



Employee Benefits Report



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Pharmacy Strategies

The 2026 Specialty Drug Surge Part 2: How Employers Are Rewriting Their Pharmacy Strategies

Specialty drugs have been a major cost driver for years, but 2026 marks a turning point in both scale and urgency. With GLP-1 medications expanding into new indications, gene therapies entering the market at record pace, and oncology drugs continuing to rise in both cost and utilization, specialty medications are projected to account for more than 60% of total pharmacy spending this year. Em-

ployers of all sizes are confronting a new reality: traditional pharmacy strategies are no longer enough to manage the financial and operational impact of these high-cost therapies.

Across national employer surveys and early 2026 claims data, a consistent picture is emerging. Employers are shifting from incremental adjustments to full-scale redesigns of their pharmacy programs. The focus is no longer just on cost containment—it is on sustainability, access, and long-term risk management.

1. GLP-1 Expansion Is Reshaping Pharmacy Budgets

GLP-1 medications such as Ozempic, Wegovy, and Zepbound continue to dominate pharmacy

This Just In ...

Telehealth 2.0 Gains Momentum as Virtual Specialty Care Expands in 2026

Virtual care is entering a new phase in 2026, with employers seeing rapid growth in Telehealth 2.0 — a more integrated, data-driven model that blends virtual visits, remote monitoring, and AI-supported clinical decision tools. Analysts describe this shift as a move from “occasional convenience” to a core component of everyday care delivery.

One of the biggest developments is the rise of virtual specialty care. Dermatology, cardiology, behavioral health, and chronic-condition management are increasingly delivered through virtual platforms that use predictive algorithms to triage symptoms, flag risks, and streamline follow-up care. These tools are helping reduce wait times and improve access — especially in regions facing provider shortages.

Industry forecasts suggest that up to 30% of all U.S. medical appointments could be virtual by 2026, depending on regulatory



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conversations, but the story in 2026 is broader than weight loss. New approvals for cardiovascular risk reduction, metabolic disease management, and combination therapies are driving utilization far beyond initial projections.

Employers are responding by:

- Implementing step therapy and clinical criteria
- Exploring outcomes-based contracts with PBMs and manufacturers
- Offering lifestyle and coaching programs alongside medication

Surveys show that employers remain committed to covering GLP-1s, but they are increasingly focused on ensuring appropriate use and measurable outcomes.

2. Gene Therapies Are Creating New Financial Pressures

The FDA approved more gene therapies in 2025 than in any previous year, and 2026 is on track to exceed that record. These treatments—often priced in the millions—offer life-changing benefits but create significant financial volatility for employer plans.

Employers are responding by:

- Purchasing stop-loss coverage specifically for gene therapy claims
- Considering carve-outs to specialized vendors
- Evaluating “pay-over-time” financing models

The challenge is balancing access to breakthrough treatments with the need to protect plan solvency.

3. Oncology Drugs Continue to Drive High-Cost Utilization

Cancer remains one of the most expensive and complex areas of specialty pharmacy. New targeted therapies and immunotherapies are improving outcomes but increasing costs. Employers are seeing

rising utilization not only in treatment but also in diagnostics and companion testing.

Employers are responding by:

- Partnering with oncology centers of excellence
- Using case management to coordinate care
- Reviewing coverage for high-cost diagnostics

Oncology spend is expected to grow steadily through 2026, making it a top priority for long-term planning.

4. Employers Are Reassessing PBM Relationships

The specialty drug surge is accelerating a broader shift in how employers evaluate their PBM contracts. Transparency, pass-through pricing, and specialty drug management programs are now central to vendor selection.

Employers are responding by:

- Renegotiating rebate structures
- Demanding clearer reporting on specialty utilization
- Exploring alternative PBM models

Many employers are also turning to independent consultants to audit PBM performance and identify hidden costs.

5. New Plan Designs Are Emerging to Balance Access and Affordability

To manage rising specialty costs without reducing coverage, employers are adopting innovative plan designs that emphasize value, navigation, and clinical oversight.

Common strategies include:

- Prior authorization tied to evidence-based guidelines
- Specialty pharmacy networks with negotiated pricing

decisions expected later this year. Mental health remains the strongest driver of virtual utilization, with employees continuing to prefer tele-mental health for convenience and privacy.

Hospitals and health systems are also investing heavily in telehealth infrastructure. According to the American Hospital Association, 76% of U.S. hospitals now connect patients and clinicians through telehealth, a number that continues to rise as virtual care becomes more embedded in clinical workflows.

For employers, the implications are clear: virtual care is no longer a stopgap or a perk. It is becoming a strategic tool for improving access, reducing administrative burden, and supporting employees who increasingly expect care to be available anytime, anywhere.■

- Integrated care models combining pharmacy and medical management

These approaches aim to ensure that employees receive the right medication at the right time—while keeping plans financially sustainable.

Across the benefits landscape, the message is clear: specialty drugs are no longer a niche concern. They are the defining cost and strategy challenge of 2026. Employers who take a proactive, data-driven approach—especially in GLP-1 management, gene therapy financing, oncology coordination, and PBM oversight—will be best positioned to maintain both affordability and access in the year ahead.■



Mental Health Parity Enforcement Part 2: A New Compliance Reality for Employers

Mental health parity has been a compliance requirement for more than a decade, but 2026 marks a decisive shift in how aggressively federal agencies are enforcing it. Employers who once relied on carriers to “handle parity in the background” are now discovering that regulators expect detailed documentation, transparent processes, and clear evidence that mental health and substance use disorder (MH/SUD) benefits are administered on equal terms with medical and surgical benefits.

The Department of Labor’s Employee Benefits Security Administration (EBSA) has stated plainly that “MHPAEA compliance remains one of its top enforcement priorities”. That priority is now showing up in audits, document requests, and corrective action plans across the country.

A More Assertive Enforcement Climate

The most striking development is the level of detail regulators now demand. In its 2025 Report to Congress, EBSA reported issuing 17 initial letters requesting comparative analyses, 45 insufficiency letters, and 13 determination letters finding violations across more than 40 non-quantitative treatment limitations (NQTs). These numbers reflect a shift from education to enforcement.

Regulators are no longer accepting general assurances of compliance. They want to see:

- How prior authorization criteria are developed
- Whether reimbursement rates discourage mental health providers
- How network standards compare across benefit categories
- Whether MH/SUD claims face higher denial rates

This level of scrutiny is catching many employers off guard.

Network Adequacy Is Becoming a Flashpoint

One of the clearest signals from regulators is that inadequate mental health networks may constitute a parity violation. Long wait times, limited provider availability, and low reimbursement rates are all under review.

The 2025 parity enforcement update notes that EBSA is focused on detecting NQTs that “block parity for MH/SUD benefits,” including network admission standards and reimbursement practices that make it harder for employees to access care.

Employers are responding by expanding virtual mental health access, reviewing network adequacy

reports, and pressing carriers for clearer documentation of how mental health networks are built and maintained.

Administrative Practices Are Under the Microscope

Parity enforcement is no longer limited to plan design. Regulators are examining how plans operate day-to-day:

- Are MH/SUD claims subject to more frequent prior authorization?
- Are appeals resolved more slowly?
- Are utilization management criteria more restrictive?

Legal analysts note that even though certain 2024 rule changes are temporarily on hold due to litigation, employers must still comply with the 2013 rule and the Consolidated Appropriations Act





(CAA), including the requirement to maintain current, complete NQTL comparative analyses.

This means employers must be able to produce documentation on demand—even if they rely on carriers or TPAs for administration.

Employers Are Taking a More Active Oversight Role

A major shift in 2026 is the recognition that parity compliance cannot be fully outsourced. Employers are requesting formal attestations from carriers, commissioning independent audits, and updating plan documents to reflect compliant processes.

The 2025 federal parity report emphasizes that agencies are working with state partners to strengthen enforcement and “raise awareness” of parity obligations among plan sponsors. This signals continued scrutiny throughout 2026.

Compliance and Workforce Expectations Are Converging

The regulatory push comes at a time when employee demand for mental health support is at an all-time high. Surveys consistently show that mental health coverage, virtual therapy, and manager training are among the most valued benefits. Strengthening parity compliance aligns naturally with broader goals of improving wellbeing, reducing burnout, and supporting retention.

For many employers, parity is no longer just a compliance requirement—it is a workforce strategy.

Mental health parity enforcement in 2026 represents a fundamental shift in how employers must oversee their health plans. Documentation, transparency, and active oversight are now essential. Employers who stay ahead of regulatory expectations—especially in NQTL analysis, network adequacy, and administrative alignment—will be better positioned to support their workforce and avoid costly compliance pitfalls. ■

Financial Wellness and Household Stability: Why Employers Are Making It a 2026 Priority

For years, employers focused their wellbeing strategies on physical and mental health. But in 2026, a different force is reshaping workforce stability: financial stress. Rising living costs, stagnant savings rates, and persistent debt burdens are pushing employees into chronic financial insecurity. Nearly half of employers are expected to offer comprehensive financial wellness programs by the end of 2026, a sharp increase driven by the recognition that financial strain is now one of the biggest threats to productivity and retention.

Financial wellness is no longer a “nice-to-have” perk. It has become a core component of workforce strategy, directly tied to engagement, health outcomes, and organizational performance.

A Workforce Under Financial Pressure

Employees across income levels are struggling to manage day-to-day expenses, save for emergencies, and plan for long-term goals. Eco-

nomics uncertainty, inflation, and rising household costs have eroded financial resilience. Many workers lack even a modest financial cushion, and financial stress has become the number-one drag on productivity and retention.

This strain shows up in the workplace as absenteeism, presenteeism, delayed healthcare, and higher turnover—especially among high performers who have options elsewhere. As one 2026 wellness trend report notes, financial stress is now considered one of the biggest gaps in traditional wellbeing programs.

A New Model of Financial Wellness

Today’s financial wellness programs look very different from the early budgeting tools employers once offered. The 2026 model is more holistic, personalized, and integrated into broader benefits strategies. Employers are expanding programs to include:

- Emergency savings accounts with payroll-deduction support
- Student loan repayment and 529 college savings contributions
- Financial coaching and debt-management tools
- Pay-on-demand or earned-wage access options
- Personalized benefits menus that let employees choose support aligned with their household needs

These programs are increasingly delivered through digital platforms that integrate financial education, rewards, and real-time guidance—making them easier for employees to use and easier for employers to measure.



The ROI Is Becoming Clearer

Financial wellness programs require investment, but employers are seeing measurable returns. When employees feel financially stable, they are more likely to stay with their employer, engage in preventive care, and participate in wellness programs. Organizations that embed financial wellbeing into their total rewards strategy report improvements in:

- Retention and loyalty
- Productivity and focus
- Healthcare utilization patterns
- Overall engagement

The business case is strengthening as employers recognize that financial stress undermines every other aspect of wellbeing.

A Strategic Tool for Talent and Culture

Financial wellness has become a differentiator in a competitive labor market. Employees—especially younger workers—expect employers to support not just their health, but their financial lives. Personalized financial benefits are now among the most requested offerings, reflecting a shift toward benefits that address real household pressures.

Providing meaningful financial support signals that an employer understands the realities employees face. It builds trust, reduces stress, and strengthens the employer-employee relationship at a time when engagement is fragile.

Financial wellness is rising not because traditional benefits failed, but because employers now understand that no single benefit can address the complex pressures shaping employees' lives. The future is holistic: support that strengthens financial resilience, stabilizes households, and helps employees thrive at work and at home. ■





Rising Healthcare Costs and Affordability Pressures

Healthcare costs are rising at their fastest pace in more than a decade, and employers are feeling the strain. After an 8% jump in 2025, medical plan costs are projected to climb another 9–10% in 2026, driven by higher hospital prices, specialty drug spending, and increased demand for behavioral health services. These pressures are forcing employers to rethink affordability, redesign benefits, and find new ways to protect both their budgets and their employees.



A Cost Environment Reaching a Breaking Point

The underlying drivers of medical inflation are intensifying. Hospital systems continue to raise prices, specialty drugs remain the fastest-growing cost category, and employees are using more behavioral health services than ever. Without intervention, employers warn that increases could reach double-digit levels, threatening long-term sustainability. At the same time, employees are struggling with rising deductibles and medical debt, leading many to delay care—an issue that ultimately drives higher claims.

The Return of Tough Tradeoffs

For several years, employers avoided shifting more costs to employees, especially during a tight labor market. But 2026 is different. Many organizations say they may need to adjust plan designs, increase cost-sharing, or revisit previously shelved strategies to keep plans financially viable. These decisions are difficult, but employers increasingly feel they have exhausted incremental fixes.

Strategies Employers Are Using to Manage Costs

To avoid simply passing costs along, employers are adopting a mix of structural and strategic approaches:

- Tiered or narrow networks — steering employees toward higher-value providers.
- Stronger pharmacy management — including formulary optimization and specialty drug oversight.
- Predictive analytics — identifying high-risk populations earlier to prevent avoidable claims.
- Virtual-first or hybrid care models — improving access while reducing unnecessary utilization.
- Alternative plan designs — such as reference-based pricing or centers-of-excellence programs.

These strategies reflect a shift from small adjustments to more fundamental redesign.

Affordability as a Workforce Issue

Rising costs are not just a financial challenge—they are a talent challenge. Employees increasingly cite healthcare affordability as a top factor in job decisions. When costs rise faster than wages, employers face higher turnover, lower engagement, and delayed care that leads to worse outcomes. To counter this, many organizations are pairing cost-management efforts with care navigation tools, enhanced communication, and financial wellness programs to help employees make better decisions.

Rising healthcare costs in 2026 are forcing employers to balance financial sustainability with employee wellbeing. The organizations that navigate this moment most effectively will be those that combine cost discipline with a commitment to affordability and access. ■

