

The Average Cost of a Family Health Insurance Plan is Now \$27,000

Higher spending on chronic diseases, weight-loss drugs and hospital bills help drive the increase

By Anna Wilde Mathews and Ruth Simon, *The Wall Street Journal*

The cost of health insurance rose steeply for a third year in a row in 2025, reaching just under \$27,000 for a family plan, according to an annual survey from the nonprofit KFF, which provides the broadest picture of U.S. employer health coverage.

That is a 6% increase from the year before, and builds on two prior years of 7% gains. The cost is rising faster than inflation, and economists and business leaders said it could bite into employment and wage growth.

“If healthcare costs go up faster than the economy in general, that means there’s less money left over to go to wages,” said Gary Claxton, a senior vice president at KFF....

The KFF survey, which includes more than 1,860 employers and was completed earlier this year, offers a detailed snapshot of workplace insurance. Nearly half the U.S. population gets health coverage through a job.

The rising cost of employer coverage is driven mostly by higher healthcare spending. Insurers and employers point to rising rates of conditions including cancer in the

working-age population. Hospital prices have also grown in recent years, as healthcare providers have negotiated higher rates in their contracts.

Employers are seeing increased outlays on new and costly therapies, particularly the popular drugs known as GLP-1s, a

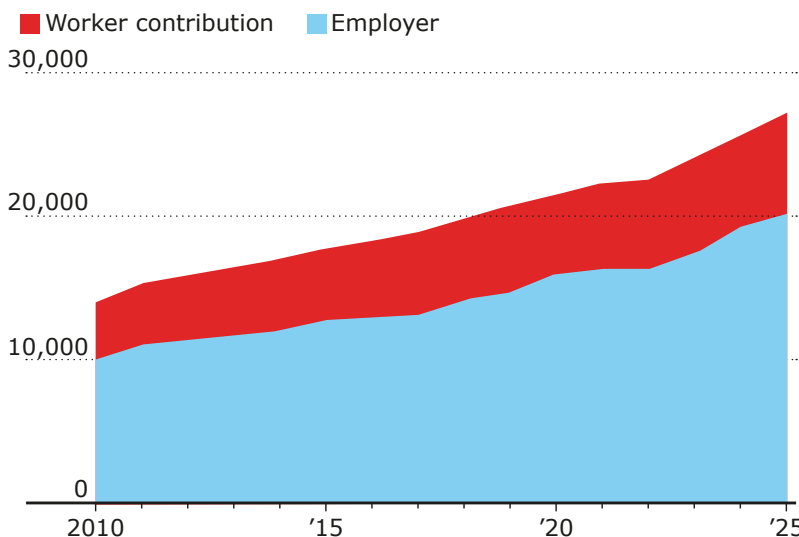
category that includes the weight-loss treatments Wegovy and Zepbound.

Kyle Rodgers, chief executive of Dannah Investment Group, a wealth-management firm in Dallas, said rising healthcare spending, including on weight-loss medications, has made it tougher to shop for coverage. “There’s a real tightening among carriers across the board when it comes

to taking on new business,” he said.

Figuring out the right healthcare strategy “is a huge drain,” said Rodgers, who has around 10 employees. “The time we have to spend trying to navigate this health-insurance fiasco is time we don’t spend with our clients.” Health

Average annual contributions to premiums for family coverage



Sources: KFF Employer Health Benefits Survey (2018–25); Kaiser/HRET Survey of Employer-Sponsored Health Benefits (2010–17)

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insurance is Dannah's largest expense after wages, he said.

To defray the rising tab for health insurance, many employers push more of the burden onto workers. San Francisco-based William Duff Architects has covered full health-insurance premium costs for each employee for most of its nearly 27-year history, though workers paid extra for family coverage. That changed this year, after the roughly 25-person company was hit with a 38% rate increase for its most generous plan, which offers a large array of doctors and hospitals.

"Over the years, we've been managing the cost increases through cuts in other areas, efficiencies and less profits,"

said William Duff Jr., founder and managing principal. "We couldn't absorb it all any longer." Now, employees will have to pay extra if they choose the generous plan with a big provider network, rather than a more basic option.

Other companies shift costs onto workers by boosting out-of-pocket charges such as deductibles and copayments. Though the growth in deductibles flattened a few years ago, they have begun ticking upward again, the KFF survey shows.... ●

Flex Filing Deadline Approaching Fast

The deadline to file for reimbursement from your 2025 PEEHIP Flexible Spending Accounts (FSA) plan is January 15, 2026. If you were enrolled in the Health FSA or Dependent Care Reimbursement Account (DCRA) between October 1, 2024, and September 30, 2025, there is still time to file for reimbursement of expenses incurred by September 30, 2025. Submit your request online at healthequity.com/peehip or mail in a

reimbursement form along with supporting documentation to HealthEquity. Remember, unused funds contributed to an FSA plan cannot be refunded. All unused funds remaining in your 2025 DCRA and in excess of \$640 in your Health FSA after the January 15 filing deadline will be forfeited. To check your balance, log in to your HealthEquity online account or contact customer service at 877.288.0719. ●

Your Free Health Improvement Resources

PEEHIP members enrolled in the Blue Cross Blue Shield Hospital Medical Group #1400 Plan: did you know that your PEEHIP benefits come with free resources to help you improve your health? Please see below for all that is available to you at no charge.

Benefit Program	Area of Focus	Contact Info
Wondr™	Weight management	wondrhealth.com/peehip
BCBSAL Health Coaching and Chronic Condition Management	Prediabetes, diabetes prevention, obesity, weight management, and other chronic condition management	888.841.5741 or call the customer service number on the back of the BCBSAL card, 800.327.3994.
Expanded Diabetes Management Program, powered by Lark	Prediabetes and type 2 diabetes	lark.com/alabama

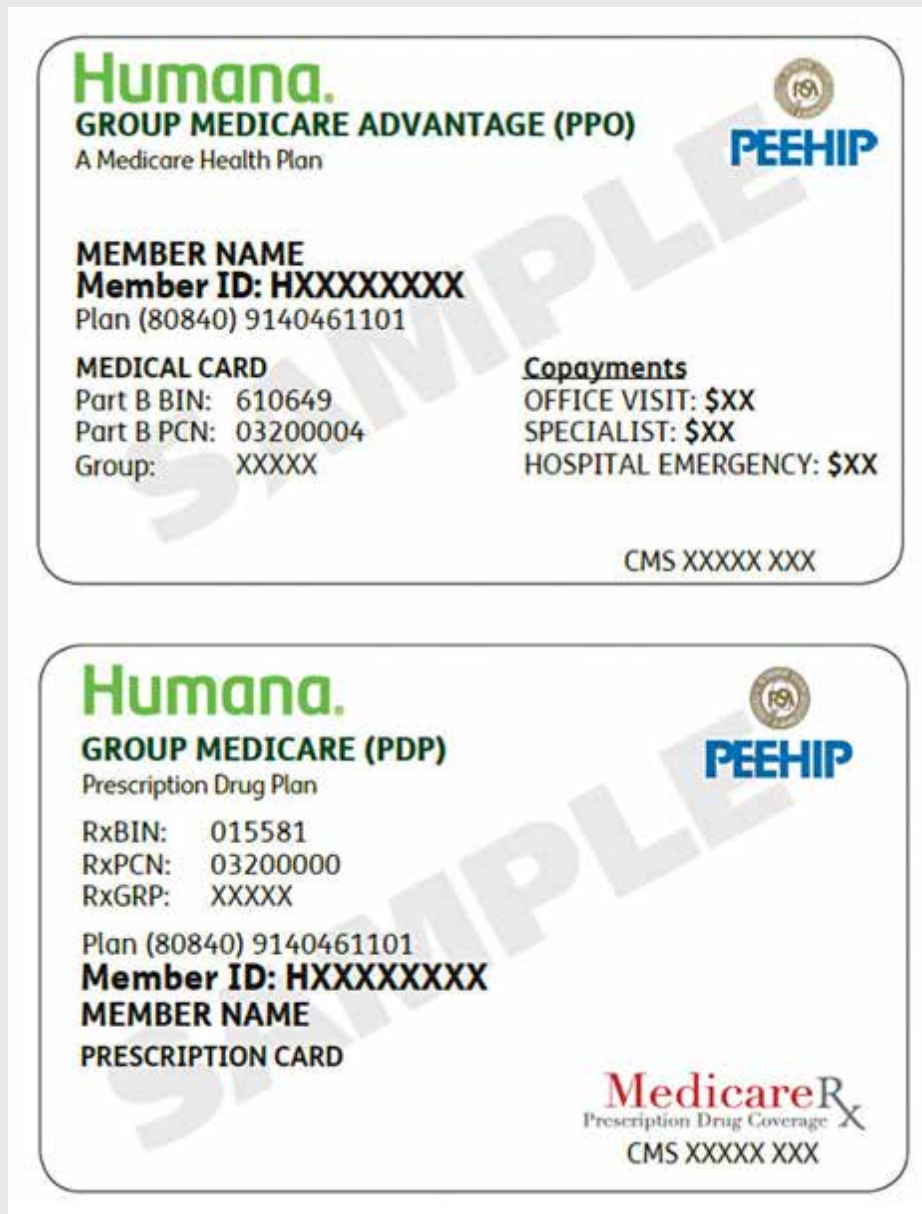
Medicare-Eligible PEEHIP Members

The information below pertains to Medicare-eligible PEEHIP retirees or Medicare-eligible dependents of PEEHIP retirees. For more information, visit rsa-al.gov/peehip/retirees/.

PEEHIP Medicare Retirees: Important information about the transition to Humana®

Reminder – You should have received two new ID cards.

New this year, you will have a PEEHIP Humana® ID card for your hospital medical benefits AND a separate PEEHIP Humana® ID card for your prescription drug benefits. Sample images of your new cards are provided here:



Looking Ahead to 2026

As we close out the 2025 plan year and prepare for 2026, we would like to share some information regarding the transition to the PEEHIP Humana® Group Medicare Plan. If you have any questions regarding the PEEHIP Humana® plan, please call PEEHIP Humana® Customer Care at **800.747.0008**, (TTY: 711), 7 a.m. – 8 p.m. CT, Monday – Friday.

Important reminders for your PEEHIP Humana® plan:

ID Cards: By the end of November, each person covered for medical and prescription drug coverage should have received **two** Humana® ID cards: one for medical coverage and one for prescription drugs. The cards were mailed separately. Please be sure to keep both cards and present them at your first visit to your pharmacy beginning January 1, 2026. If you have not received both of your ID cards, please call PEEHIP Humana® Customer Care.

Part D Annual Maximum Out-Of-Pocket (MOOP): As a reminder, the Federal government sets the threshold for the Part D (prescription drug) Annual Maximum Out-Of-Pocket (MOOP) and the MOOP resets annually on January 1. The new Federal threshold for Part D is changing from \$2,000 in 2025 to \$2,100 for the 2026 plan year.

Humana® Preferred Diabetic Testing Supplies: Humana® has preferred diabetic testing supplies, which are True Metrix Air by Trividia, Accu-Check Guide Me by Roche, and Accu-Check Guide by Roche. If you are not currently using one of these preferred brands, you may request a new meter at no cost by contacting the manufacturer 7 a.m. – 7 p.m. CT, Monday – Friday; Roche at 877.264.7263 (TTY:711); or Trividia Health at 866.788.9618 (TTY:711). If you need assistance with

ordering a new meter or have questions about diabetic testing supplies, please contact PEEHIP Humana® Customer Care.

Evidence of Coverage (EOC): Within 30 days of your effective date, you will receive a postcard sharing how you can view or request a printed copy of the PEEHIP Humana® Evidence of Coverage. You will also be able to electronically view a copy of the Evidence of Coverage at your.humana.com/peehip or by logging into your MyHumana® account.

Where to Find More Information: If you have not set up a MyHumana® account, PEEHIP members can register at your.humana.com/peehip to conveniently view plan materials, access benefit information, and manage coverage online. If you have any questions or assistance in



creating your account, the dedicated Humana® Customer Care team will be happy to guide you through the process at 800.747.0008 (TTY:711), available 7 a.m. – 8 p.m. CT, Monday – Friday, or you can visit your.humana.com/peehip. ●