



Stay HR Savvy with HR Elements®

Welcome to the UBA Partner Firm exclusive monthly newsletter, delivering insights into timely human resources and employee benefits topics.

October 2025

- Employee Benefits | Rethinking Health Plan Costs
- Workplace Culture | Making AI Adoption Part of Your Culture
- Dear HR Manager | Helping Your Team Thrive

Employee Benefits | Rethinking Health Plan Costs

Healthcare spending continues to rise, prompting employers to evaluate how benefit plans are designed and managed. As 2026 approaches, cost control is being paired with a stronger focus on preventive care, cost transparency, and long-term employee health.

The Challenge: Costs That Keep Climbing

[A recent survey projects a 9% increase in medical costs next year, or about 7.6% after plan adjustments.](#)

Much of this increase stems from the growing use of obesity medications, cancer treatments, chronic condition management, and mental health services.

[Demand for GLP-1 drugs has surged, with nearly 80% of employers reporting higher utilization.](#)

While these medications are highly effective, their expense has led many organizations to require prior authorization and participation in weight management programs to promote responsible use.

The Pressure Point: Pharmacy Spending

Prescription drug costs continue to increase at a faster rate than other healthcare categories, accounting for nearly one-quarter of total healthcare spending.

[Employers anticipate an 11% to 12% rise in pharmacy spending heading into 2026.](#)

In response, organizations are seeking greater transparency from pharmacy benefit managers and exploring models that emphasize value over rebates.

This evolution reflects a broader shift toward accountability and quality, ensuring that every dollar spent supports better care and measurable results.

The Strategy: Prevention and Smarter Care

Prevention now anchors cost management, with employers broadening cancer screening coverage, removing age limits for key tests, and incentivizing recommended preventive care. These efforts control costs while demonstrating a commitment to long-term health and meaningful employee engagement.

At the same time, many organizations are enhancing navigation tools to help employees locate high-quality providers. When employees can easily identify effective care options, both outcomes and spending improve.

The Opportunity: Engagement as a Cost Strategy

Employee engagement, encouraging preventive care, increasing primary care use, and effective benefits communication drive smarter healthcare decisions. Informed employees utilize resources effectively, thereby reducing unnecessary costs and enhancing overall well-being.

The Bottom Line

Healthcare costs are rising, but targeted strategies can work. Prevention, value-based care, and transparency help manage expenses while providing coverage that improves employee health. In addition, employers deliver meaningful programs and strengthen commitment, build trust, and create stability for their employees. In any market, benefits closely aligned with employee priorities are among the most effective tools for attracting and retaining talent.

Workplace Culture | Making AI Adoption Part of Your Culture

AI is transforming organizations, but its success ultimately rests on culture rather than technology. Employees must be included in ongoing learning, understand how AI supports their goals, and trust that it enhances, not replaces, their work.

When AI adoption feels exclusive or unclear, employees disengage. HR leaders who foster environments with accessible, shared learning help turn fear into curiosity, strengthening the organization. When employees use technology effectively, shared intelligence and technological fluency drive productivity gains.

[Goldman Sachs estimates that AI could boost annual productivity growth by 1.5 points.](#)

Where Culture Can Stall

AI initiatives fail when leaders treat them as one-time projects rather than ongoing conversations. Employees may hesitate if leaders don't model curiosity and openness. Frequent discussions with managers about AI build confidence, proving that trust and communication drive adoption.

Practical Ways to Build AI Confidence

HR leaders can boost employee confidence by making AI learning collaborative and continuous.

Integrate education into everyday work.

Small, hands-on sessions keep learning approachable and relevant.

Recognize curiosity.

Highlight employees using AI to solve challenges or boost efficiency.

Encourage shared exploration.

Create peer-to-peer forums where employees can exchange lessons learned.

Stay people-focused.

Connect each new tool to a clear purpose supporting employee and organizational success.

Shared Intelligence as a Retention Strategy

AI will continue to evolve, but culture determines whether it inspires confidence or concern. Making learning collective and ongoing empowers rather than overwhelms employees. Embedding AI learning into everyday leadership practices reinforces a culture of curiosity and creativity so that employees keep pace with change.

Dear HR Manager | Helping Your Team Thrive

How can I help my team thrive?

I want my team to grow and feel fulfilled, but pressure from constant deadlines makes it difficult to focus.

— *Aspiring Supportive Leader*

Dear Aspiring,

It's encouraging that you're thinking this way.

[Recognition strengthens loyalty and motivation; well-recognized employees are 45% less likely to have turned over two years later.](#)

Helping your team thrive doesn't require massive overhauls; it's about steady, intentional actions that build trust and growth over time.

Clarify What Success Looks Like

Start by aligning on goals. Ask each team member what success means to them and how they see their role evolving. Defining this together gives purpose to their daily work and clarity to your coaching.

Create Space for Growth

Encourage stretch projects that challenge skills without overwhelming them. Providing learning resources and regular feedback, and small, ongoing conversations often make a bigger difference than annual reviews.

Recognize and Reinforce

Acknowledgment goes a long way. Celebrate milestones, both big and small.

Support the Whole Person

Thriving employees aren't just performing well, they're feeling well. Encourage boundaries, model balance, and offer flexibility when possible. When people feel safe and supported, they're more creative and invested.

Bottom Line

To help your team thrive, choose one tip above to apply this week, start a conversation, offer recognition, or model balance. Taking even one small step can set positive change in motion.

— *HR Manager*

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