

News Brief



KFF Report Finds Employer-sponsored Health Care Costs Rose 6% for Families in 2025

Employer-sponsored insurance covers 154 million people under the age of 65. Each year, KFF—an independent source for health policy research—conducts a survey to examine trends in employer-sponsored health benefits.

The [2025 Employer Health Benefits survey from KFF](#) found that the average premiums for employer-sponsored health insurance were \$9,325 for single coverage and \$26,993 for family coverage. The average single and family premiums increased by 5% and 6%, respectively, over the last year, slightly lower than the previous year (6% and 7%, respectively). Over the last five years, average family premiums have risen 26%, roughly in line with the cumulative increase in inflation (23.5%) and wage growth (28.6%) over the same period. Over the last five years, average family premiums have risen 26%, roughly in line with the cumulative increase in inflation (23.5%) and wage growth (28.6%) over the same period.

“With GLP-1s, increases in hospital prices, tariffs and other factors, we expect employer premiums to rise more sharply next year.”

-Drew Allman, president and CEO of KFF

Expectations for 2026

Employers expect another surge in health insurance expenses next year. While some market reports expect a 6%-7% increase in employer-sponsored health insurance, some insurers are proposing double-digit rate hikes in the small-group and individual markets, an early signal that large-group plans could also see substantial increases.

A growing number of employers continue to cite prescription drug costs as a major driver of rising premiums. Among large firms with 200 or more employees, who typically have greater insight into their health benefit spending, over one-third report that drug prices have significantly contributed to premium growth in recent years. Additional cost pressures include coverage for new medications, the increasing prevalence of chronic conditions, higher service utilization and escalating hospital prices, according to the KFF report.

Employer Takeaway

As expected, the average annual premiums for both single and family coverage increased in 2025, similar to the growth rate over the past two years. Furthermore, early reports predict that health care cost increase rates will be even higher in the next year.

Employers should continue to monitor market trends to inform their health care plan strategies in 2026.

Contact us today for more information.