Employer Health Benefits Trends & Priorities – 2025

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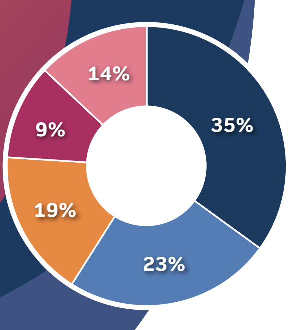
Midwest Business Group on Health

MBGH conducted the Pulse of the Purchaser Survey in July-August of 2025 in collaboration with the National Alliance of Healthcare Purchaser Coalitions and its fellow employer coalitions. Over 324 employers responded, including 62 MBGH employer members.

As purchaser's of healthcare benefits, 54% of MBGH employers consider themselves a Catalyst for Change or an Early Adopter, this is up from 42% in 2022.

This infographic focuses on the top health benefits priorities and strategies of MBGH employers.



Employers' Strategic Approach

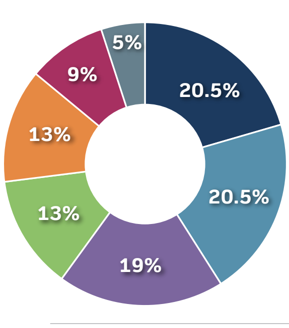
- Early Adopter
- Follow the Leader
- Catalyst for Change
- Status Quo
- Wait and See

National Alliance of Healthcare Purchaser Coalitions
Driving Health, Equity and Value

Industry and Size

Respondents span all employer sizes, from small to jumbo. Top industries represented include manufacturing, health care/social assistance and federal, state or local government.

Over 86% of survey respondents have 10+ years of health benefits experience.



- 50,000+
- 25,000-49,999
- 10,000-24,999
- 5,000-9,999
- 1,000-4,999
- 500-999
- < 500

Employee population size of survey respondents

Cost Priorities and Strategies

Attracting and retaining employees is a top priority for 100% of respondents; they also report:

- **100%** Health and wellbeing benefits will play a crucial role in employee attraction and retention
- **92%** Rising health care costs will lead to cost-shifting to employees
- **88%** Rising health care costs will impact competitiveness

Perspectives on Significant Threats to Affordability

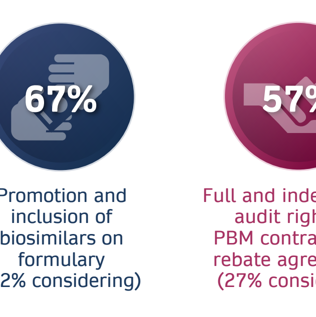
- **91%** Drug prices
- **87%** High-cost claims
- **72%** Hospital prices
- **70%** High-cost cell & gene therapies

Employers view health system consolidation and lack of transparency as additional significant threats.

"The current environment is a dumpster fire with unlimited fuel as long as employers and plan sponsors put up with the status quo."

Pharmacy Benefits Priorities and Strategies

Employers' Primary PBM Contracts are with:



48%

Since last year's survey, 21% of employers indicate they made a PBM change. Another 48% are considering a change in the next 1-3 years. Employers are looking to achieve:

- Better pricing
- More transparency
- Formulary control
- Fiduciary duty compliance

"We are actively researching and analyzing non-Big 3 options."

PBM Strategies Employers are Currently Utilizing

- **67%** Promotion and inclusion of biosimilars on formulary (22% considering)
- **57%** Full and independent audit rights of PBM contracts and rebate agreements (27% considering)
- **54%** Confirmation that advisors do not receive any direct or indirect compensation from PBMs or related third-parties (25% considering)
- **50%** Ownership of all data generated by the health plan (22% considering)

PBM strategies being considered: complete transparency regarding net/ingredient cost by drug inclusion of cell & gene therapies and full disclosure of all revenue streams with affiliated pharmacy-related entities.

Perspectives on High-Cost Claims

Strategies Employers are Using to Mitigate High-Cost Claims

- **68%** Enhanced screening/early detection
- **61%** Disease-specific vendor(s) (e.g., diabetes management, cancer)
- **60%** Reviewing pharmacy claims run through the medical benefit
- **54%** Navigator/enhanced case management
- **49%** Purchasing stop-loss coverage for high-cost claims

Prior authorization efforts: 37% of employers are eliminating or streamlining low-value or unnecessary prior authorization requirements.

Perspectives on Data

Where Employers are Storing Medical and Pharmacy Claims Data

- **78%** Health plan / TPA
- **48%** Consultant data warehouse
- **22%** Internal warehouse

41% of employers do not have complete access to all health data fields and 37% have partners who refused to provide complete access to data.

Perspectives on Hospital Pricing

More than 8 out of 10 employers doubt hospital efficiency, pricing and the benefits of market consolidation. The majority strongly agree or agree…

- **72%** Market consolidation has not improved cost and quality of services
- **72%** Hospitals generally do not operate efficiently
- **67%** Hospital prices are not reasonable or defensible
- **63%** Hospital prices are not justified by uncompensated care e.g., Medicaid, Medicare
- **58%** Cost is not always equal to quality

Top Hospital Pricing Strategies Employers are Utilizing

- **39%** Centers of excellence
- **33%** Site of care strategies
- **20%** Tiered networks

In addition to employers using these strategies, another 41% are considering centers of excellence and 39% are considering site of care strategies.

Perspectives on Fiduciary Duties

Top Concerns for Employers as Fiduciaries:

- **49%** Reasonability of hospital charges for the services provided
- **47%** Integrity and conflicts of interest in hospital billing practices
- **32%** Reasonability of PBM direct and indirect compensation for services provided
- **28%** Integrity and conflicts of interest in PBM practices

Fiduciary Oversight and Cost Management Activities

- **83%** Optimize plan design to improve health outcomes
- **78%** Identify trends and negotiate better contracts
- **72%** Ensure compliance with fiduciary duty to pay only reasonable plan expenses
- **50%** Prevent overpayments and identify hidden fees
- **47%** Prevent spread pricing and ensure transparent payments
- **36%** Detect cross-plan offsetting

"Many employers may not be aware of the significant fiduciary risk in using brokers, consultants, and PBM's. We took these responsibilities away from the intermediaries to reduce our risk."

Perspectives on Policy Reform

Employers are increasingly supportive of policy reforms that can improve transparency and fair pricing.

- **92%** PBM reform (e.g., transparency, spread pricing, rebate pass-through)
- **90%** Drug price regulation (e.g., capping list price of high-cost drugs)
- **84%** Hospital price transparency
- **82%** HSA Reforms (e.g., first-dollar coverage for primary care)
- **75%** Hospital rate regulation
- **69%** Protecting ERISA pre-emption
- **59%** Hospital anti-trust enforcement

Even though employers are supportive of policy reform, only 43% indicate they have engaged in federal or state healthcare legislation efforts. The most common reasons for not engaging is a perception it is not related to their core business and a belief that healthcare legislation is handled by other resources.

Health Benefits Priorities

Current employer strategies related to:

Mental Health

- **94%** Ensuring mental health services are in compliance with mental health parity requirements
- **94%** Communicating available mental health benefits and services
- **73%** Offering programs that educate on mental health stigma/bias

Top strategies being considered: establishing vendor accountability and integrating behavioral health into in-network primary care services.

Women's Health

- **78%** Parental leave
- **76%** Reproductive healthcare and fertility services
- **63%** Maternity support services

Top strategies being considered: menopause support and caregiving assistance for dependents.

Insights on Health Equity: 52% of employers report maintaining or increasing their focus in this area, while 8% indicate they have reduced such initiatives due to pressures related to DEI.

Top Obesity Management Strategies

Obesity Benefits Employers are Currently Offering:

- **83%** Providing lifestyle programs (e.g., exercise and nutrition programs)
- **76%** Coverage of bariatric surgery
- **49%** Coverage of branded GLP-1s to specific populations (e.g. BMI>30, chronic conditions)
- **48%** Coverage of non-GLP-1 anti-obesity medications

Compared to 2024, fewer employers report covering GLP-1's but those who do indicate they have fewer stipulations such as limiting access to specific populations (decreased from 46% to 36%) and giving access based on lifestyle changes (decreased from 17% to 12%).

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MBGH Activities and Resources

Visit **mbgh.org** to learn more about monthly educational programs, employer roundtables, toolkits, action briefs, the annual conference and more.

About Midwest Business Group on Health

Midwest Business Group on Health (MBGH) is a 501c3 non-profit supporting employers seeking solutions to better manage the high cost of health care and the health and productivity of their covered populations. Founded in 1980, MBGH offers members leading educational programs, employer-directed research projects, purchasing opportunities and community-based activities that increase the value of health care services and the health benefits they offer to members. MBGH serves over 150 companies who provide benefits to over 4 million lives, with employer members spending more than $15 billion on health care each year. To learn more, visit mbgh.org and connect on LinkedIn.

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*This infographic is an illustration of key survey findings. MBGH members may access the full **survey results**. The infographic and survey results may not be reproduced or quoted without permission from MBGH.*

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