



February 2025

7 Factors Driving Health Care Costs in 2025

Health care costs are projected to increase substantially in 2025. Estimates show a similar growth in spending to 2024, marking multiple years of compounding costs. Here are seven key factors driving rising health care costs this year:

1. **Glucagon-like peptide-1 (GLP-1) drugs**—GLP-1 use for weight loss is already widespread, but these costly medications are expected to grow in popularity.
2. **Drug cost increases**—A number of commonly used drugs are expected to see price increases this year.
3. **Cell and gene therapies**—These therapies demonstrate significant medical advancements but come with a high price tag.
4. **Biologics**—Biologics offer advanced treatment options but are expensive.
5. **Health care labor costs**—The current supply of health care workers doesn't meet the growing demand for utilization.
6. **Chronic health conditions**—Around 90% of U.S. health care spend is for people with chronic and mental health conditions.
7. **Aging populations**—The percentage of the U.S. population that is 65 or older continues to rise, with over 55 million Americans over the age of 65.

While you can't necessarily control these factors, knowing what your health plan does and doesn't cover is critical for reducing your health care spending.

How the Trump Administration May Impact the Employee Benefits Landscape

President Donald Trump returned to the White House on Jan. 20. This transition is expected to bring changes to employee benefits. Here are some potential implications:

- **Affordable Care Act (ACA)**—ACA subsidies that cut premiums for plan participants were extended for three years through the end of 2025. However, it remains to be seen whether the new administration will extend ACA subsidies.
- **Medicare**—Trump's platform said it would "protect Medicare" and shift resources back to at-home senior care.
- **Medicaid**—The Trump administration may reduce federal spending on Medicaid by capping and cutting financing and restricting eligibility.
- **Prescription drug pricing**—The Trump platform indicated it would lower costs for health care and prescription drugs by increasing transparency, promoting choice and competition, and expanding access to new affordable health care and prescription drug options.
- **Family policies**—Trump supports offering paid family leave, reducing child care costs and raising the child tax credit. The campaign stated only parents who meet income tax requirements should receive the credit.

This is purely speculative and only summarizes Trump's position based on his campaign and platforms. If you have any questions or concerns, talk to your HR representative.

Bird Flu Prevention and Treatment

Avian influenza (or bird flu) usually attacks birds rather than humans. Although the virus poses a low risk to the public's health overall, the first person has died of bird flu in the country. They were likely exposed to the virus from a backyard flock. Consider these tips regarding bird flu:

- **Prevention**—The best way to prevent bird flu is to avoid exposure whenever possible. Infected birds transmit the virus in their saliva, mucus and feces. Other infected animals may shed the virus in respiratory secretions and bodily fluids (e.g., unpasteurized cow milk).
 - **Food consumption**—Eating uncooked or undercooked poultry or beef can cause illness. Follow food safety guidelines, such as cooking meat to the appropriate internal temperature, and practice good hand hygiene.
 - **Traveling**—No travel restrictions exist for any country due to the avian influenza A viruses. However, travelers should take precautions, such as wearing personal protective equipment.
- **Treatment**—If you think you have bird flu, you'll be advised to stay home; if the illness is severe, you'll be isolated from other patients in the hospital. Some antiviral medications can treat bird flu.

[Click here](#) to learn more about the bird flu.