Benefits Insights

Brought to you by:
OCI Insurance and Financial Services

Cancer Care Trends Impacting Employer-sponsored Coverage in 2026

Cancer is no longer a concern that employers can address reactively. It's a persistent, growing and increasingly complex challenge that impacts workforce health and healthcare spending. More employees are being diagnosed, more are being diagnosed younger and the advanced treatments available today come at a high cost. According to the Business Group on Health's (BGH's) 2026 survey, 58% of employers cite cancer as their primary driver of healthcare costs, with 88% ranking it among their top three cost factors. In addition, 74% of employers report seeing higher cancer prevalence within their own workforce.

This article explores current trends in cancer care and their implications for employer-sponsored coverage.

The Financial Impact of Cancer on Employer-sponsored Coverage

The financial burden of cancer care on employer health plans is substantial and accelerating. Understanding its full scope requires looking beyond medical claims and examining how cancer costs impact benefits broadly.

According to the BGH, cancer surpassed musculoskeletal conditions as the No. 1 cost driver for employer health plans for the first time in its 2023 survey. With no change through 2026, this can reflect a structural shift in the health profile of the American workforce driven by rising incidence, delayed diagnoses and dramatically higher treatment costs.

Cancer treatment is among the most pharmacy-intensive areas of medicine. Between 2021 and 2023, the share of employer health care dollars spent on pharmacy rose from 21% to 27%, and oncology medications are a significant contributor to that increase. Employers are projecting an 11%-12% increase in pharmacy costs from 2025 into 2026, even as they search for plan design levers to manage the overall trend. For self-funded employers, a single high-cost cancer claim can affect annual stop-loss thresholds and renewal terms.

Furthermore, timing matters in cancer care from both an outcomes and a financial perspective. According to virtual cancer care clinic Color Health, diagnosing cancer just one stage earlier can save $60,000 per patient in treatment costs. Late-stage diagnoses require more intensive treatment regimens, longer treatment durations, more hospitalizations and more specialty medications. When employers invest in prevention and early detection, they see positive impacts on finances and employee wellness.

Lastly, the financial impact of cancer extends beyond medical claims. Employers also absorb high indirect costs that affect the bottom line in meaningful ways:

- Short- and long-term disability claims from employees undergoing treatment
- Lost productivity and presenteeism from employees managing their own diagnosis or caregiving for an ill family member
- Workforce disruption from extended leaves of absence or attrition among high-performing employees

- Increased utilization of mental health and employee assistance program (EAP) services by both the diagnosed employee and colleagues

The full economic cost of cancer is often underestimated when only direct medical spending is considered.

3 Key Trends Shaping Cancer Care

The following forces are changing cancer care with direct implications for employee benefits:

1. *Rising Diagnoses in Younger Populations*

Over the past decade, the rate of cancer diagnoses has been steadily rising among adults under the age of 50. Colorectal cancer, breast cancer and thyroid cancer, among others, are being diagnosed in younger patients at rates that researchers are still working to fully explain. For employers, this means cancer is no longer primarily a concern for employees approaching retirement, and it's increasingly a mid-career reality.

According to the American Cancer Society, in 2026, approximately 40% of all new invasive cancer cases in the country are expected to occur in people younger than 65. Complicating matters further, a study published in JAMA Oncology estimates that 10 million preventive cancer screenings were delayed or skipped during the COVID-19 pandemic. The ripple effects of that screening gap are still being felt. Many of those missed screenings would have caught cancers at earlier, more treatable stages; instead, some are now presenting at advanced stages, driving both worse outcomes and higher costs.

2. Innovation in Diagnostics and Treatment

The pace of innovation in oncology is notable. Precision medicine, including genomic testing, biomarker-driven therapies and immunotherapies, has transformed cancer from a near-certain death sentence in many cases to a manageable, sometimes curable condition. However, advances in survival rates come with significant cost implications. Genomic testing, while essential for precision treatment decisions, adds upfront diagnostic expense. Targeted therapies and immunotherapies can run from $100,000 to more than $500,000 per treatment course. CAR-T cell therapy, one of the most promising cell and gene therapies (CGTs) for certain blood cancers, can cost more than $400,000, and that's without factoring in hospitalization and post-infusion monitoring.

For employer plan sponsors, the challenge is not whether to cover these therapies, but how to ensure utilization is appropriate, providers are high-quality and that costs are managed without compromising care. According to the BGH, 41% of employers today cover immunotherapies, 24% cover genomic testing for treatment decisions and 44% cover genetic testing based on family history. The question for plan sponsors is no longer whether these therapies will be part of benefit plans, but how to manage them effectively.

3. The Productivity and Presenteeism Factor

Improved treatments have fundamentally changed the journey following a cancer diagnosis. Many patients who would have had limited survival prospects a decade ago now live for years with cancer as a managed chronic condition. This is a profound medical success, but it also creates new and ongoing coverage obligations for employer health plans.

Cancer survivors may require years of follow-up care, ongoing surveillance imaging, maintenance medications and rehabilitation services. Recurrence is also common across many cancer types, requiring additional treatment cycles. Meanwhile, the psychological toll of a cancer diagnosis, such as anxiety or depression, creates sustained demand for mental health services that most standard benefit plans are not designed to fully address.

For employers, this shift means cancer can no longer be thought of as a separate episode of care. It must be planned for as an ongoing cost driver with both medical and behavioral health implications. Cancer survivors who return to work often do so while managing ongoing symptoms, cognitive effects of treatment (e.g., "chemo brain") and a demanding schedule of follow-up appointments. Ultimately, these collective elements can impact productivity, scheduling and engagement.

How Employers Can Support Cancer Care

Today, many employers are not waiting for cancer claims to arrive and are redesigning their benefit strategies to stay ahead of rising healthcare costs. To support employees throughout their cancer journey, employers can consider the following strategies:

- **Expand and incentivize cancer screening coverage.** Early detection is the most impactful and cost-effective tool available. Going beyond minimum preventive care requirements by covering screenings at earlier ages, expanding eligibility and eliminating cost-sharing barriers can drive higher participation. Employers may also pair those coverage enhancements with financial incentives (e.g., gift cards, premium reductions or health savings account contributions) to overcome common barriers.
- **Consider a cancer center of excellence (COE) program.** COE programs steer employees to specialized, high-volume oncology centers with proven outcomes, reducing misdiagnosis and unnecessary treatment variation. Covering travel and lodging also removes access barriers. Half of the employers surveyed by the BGH plan to offer a cancer COE in 2026, and another 23% are considering doing so by 2028.
- **Ensure appropriate coverage for precision medicine.** As genomic testing and targeted therapies become the standard of care for many cancer types, employers need to ensure their benefit designs keep pace. Denying or delaying access to biomarker testing or clinically appropriate targeted therapies could increase long-term costs by leading to less effective treatment paths, more hospitalizations and poorer outcomes. Employers can work with their third-party administrator (TPA), health plan or benefits consultant to establish clear, evidence-based coverage policies for genomic testing, immunotherapy and emerging CGTs.
- **Close the gaps in cancer-specific support.** Most employer-sponsored plans offer cancer-adjacent support (e.g., mental health through EAPs, disability coverage and basic care navigation), but these programs often fall short of meeting the specific and complex needs of cancer patients and survivors. Mental health resources are rarely specialized for oncology needs. Return-to-work programs may not account for the cognitive and physical effects of treatment. Navigation services may not be equipped to help employees understand their treatment options or secure second opinions. Some examples of specific support include cancer-specific navigation programs, second-opinion services, survivor return-to-work support and caregiver assistance.
- **Use data to drive strategy.** Claims data is a powerful tool for understanding the cancer burden within a workforce and for targeting interventions to have the greatest impact. Employers can work with their health plan or TPA to analyze cancer-related claims trends, screening utilization rates, stage-of-diagnosis patterns and the share of cancer spend allocated to pharmacy versus medical. This data can reveal what stage employees are being diagnosed, whether high-risk populations are engaging with available screening programs and whether COE referrals are being utilized effectively. Proactive data analysis enables employers to measure impact and make evidence-based adjustments.

The most effective plan approaches combine prevention, access to high-quality treatment and holistic support for employees throughout their cancer journey.

Conclusion

Cancer is a sustained healthcare challenge for many employers right now, and the trends driving it won't slow down. The shift required for plan sponsors is a change in mindset from reactive payer to proactive health partner. Cancer care is not simply a claims problem to be managed after the fact. It is a workforce health challenge that requires strategic, forward-looking benefit design, strong vendor partnerships and a commitment to supporting employees through one of the most difficult experiences of their lives.

Contact us today for more benefits-related information.