



Gallagher

Insurance | Risk Management | Consulting

Prioritizing People: Effective Cost Management Strategies for Voluntary and Pharmacy Benefits

Every day, employees balance personal health decisions with financial realities — often quietly. But what if cost optimization wasn't just about cutting? What if it was about caring smarter, supporting better and creating lasting value for both people and organizations?

With rising healthcare costs, employers can't afford to choose between cost savings and employee wellbeing — they must go hand in hand.

Healthcare expenses are the
#1 source of life stress
for US employees¹

Healthcare expenses are
**rising faster
than wages²**

51 % of employers
rank **managing healthcare costs**
among their **top 5 wellbeing objectives**
for 2025³

Ready to transform? Achieve cost savings and employee wellbeing with a holistic approach.

1

Know your employees: Analyze demographics to tailor benefits.

2

Know your benefits: Evaluate current offerings for effectiveness.

3

Know your utilization: Assess how benefits are being used to maximize impact.



This comprehensive insight serves as a strategic starting point. With a clear picture of your workforce and how they use their benefits, you can make informed decisions that align with organizational goals and employee needs, ultimately supporting your people and your bottom line.

Reduce Financial Strain With Proactive Voluntary and Pharmacy Strategies

Integrated voluntary benefits: More value, less cost

- 1. Combine for coverage discounts:** Bundling core and voluntary benefits like life, disability and accidental can lead to savings for both employers and employees. Employers receive discounts on core plans, while employees enjoy group rates on supplemental health plans.
- 2. Streamline claims:** Auto notification or adjudication simplifies claim management, reducing administrative burden and boosting employee utilization. Integrated plans often offer streamlined and potentially higher payouts compared to standalone strategies.
- 3. Gain a market advantage:** Carriers offer competitive rates by sacrificing some profit to gain greater market share, leveraging synergies with voluntary benefits.

Proactive pharmacy strategies: Reduce financial strain

- 1. Leverage biosimilars for savings:** With 69 approved biosimilars, employers can offer substantial cost reductions by offering lower-cost alternatives to brand-name drugs.⁴
- 2. Navigate co-pay and patient assistance programs:** As employees face higher out-of-pocket costs under HDHPs and co-insurance plans, co-pay and patient assistance programs can help manage healthcare expenses, despite administrative challenges.
- 3. Evaluate broader use of GLP-1s:** Consider the pros and cons of covering weight loss medications, including costs and qualification criteria. A thoughtful utilization management strategy can encourage lifestyle changes and support long-term health — while also helping manage conditions like diabetes and heart disease to reduce overall healthcare costs.

Saving \$2 million in costs: a closer look at client outcomes

Case study

Industry: Auto warranty services

Number of employees: 1,600 projected to grow to 2,500 by Q1 2025



Through Gallagher Drive®, the company is projected to **save up to \$2 million in costs** while simultaneously **expanding both benefits and risk coverage** over the next three years.

Gallagher Drive® delivers data-driven insights to help clients analyze, benchmark and optimize benefits and risk management — resulting in cost savings and reinvestment in enhanced benefits for long-term success.

- Transitioned from a fully insured model to a self-funded plan
- Reinvested savings into enhanced medical and ancillary benefits
- Planned expansions include new voluntary options and worksite options

Balance healthcare costs while enhancing employee engagement. Contact your Gallagher consultant today.

Sources:

¹[How does medical inflation compare to inflation in the rest of the economy? - Peterson-KFF Health System Tracker](#)

²[73% of Americans rank finances as the number-one stress in life](#)

³Gallagher Organizational Wellbeing Poll: January 2025

⁴[Biosimilar Product Information | FDA](#)

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