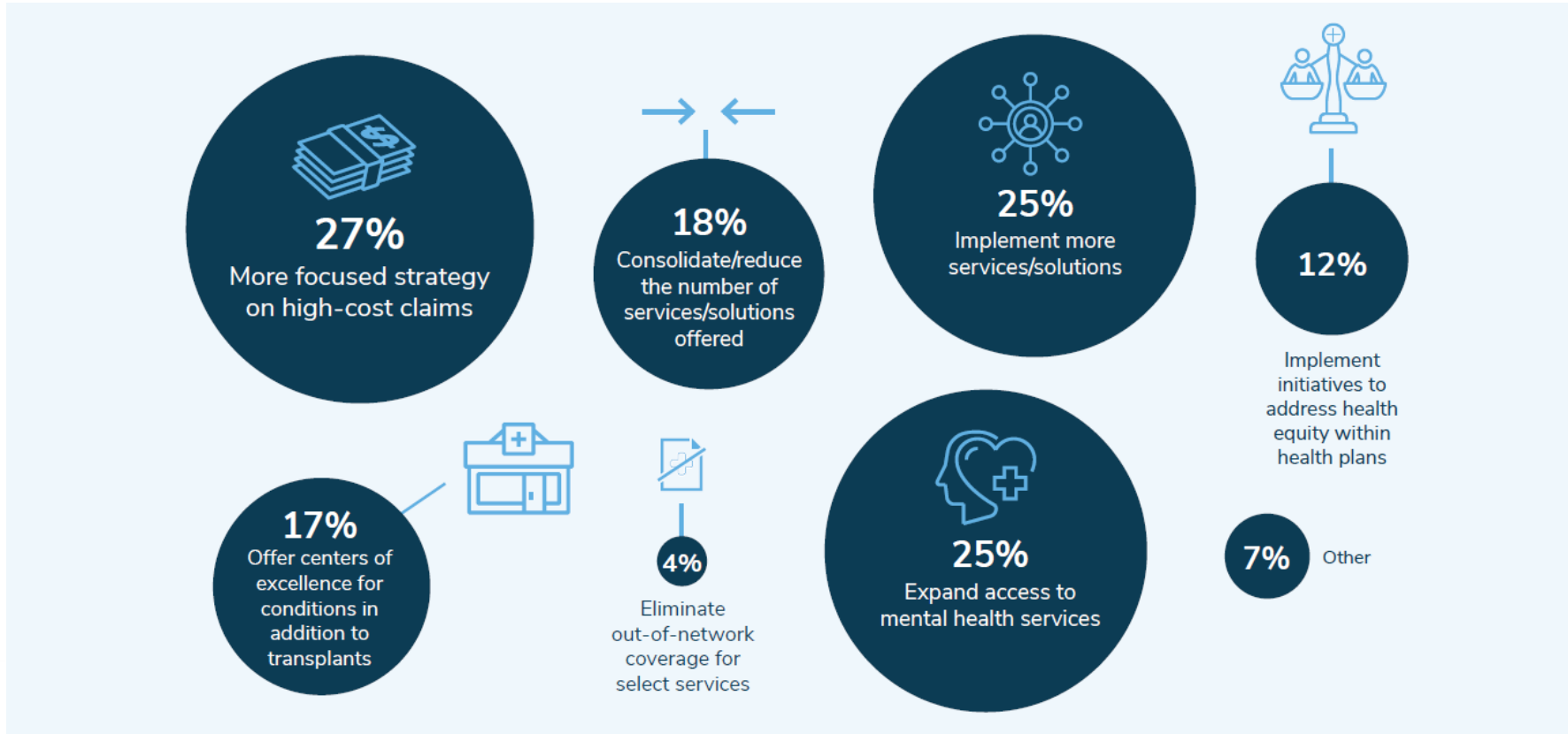
Note: Other responses included: changes to GLP-1 plan design; digital coordinated care; spousal surcharge; reduced premium subsidy for family coverage.

Q: Which of the following plan design initiatives or eligibility changes will your organization implement for the first time and/or expand in 2025? (Select all that apply)

New and Expanding Initiatives in 2025

In 2025, more than a quarter of employers (27%) will have a more focused strategy on high-cost claimants, and 25% will expand access to mental health services or implement more services/solutions.

N=118



Note: Other responses include: GLP-1 weight management solution; solution for gene therapy; implement pharmacy affordability solution; and review point solution offerings.

Q: Which of the following initiatives will your organization implement for the first time and/or expand in 2025? (Select all that apply)

Questions?

You may ask questions any time during the presentation:



- (1) Click on Q&A tab
- (2) Type question
- (3) Click send

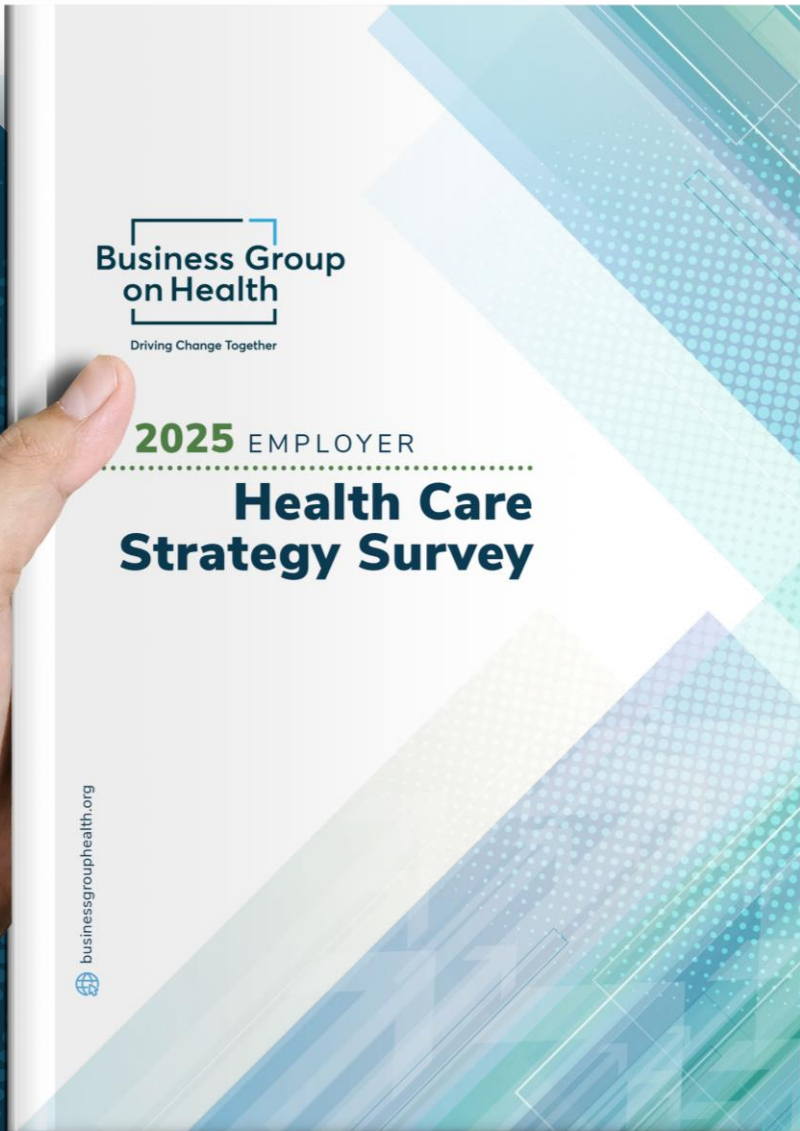
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Scan the QR code or a webpage with the evaluation will appear once the webinar concludes.



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The **2025 Employer Health Care Strategy Survey** highlights ways employers are addressing health care costs and key benefit strategy considerations in the near-future and long-term.

Read the findings by following the links below:



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businessgrouphealth.org/resources/2025-Employer-Health-Care-Strategy-Survey-Intro

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