

This was a study conducted by the Washington, D.C.-based *Business Group on Health*. I can't say that it has exciting, optimistic news, but it is informative.

*The **2026 Health Trends Report** draws from extensive self-funded and fully insured plans, examining claims incurred between November 2024 and October 2025 and paid through January 2026.*

Health care spending continues to outpace inflation, driven by rising hospital prices, catastrophic claims costing \$100,000 or more (up 12.9% from 2024 to 2025), and pharmacy costs, which rose 11% in 2025. Specialty medications now represent approximately 55% of total pharmacy benefit spend, with GLP-1s, new oncology therapies, and gene therapies contributing significantly to this trend. Employers now spend \$1 out of every \$4 health care dollars on pharmacy, with some cell, gene, and molecular therapy treatments costing up to \$4M.

Per-member treatment costs rose across nearly all conditions from 2024 to 2025, with maternity costs increasing 11.7%, mental health increasing 10.9%, and digestive system disorders increasing 10.5%. Neoplasms, which include both cancerous and non-cancerous tumors, musculoskeletal (MSK) disorders, and circulatory or cardiovascular conditions, remained the top costs, with year-over-year cost increases ranging from 8.2% to 9.4%. Digestive disorders have particularly emerged due to rising obesity rates, expanded diagnostic testing, and treatment availability. Nervous system disorders are also driving up costs, which tend to be rare and complicated conditions to manage, but little can unfortunately be done to prevent these conditions.

While Baby Boomers remain the most expensive generation, Millennials and Gen X are emerging as increasingly costly groups to manage, together accounting for approximately 60% of total health care spending, as they make up the majority of today's workforce.

Spouses generated 36% higher per-member costs than employees, driven by older average age and higher usage across most major care categories.

Give us a call with any questions. We look forward to expanding on the importance of benefits and insurance coverage.

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