



# Biosimilars: Market disruptors, cost deflators or both?

As pharmacy costs continue to increase exponentially, biosimilars have the potential to make a big impact on employer spend.

Pharmacy spend is expected to continue rising,<sup>1</sup> and tariffs are projected to increase it even further – with some estimates reaching as high as \$51B.<sup>2</sup> The good news is that biosimilars are regarded as a much-needed cost deflator for specialty medications and for pharmacy spend in general.<sup>3</sup>

The U.S. Food and Drug Administration (FDA) approved the first biosimilar in 2015, and since then, biosimilars have contributed to a health care system savings of nearly \$445B.<sup>3</sup>

At last count, there were more than 70 FDA-approved biosimilars.<sup>4</sup> In addition to the cost savings they promise, the adoption of these drugs can likely be attributed to the fact that biosimilars have an efficacy comparable to the original specialty drugs they're modeled after, leading to similar health outcomes.

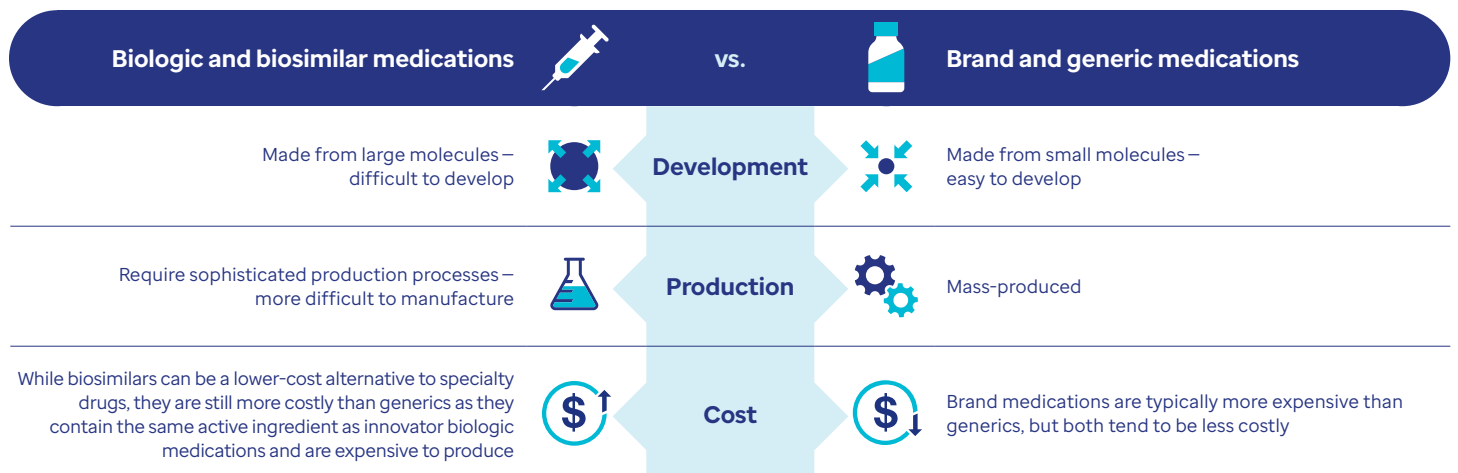
These projected savings come as welcome news, as 9 in 10 surveyed employers expressed concern about the future of high-cost drugs.<sup>5</sup> In fact, 27% of employers indicated they were considering or planning to require employees to switch to biosimilars when available by 2025.<sup>6</sup>

## What are biosimilars, and how do they work?

A biosimilar drug is a biologic medical product that is highly similar to a reference product already approved by regulatory authorities. Biosimilars are developed to have no clinically meaningful differences in terms of safety, purity and potency compared to the original biologic drug (also known as the reference drug). They are designed to provide the same therapeutic benefits as the reference product but are typically offered at a lower cost, making them an accessible alternative for patients.

To understand how biosimilars can offer similar outcomes to the drugs they are modeled after, it's important to clarify the differences and similarities between how various types of drugs are developed.

### How biosimilars differ from conventional branded and generic medications



## Taking a thoughtful approach to the adoption of biosimilars

The biosimilars that are currently available treat inflammatory conditions – such as rheumatoid arthritis – some cancers, diabetes and more.<sup>7</sup>

“In the coming years, we expect to see many biosimilars enter the market, as they are waiting in the wings for the patents to expire on their reference or innovator products,” says Susan Maddux, chief pharmacy officer for UnitedHealthcare Employer & Individual.

The U.S. biosimilars market is expected to grow 17.1% from 2025 to 2034.<sup>8</sup> As the list of conditions that biosimilars address expands, more employees will be able to get the medications they need at a more affordable price. That matters to employers, since UnitedHealthcare data shows that specialty medications make up less than 2% of overall pharmacy volume, yet account for more than 60% of total pharmacy spending.<sup>9</sup>



**“Biosimilars are a game changer when we think about affordability. They level the playing field so more employees can access the drugs they need.”**

**Matthew Vesledahl**

Chief Financial Officer  
Optum Rx

Take Humira, a blockbuster drug prescribed to millions of people living with serious inflammatory diseases that generates billions of dollars in annual sales.<sup>10</sup> With a monthly list price in the thousands, Humira may be cost-prohibitive for many employees.<sup>11</sup> But with several biosimilar equivalents now in the market, competition is helping to drive down the price of these expensive treatments and make them more accessible.

Because clinical health outcomes are similar between biosimilars and their biologic innovators, drug costs can significantly influence treatment decision-making.

“At UnitedHealthcare, our philosophy is to select the most clinically appropriate therapies that provide the lowest net cost to our members, whether that includes coverage for biosimilars, the innovator drug or a combination of the two,” Maddux says.

Understanding the role biosimilars have in the future of health care and on the cost of care, UnitedHealthcare has added biosimilars for Humira to its standard Prescription Drug Lists (PDLs) while it continues to monitor market dynamics and advocate for more accessible drug prices.

“Our objective at UnitedHealthcare is to ensure that manufacturers are incentivized to continue to discover and develop new medicines that treat complex diseases,” adds Maddux. “The idea is that, by supporting competition, we can help lower net costs for employers as well as out-of-pocket costs for employees.”

**\$1.66** PMPM

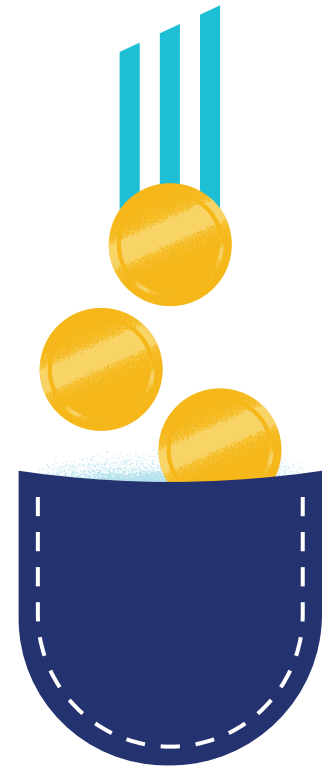
employer savings  
with biosimilar  
management strategies<sup>12</sup>

## 4 tips to help employers maximize savings

With the growing popularity of biosimilars and the potentially significant cost savings they present, it's important for employers to make the most of this opportunity to lower costs for their employees and for their bottom line.

While carriers decide which biosimilars to cover and providers decide which drugs are most appropriate for patients, employers can take certain steps to help get more value from biosimilars – for themselves and their employees:

- 1** Work with insurance carriers and pharmacy benefit managers (PBMs) to understand their position on biosimilars, including which medications they cover and opportunities for potential savings
- 2** Invest in health plan designs that include biosimilars in their medical and pharmacy offerings, with strategies that incorporate these drugs into employees' existing treatment plans
- 3** Map out a communication plan to educate employees on the differences between biosimilars, name brands and generics – and the impact of each drug type on costs and outcomes
- 4** Offer employees incentives to switch from a reference drug to the biosimilar drug when available



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<sup>1</sup> National trends in prescription drug expenditures and projections for 2025. American Journal of Health-System Pharmacy, July 12, 2025. Available: <https://pubmed.ncbi.nlm.nih.gov/40263109/>.

<sup>2</sup> Exclusive: US pharma tariffs would raise US drug costs by \$51 billion annually, report finds. Reuters, Apr. 25, 2025. Available: <https://www.reuters.com/business/healthcare-pharmaceuticals/us-pharma-tariffs-would-raise-us-drug-costs-by-51-bln-annually-report-finds-2025-04-25/>.

<sup>3</sup> The U.S. Generic & Biosimilar Medicines Savings Report, Association for Accessible Medicines, Sept. 2024. Available: <https://accessiblemeds.org/resources/reports/2024-savings-report/>.

<sup>4</sup> Biosimilar Product Information. U.S. Food and Drug Administration, July 15, 2025. Available: <https://www.fda.gov/drugs/biosimilars/biosimilar-product-information>.

<sup>5</sup> 2024 Large Employer Health Care Strategy Survey: Executive Summary. Business Group on Health, Aug. 22, 2023. Available: <https://www.businessgrouphealth.org/resources/2024-large-employer-health-care-strategy-survey-executive-summary>. Accessed: Aug. 7, 2025.

<sup>6</sup> Controlling healthcare costs and boosting mental health outrank other priorities. WTW, Oct. 11, 2023. Available: <https://www.wtwco.com/en-us/insights/2023/10/controlling-healthcare-costs-and-boosting-mental-health-outrank-other-priorities>.

<sup>7</sup> Biosimilars Basics for Patients. U.S. Food and Drug Administration. Available: <https://www.fda.gov/drugs/biosimilars/biosimilars-basics-patients>.

<sup>8</sup> U.S. Biosimilars Market Size to Surpass USD 93.52 Billion by 2034. BioSpace, Feb. 20, 2025. Available: <https://www.biospace.com/press-releases/u-s-biosimilars-market-size-to-surpass-usd-93-52-billion-by-2034>.

<sup>9</sup> UnitedHealthcare 2023 Commercial Fully Insured data, post-rebate, allowed amount.

<sup>10</sup> Jeremias, S. The Age of Adalimumab Is Upon Us: How Stakeholders Can Prepare. AJMC: The Center for Biosimilars, June 28, 2023. Available: <https://www.centerforbiosimilars.com/view/the-age-of-adalimumab-is-upon-us-how-stakeholders-can-prepare>.

<sup>11</sup> Bugos, C. What You Need to Know About Humira's Low-Cost Competitors. Very Well Health, Aug. 22, 2023. Available: <https://www.verywellhealth.com/humira-biosimilar-cost-7693626>.

<sup>12</sup> UnitedHealthcare 2024 commercial book of business data. Savings apply to medical benefit drugs. Savings may vary.

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