

# 2025 Midyear Benefits Trends to Monitor

Provided by Apex Benefits Partners

Employer-sponsored benefits have been undergoing rapid and complex transformation. Whether due to the ripple effects of global trade policies or the accelerating adoption of artificial intelligence (AI), employers are navigating a benefits environment shaped by economic uncertainty, political shifts and medical innovation. At the same time, employees are facing mounting pressures—including rising health care costs and growing mental and financial strain—prompting organizations to rethink how they support workforce well-being.

Understanding the latest benefits trends can help employers evaluate their offerings to best meet employee needs, respond effectively to their challenges and gain a competitive edge over competitors. This article explores the latest benefit trends to watch in the second half of 2025, discussing how they will likely impact employers and exploring how savvy organizations can address them.

## Specialty Drug Markets Continue to Expand

The specialty drug market continues to expand rapidly in 2025, driven by a surge in approvals by the U.S. Food and Drug Administration (FDA) and a robust pipeline of innovative therapies. These high-cost, high-impact treatments are reshaping the pharmaceutical industry, with specialty drugs now accounting for the vast majority of new drug approvals. Industry experts estimate that nearly 80% of all FDA approvals this year fall into the specialty category, reflecting a shift toward more targeted, complex therapies for chronic and rare conditions.

This rapid growth is being fueled by more plan participants using these key specialty drugs:



**Biologics and biosimilars**—Biologics dominate the specialty market, offering targeted treatment for autoimmune diseases, cancers and more. At the same time, biosimilars are gaining traction as cost-effective alternatives, especially as major biologics lose exclusivity. In 2024, the FDA approved 19 new biosimilar drugs, compared to five in the preceding year, which was the most biosimilar approvals in a year. The momentum continues as 10 biosimilars have been [approved](#) so far this year. This trend is expected to continue, with predictions indicating that at least 10 new biosimilars will be approved annually over the next five years. This dual trend of popularity and lapsing exclusivity is expected to reshape employer strategies and formulary decisions.



**Cell and gene therapies (CGT)**—These cutting-edge treatments are seeing a record number of approvals in 2025, with several first-in-class therapies entering the market. Whether it's cell therapies for blood cancers or gene editing for rare genetic disorders, these innovations promise transformative outcomes but also come with significant cost and logistical challenges.

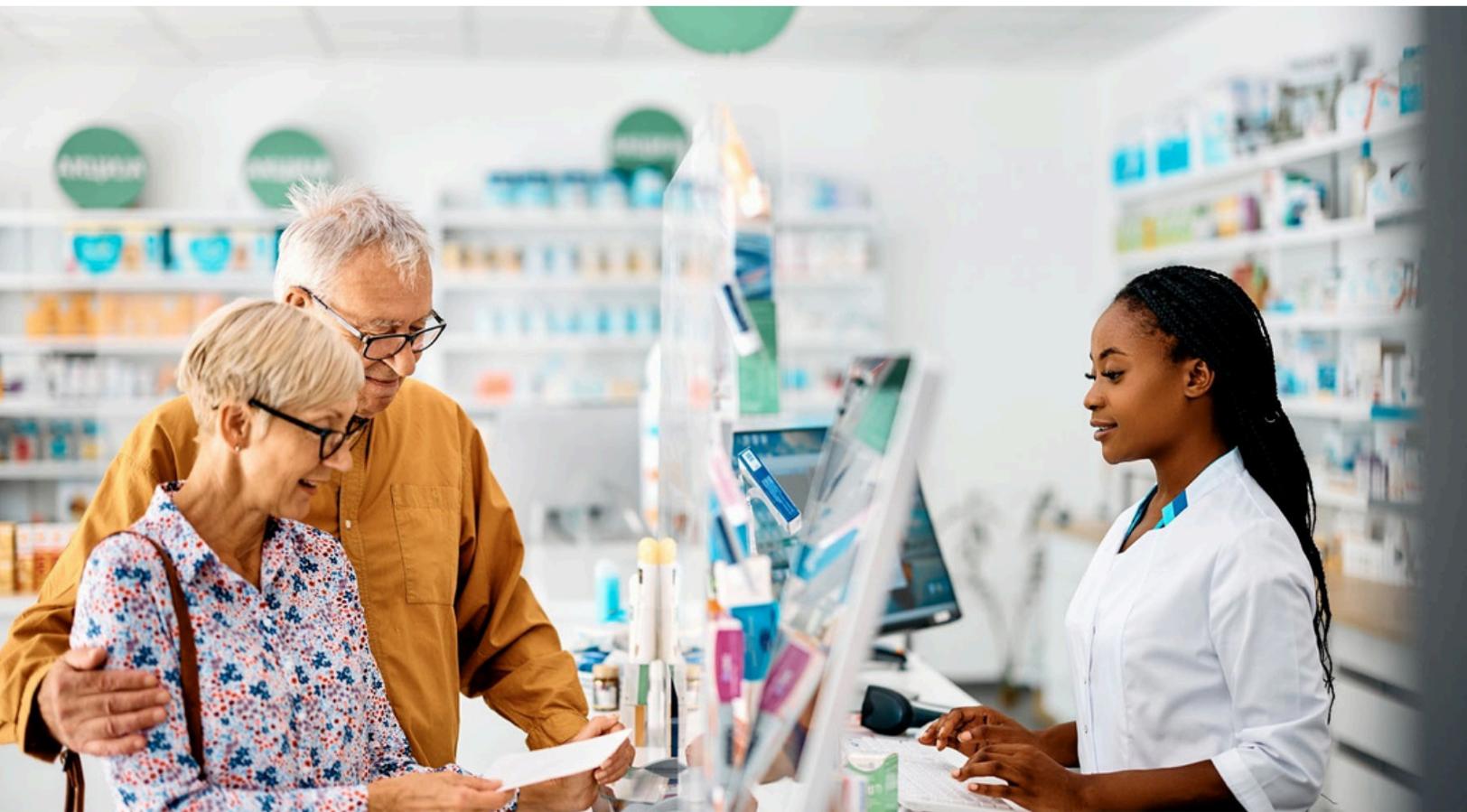


**Glucagon-like peptide-1 (GLP-1) drugs**—Originally developed for diabetes, GLP-1s are now widely adopted for weight management and cardiovascular risk reduction. Their expanding indications and strong clinical outcomes are driving both demand and investment in this class. GLP-1s suppress appetite, which usually leads to an energy deficit and, ultimately, muscle loss. Since muscle loss is a concern for many people taking anti-obesity medication, manufacturers are working to create drugs that can help preserve muscle while dropping weight. Additional GLP-1 drugs are expected to hit the market by 2026, which could further drive up employers' health plan costs. With pharmaceutical companies recognizing the success of semaglutide and tirzepatide, more than 100 drugs are in clinical development for obesity.

Ask the Apex team for educational support and materials as healthcare carriers are changing their prescription formularies in real time outside of renewal cycles. Staying on top of marketplace updates is critically important to create a best-in-class employee experience around benefits and healthcare.

As specialty drugs become more central to treatment protocols, employers are under increasing pressure to manage costs while ensuring access to plan participants. Employers can continue to monitor these drastically changing trends, consider alternatives for 2026 plan design, and make decisions on plan formularies and how or if GLP-1s are covered for weight loss. Since CGTs are handled differently, generally administered once or twice over a patient's lifetime, employers can explore nontraditional payment models offered by insurance and pharmaceutical companies to help offset those specialty treatment costs.

Savvy employers will proactively manage formularies, explore alternative funding models for high-cost therapies and make educated choices about how their health care offerings adjust to the fast-changing specialty drugs market. Educating employees and collaborating with providers will also be key to ensuring the cost-effective and clinically appropriate use of these specialty drugs. The complexity of these therapies—often requiring special handling, administration and monitoring—adds to the challenge. Still, the momentum behind specialty drug innovation shows no signs of slowing, signaling a continued evolution in how health care is delivered and financed in the years ahead.



## Impact of the Trump Administration on Health Care

In the first six months of his second term, President Donald Trump and his administration have issued executive orders (EOs) and policy changes that may have significant implications for employer-sponsored health plans. These initiatives include:

- An [EO](#) prioritizing increased **health care price transparency** and directing federal agencies to further implement and enforce transparency rules
- An [EO](#) directing policy changes to **protect access to in vitro fertilization (or IVF) and reduce out-of-pocket and health plan costs** for such treatments
- A [rescission](#) of Biden-era guidance related to **gender-affirming care for minors** by the Department of Health and Human Services (HHS)



These actions do not change any existing legal requirements. However, they serve as important indicators and directives to federal agencies regarding Trump's health policy priorities. It is likely that the Trump administration will issue proposed rules or take other regulatory action on these topics in the coming months. Already, HHS has issued a [proposed rule](#) that, if finalized, would place new restrictions on eligibility and enrollment opportunities in the Affordable Care Act Health Insurance Marketplaces.

Employers should expect new regulatory action over the next several months, implementing Trump's health policy priorities. Employers should watch for developments and assess the impact of any new regulatory action on their health plan coverage. For example, federal agencies will likely enhance health plan price transparency measures in the future, which may require employers to work with their third-party vendors regarding updates to plan communications and tools.

# Economic Uncertainty Takes a Toll on Workers’ Financial and Mental Well-Being

Americans have become familiar with a fluctuating economic state. In the last few years, the United States has faced a pandemic, disrupted supply chains and high inflation. Now, individuals are concerned about impending tariffs, a shifting stock market and speculation over whether the Federal Reserve will issue interest rate cuts in 2025.



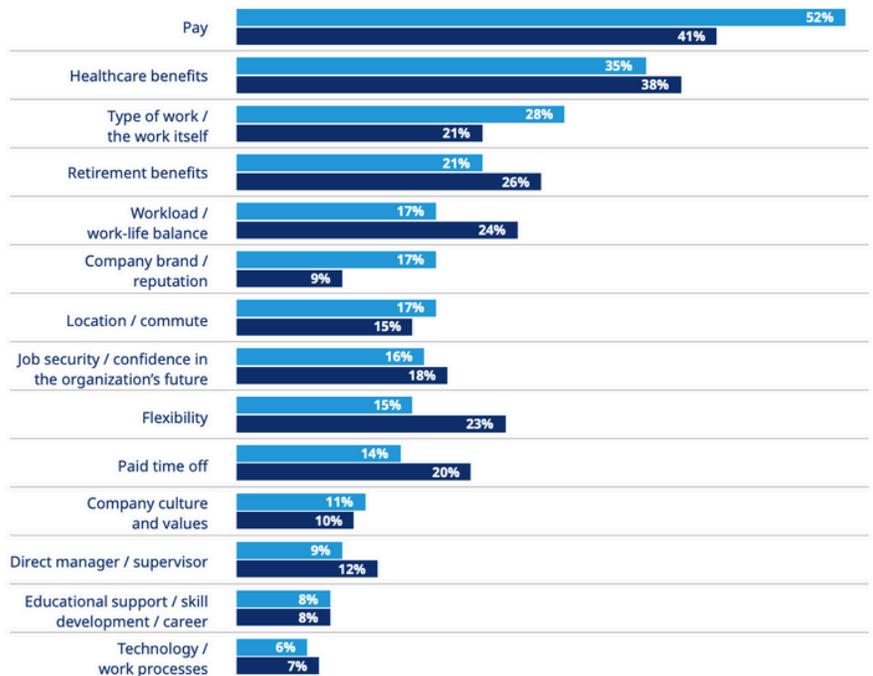
A survey by CNBC and SurveyMonkey found that **73% of respondents are “financially stressed,”** with 66% of these individuals citing tariffs as a main source of such stress.

Americans are stressed about their finances in 2025, largely due to the current economic climate. Tariff policies have been adjusting frequently so far in 2025, further fueling confusion. This kind of economic uncertainty can take a toll on workers’ well-being. Prolonged financial stress can lead to anxiety, depression and other health concerns, including sleep disturbances and a higher risk of cardiovascular disease. It can also lower an individual’s resilience, making it more difficult to cope and bounce back from hardships. Recognizing the toll financial stress takes on overall well-being, many employers are stepping in with targeted support to help employees regain control of their financial lives.

To help employees reach these personal financial goals and reduce the related mental health impact, employers are poised to offer retirement planning resources, online financial tools and education to help them develop good financial habits. As usual, compensation and benefits are critical for employers who seek a competitive total rewards program with stability. They’re also offering benefits that include access to financial counseling, financial education and legal support to deal with debt and rising everyday costs. Financial wellness is a valuable investment in an organization’s workforce. Implementing a comprehensive financial wellness program is a step toward building a resilient workforce.

### Why do employees join — and why do they stay?

- **Attract:** Top 3 items found most attractive *initially*?
- **Retain:** Top 3 Items that are most attractive *today*?



Source: Mercer 2023-2024 Inside Employees’ Minds® Study

Bars represent the percentage of employees ranking the item in their top 3

## PBMs and Price Transparency Continue to Face Reform Debate

The debate over pharmacy benefit managers (PBMs) and drug price transparency isn't going anywhere in 2025. Policymakers, regulators and industry stakeholders continue to grapple with the growing influence of these powerful intermediaries. PBMs have come under fire for practices that critics say inflate drug prices, limit patient choice and contribute to the closure of independent pharmacies.



In 2024 alone, **33 PBM-related bills were enacted across 20 states**, targeting practices like spread pricing, patient steering and discriminatory reimbursement against 340B contract pharmacies.

At the state level, momentum for reform is accelerating. These reforms aim to increase transparency and accountability, particularly around how PBMs negotiate drug prices and reimburse pharmacies. For example, Idaho and Vermont have banned spread pricing, a practice where PBMs charge health plans more than they reimburse pharmacies, pocketing the difference.

Meanwhile, the federal landscape remains more uncertain. Despite bipartisan support for PBM reform, Congressional efforts have stalled. A high-profile setback occurred in late 2024 when a proposed reform package was dropped from a spending bill, leading to more than 300 pharmacies closing in just a few months. These closures—many in rural and underserved areas—have intensified calls for structural reform, including proposals to prohibit PBMs from owning or operating pharmacies.

Industry experts suggest that PBM reform falls into these main categories:

- **Legislative**, such as state and federal bills
- **Litigious**, including lawsuits challenging PBM practices
- **Market-based**, where employers and insurers seek alternative models for managing drug benefits

While each approach has potential, the path forward will likely require a combination of strategies. For

employers, the ongoing scrutiny and reform of PBMs this year signal a critical need to reassess how prescription drug benefits are managed. With increasing state-level legislation and growing pressure for transparency, employers should closely monitor PBM practices and consider alternative models that prioritize cost control and patient access. The instability in the federal landscape and the dominance of vertically integrated PBMs also highlight the importance of diversifying vendor relationships and advocating for fairer pricing structures. Ultimately, staying informed and proactive in this evolving space can help employers protect both their bottom line and their employees' access to affordable medications. The future of PBM reform remains a pivotal issue this year as stakeholders try to control drug costs and protect patient access.

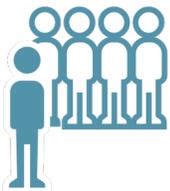
## How AI Is Changing Benefits

AI is reshaping how employer-sponsored benefits are designed, delivered and experienced. While AI is commonly leveraged for HR functions, the technology can also bring smarter, faster and more personalized benefits solutions to both employers and employees. In fact, SHRM's 2025 State of the Workplace report revealed that nearly half of employers are now using AI tools to support operations, including benefits enrollment, claims handling and compliance workflows.

### Impact on Employees

One of the most transformative changes is in **benefits personalization**. AI systems can analyze employee data (e.g., health claims, lifestyle preferences and engagement history) to recommend benefits that align with individual needs. This means employees are more likely to be offered relevant options, whether it's mental health support, fertility services or chronic disease management. The result is a more meaningful benefits experience that drives higher satisfaction and utilization.

AI is also revolutionizing **benefits navigation**. Virtual assistants and chatbots can help employees navigate complex benefits decisions, helping them compare plans, estimate out-of-pocket costs and understand coverage. Notably, this type of real-time support from chatbots may also help offer mental health support to individuals navigating treatment. These tools reduce confusion and empower employees to make informed choices, especially during open enrollment or life events (e.g., getting married, having a child or changing jobs). As with any technology, employers should also consider ways to roll out these new tools and provide support and training. While AI may seem intuitive, many employees may need help building their capability.



In fact, McKinsey reports that **more than one-fifth (22%) of employees have received minimal to no support for generative AI use**, so training could help boost adoption in their day-to-day usage.

### Impact on Employers

Behind the scenes, AI is also streamlining **benefits administration** for sponsors. Tasks like claims processing, eligibility checks and compliance reporting can be automated, reducing errors and freeing up benefits teams to focus on strategy rather than paperwork. AI also enables real-time monitoring of benefits usage and costs, allowing employers to adjust offerings dynamically based on emerging trends.

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AI also enables **predictive insights**, allowing employers to anticipate future health care needs and costs by analyzing claims and wellness data patterns. For example, if AI detects a rise in musculoskeletal issues, it might prompt the introduction of physical therapy benefits or ergonomic assessments. This proactive approach helps control costs while improving employee well-being.

AI is not just optimizing benefits; it's transforming them by making benefits more personalized, accessible and responsive. As AI becomes more embedded in benefits platforms, employers should also consider data privacy and transparency concerns. Ensuring that AI tools are used ethically and equitably is essential to building trust and maximizing their impact on the workforce. Ultimately, AI is helping employers deliver a more modern and human-centered experience to employees as they navigate their increasingly complex benefits offerings.

## Implications of Tariffs on Health Care and Employer-sponsored Coverage

Tariffs are increasingly shaping the U.S. economy, as well as healthcare and employee benefits. As the federal government imposes new duties on imported medical goods, pharmaceuticals and equipment, the resulting cost increases could impact the health care system.

Hospitals and providers are facing higher prices for essential items, including medical instruments, diagnostic tools and personal protective equipment. These added expenses are often passed along to insurers and, ultimately, to employers and employees through higher premiums and out-of-pocket costs. Furthermore, with the United States heavily reliant on imports for many critical medications, proposed pharmaceutical tariffs could significantly raise drug prices. Manufacturers are attempting to mitigate the impact by stockpiling inventory, but long-term disruptions could lead to shortages and price volatility. Employer-sponsored health plans, which cover nearly half of all Americans, are particularly vulnerable.

Many employers are already locked into contracts with insurers, which may delay the immediate impact of tariffs. However, as these contracts come up for renewal, the increased costs taken on by providers are expected to be reflected in higher premiums and reduced plan generosity. This could lead to narrower networks, higher deductibles or increased employee cost-sharing. Employers may also be forced to reconsider their benefits strategies, potentially shifting toward plan redesign, direct contracting with providers or expanding preventive care initiatives to manage long-term costs.

Employers must remain agile amid this economic uncertainty. Strategic planning, cost containment and innovative care delivery models will be essential to navigating shifting trade policies.



## Rising Health Care Costs and 2026 Predictions

Finding ways to manage rising healthcare costs while keeping benefits affordable for employees is critical for employers as open enrollment approaches; however, it won't be easy. Health care costs in the United States continue to climb at a staggering pace, and 2025 has been no exception.



Several industry surveys project **health care costs to increase by 7%-8% in 2025**, and 2026 predictions are already rolling in. A recently published report by the Centers for Medicare & Medicaid Services (CMS) projects that **total health spending growth will average 5.6% annually in 2026-27**.

"Do you think you are paying too much for health insurance? Just wait. Eight commercial health insurers, who sell insurance to Massachusetts individuals and small businesses in the "merged market," submitted their proposed rates for 2026 that call for an average rate increase of a whopping 13.4 percent, according to the Division of Insurance..." (Boston Globe)

In order to understand what is on the horizon for healthcare, it is helpful to take a look back. While these figures represent the "Merged Market," which is <50 employees, it provides a trend forecast that effects groups of all sizes, including experience rated (51-99) and large group (100+).

The main drivers of the proposed rate increases are medical and pharmacy claims, with medical claims expected to increase by 8.4% next year and pharmacy claims by 16.2%.

- BCBS filed 12.9% increase
- Harvard Pilgrim filed 14.8% increase
- Tufts filed 13.2% increase
- We have already seen 2025 increases hit 20%, 30%, even upwards of 45%!!!

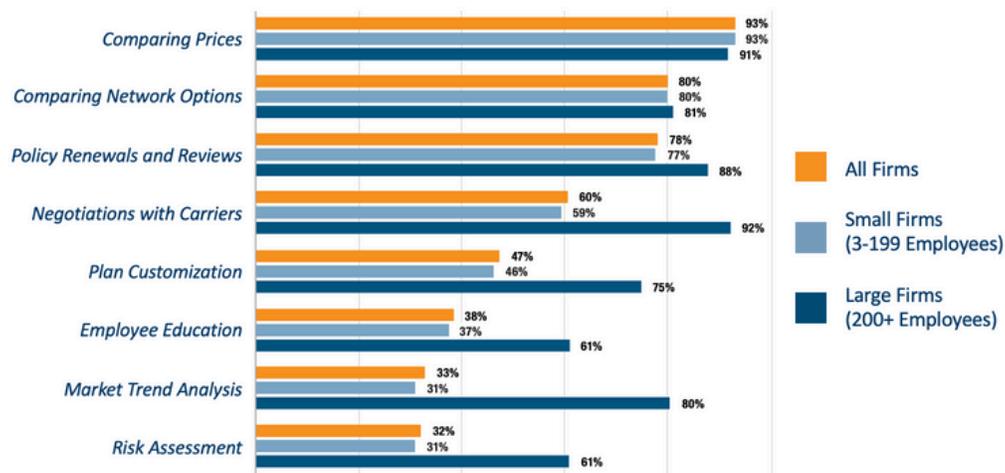
Businesses need to turn healthcare into a priority before it becomes a major issue when budgeting. Ignoring this problem could easily lead to budget cuts, benefit cuts, and even layoffs.

The team at Apex Benefits Partners is strategically set up to offer unique marketplace solutions that many businesses have not had exposure to in the past with countless client success stories. Programs include:

- Exclusive Association program for businesses with under 125 employees enrolled
- Participating Funding Arrangement (PFA)
- Self-funded Captive offering via InCap



## Employer Takeaways - Leverage Broker Relationships



As costs rise and regulations evolve, employers should embrace a future-focused approach for the remainder of 2025. Whether leveraging AI to personalize benefits, preparing for the financial impact of specialty drugs or navigating the complexities of PBM reform, the most resilient organizations will be those that stay informed, agile and employee-centered.

While the best strategies will vary by industry and workplace, being aware of current employee benefits trends can guide organizations as they strategize and take action. Recognizing these trends can help employers respond meaningfully to build trust and long-term value for their workforces.

Contact us today for more information on the latest benefits trends or to have a conversation to see if a partnership with Apex is right for your organization.

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