

August 2025

MI EMPLOYERS

Health Insurance

REPORT 2025

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Introduction and Method

It's no secret that the health insurance landscape has seen several shifts throughout 2025. Healthcare costs have been trending upwards for several years, and the past twelve months have put greater financial burdens on employers across the country. These increased expenses have left company leaders examining cost-cutting measures while attempting to navigate coverage for expensive, yet life-changing, treatments.

The 2025 MI Employer's Health Insurance Report provides a snapshot of how employers are currently handling these changes in the healthcare marketplace. Survey respondents shared information about the structure of their current health plans as well as the challenges they're facing - including rising costs, design, and coverage. Respondents also provided insights on how they're managing plan elements, such as Rx and pharmacy strategies, networks, and coverage of new therapies.

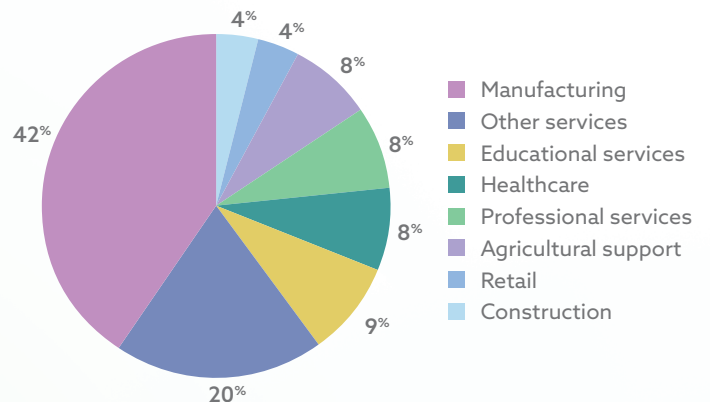
Method: Total Control Health Plans (TCHP), a Michigan-based benefits advisor, contracted with a third party research and survey design service to maintain anonymity for respondents. Researchers reached out to a sample of decision makers across Michigan including some TCHP clients, HR/leadership network connections, and organic LinkedIn posts. The survey was open for a four month time period between April 22, 2025 and August 21, 2025. Our analysis looks at a joint data set of 64 qualified responses including agency-submitted and individually-submitted surveys.

Respondent Demographics



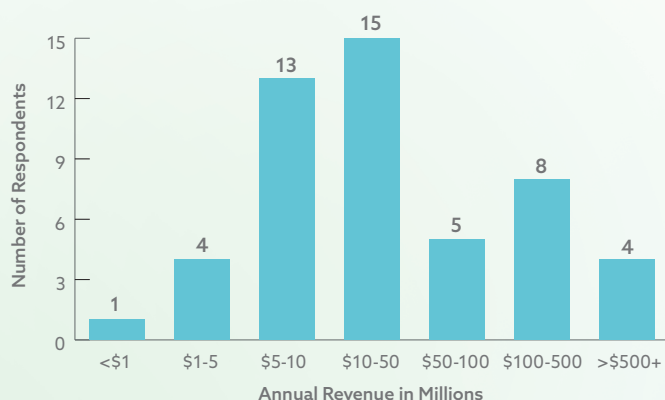
A total of 64 qualified respondents across Michigan (with two from Indiana) represent a diverse mix of industries, revenue levels and employee counts.

Which of the following industries most closely matches your company?

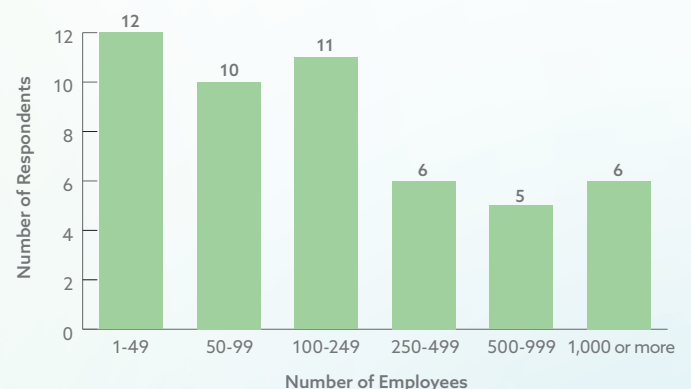


Note: Percentages do not total 100% due to rounding.

What is the approximate annual revenue of your business or organization?



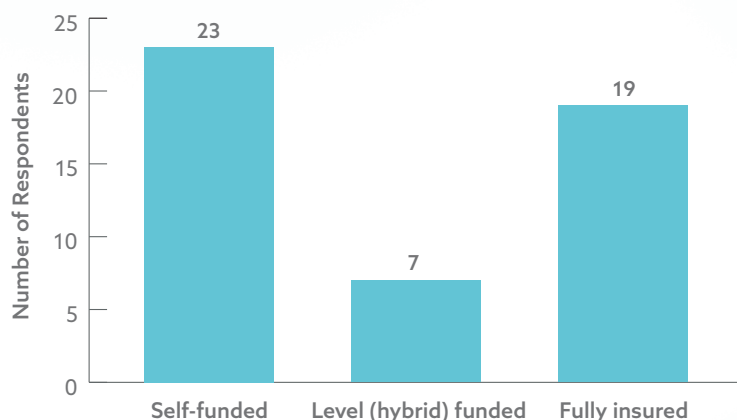
How many employees work in your business or organization?



Funding Strategies

Of the individuals surveyed, 36% reported that their company had a self-funded health plan, while 11% had a level (hybrid) plan and 30% were fully insured. Companies with over 99 employees were more likely to be self-funded, while companies with less than 99 employees were more likely to be fully insured. 23% of respondents either weren't sure how their company's health plan was funded or didn't respond to the question. *Note: Percentages do not total 100% due to rounding.*

How is your company's health plan funded?



A note on stop-loss insurance:

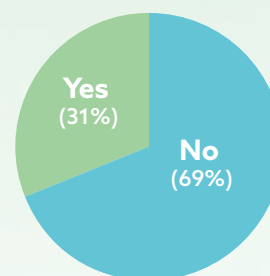
Most respondents with self-funded health plans reported that their organization also had stop-loss insurance. All individuals with level (hybrid) insurance also reported that their plans had stop-loss insurance.



Cash in Lieu of Benefits Option

31% of respondents reported that their company offered employees the option to receive cash in lieu of health benefits as a way to increase savings for the organization.

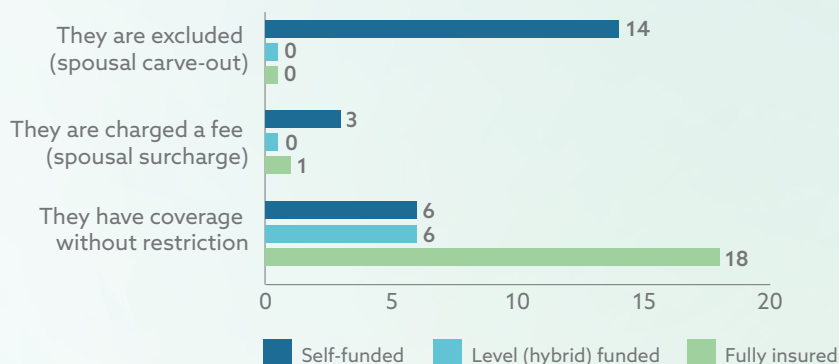
Does your company offer cash in lieu of health benefits?



Carve Outs

63% of respondents reported that their company's health plan provided the opportunity for spouses of employees to receive coverage without restriction - 2024's report only saw 43% of companies include spouses without restriction. Fully insured companies were more likely to offer spouses of employees health coverage without restriction, while self-funded companies were more likely to exclude spouses from receiving coverage, or charge a fee to receive coverage.

How does your health plan cover spouses of employees who have coverage through their own employer?

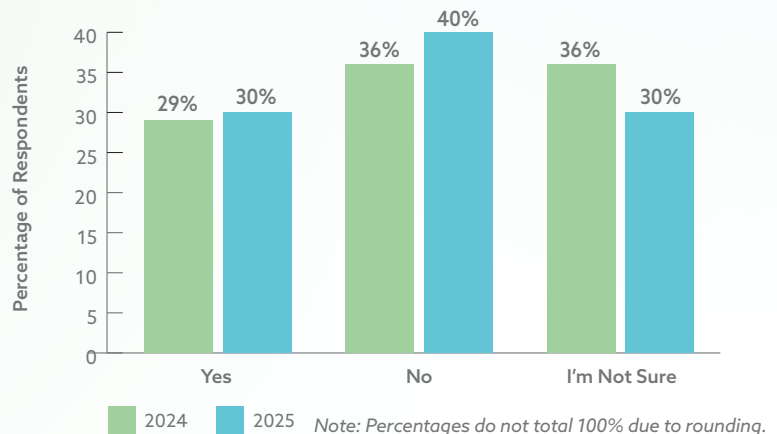


Coverage Trends

Gene Therapies

Medical research continues to develop innovative new treatments for a variety of illnesses - including cancers, cystic fibrosis, or hemophilias. These treatments include gene therapies, which reengineer genetic code to address specific health conditions. More of these “miracle treatments” are receiving FDA approval annually, and a number of Michigan employers are providing coverage for them.

30% of survey respondents said their company’s health plan provided coverage for gene therapy treatments. 40% of respondents said their company did not cover these treatments and 30% weren’t sure. Companies with a fully insured health plan were more likely to cover these treatments and those with self-funded plans were more likely to not cover them.



GLP-1 Weight Loss Drugs

Recent reports show that the percentage of adult patients prescribed a GLP-1 increased from 0.9% in 2019 to 4.0% in 2024 - a relative increase of 363.7%.¹ Despite the increase in prescriptions, several insurance carriers (including Blue Cross Blue Shield of Michigan) have recently moved to eliminate coverage of GLP-1 medications for weight loss treatment.

Only 15% of survey respondents reported that their company covered GLP-1 medications to treat obesity - down from 24% in our 2024 report. This Michigan data contrasts a national 2025 SHRM report that 36% of employers provide coverage for both diabetes treatment and weight loss.² 72% of respondents said their company did not cover these drugs and 13% weren’t sure.

15%

of respondents surveyed reported covering weight loss medications to treat obesity

GLP-1 drugs typically cost between

\$700 and \$2,000 a month*

*Averages vary based on availability of generic versions and an increase in online prescription programs

Four in ten adults

who have taken a GLP-1 drug for weight loss or diabetes say they took them primarily to lose weight³

1. FAIR Health. (2025). *Obesity and GLP-1 Drugs* [White paper]. FAIR Health, Inc. <https://s3.amazonaws.com/media2.fairhealth.org/whitepaper/asset/Obesity%20and%20GLP-1%20Drugs%20-%20A%20FAIR%20Health%20White%20Paper.pdf>

2. Mayer, K. (2025, June 6). How Much of Employers’ Annual Claims Do GLP-1 Drugs Account For?. Shrm.org. <https://www.shrm.org/topics-tools/news/benefits-compensation/glp1-drugs-employers-annual-claims-may-2025>

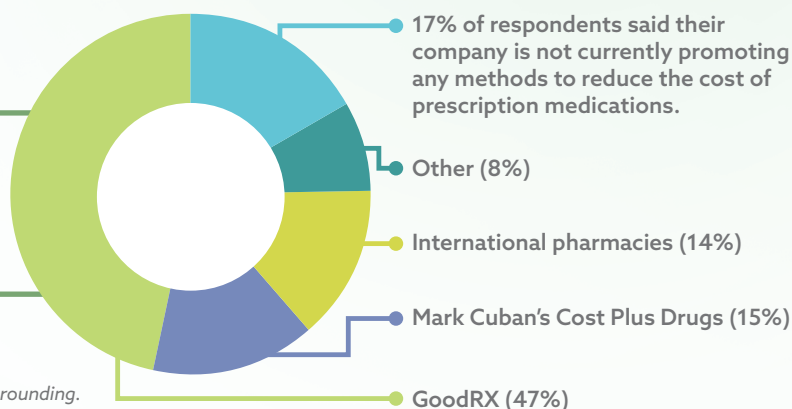
3. Montero, A., Sparks, G., Presiado, M., & Hamel, L. (2024, May 10). KFF Health Tracking Poll May 2024: The Public’s Use and Views of GLP-1 Drugs. Kff.org. <https://www.kff.org/health-costs/poll-finding/kff-health-tracking-poll-may-2024-the-publics-use-and-views-of-glp-1-drugs/>

Rx Strategies

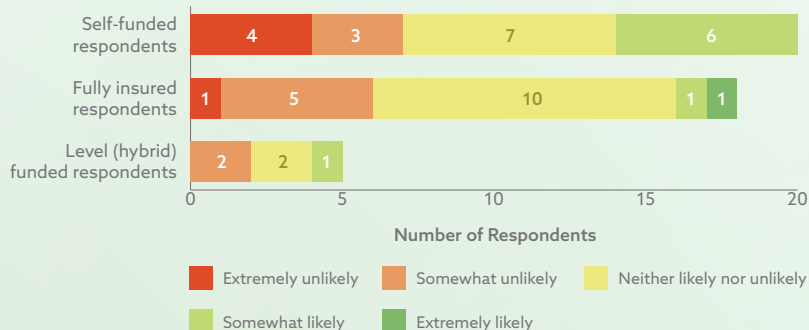
How Companies Are Trying to Save

84% of our survey respondents shared that they have promoted some type of pharmacy cost-saving program to their employees. However, respondents were less likely to support cost-saving steps that might eliminate big-box pharmacies *unless* savings climb north of 16%.

Which of the following (if any) pharmacy cost-saving services have you promoted at your company?

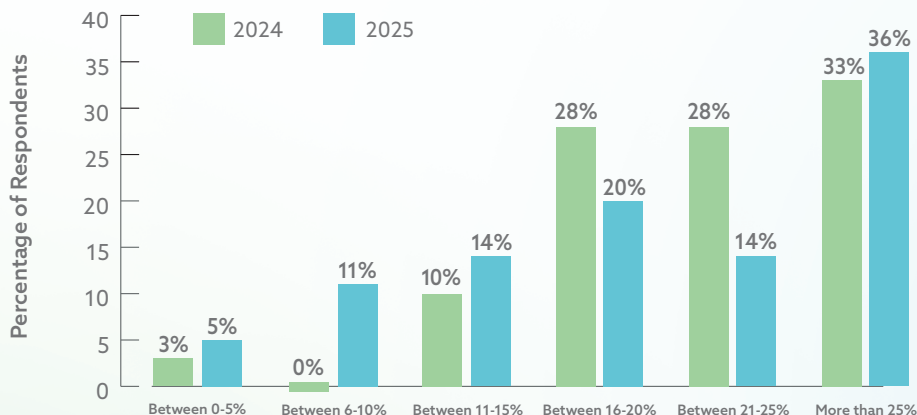


How likely or unlikely would you be to select a health plan with a narrow pharmacy network? For example, a less costly plan that excludes big-box pharmacies like Walgreens, Rite-Aid and CVS.



21% of respondents were either somewhat or extremely likely to select a plan with a narrow pharmacy network. This is an increase from our 2024 findings, where only 13% were likely to select one of these plans. Additionally, we saw a significant shift in respondents who reported they were neither likely nor unlikely to select one of these plans - from 18% in 2024 up to 44% in 2025.

In order to select a plan with a narrow pharmacy network, about how much less would that health plan need to cost?

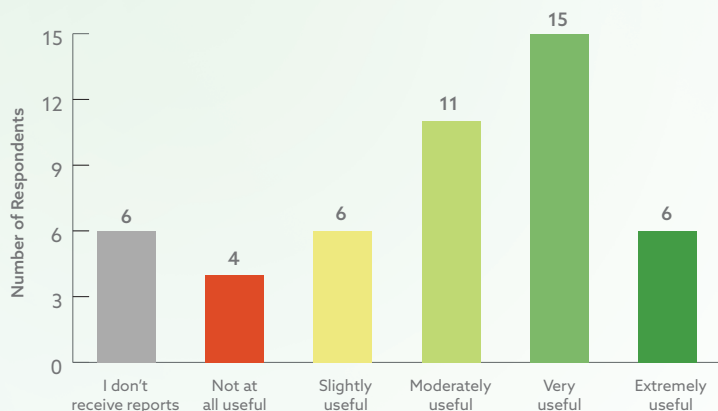


Note: Percentages do not total 100% due to rounding.

70% of respondents reported that a health plan with a narrow pharmacy network would have to cost at least 16% less in order to be selected.

Access to Data

To what extent is the data or reporting you receive about your health plan useful in making decisions?



13%

of respondents said they do not receive any data or reporting about how their health plan is operating.

21%

of respondents said that the reports were not at all, or only slightly, useful in decision making.

23%

of respondents reported that the data they receive is moderately useful in their decision making.

44%

of respondents said the reports were at least very useful for their decision making.

Note: Percentages do not total 100% due to rounding.

Companies with a self-funded health plan were more likely to report a higher level of satisfaction with the data they receive about their plans (averaging a 3.35/5), than companies with fully insured (2.42/5) plans.

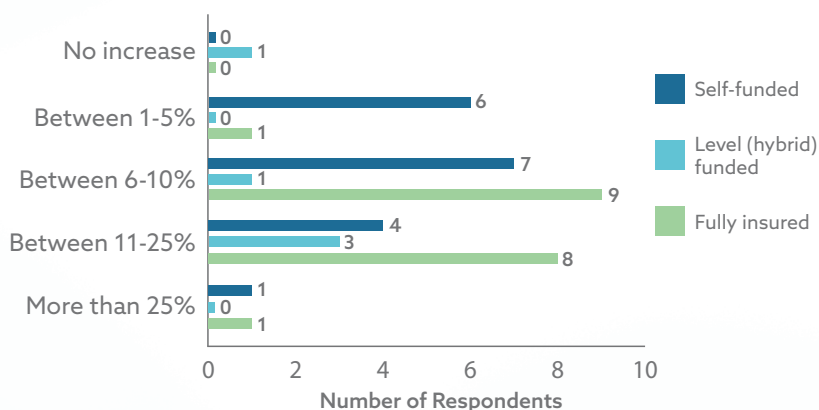
Of individuals who do receive reports, 47% reported that they receive them from a third-party organization, while 53% said the reports come from their plan administrator.

Managing Increases

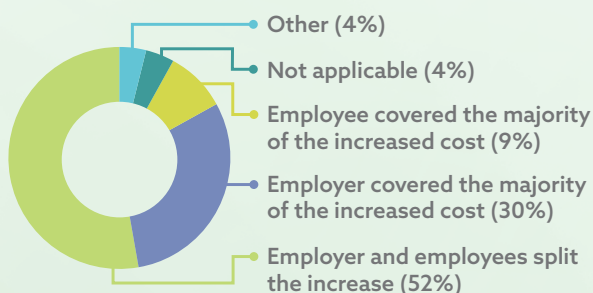
We asked survey respondents to share how big of an increase their medical renewal saw last year. Responses are grouped by the company's plan type.

Of those who knew what their 2025 increase was, **most respondents (40%) reported an increase between 6-10% last year**, while **36% saw an increase between 11-25%**.

Last year, what was your medical renewal increase?



Which of the following strategies (if any) did you use to cover the cost increase?

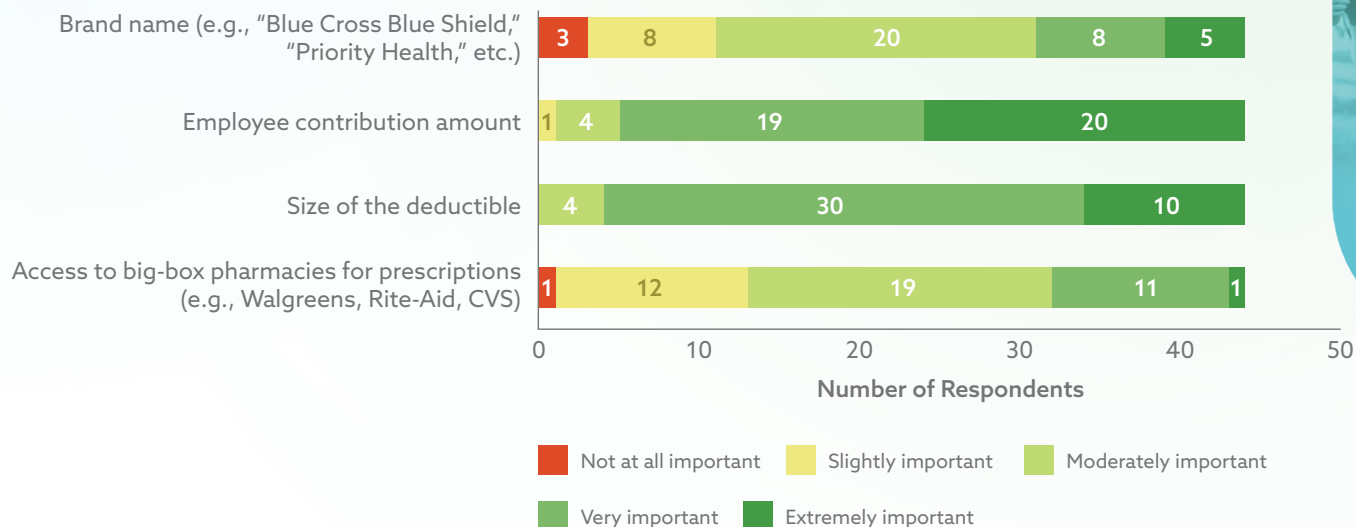


Note: Percentages do not total 100% due to rounding.

Impacted employers covered their increases in a variety of ways - 30% reported that the employer covered the majority of the increased cost, while 52% shared that the employer and employees split the increase. This marks a shift from our 2024 survey findings which noted that 50% of employers covered the increased cost on their own - **employers were more likely to share the burden of the increased cost with their employees**. Four other respondents reported that the employees were responsible for covering the majority of the increased cost.

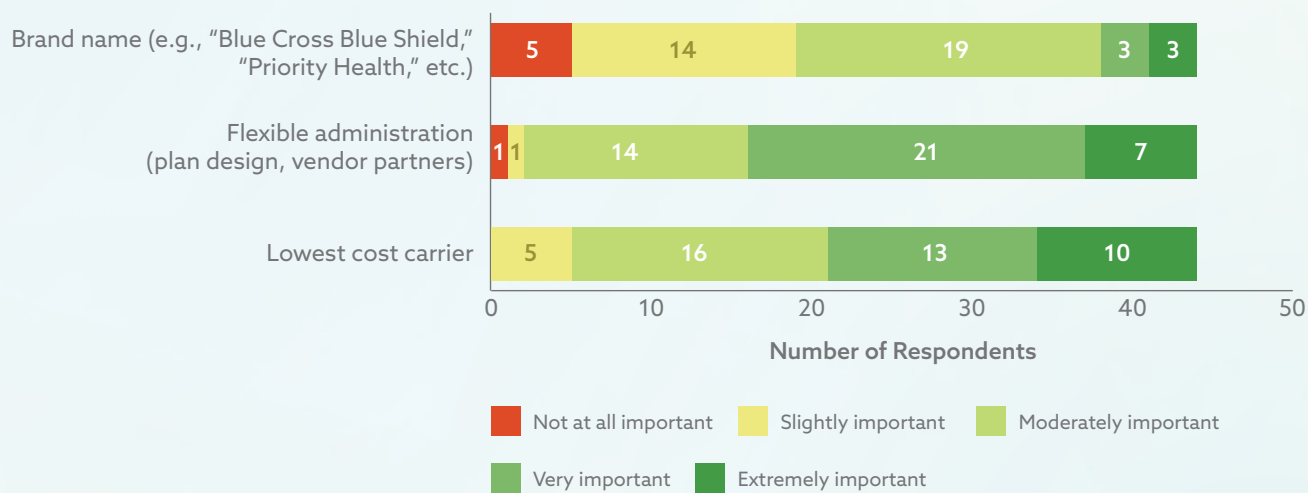
Plan Priorities

How important or unimportant are each of the following aspects of a health plan to your employees?



We asked survey participants to share how important specific health plan elements are to their employees. For the second year in a row, employers reported that employee contribution amount and size of the deductible were the most important pieces. **Employee contribution amount was deemed very important or extremely important by 89% of employers**, while **91% viewed the size of the deductible as very important or extremely important**.

How important or unimportant are each of the following aspects of a health plan to your company?



Survey respondents were also asked how important or unimportant several aspects of a health plan were to their company. Among these aspects, most employers (64%) reported that flexible plan administration was of highest importance, while 52% shared that finding the lowest cost carrier was of the highest importance.

Thank You

We want to say a special "thank you!" to the organizational and HR leaders who participated in this year's MI Employers Health Insurance Report. Our hope is that this data helps key decision makers, advisors and insurance professionals as you build your plan for the coming year. We also hope that if you were not able to participate this year that you consider responding in 2026. The more qualified decision makers who participate will strengthen the accuracy and usefulness of our analysis.

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