



Employee Health Trends

2026

Mid-year Update



Employee Health Trends 2026: Mid-year Update

Powered by billions of healthcare data points from more than 7,500 mid-sized employers, **Employee Health Trends** reveals what's shaping member health today—and what benefits leaders should prepare for next.

In February 2026, [Springbuk](#) released our seventh annual [Employee Health Trends](#) report, combining rigorous data analysis with practical, actionable insights for employers, consultants, and health plans. 

Now, as organizations prepare for 2027, it's time to revisit the forces shaping employee health and employer costs. More importantly, they need to pinpoint what's working, what's changing, and where action may be needed across their population.

A Powerful Combination

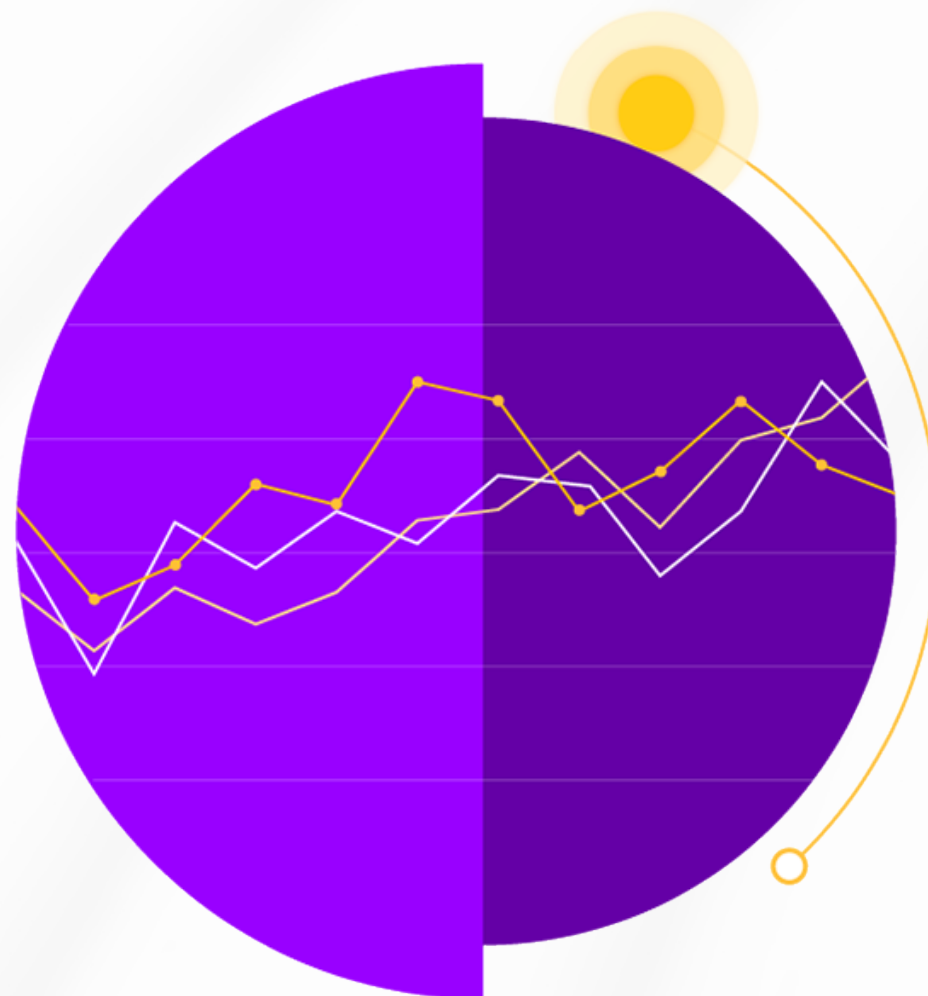
In September 2025, Truven acquired Springbuk, expanding access to large-scale claims benchmarks and real-world evidence.

Together, this powerful combination strengthens visibility into rare, high-cost therapies—helping employers better understand both current exposure and emerging cost risk.

By uniting Springbuk's speed, intuitive design, and self-service focus with Truven's deep analytic sophistication and enterprise scale, we are creating a single platform that delivers:

- › Industry-leading deep analytic experience
- › Robust data integration
- › Decades of expertise
- › **40%** of Fortune 100 employers
- › **7,500+** small & mid-market employers
- › **7/10** of the top U.S. payers (by enrollment)
- › **17/20** of the world's top pharma companies

Learn more at truven.com



Meet the Springbuk Experts



Chris Gagen

Senior Director, Solution Management

For the last 20 years, Chris Gagen has worked with benefits leaders and clients analyzing their healthcare claims data with a focus on financial and plan design modeling. He's gathered experience across collaborations with business leaders, product managers, data scientists, and software engineers to define and solve healthcare business problems. Since 2019, Chris has advanced through several roles at Springbuk and now leads the Analytics and Strategic Consulting team as Senior Director of Solutions Management.



Janet Young, M.D.

Clinical Analytics Advisor

With more than 30 years of experience, Janet Young has provided clinical expertise to the development of healthcare analytics used in provider, payer, employer, and government sectors. Janet joined the Data Science and Methods team at Springbuk in Dec. 2019, and has been responsible for clinical oversight of methods and models. Janet received her M.D. from Yale University School of Medicine.



Methodology

Findings are based on de-identified healthcare and benefits data from the Springbuk health intelligence platform, representing billions of data points across more than 7,500 mid-sized employers. The mid-year update uses full-year 'calendar year' incurred claims data with '3 months of' runout to assess finalized 2025 cost and utilization trends and identify emerging trends relevant to employer benefits planning. Findings are reviewed alongside industry research and market trends to provide additional context.

The Mid Year Checkpoint

At the beginning of the year, strategies were launched, programs were implemented, and investments were made. **Now, with 6+ months of data, what do the results show?**

The question isn't whether action was taken.
The question is whether it worked.

Understanding that requires data you can trust and evidence you can act on.

That is why this mid-year update was created: to transform high-quality health data into trustworthy intelligence that helps benefit teams identify what's driving costs, where to act, and make decisions with confidence.

Inside the Update



Where did healthcare costs actually land in 2025? What does it mean for 2027 planning?



What conditions drove the overall cost trend?
Is your budget condition-proof?



What emerging cost pressures should benefit teams be preparing for now?

The 7.1% Trend: Same Headline, Different Story

With each mid-year update, the first question we ask is: "How did last year's projections hold up, and where do we stand now?"

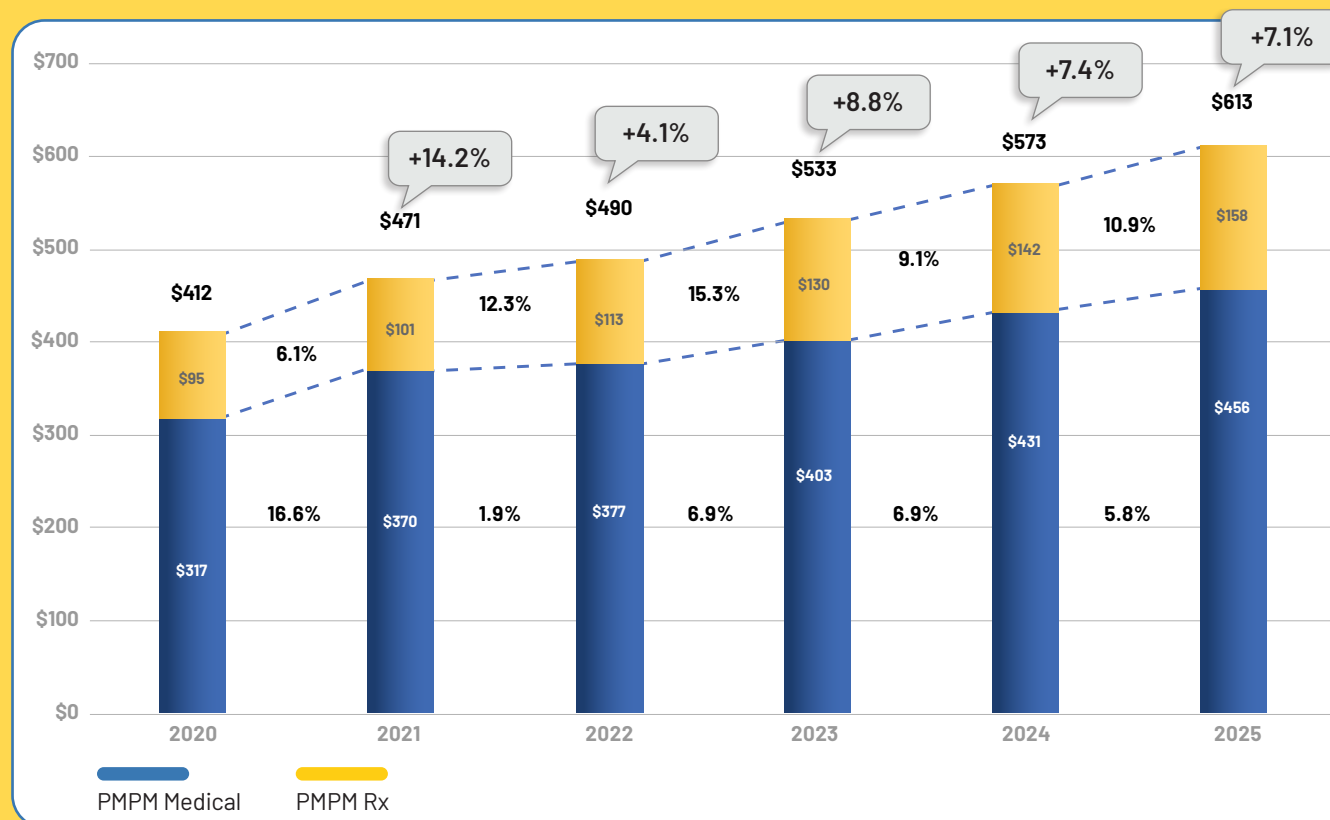
Looking back at the overall trend for 2025, our initial forecast anticipated another 7.4% increase in Total Plan Paid PMPM.

With complete 2025 data now available, our team found that healthcare costs finished the year nearly as we projected: **Total plan-paid PMPM increased 7.1% over 2024 to \$613.30.**

While both medical and Rx costs contributed to the growth, Rx spend grew at a faster rate than medical spend. **Rx PMPM rose 10.9% to \$157.60 and now accounts for roughly one-quarter of total healthcare spend.** Medical PMPM increased 5.8% to \$455.70.

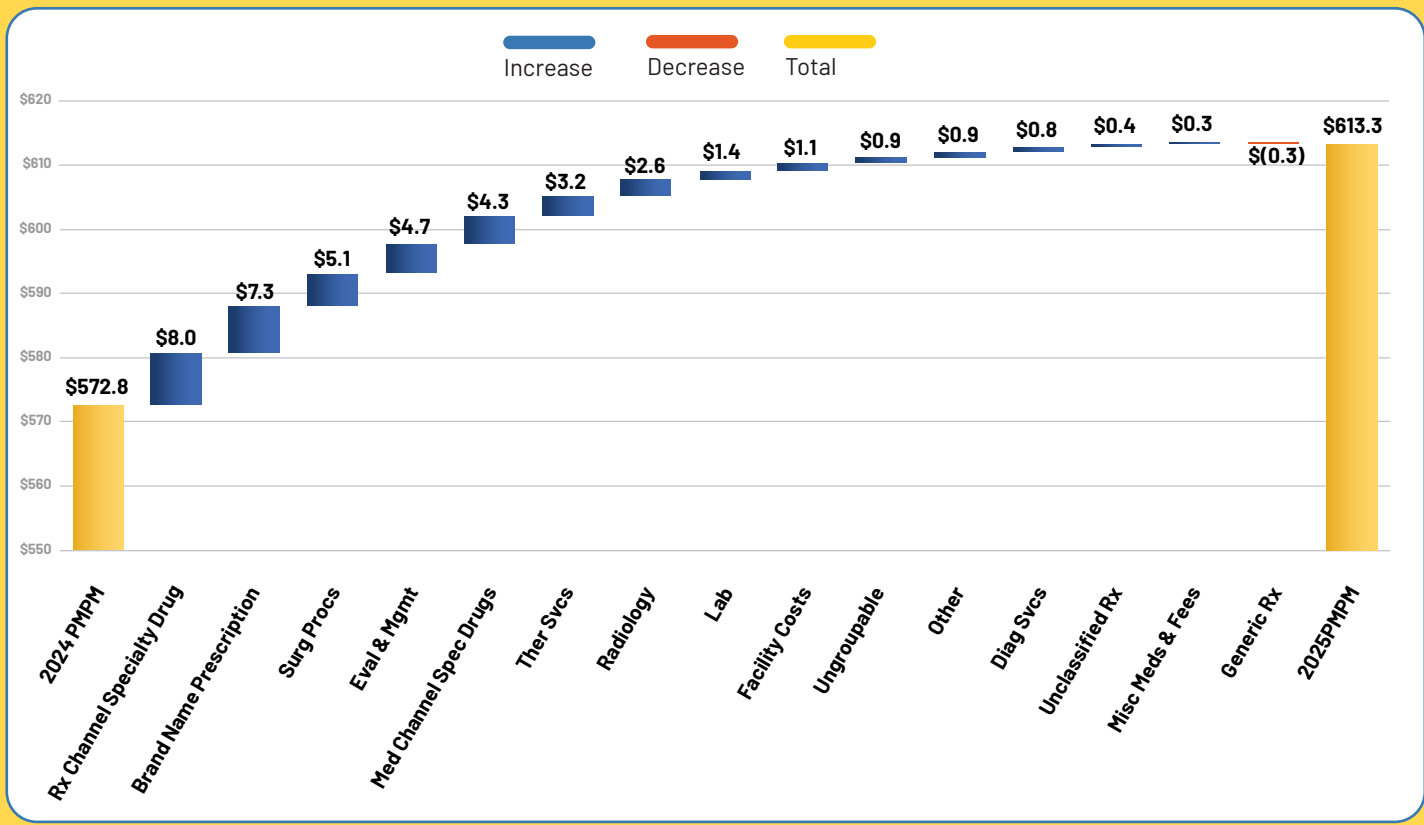
Together, these shifts resulted in an overall PMPM increase of \$40.50 year over year.

Total Plan Paid PMPM Incurred Years



PMPM Change by Service Classification

2024 vs. 2025 Plan Paid (Incurred 1/1 – 12/31; Paid Through 3/31)



Beyond the Overall: Following the Dollars Behind the Trend

Identifying why costs increased is only the starting point. The more important question is what drove the increase.

To begin to answer this, our team asked: Where did the increase(s) come from? Were they the result of new cost pressures or familiar trends gaining momentum?

Across service classifications, the primary drivers include:

- Specialty drugs – Rx channel
- Brand name drugs – Rx channel
- Specialty drugs – medical channel

Together, medical specialty drugs, Rx specialty drugs, and brand-name drugs accounted for \$19.60 of the total \$40.50 PMPM increase.



Nearly Half of 2025's Cost Increase Came from High-Cost Drug Categories



The Trend Behind the Trend

2024-2025 Medical and Rx PMPM Trend Driver
Heat Map by Condition Group and Service Classification

	Rx Channel Specialty Drugs	Brand Name Prescription	Surg Procs	Eval & Mgmt	Med Channel Specialty Drugs	Ther Svcs	Radiology	Lab	Facility Costs	Ungroupable	Other	Diag Svcs	Unclassified Prescription	Misc Meds and Fees	Generic Prescription	Grand Total
Cancer	\$1.1	\$0.0	\$0.7	\$0.2	\$2.0	\$0.3	\$0.3	\$0.3	\$0.3	\$0.0	\$0.2	\$0.1	\$0.0	\$0.0	\$0.0	\$5.7
Mental Health	\$0.1	\$0.2	\$0.1	\$0.6	\$0.1	\$1.9	\$0.0	\$0.0	\$0.3	\$0.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$3.5
All Other	\$0.7	\$0.4	\$1.1	\$0.4	\$0.6	\$0.0	\$0.2	\$0.2	(\$0.2)	\$0.2	\$0.1	\$0.0	\$0.0	(\$0.3)	\$0.0	\$3.5
Diabetes	\$0.0	\$2.8	\$0.0	\$0.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.4	\$0.0	\$0.0	\$3.4
Pregnancy/Newborn	\$0.0	\$0.0	\$0.2	\$0.4	\$0.0	\$0.1	\$0.2	\$0.2	\$1.5	\$0.0	\$0.0	\$0.0	\$0.0	\$0.1	\$0.0	\$2.9
Digestive System Disease	\$0.9	\$0.2	\$0.7	\$0.3	\$0.4	\$0.1	\$0.2	\$0.1	\$0.1	\$0.0	\$0.1	\$0.1	\$0.0	\$0.1	(\$0.1)	\$2.8
Obesity	\$0.0	\$2.6	\$0.0	\$0.2	\$0.0	\$0.0	\$0.0	\$0.0	(\$0.2)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$2.7
Skin Disease	\$2.2	\$0.1	\$0.0	\$0.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$2.5
Cardiovascular Disease	\$0.4	\$0.0	\$0.5	\$0.3	\$0.0	\$0.1	\$0.2	\$0.0	\$0.2	\$0.1	\$0.2	\$0.3	\$0.0	\$0.1	\$0.1	\$2.5
Nervous System Diseases	\$0.3	\$0.8	\$0.1	\$0.2	\$0.6	\$0.0	\$0.1	\$0.0	\$0.0	\$0.1	\$0.1	\$0.1	\$0.0	\$0.0	\$0.0	\$2.4
Endocrine and Chemistry Imbalances	\$0.6	\$0.5	\$0.1	\$0.2	\$0.1	\$0.0	\$0.1	\$0.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.1	(\$0.1)	\$1.6
MSK	(\$0.1)	\$0.0	\$0.8	\$0.3	\$0.3	\$0.3	\$0.3	\$0.0	(\$0.4)	\$0.1	(\$0.2)	\$0.1	\$0.0	\$0.0	\$0.0	\$1.4
Preventative/wellness	\$0.0		\$0.1	\$0.2	\$0.0	\$0.1	\$0.3	\$0.1	\$0.0	\$0.0	\$0.1	\$0.0	\$0.0	\$0.4	\$0.0	\$1.3
Signs & Symptoms	\$0.0	\$0.0	\$0.1	\$0.3	\$0.0	\$0.2	\$0.4	\$0.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$1.2
Renal Disease	\$0.1	\$0.0	\$0.3	\$0.2	\$0.0	(\$0.1)	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1	\$0.0	\$0.0	\$0.0	\$0.1	\$1.0
Respiratory Disease	\$0.6	\$0.1	\$0.0	\$0.1	\$0.0	\$0.0	\$0.0	\$0.0	(\$0.1)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.7
Burns, Poisoning, and Trauma	\$0.0	\$0.0	\$0.2	\$0.3	\$0.0	\$0.0	\$0.1	\$0.0	(\$0.2)	\$0.0	\$0.1	\$0.0	\$0.0	(\$0.1)	\$0.0	\$0.5
EENT	\$0.2	\$0.1	\$0.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.5
Infection and Immune Deficiencies	\$0.8	(\$0.4)	(\$0.1)	\$0.2	\$0.3	\$0.1	\$0.0	\$0.0	(\$0.3)	\$0.2	(\$0.1)	\$0.0	\$0.0	(\$0.2)	\$0.0	\$0.4
Hypertension	\$0.0	\$0.0	\$0.0	\$0.2	\$0.0	\$0.0	\$0.0	\$0.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	(\$0.1)	\$0.2
Total	\$8.0	\$7.3	\$5.1	\$1.6	\$4.3	\$3.2	\$2.6	\$1.4	\$1.1	\$0.9	\$0.9	\$0.8	\$0.4	\$0.3	(\$0.3)	\$40.5

Uncover why costs rose

Cost trends rarely appear out of nowhere. Rather, they build gradually, as conditions, treatments, and utilization patterns shift across a population over months or years.

However, employers who look beyond the trend headlines gain a more complete picture of the underlying forces shaping future spend. This can help them move from simply understanding where costs rose and uncover why they rose and how those patterns could affect next year's budgets.

Note: All Other is a 'catch-all' for ungrouped claims and other conditions such as transplants, blood diseases, and non-malignant neoplasms. The largest influence on trend is in the same area as other leading conditions - specialty Rx, medical channel specialty, and brand name Rx.

Drilling deeper into condition groups and service classifications, our analysis revealed **five key areas** that contributed significantly to healthcare cost growth in 2025:

- › **Cancer emerged as a major driver across multiple high-cost treatments**, leading increases in medical specialty drugs (\$2.0 PMPM) and Rx specialty drugs (\$1.1 PMPM).
- › **Mental Health (MH)** dominated growth in therapeutic services, adding \$1.9 PMPM as more members sought care.
- › **Diabetes** and **obesity** generated the largest increases in brand-name prescription drug spending, contributing \$2.8 PMPM and \$2.6 PMPM, respectively.
- › **Pregnancy and newborn costs** increased through facility-based services, contributing \$1.5 PMPM to overall trend growth.

Here's where employers need to pay attention:

We expected increased spending on prescription drugs to drive healthcare costs up in 2026 and 2027. Prior year trends that we expect to continue to impact costs in 2026 include:

- › Nearly half of 2025's healthcare cost growth was tied to specialty and brand-name drug categories.
- › Cancer and skin diseases drove specialty drug costs, while diabetes and obesity drove brand-name drug growth.



When Treatment Costs Outpace Patient Growth

With cancer in the spotlight, a closer review reveals that the increase is not simply a matter of more people receiving care; data indicate total cancer claimants remained unchanged in 2025. **The increase came from a different source: more expensive cancer treatments.**



In 2025, total cancer claimants per 1,000 were essentially flat while the **amount paid per claimant drove the PMPM up by approximately 9%.**



Breast cancer emerged as the leading contributor to the overall cancer trend.

- › Breast cancer prevalence increased just 1%
- › Cost per patient increased 12%
- › PMPM increased 14%

The result: more complex and expensive treatment drove breast cancer spend, not an increase in prevalence.



On the medical side, the breast cancer trend was largely a cost story.

- › Medical-channel specialty drug costs increased
- › Surgical procedure costs increased
- › Utilization remained relatively stable compared to the growth in spend

The result: more members receiving treatment didn't drive the increase; rising treatment costs did.



For breast cancer, the Rx story looked different.

Here, growth came from both increased utilization and higher paid amounts per prescription.

- › Specialty Rx claimants increased 9%
- › Prescription volume increased 7%
- › Paid per script increased 15%
- › PMPM increased from \$2.27 to \$2.76

The result: more members were receiving treatment, and each treatment cost more.

Kisqali: A Case Study in Oncology Cost Growth

Behind a majority of that growth, one therapy stood out: **Kisqali**. This high-cost oral oncology treatment saw rapid adoption following expansion of its approved breast cancer indications in September 2024, and its impact was felt immediately.

At more than \$150,000 per patient annually, even modest upticks in utilization can translate into significant budget impact.

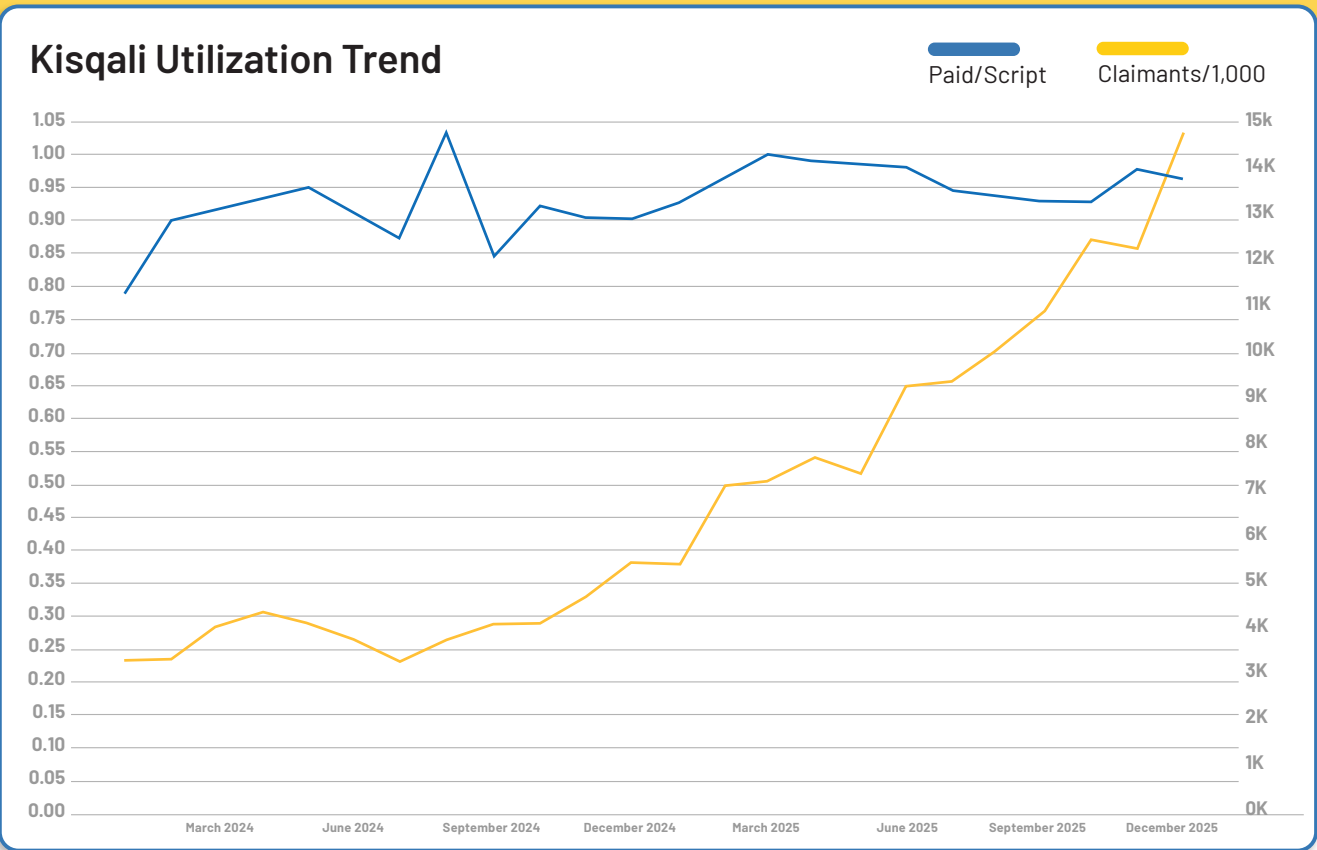
125% Claimants increased 125%

130% Scripts increased 130%

2x+ PMPM more than doubled from \$0.34 to \$0.83

Benefits teams should be prepared to see this growth continue, as this is unlikely to be a one-year spike. Many patients remain on treatment beyond 12 months, with some treatment plans extending up to three years.

Note: Verzenio was identified in our 2026 Employee Health Trends Report as one of the top five drivers of rising specialty drug costs.



KEY TAKEAWAYS

-  Employers should expect ongoing oral oncology cost pressure as expanded indications and longer treatment durations increase spending persistence.
-  The broader trend extends beyond a single therapy. As oral oncology treatments become a larger part of cancer care, employers may face new challenges related to treatment access, adherence, and long-term specialty pharmacy spend.
- It's also important to note, oral therapies such as Kisqali and Verzenio reflect a growing trend toward longer-duration, high-cost cancer treatment that can create sustained financial pressure over time.

Looking Ahead: The Next Cost Drivers to Watch

While cancer sat at the center of the 2025 cost story, it was only one component of the overall trend. The additional cost drivers below show where patterns and pressures continue to build across member populations.

Mental Health

Key Driver: Increase in members receiving treatment

The overall mental health (MH) trend is driven by more members using services, with some additional increase in cost intensity.

Key Takeaway:

Rising utilization suggests mental health demand is becoming more deeply embedded within member populations rather than a temporary spike.

- › **Overall MH therapy claimant rate increased from 120.20 to 128.70 per 1,000 (+7%)** while paid per claimant increased 6%, leading to a 14% PMPM increase from \$14.40 to \$16.30.
- › **Behavioral Health (BH) appears to be the strongest single sub-driver:** claimant rate increased 8%, paid per claimant increased 6%, and PMPM rose 15% from \$8.27 to \$9.48. It's important to note that BH differs from depression and anxiety; it includes conditions such as ADHD, substance abuse, autism, bipolar disease, and schizophrenia.
- › **Anxiety-related therapy is growing through both higher prevalence and higher cost per claimant:** claimant rate increased 8%; cost per claimant also increased 8% leading to a PMPM increase of 16% (from \$2.00 to \$2.40).
- › **Depression-related therapy also shows increased use as the core story:** claimant rate rose 6%, driving PMPM growth from \$4.10 to \$4.50 (+10%).

Diabetes

Key Driver: Increase driven by mix of adoption and cost of GLP-1 drugs

The diabetes trend is driven by both more members receiving GLP-1 treatment and higher cost per member.

Key Takeaway:

As GLP-1 utilization expands, employers should expect diabetes-related Rx costs to remain a persistent source of healthcare spend.

- › **Claimant/1,000 rate rose 4%** and paid per claimant rose 6%.
- › **Total diabetes Brand Rx PMPM increased 11%**, which is faster than claimant growth, pushing PMPM from \$25.40 to \$28.20 (+\$2.80 PMPM)
- › **Prescription volume is also increasing:** script rate rose 7%, showing higher utilization
- › Unit cost is rising, but more modestly than utilization: **paid per script increased from \$907.60 to \$947.80 (+4%)**, so the trend is more of a mixed volume + price story than a pure price shock

Obesity

Key Driver: Overwhelmingly utilization-driven, related to increased GLP-1 uptake

Overwhelmingly utilization-driven, related to increased GLP-1 uptake, obesity is one of the clearest utilization-driven trends in 2026; the claimant rate rose 23% and Scripts/1,000 rate increased 45%.

Key Takeaway:

The obesity trend underscores that adoption—not drug inflation—is currently the primary force behind GLP-1-related cost growth.

- › **Total obesity Brand Rx PMPM increased 45% from \$5.80 to \$8.40 (+\$2.61 PMPM).**
- › **Paid per script was essentially flat** (about \$1,069 to \$1,073 – 0% change), so the trend is not being driven by worsening unit cost.
- › **Strategic narrative for obesity:** GLP-1 adoption is part of the broader brand/specialty drug pressure in the market.

Pregnancy and Newborn

Key Driver: A mix of high severity newborns in 2025 and lower than normal cost in 2024 – getting back to normal

For newborns, the trend is driven more by higher cost per newborn rather than by a major change in birth volume.

Key Takeaway:

The key driver is higher-cost pregnancies and newborn cases, highlighting the financial impact of severity-driven care.

- › **Newborns per 1,000 have been fairly steady**, while average cost per newborn moved \$9,072 → \$8,391 → \$9,524 over the past 3 years.
- › **The newborn cost pattern seems to be mainly due to changes in severity/outlier-sensitive categories**, especially other perinatal disorder and neonatal prematurity, rather than a change in occurrence rates.
- › **2024 appears to have been the anomaly, with costs dropping and then rebounding in 2025;** suggesting this year’s rate has stabilized back to the “normal” level expected for pregnancy/newborn.
- › **For pregnancy, PMPM increased in both CY23→CY24 and CY24→CY25**, and the increase was largely related to evaluation and management (E&M) and facility costs.
- › **Pregnancy volume is up only slightly (20.4→20.7→20.9 per 1,000)**, while spend per pregnancy rose more materially (\$9,019 → \$9,416 → \$10,101), so pregnancy trend is mainly a cost story rather than a major utilization surge.

Turn Mid-Year Insights into Strategic Action

The trends highlighted in this update aren't simply reflections of what's happened so far this year; instead, they're early indicators of where costs, utilization, and population health may be headed next.

Organizations that recognize these signals sooner are better positioned to evaluate their investments and make benefit decisions with confidence.

Explore the full Employee Health Trends 2026 report for deeper analysis and actionable insights backed by billions of healthcare data points from more than 7,500 employers.

Access the full report



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