

MBGH Employer Survey Finds Rising Health Care Costs Negatively Impact Competitiveness and Employee Salaries

CHICAGO – September 24, 2025 – Increasing health care costs will lead to shifting costs to employees according to 92% of employers, 88% share rising costs will impact their ability to compete, and 72% report higher costs will cause trade-offs for salary or wage increases. These are among the findings from the latest purchaser survey conducted by the non-profit [Midwest Business Group on Health](#) (MBGH).

The study conducted with sister coalitions and the National Alliance of Healthcare Purchaser Coalitions gauged concerns and approaches of employers to address the workforce environment, high-cost claims, pharmaceutical drug and hospital prices, fiduciary strategies, obesity management, mental health, women's health, equity, and potential health reforms.

"Employers are united in their concern about escalating health care costs and point to the same culprits as a year ago – drug prices, high-cost claims and hospital prices, with mounting concerns about health system consolidation and cell and gene therapies," said Cheryl Larson, president and CEO of MBGH. "And too many employers are still flying blind with their health benefit claims data. The ongoing lack of price transparency undermines their role as plan sponsors and fiduciaries and this unfair and dysfunctional system must change."

Additional findings include:

- One-hundred percent of employers view **attracting and retaining employees as a top priority** and they view health and wellbeing benefits as crucial to their efforts to do so.
- All employers (100%) view **drug prices, high-cost claims and hospital prices as the biggest threats to affordability**. This is similar or up from 2024 with 100%, 98% and 95%, respectively.
- Employers are **taking action to address pharmacy concerns** as 21% indicated they made a PBM change during the past year and 47% are considering a change in the next 1-3 years. Employers are looking to achieve better pricing, more transparency, formulary control, and greater fiduciary responsibility.
- When it comes to **data access**, 78% of employers said their health plan or third-party administrator stores their organization's medical and pharmacy claims, 41% indicated they do not have complete access to all of their health data, and 37% utilize vendor partners who have refused to provide complete access to all data fields.
- Purchasers with **complete claims access are substantially more confident in fiduciary safeguards** across hospital billing and pricing and pharmacy benefit management practices than those without full access.
- More employers (60%) indicate they are reviewing pharmacy claims run through the medical benefit to **discover high-cost claim errors or trends**, compared to 50% in 2024. Compared to 2024, more employers are promoting precision medicine for cancer treatment (23% compared to 19%) and more are considering site of care redirection such as home infusion (56% compared to 36%) to **address high-cost claims**.
- **PBM reform and drug price regulation** surpassed hospital price transparency as the top policy reform employers indicate would be most helpful with 76% of *large* employers indicating protecting ERISA pre-emption is critical.

- **Health equity remains a focus** as 52% of respondents report maintaining or increasing their efforts, while 8% indicate they have reduced such initiatives due to pressures related to diversity, equity and inclusion.
- A majority of **employers are still offering lifestyle management programs** such as exercise and nutrition to support weight loss. 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%).

The online survey was conducted in July and August with 62 MBGH employers responding from industries including manufacturing, , health care and government. Over 86% of survey respondents have 10 or more years of health benefits experience and represent organizations ranging in size from 38.5% having less than 5,000 employees to 29.5% with more than 25,000 employees.

[Click here for an infographic on the findings.](#)

About the Midwest Business Group on Health

Midwest Business Group on Health (MBGH) is a 501(c)(3) 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 that provide benefits to over 4 million lives, with employer members spending more than \$15 billion on health care each year. For additional details visit [MBGH.org](https://www.mbg.org) and follow us on [LinkedIn](#).

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