Original research from

ebn Employee Benefit News

Improving pharmacy cost management

Employers need pharmacy benefits partners that can help control increasing drug costs while simplifying the pharmacy benefits experience.

Partner insights from

CVS caremark®

By Employee Benefit News

Contents

Introduction

In March 2026, Employee Benefit News surveyed 171 respondents working at companies with at least 50 benefits-eligible employees that offer health and pharmacy benefits. The survey explored how employers are managing pharmacy costs today, where they see opportunities for Pharmacy Benefit Managers (PBMs) to make an even greater impact, and what they are prioritizing as they plan for the future. The findings show that employers are working to balance access to affordable medications with the financial pressures facing both their businesses and employees. Now more than ever, employers need their PBM to serve as a trusted partner in helping to navigate the evolving pharmacy benefits landscape, while supporting the health care needs of their employees.

“As the pharmacy benefit landscape continues to evolve, the opportunity for PBMs is not just to manage costs but to help clients deliver smarter, more personalized and more sustainable benefits to their employees that meet their health care needs.”

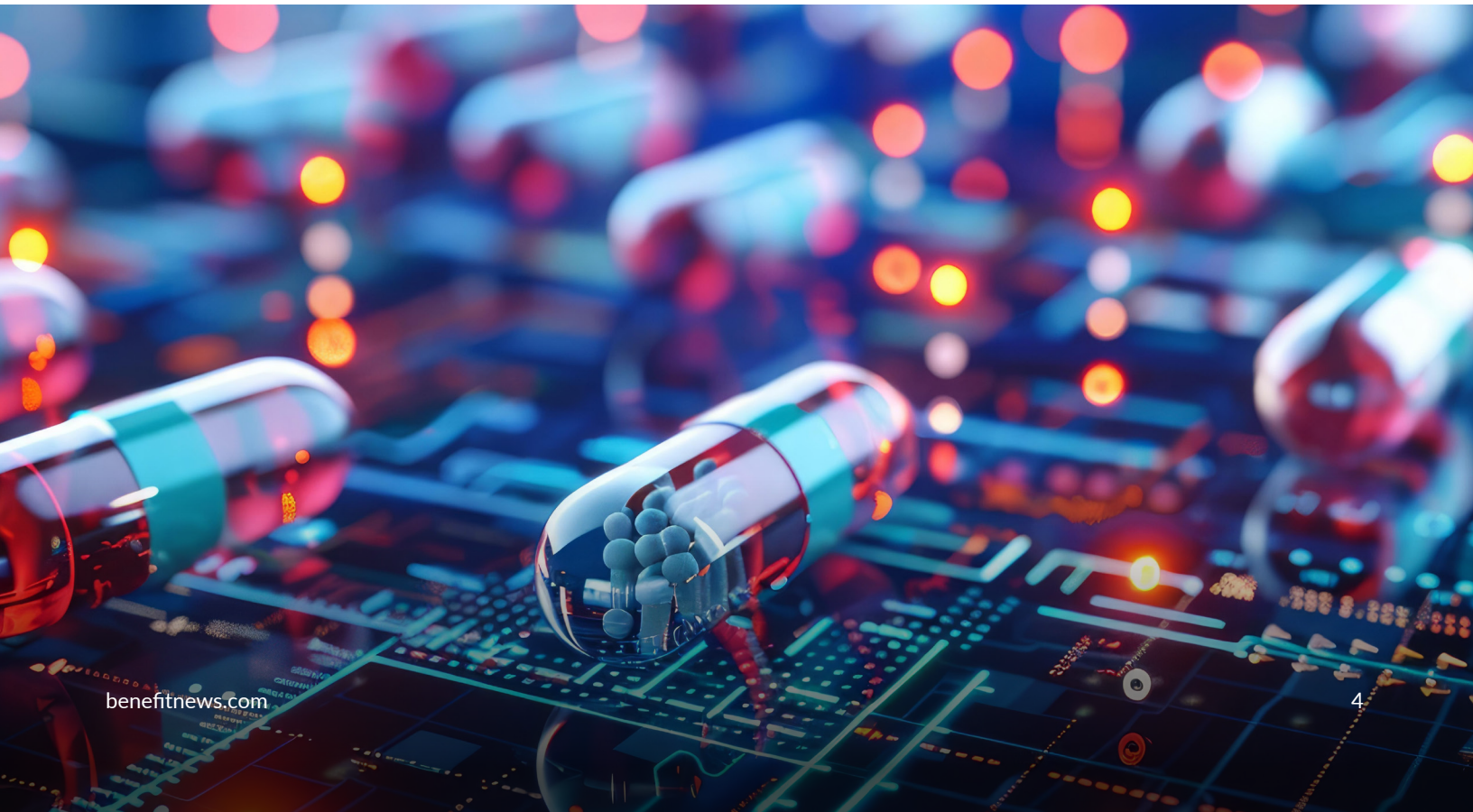
— Ed DeVaney, President, CVS Caremark

Research methodology

This research was conducted online from March 3 to March 19, 2026, among 171 qualified respondents. To qualify, respondents needed to work at a company with at least 50 benefits-eligible employees that offers healthcare benefits. Respondents also needed to be in human resources, accounting/finance, or executive leadership. They also needed to have responsibility for or oversight of benefits, employee wellness, and/or total rewards.

Key takeaways

- **73%** of employers say pharmacy benefits have an impact on attracting and retaining talent.
- **94%** of employers say drug costs are a significant concern.
- Only **30%** of employers say they have significant influence over pharmacy costs.
- Beyond managing costs, employers are looking for support in improved access, benefit navigation and visibility into what drives pharmacy spending.
- Employers are looking for PBMs to make an even greater impact in helping to manage drug costs in specific areas of care, including women's health and weight loss management.



Providing the right pharmacy benefits is a workforce issue

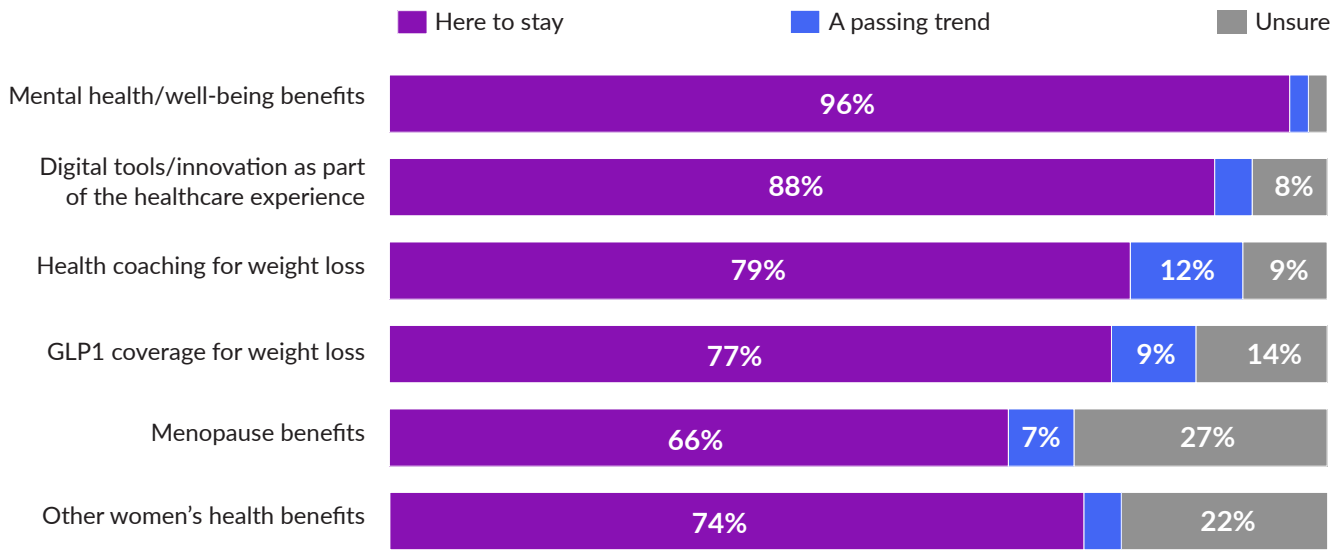
In today's competitive job market, employees increasingly make career decisions based on total compensation and benefits packages — not just salary. A health plan with valuable benefits and minimal hassle can be a decisive factor when an employee decides whether to join a new employer. Roughly three quarters of employers (74%) agree that pharmacy benefits coverage influences their ability to attract and retain talent.

Employees also expect more from their health plans than ever before. Digital health services, mental health coverage and weight-management benefits are in high demand (see Figure 1). As offerings grow, employers find themselves having to manage behavioral health integration, digital health offerings, adherence to treatment protocols, prior authorization and many other aspects of health care benefits.

Employers are seeing strong employee interest in benefits that support everyday health and well-being. Today, mental health resources, weight management programs, women's health solutions and virtual health services are among the most valued offerings. These benefits reflect a growing expectation that workplace health plans should be more personalized, accessible and responsive to the diverse needs of today's workforce.

Figure 1: Plan members want benefits that support everyday health and personal well-being

How popular are the following member benefits for your employees?



Employee Benefit News — The State of Pharmacy Management, 2026

High drug costs remain a top concern for employers

Employers are deeply concerned about the cost of health care. They rank prescription drug spending among their top worries. More broadly, virtually all employers (94%) say medication costs are a significant concern (see Figure 2).

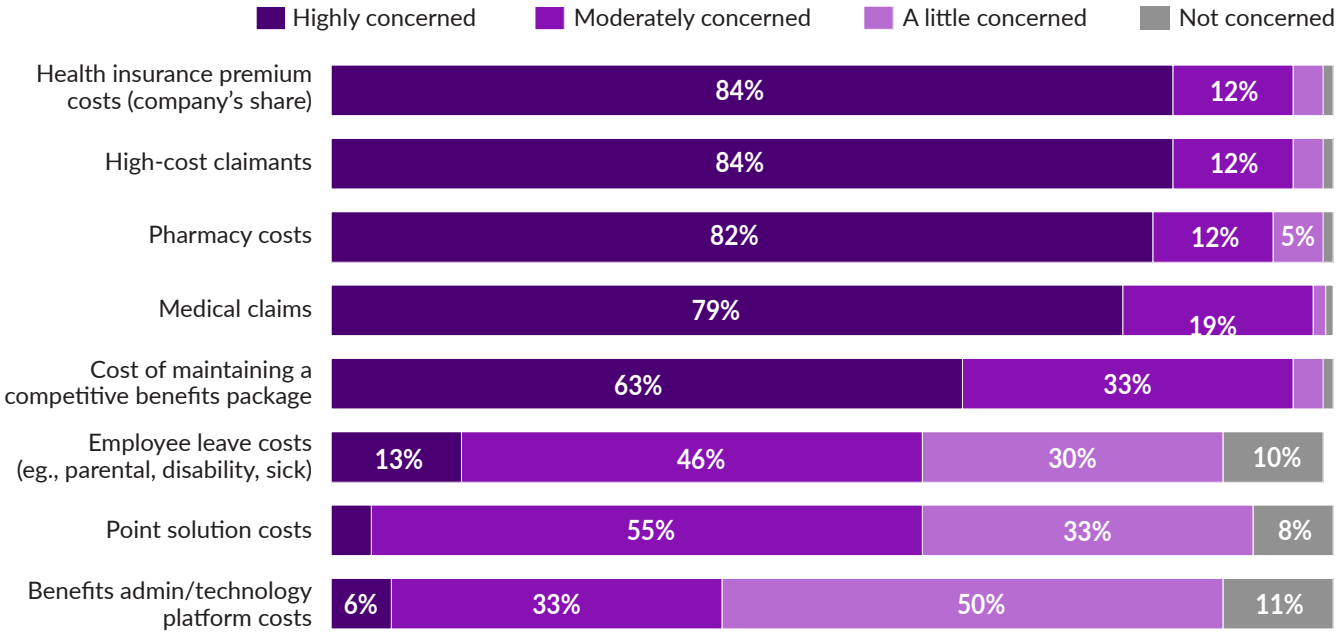
During the past 20 years, prescription medication expenses have grown much faster than other aspects of health care. Most employers (91%) say they are concerned about the cost employees pay for medication.

Employers are leaning on PBMs to help manage rising pharmacy costs

As treatment options expand and pharmacy costs continue to rise, plans are encouraging the use of generic drugs (93%), providing incentives for preventive care to help reduce long-term medication use (75%), and offering integrated well-being programs (74%). Even so, only 30% of employers say they have significant influence over pharmacy costs, compared to 73% who say they have significant influence over the overall cost of maintaining a competitive benefits package. As a result, employers are increasingly relying on their PBM partners to use their expertise, scale and purchasing power to help manage rising pharmacy costs while maintaining access to quality care.

Figure 2: Affordability remains the dominant priority for employers

How concerned are you about the following healthcare costs at your organization?



Source: Employee Benefit News — The State of Pharmacy Management, 2026

By focusing on innovative formulary strategies, biosimilar adoption, effective adherence and condition management tools, and member engagement, PBMs help drive improved health outcomes and lower overall costs of care, while maintaining convenient, affordable access to prescription medications.

— James Margiotta, Chief Growth and Client Success Officer, CVS Caremark

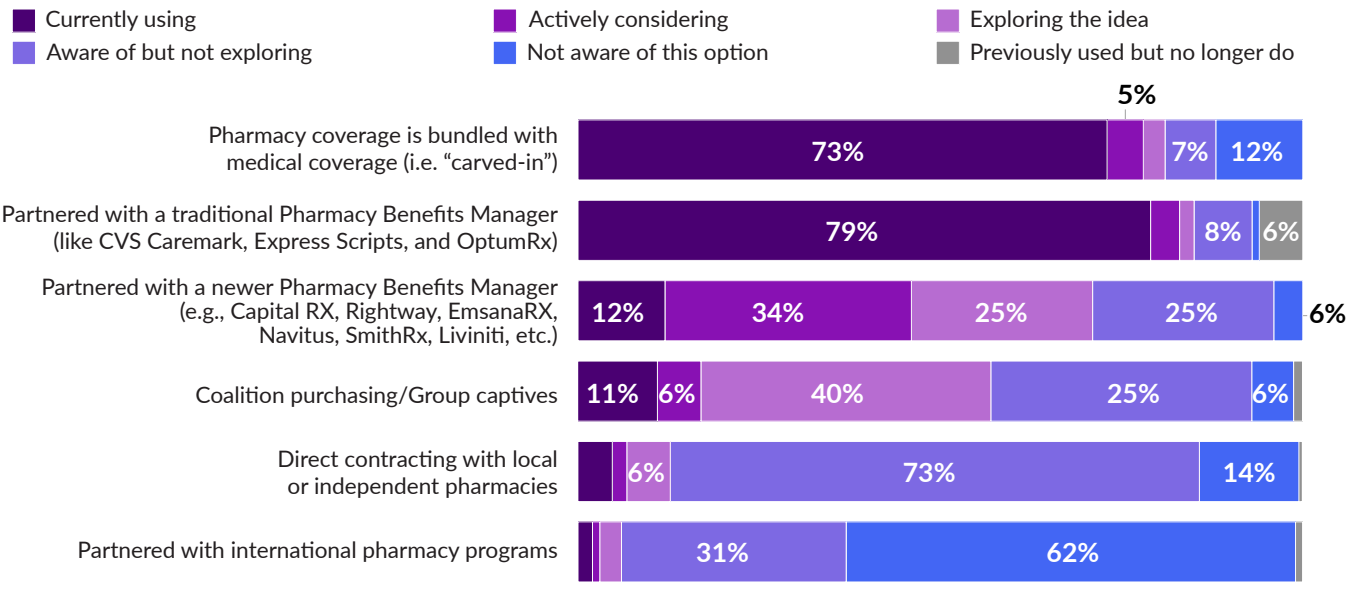
Employers recognize the value of PBMs in helping to manage drug costs

Employers have long relied on large, traditional PBMs to help them manage the cost of prescription medication (see Figure 3).

Traditional PBMs have the advantage of scale and experience. Their deep relationships with insurers can also make it easier to integrate pharmacy benefits with other types of health benefits and coordinate better treatment options that can help improve health outcomes. Those relationships are important since three quarters of employers bundle pharmacy and medical coverage.

Figure 3: Traditional PBMs are the dominant choice among employers seeking to control costs

How is your company currently managing pharmacy costs for employees?



Source: Employee Benefit News — The State of Pharmacy Management, 2026

PBMs are seen as well-positioned to help reduce drug spending

In addition to managing costs, employers are looking for better access to affordable medications, more effective benefit navigation support and greater visibility into what drives pharmacy spending. Employers see PBMs as especially well-positioned to reduce costs for their businesses (88%), improve access to affordable specialty medications (43%) and lower costs for employees (42%).

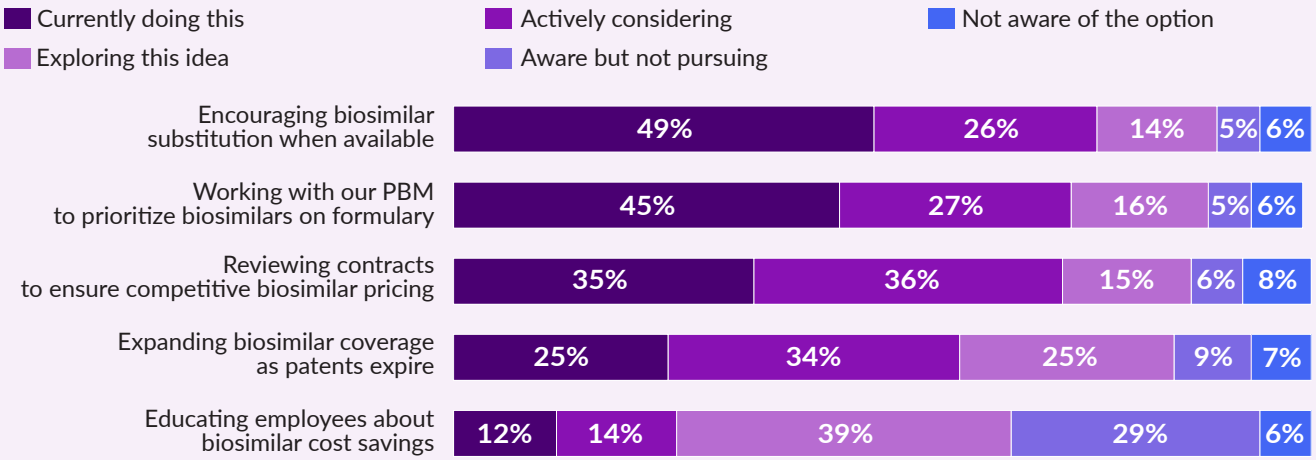
Nearly a quarter of employers (24%) believe medication costs are fully transparent, and 11% believe their employees understand how prescriptions are paid for. Most employers (54%) say the ideal pricing model should also deliver lower net costs, greater access to affordable prescription drugs, transparency and rebates. PBMs can help employers achieve these goals through negotiated savings, formulary management, specialty drug strategies, transparent reporting and other solutions (see sidebar,"Understanding biosimilars").

Understanding biosimilars

Biosimilars are safe and effective versions of complex biologic drugs that have been approved by the U.S. Food & Drug Administration (FDA). They are highly similar to their FDA-approved reference products and have no clinically meaningful differences in safety, purity, or potency. Some biosimilars are designated as interchangeable, meaning they may be substituted for the reference product in accordance with applicable law. Biosimilars represent one of the largest opportunities to reduce drugs costs in the U.S. health care market. However, only half of employers are currently encouraging biosimilar substitution to employees when available (see Figure 4).

Figure 4: Employers are interested in biosimilars but have not universally adopted them

How is your organization currently approaching biosimilars as part of its pharmacy benefit strategy?



Source: Employee Benefit News — The State of Pharmacy Management, 2026

Biosimilars are an important lever for employers seeking to manage rising drug costs while preserving clinical quality, safety, and efficacy. The next step is to help more employers and members understand and confidently adopt these therapies."

— **Josh Fredell**, Senior Vice President,
PBM Payor and Life Science Solutions, CVS Caremark

Like generics, biosimilars can be significantly less expensive than branded biologic drugs. PBMs that help advance biosimilar adoption through their formulary strategies can help deliver significant savings for employers and provide their employees with broader, more affordable access to proven therapies.

However, just 12% of employers are educating employees about biosimilar cost savings. There is significant opportunity to expand employee awareness and understanding to fully realize the value of biosimilars.

Weight loss management has moved into the benefits mainstream

The growing popularity of GLP-1 medications and other specialty therapies illustrates how employers are being asked to expand benefits without expanding budgets. Due to the high cost of these medications, most employers (80%) have limited or are considering limiting GLP-1 coverage for weight loss (See Figure 5).

Despite their high cost, however, three quarters of employers (77%) say GLP-1 coverage for weight loss is here to stay. That's not necessarily a bad thing in the long run, as these drugs may wind up producing value for employers in the form of improved employee health and productivity, as well as reduced long-term medical costs.

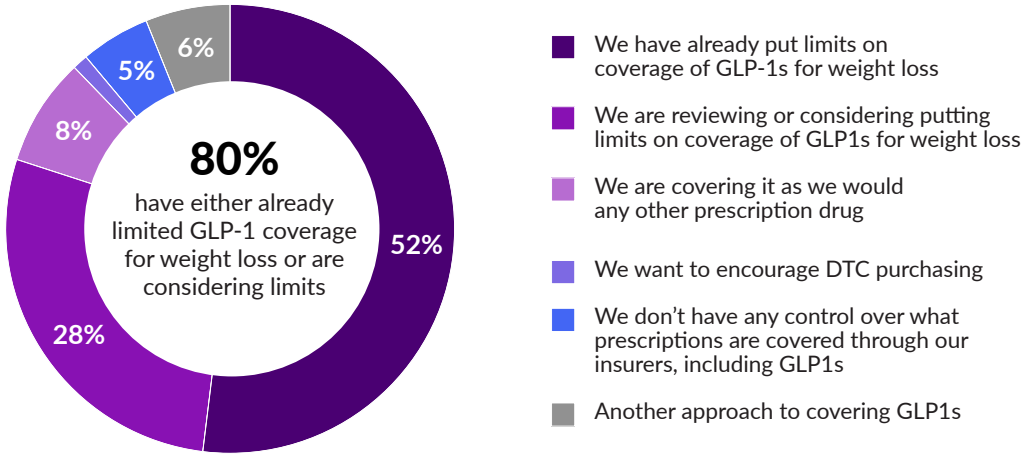
PBMs can help employers develop sustainable benefit designs that take advantage of the long-term potential value

of these types of therapies. Effective formulary control, utilization management, clinical oversight and negotiated pricing can help employers manage costs, increase access and create a healthier workforce.

As the pharmacy benefit landscape grows more complex, employers increasingly need PBM partners that can help them navigate change with greater clarity, confidence, and strategic focus. The most effective strategies will go beyond managing drug costs to bring together clinical expertise, integrated care models, and member-centered support that improve health outcomes, enhance the member experience, and create more sustainable value over time.

Figure 5: Most employers are limiting coverage for GLP-1 medication due to cost

To the best of your knowledge, which of the following characterizes your organization's approach to coverage of GLP1 prescription drugs (such as Ozempic, Wegovy)?



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Research Disclosure

This report is based on original research conducted by Employee Benefit News in collaboration with CVS Caremark. CVS Caremark provided input on the research topic and/or distribution strategy but did not control the research findings, analysis, or conclusions unless otherwise noted. Findings reflect survey responses and reported experiences from participants at the time of data collection. The information provided is for informational purposes only and should not be construed as legal, business, investment, or financial advice. Results may vary by institution, market conditions, and implementation. All information is provided "as is" without warranty of any kind.

About CVS Caremark

CVS Caremark, part of CVS Health, delivers connected, cost-effective, and clinically sound pharmacy benefit solutions that simplify the member experience and improve health outcomes. By combining technology, clinical expertise, and compassionate service, CVS Caremark ensures members have affordable access to medications, personalized support, and innovative care options – all while driving measurable savings for clients and satisfaction for its 88 million members across the U.S.

For additional information on CVS Caremark's platform and services, please visit caremark.com.

About Employee Benefit News

A Employee Benefit News (EBN) is the primary media resource for decision makers in the worlds of employee benefits, human resources and workplace culture. As the dynamics of these spaces continue to shift and become increasingly complex, EBN delivers expert insights to allow business leaders to navigate their industries with agility. From helping benefits managers meet the challenges of reducing care costs and improving retirement plans to providing HR leaders with guidance on building a talented and diverse workforce, EBN drives the conversation and delivers the research and analysis to help readers support their companies' objectives.

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