

Executive Summary

Employee Health Trends 2025

Each year, for our annual Employee Health Trends report, we dive deep into the Springbuk platform to uncover the stories our data tells.



For the 2025 edition, we've analyzed health benefits data from our book of business, which currently includes 6,400+ employers, to reveal where Springbuk believes the industry is headed—and what it means for you.

We create this report to give you, champions of employee health, the actionable insights needed to drive meaningful change. **Whether you're looking to enhance health outcomes, optimize spending, or measure program effectiveness, this analysis transforms data into decisive action.** Throughout the report we explore:

- › 2000 vs. 2024: A Seismic Shift in Employee Benefits
- › Unpacking 2023 & 2024's Healthcare Cost Surge
- › The Hidden Story in Rx Spending
- › Diabetes Drugs: Revolution or Crisis?
- › Gastrointestinal Disease Costs: More Than Meets the Eye



Below, we highlight the topics covered in Employee Health Trends 2025. To read the full report, [click here](#).





Looking Back: The Evolution of Employee Benefits

Stepping into 2025, we have a unique vantage point—allowing us to look back across 25 years of healthcare transformation. This journey reveals how far we’ve come—and where we’re headed.

2000: The Traditional Era

In 2000, traditional health insurance was king, wellness meant a gym membership, and employers made decisions based mainly on intuition:

- › Health insurance existed primarily as HMOs and PPOs, with limited flexibility for employers or employees to customize coverage options
- › Wellness programs centered solely on physical health, typically offering basic gym memberships without consideration for holistic well-being
- › Benefits administration relied heavily on manual, paper-based processes, creating significant operational inefficiencies

2024: The Digital Health Revolution

Fast-forward to 2024, and the transformation is remarkable. How we approach employee health has fundamentally changed:

- › Personalized benefits packages adapt to diverse workforce needs, supported by sophisticated analytics and AI-powered platforms
- › Comprehensive wellness initiatives encompass physical, mental, and financial health, reflecting a holistic approach to employee well-being
- › Virtual care options and digital health tools have transformed healthcare delivery, improving access and outcomes while controlling costs



1

From Pharmacy Peaks to Medical Spikes: Unpacking Healthcare Cost Drivers

- › Total medical and Rx plan paid trend rose 7.8% in 2023, driven by:
 - › 5.6% increase in medical spend
 - › 14.2% increase in Rx spend, which grew 2.5 times faster than medical spend
- › Projections for 2024 show a continued increase in healthcare costs 7.4% (\$41 PMPM)

Hear From the Springbuk Expert

“Looking ahead, our projections for 2024 show a continued upward trajectory in healthcare costs, with some reshuffling of the top drivers. While we anticipate another significant increase of 7.4% overall. Compared to 2023, this year’s trend is being impacted more equally between medical and pharmacy costs.”

● Chris Gagen
Sr. Director, Solution Management

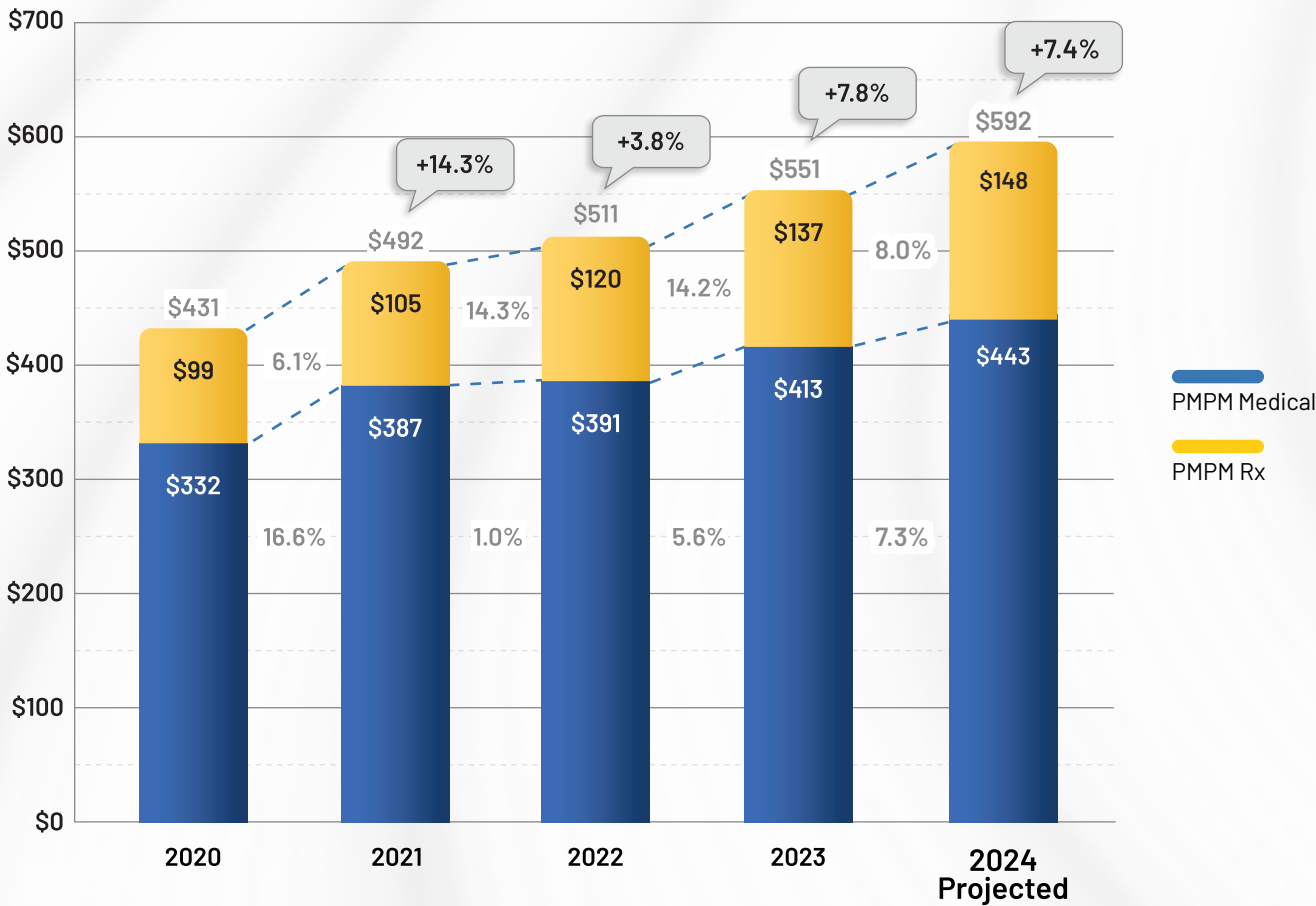


Employer's Map: Looking Ahead to 2025

Top 3 areas of spend increase so far in 2024 (compared to same time last year)

- › Pharmacy Channel Specialty Drugs
- › Surgical Procedures
- › Medical Channel Specialty Drugs

Total Plan Paid PMPM Incurred Years



Key Takeaway

While 2023 saw pharmacy costs dominating healthcare spend increases (+14.2% vs medical's +5.6%), 2024 projects a more balanced impact - with **medical costs (+7.3%)** and **pharmacy (+8.0%)** contributing almost equally to the overall 7.4% rise, driven by specialty drugs, surgical procedures, and a persistent upward trend in healthcare expenses.



2

Prescription for Clarity: What Your Medical & Rx Drug Data Reveal

To help employers better understand factors impacting their bottom line, **our team conducted a comprehensive analysis of the trends and patterns driving today's medical and Rx costs**—from broad shifts to subtle signals that could reshape your strategy.

Springbuk Data Indicated:

- › Medical channel **specialty drug spend climbed 27.7% over four years**, with cancer treatments dominating at nearly 50% of total costs
- › Rx spending now accounts for **almost 25%** of total healthcare spend



Want deeper insights on the trends driving rising Medical and Rx costs—including the conditions and treatments behind the surge? [Get the full report here.](#)



Our Analysis Revealed Several Key Insights:

- › PMPM for GLP-1 agonists rose close to **42% (\$6.41) in the last two years and 272% (\$15.89) in the last four years**
- › **Five conditions** (Diabetes, Obesity, Psoriasis, Inflammatory Bowel Disease, and Migraine Headache) **drove about two-thirds of Rx PMPM increases**
- › **Most of the GLP-1 spend increase is on members with diabetes**, particularly those who are also obese
- › **Increased uptake of biosimilar occurs when use is incentivized** by preferring drug over originator drug and by reducing member copays
- › About **85% of members** taking Humira use high concentration formulations
- › **Higher costs per claim**, rather than increased claimants, **are driving spend surge**

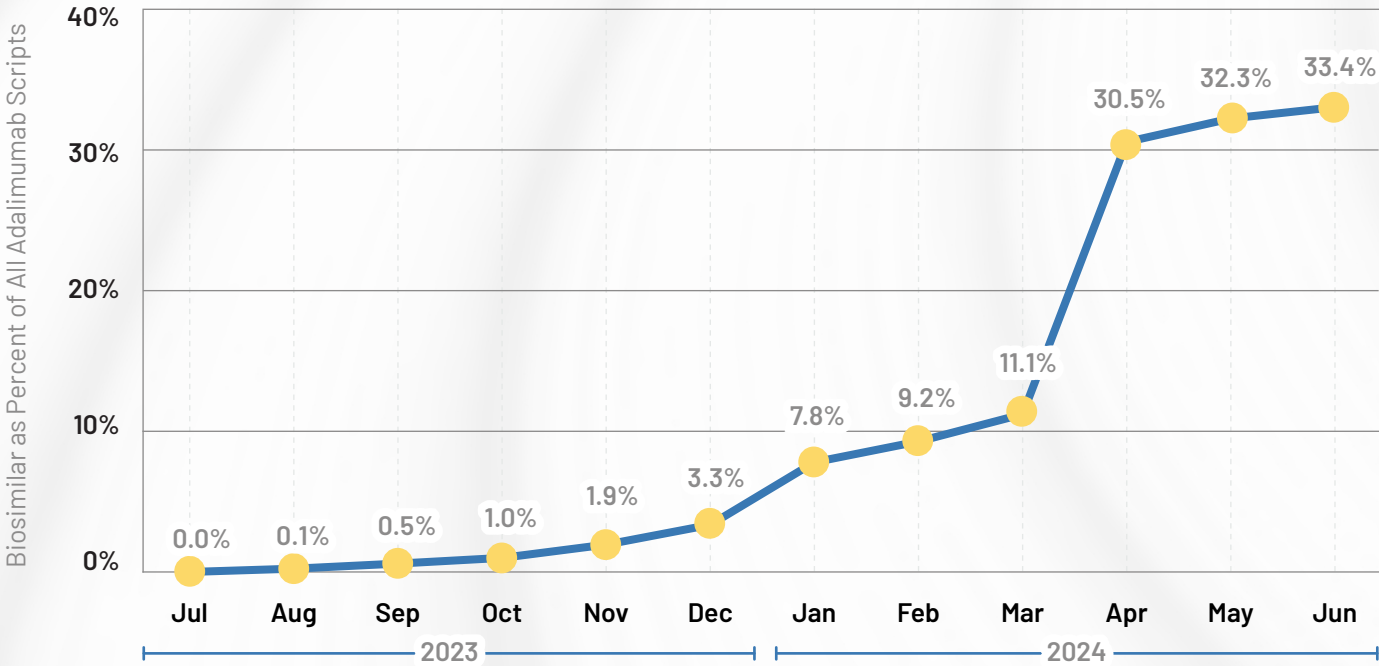


Employer’s Map: Looking Ahead to 2025

The landscape continues to evolve, with several key developments expected:

- › Increased uptake of Humira biosimilars as major PBMs remove Humira from commercial formularies
- › Launch of at least six Stelara biosimilars in 2025, with the first expected in January
- › Continued expansion of GLP-1 agonist utilization as studies support more indications
- › Further cost increases from specialty drugs due to expanded indications, patient demand, and provider comfort in prescribing

Update of Humira (adalimumab) Biosimilar High Concentration (40mg/0.4 ml) July 2023 - June 2024



Key Takeaway

A comprehensive strategy addressing both specialty and brand name drugs is critical as the market continues to evolve with biosimilar options and expanding indications for high-cost medications. Success will require careful attention to formulary design, member education, and cost management strategies.

3

The Diabetes Dilemma

“Something’s different about diabetes this year.” This comment surfaced repeatedly as our team analyzed the data to understand why diabetes, rather than traditional high-cost conditions like cancer or musculoskeletal, emerged as the surprising leader in healthcare cost growth.

Our comprehensive analysis reveals not just what changed, but why – offering critical insights that could reshape employer health strategies.

Springbuk Data Indicated:

- › Average monthly plan paid among diabetic claimants has increased by **\$179 per month (from \$300 to \$479) over the last four years**
- › Type 2 diabetes prevalence increased from **48.4 to 55.5 per 1,000 members over four years; with overall PMPM increasing by 18% since year 1**



Want to know why diabetes is leading healthcare cost growth this year—and what it means for employer health strategies? [Get the full report here.](#)



Our Analysis Revealed Several Key Insights:

- › **Diabetes PMPM increased by \$6.10 from CY2022 to CY2023**, surpassing all other conditions including Cancer with Active Management (\$4.10)
- › GLP-1 agonist utilization grew dramatically from **19.5% to 40.4%** of diabetic members over the last four years; driving 88% of cost increases but showing promising A1C outcomes
- › Social vulnerability creates concerning **disparities in both treatment access and outcomes**

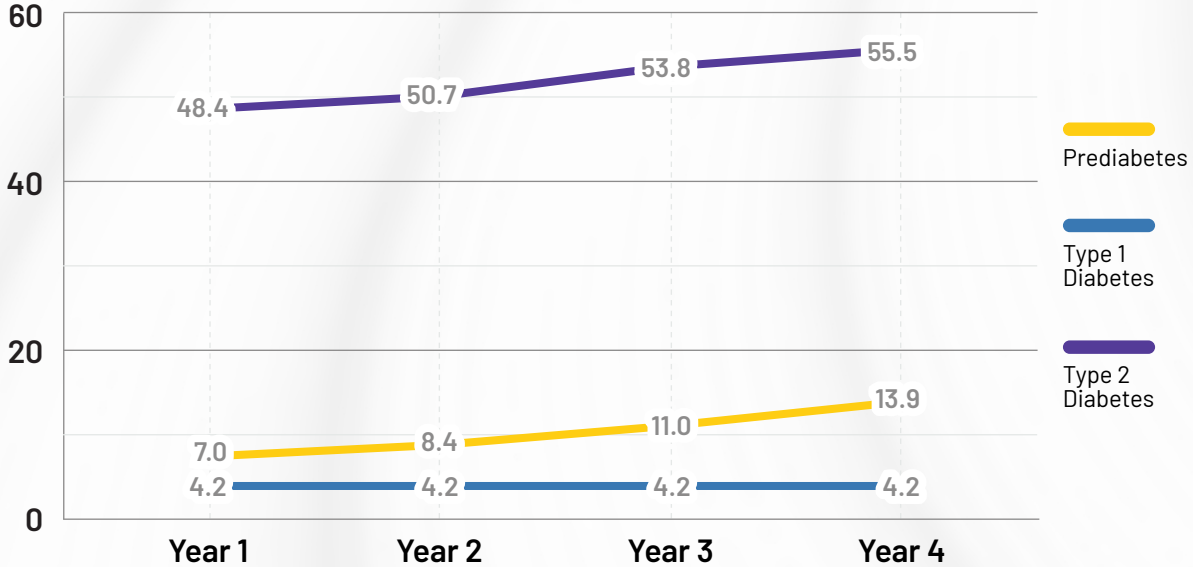


Employer’s Map: Looking Ahead to 2025

- › Expect continued growth in GLP-1 adoption, given large pool of qualifying patients
- › Monitor increasing prediabetes diagnoses, suggesting continued growth in type 2 diabetes prevalence
- › Balance the high current costs of modern treatments, like GLP-1 and Continuous Glucose Monitoring technology, against their potential to prevent future costly complications
- › Focus on addressing social vulnerability gaps in treatment access

Diabetes & Prediabetes Prevalence

Claimants per 1,000 Members



Key Takeaway

Success will require **careful attention to formulary design, member education, and equitable access to care** across all employee populations.

4

The Real Gut Check: Understanding GI's Cost Impact

When we think of gastrointestinal (GI) diseases, temporary discomforts like heartburn or indigestion usually come to mind. Yet our comprehensive analysis reveals a more complex and costly reality: **GI diseases now rank among the top three highest-cost conditions for Springbuk employer clients.**

Springbuk Data Indicated:

- › GI issues account for **\$31.7 PMPM in total plan paid dollars** (medical and Rx)
- › These conditions impact **128.3 members per 1,000, translating to roughly 12.8%** of average membership



Curious why GI diseases now rank among the top three highest-cost conditions for employers—and how they impact your plan? [Get the full report here.](#)



Our Analysis Revealed Several Key Insights:

- › Inflammatory Bowel Disease (IBD) leads GI costs at **\$14.92 PMPM, a 19.9% increase**
 - › Rx PMPM: \$9.41
 - › Medical PMPM: \$5.50
- › Rx Channel specialty drug costs for GI diseases have **risen 53.2% over three years**, more than x2 as fast as medical
- › The overall cost per GI claimant has **increased 14.9% over the last three years**, compared to just a 4.1% increase in GI claimants/1,000
- › Mental health conditions strongly correlate with GI issues - members with mental health conditions are **2.3x more likely** to have GI conditions



Employer’s Map: Looking Ahead to 2025

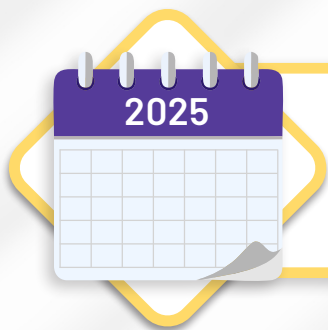
- › Biosimilar availability expanding, with Stelara biosimilars coming in 2025
- › Opportunities emerging for cost management through site-of-care optimization
- › Need for integrated approach considering mental health-GI connection
- › Growing importance of medication adherence support for high-cost patients

| | Year 1 | Year 2 | Year 3 | 3 Year Trend (\$) | Percentage of 3 Year Trend (%) |
|---|----------------|----------------|----------------|-------------------|--------------------------------|
| Rx Channel Specialty Drug | \$6.77 | \$8.47 | \$9.55 | \$2.78 | 53.2% |
| Surgical Procedures & Facility Costs | \$7.71 | \$8.32 | \$9.13 | \$1.42 | 27.2% |
| All Other | \$11.99 | \$12.33 | \$13.02 | \$1.03 | 19.7% |
| | \$26.47 | \$29.12 | \$31.70 | \$5.23 | 100.0% |

80.4% of the three-year trend comes from Rx Channel Specialty Drugs (53.2%), Surgical Procedures and Facility Costs (27.2%)



Key Takeaway
 Success will require carefully balancing specialty drug management, site-of-care strategies, and comprehensive support for patients managing both mental health and GI conditions.



Looking Ahead: Priority Action Items for 2025

Pharmacy Cost Management



Prepare for Biosimilar Transitions

- › Implement strategies for Humira biosimilar adoption
- › Prepare for Stelara biosimilar availability in 2025
- › Review PBM contracts for favorable biosimilar terms and transparency

Optimize Specialty Drug Management

- › Direct specialty infusions to lower-cost sites of care when appropriate
- › Develop specific strategies for managing GLP-1 agonist prescriptions
- › Structure formularies to incentivize cost-effective medication choices

Enhance Member Support

- › Create comprehensive education campaigns about biosimilars and generics
- › Implement medication adherence support programs
- › Consider plan design modifications to support high-cost chronic condition management

Preventive Health Initiatives



Launch Comprehensive Wellness Programs

- › Implement nutrition education and healthy eating programs
- › Create physical activity incentives
- › Establish smoking cessation support
- › Develop weight management initiatives with personalized coaching

Focus on Early Intervention

- › Monitor and support diabetes prevention programs
- › Address social vulnerability gaps in treatment access
- › Consider early intervention strategies for GI conditions
- › Enhance mental health support services

Strategic Considerations



Cost Management

- › Balance near-term treatment costs against long-term complication prevention
- › Review site-of-care strategies for specialty medications
- › Monitor impact of biosimilar transitions on overall spend

Care Quality and Access

- › Address social vulnerability gaps in treatment access
- › Partner with vendors for complex care management
- › Ensure equitable access to new treatment options
- › Consider mental health-physical health connections in program design



Unlock the Potential of Your Health Data for Optimized Employee Benefits & Cost Efficiency

Your health data isn't just information—it's a goldmine of insights that can personalize benefits for your employees while enhancing your organization's financial well-being. To truly maximize the impact of your health benefits investment, you need advanced tools and actionable insights to identify opportunities and strategically allocate resources.

Our **Employee Health Trends 2025** report makes that possible.

When you download the full report, you'll gain:

- › Deeper insights into the major trends shaping employee health
- › Extended analysis and data-driven discussions to inform your decisions
- › Additional visuals and charts that highlight key findings
- › Actionable recommendations to implement today for immediate impact

Unlock Insights & Guidance in Employee Health Trends 2025

