

# The Advisor

## OPEN ENROLLMENT 2025

### Prescription drug trends to watch

Last year, prescription drug spending in the United States hit nearly \$806 billion – and was expected to rise another 9 to 11 percent in 2025, according to data from the American Society of Health-System Pharmacists.

Between the increased demand for prescriptions and the continued growth of the high-cost specialty drug market, prescriptions remain one of the leading causes of rising health care expenses for employers. As such, the employee benefits team at Schauer Group is paying attention to trends that could both positively and negatively impact drug pricing in 2026. They include:

#### No more compounding GLP-1 drugs

This spring, pharmacies were required to stop compounding the GLP-1 drugs that have become popular for weight loss, now that the companies supplying the name-brand versions of the drugs are able to keep up with demand.

Compounded drugs are copies of FDA-approved drugs that are made by licensed pharmacies, but they don't undergo any clinical trials, and they're not approved by the FDA. Compounding is allowed when there is a shortage of a drug, or when a patient can't take the approved version of a drug.

Ultimately, the change means GLP-1 drugs will become more expensive for individuals who were paying for their prescriptions out-of-pocket, and they could become more difficult to access. While a month's supply of the compounded GLP-1 drug was widely available online for less than \$200, the average monthly cost of the name-brand drugs often is more than \$1,000 (without insurance). Some lower-cost, direct-to-patient options are emerging for people who don't have insurance coverage and are willing to purchase the drug outright, but average monthly costs still are closer to \$500.

Nationally, few employers cover the cost of GLP-1 drugs in cases where they're used primarily for weight loss. According to a study from health policy organization KFF, only 18 percent of employers with more than 200 employees provide coverage for the drugs, and more than half of those employers have additional requirements for receiving that coverage – such as participating in a weight loss program first.



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## Continued development and adoption of biosimilars

Biosimilars are FDA-approved alternatives to biologic drugs, which are specialty drugs made of living cells, proteins or tissues that are used to treat conditions including diabetes, arthritis, some cancers, and inflammatory diseases. In most cases, biosimilars are a cheaper option than the biologic original drug, but uptake in the United States has varied widely, depending on the drug.

While there are hundreds of biologic medications, there only are 75 FDA-approved biosimilars that provide alternatives. In the coming years, however, as patents expire for more biologic drugs, it's expected that additional biosimilars will enter the market, bringing additional pricing competition. Among the key drugs to look out for are cancer treatment Keytruda – which was the world's best-selling drug in 2024 – and Opdivo, which also treats certain types of cancer. Both have patents that expire in the United States in 2028.

## Advances in cell and gene therapies

Cell and gene therapies are expensive, one-time treatments that address the underlying causes of rare diseases, such as sickle cell disease, hemophilia and certain kinds of cancer. They're a rapidly growing class of products: Currently, the Food and Drug Administration has approved about 40 of these therapies, but globally, thousands more are in development, according to a 2025 report from the American Society of Gene & Cell Therapy.

Cell and gene therapies can significantly improve quality of life for patients living with rare diseases, and they have the potential to cure diseases or reduce the need for ongoing treatments. But they come with hefty price tags – often, millions of dollars.

Employers aren't required to cover gene and cell therapies, but many do. And while it's unlikely that most companies would have an employee who would qualify for one of these treatments, it's important for employers to assess their risk of facing a gene or cell therapy claim and to work with their broker to manage that risk. There are solutions available – for example, a per-member, per-month plan that covers access to the most common therapies, or stop-loss insurance that protects from catastrophic losses for self-insured employers.

## Changes to creditable coverage under Medicare Part D

Because of changes made through the Inflation Reduction Act, some employer-sponsored prescription plans will no longer qualify as creditable coverage under Medicare Part D.

People who are Medicare-eligible are required to either enroll in a Medicare prescription plan or prove they have creditable coverage elsewhere to avoid paying penalty charges. For an employer-sponsored health care plan to be considered creditable, it must provide enrollees equal or higher value than the standard Medicare plan would.

The Inflation Reduction Act both enhanced prescription coverage for Medicare beneficiaries and reduced costs. In 2026, the new simplified method for determining whether an employer-sponsored plan is considered creditable is that it is set up to pay 72 percent of plan participants' prescription expenses and will provide reasonable access to pharmacies and medications, according to guidance from the Centers for Medicare and Medicaid Services. For 2026 only, plans still will be able to use the existing standard of 60 percent to be considered creditable.

If you'd like to discuss these trends further, you can [reach out to our employee benefits team here](#), or you can contact your Schauer Group advisor.



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## SOURCES

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