



2026 Health Trends Report

Essential insights shaping employee benefit design and affordability

Introduction

At UnitedHealthcare, insight and experience guide how we work and how we innovate. We bring together data, clinical knowledge and real-world perspective to inform plan and network design, advance strategies that support better health and help employers navigate complex, evolving affordability challenges. The 2026 Health Trends Report is a broader extension of that approach, designed to bring greater transparency, clarity and context to the evolving healthcare landscape.

By sharing these insights each year within this report, our intent is to help employers, brokers and consultants better understand emerging trends and make more confident, informed decisions about the benefits they offer.

This work goes beyond responding to immediate pressures. Our focus has always been on the people we serve, with every decision we make grounded in helping employees, families and employers receive the care they need and feel supported, both today and in the long term.

This report reflects our sustained commitment to building a healthcare system that is more transparent, more reliable and more closely aligned to what people truly need – one that improves health, strengthens trust and makes a meaningful difference in people's lives.



Dan Kueter
Chief Executive Officer
UnitedHealthcare Employer & Individual



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Data and methodology

The bulk of this report examines top trends that UnitedHealthcare observed across its self-funded and fully insured books of business based on claims incurred between November 2024 through October 2025 and paid through January 2026. Catastrophic claims threshold was \$100K or higher. Results for individual clients will vary based on client-specific demographics, plan design, the state where the insured policy is issued and the level of engagement by employees, among other factors.



Chapter 1

Medical and Pharmacy Cost Trends

2025 saw accelerated medical and pharmacy spending due to increases in catastrophic or complex claims, as well as use of specialty medications and GLP-1s. Economic uncertainty and market volatility also contributed to price increases in medical services and pharmaceuticals, creating downstream pressure on carriers, employers and members.

While UnitedHealthcare remains committed to reducing the cost of care and driving affordability for employers and members, there are actions employers can take to help address and manage against these rising costs now and into the future.

Rising medical costs driven by hospital care and catastrophic claims

2025 U.S. health care spending outpaced inflation:¹

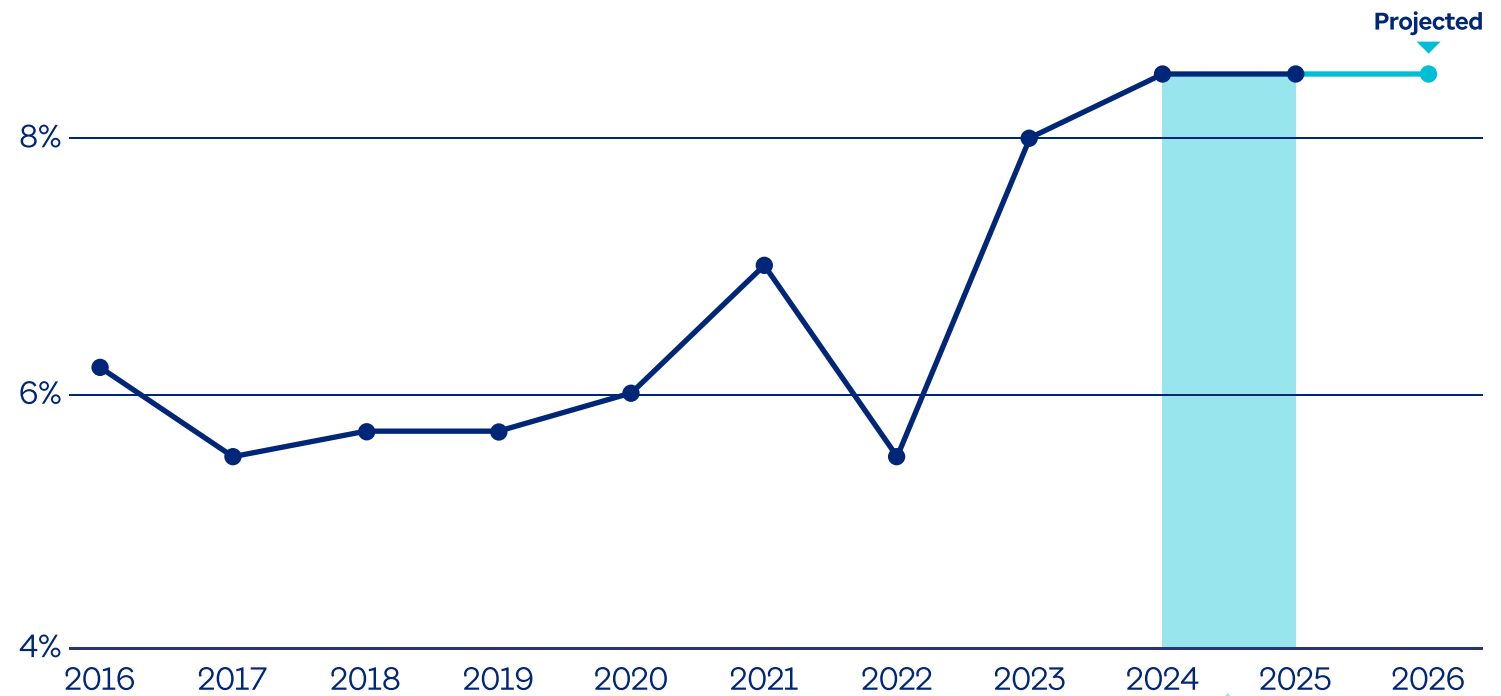
≈ **\$5.6T**
spent on health care

National health care spending continues to rise faster than inflation, driven in large part by increasing hospital prices, which are pushing up both premiums and out-of-pocket costs for employers and their employees.

At the same time, costs related to catastrophic claims of \$100,000 or more increased 12.9% from 2024 to 2025, signaling that employees are experiencing more complex – and less predictable – care needs that are being compounded by more innovative and expensive treatments.

While recent regulatory and policy changes may help slow cost increases in select areas, they do not meaningfully address these dominant cost drivers. As a result, group health plans experienced another year of rising costs in 2025, with similar cost trend expectations for 2026.

U.S. medical cost trends, commercial group plans, 2016–2026²



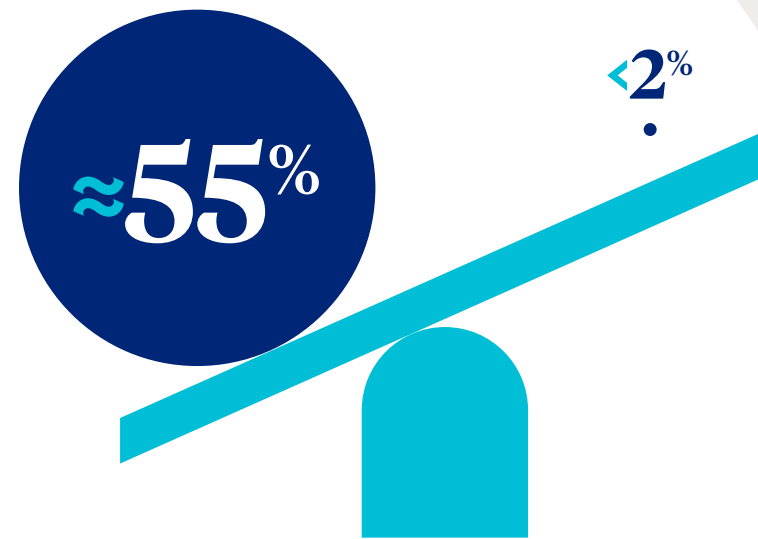
+12.9%
catastrophic claims cost trend
(UnitedHealthcare data)

Pharmacy costs fueled by specialty medications

Pharmacy costs rose by 11% in 2025 with similar projections for 2026,³ driven in large part by the cost of specialty medications, which, for UnitedHealthcare clients, represented ≈55% of total pharmacy benefit spend despite accounting for less than 2% of utilization. Conditions such as inflammatory diseases accounted for approximately one-third of specialty spend. Use of GLP-1s; new oncology therapies; cell, gene and molecular therapies; and FDA-driven expanded indications for existing drugs also contributed significantly to this trend.



\$1 out of every \$4 employer health care dollars is spent on pharmacy³



≈55% of total pharmacy benefit spend was attributed to specialty medications, despite accounting for less than 2% of utilization

“The number of gene therapy drugs is increasing and with each new drug, the likelihood of encountering a high-cost claim rises. Employers are now considering how to handle these situations in a cost-effective manner.”

Katy Curry-Lorusso

Vice President of Health Care Economics
UnitedHealthcare Employer & Individual



Top 3 employer pharmacy benefits concerns³

- 1 Overall pharmacy costs
- 2 Patient and plan affordability of higher-cost drugs
- 3 Use and implications of GLP-1s

Taking action

Medical and Pharmacy Cost Trends



 **Explore plan and network designs** that encourage preventive care and empower more informed, value-based care decisions, such as copay-driven plan designs like Surest®

 **Consider stop loss insurance** to protect bottom lines from high-dollar claims

 **Evaluate different Prescription Drug Lists (PDLs)** to help control prescription drug costs

 **Understand how your carrier works to reduce health care costs** at the system level, population level and across benefits

Condition Cost Drivers

A closer look at specific health conditions reveals several categories that contributed significantly to employer health spending. While some high-cost conditions, such as cancer and cardiovascular disease, continue to be longstanding drivers, others – like mental health and digestive disorders – have risen rapidly in prevalence and cost impact.

These trends reflect changes in diagnostic practices, treatment innovations and broader lifestyle and demographic shifts within the workforce. Understanding these underlying condition-level dynamics is essential for employers seeking to manage risk and support employee well-being.



From 2024–2025, per-member treatment costs rose across nearly all conditions, with the top drivers remaining consistent and others emerging based on their year-over-year increase in prevalence and cost:

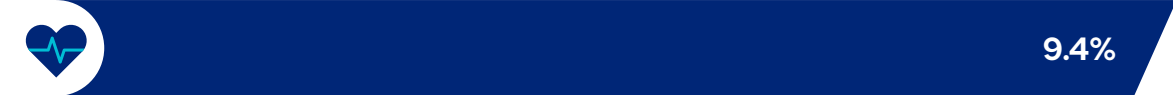
Neoplasms (e.g., cancer)



Musculoskeletal (MSK) disorders (e.g., back/neck pain, joint replacement)



Circulatory (e.g., cardiovascular diseases such as coronary heart disease and stroke)



Cancer, MSK and circulatory conditions continue to dominate spend due to their comorbidities, high treatment costs and earlier-in-life diagnoses. Factors influencing health and care (including social drivers) also contributed materially to per-member costs.



Maternity (e.g., pregnancy, labor and delivery, NICU)



Mental health (e.g., depression, anxiety)



Digestive system (e.g., ulcers, gallstones)



Nervous system (e.g., Alzheimer’s, MS)



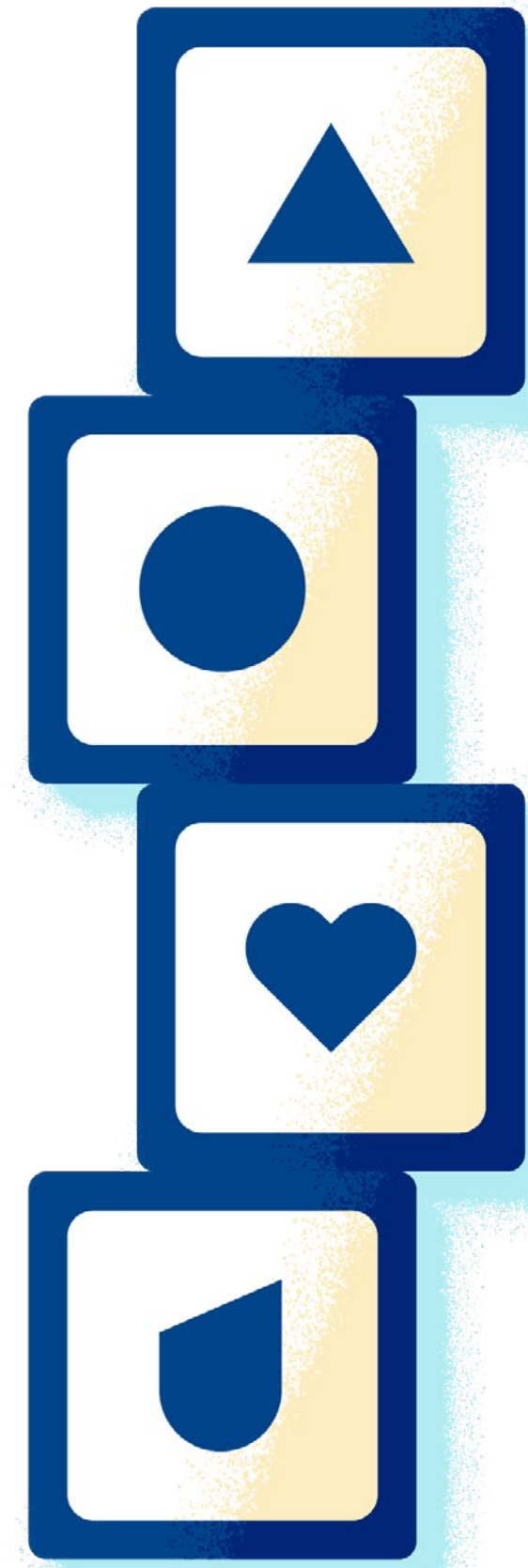
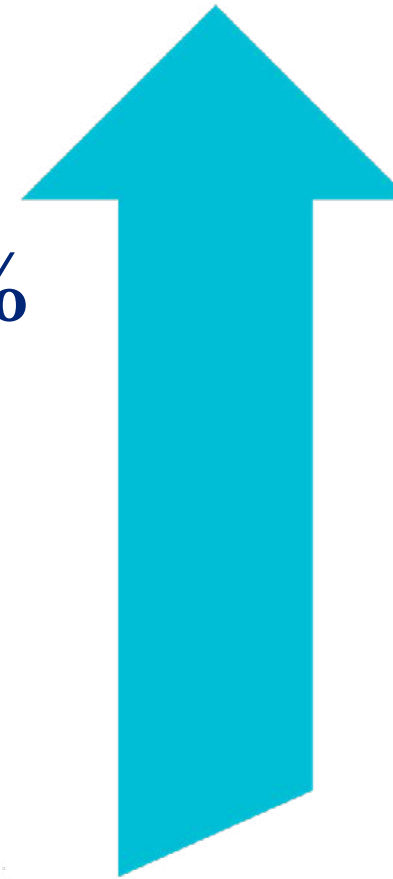
“We’re in the middle of a significant evolution of health care in the United States. We’re seeing more people dealing with complex and chronic conditions, and we’re seeing them present in a younger population.”

Dr. Rhonda Randall
Chief Medical Officer
UnitedHealthcare Employer & Individual

Maternity care

The uptick in maternity claims costs signals a reversal from the drop in babies being born during and immediately after the COVID-19 pandemic. Much of this spend is driven from the rising cost of care for babies who require stays in the neonatal intensive care unit (NICU), as well as expensive fertility treatments.

11.7%
maternity-related
cost increase
from 2024-2025



Mental health

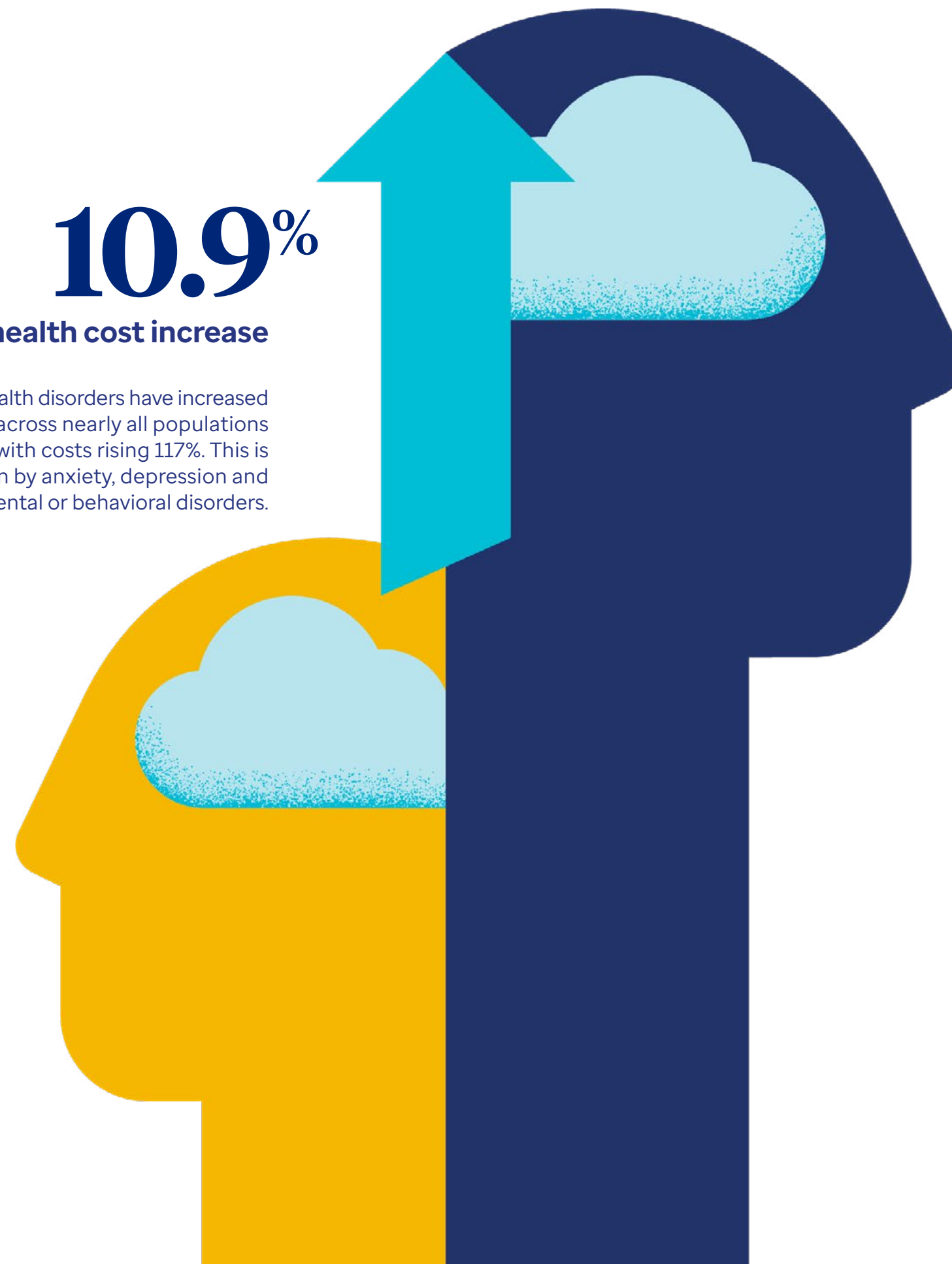
Mental health is one of the fastest-growing cost drivers and among the top costliest conditions to manage. This trend reflects increased employee engagement driven by successful efforts to reduce stigma and expand access to behavioral health support.

However, this uptick in utilization has led to increased spend for employers, highlighting the need for employees to better understand the full range of available resources, especially lower-severity solutions like self-help and digital tools.

10.9%

mental health cost increase

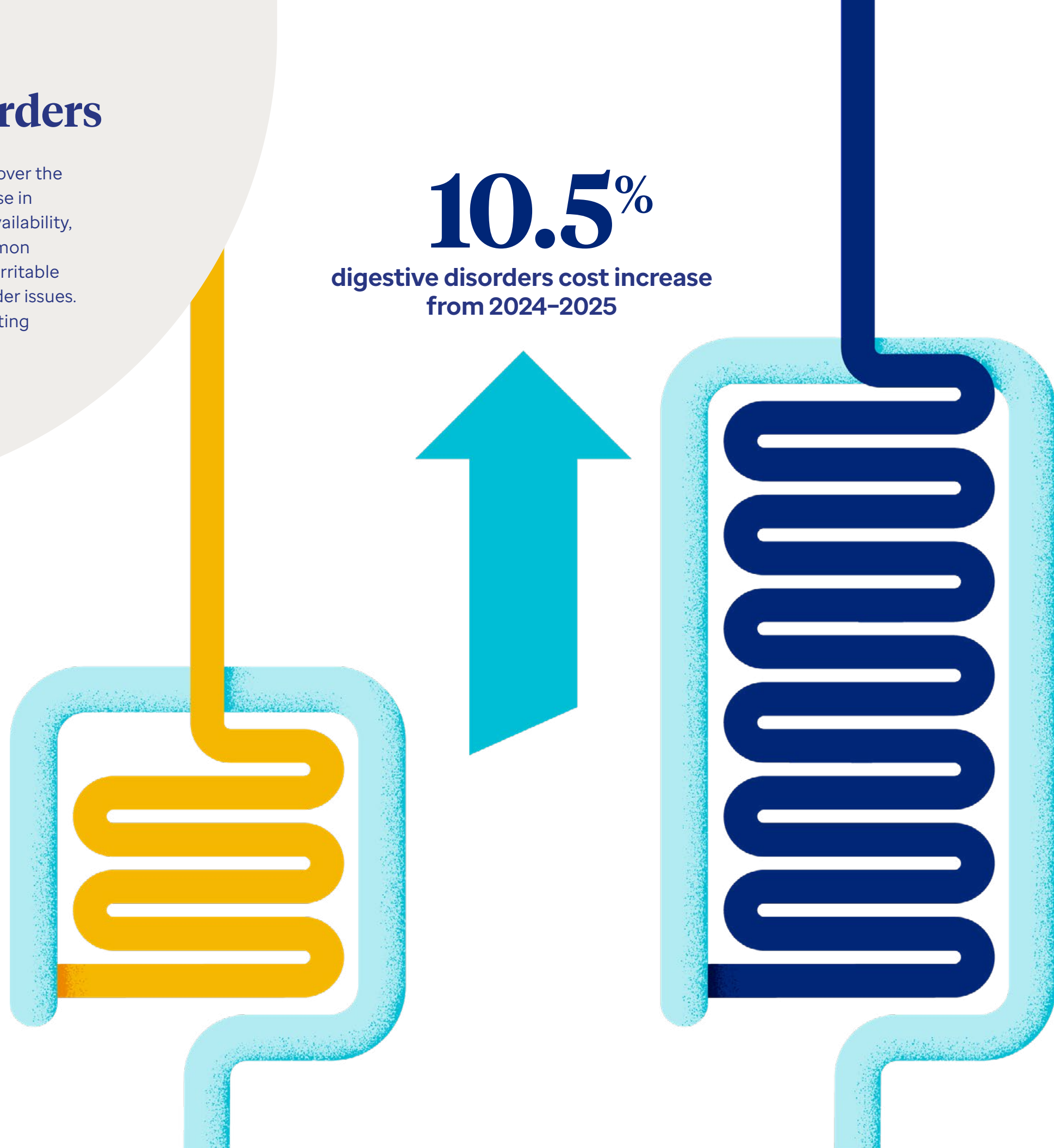
Since 2019, mental health disorders have increased in prevalence across nearly all populations and age groups, with costs rising 117%. This is largely being driven by anxiety, depression and neurodevelopmental or behavioral disorders.

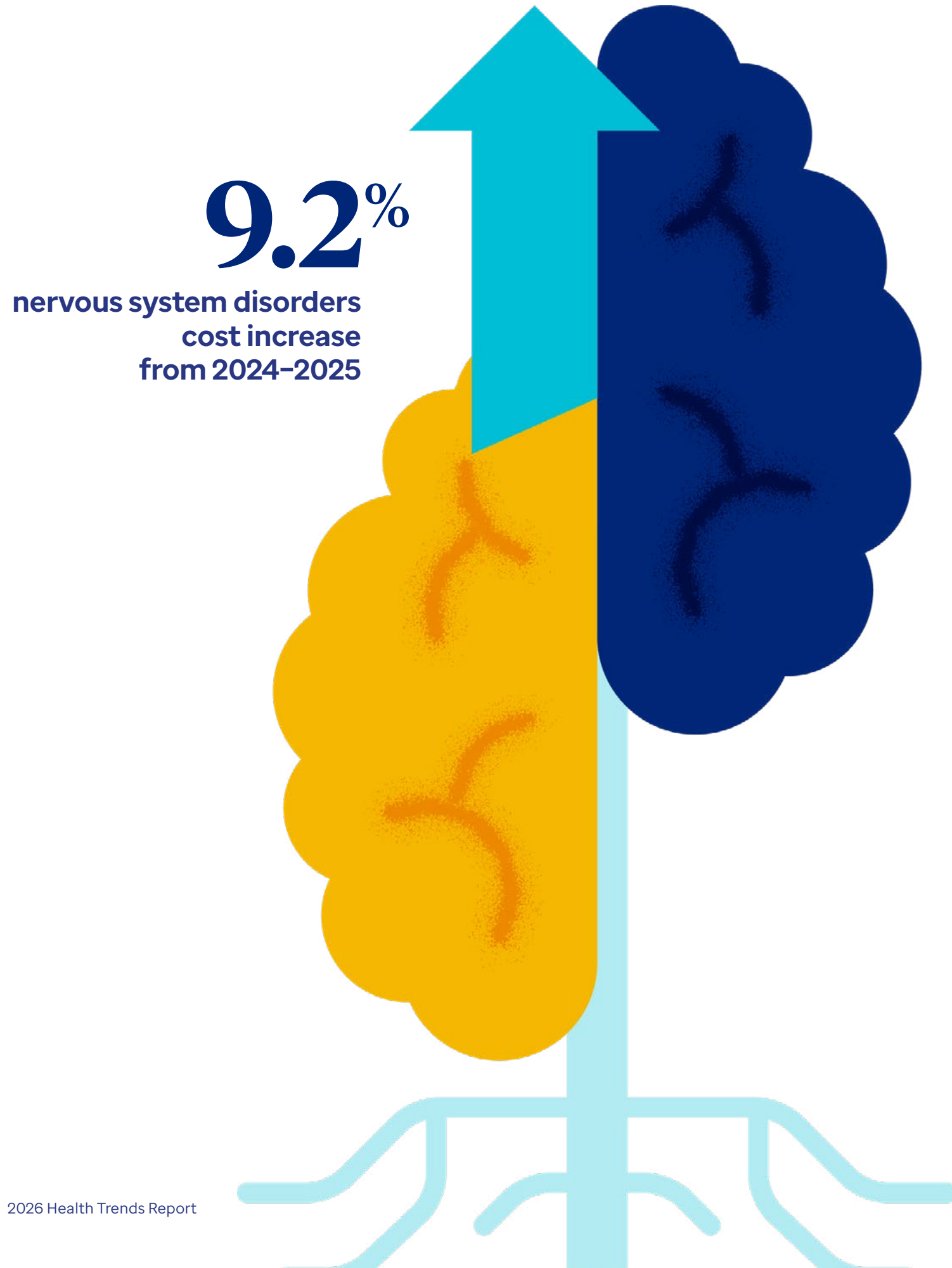


Digestive disorders

Digestive disorders have increased over the years due to a rise in obesity, increase in diagnostic testing and treatment availability, and side effects from GLP-1s. Common diagnoses include Crohn's disease, irritable bowel syndrome (IBS) and gallbladder issues. Gastrointestinal issues are contributing to rising ER visits as well.

10.5%
digestive disorders cost increase
from 2024-2025





“For employers, high-cost claims have been a part of the overall cost of providing health care to employees for years. What’s concerning is that the frequency and size of these claims have risen rapidly in recent years.”

Jocelyn Herrington

National Spokesperson & Vice President of Strategic Partnerships
Advisory Board

Nervous system disorders

There is little employers can do to prevent or prepare for the costs associated with nervous system disorders, because they tend to be rare and complicated diagnoses, such as multiple sclerosis (MS), which has increased costs by 60% since 2019. Employers can seek additional support for these individuals but may also want to consider stop loss insurance to protect against the costly claims that these disorders can generate.

Taking action

Condition Cost Drivers



Add clinical and care management programs that take a whole-person approach to managing conditions



Consider how integrated benefits can enable better cross-benefit management of care and lower costs



Explore stop loss insurance to protect bottom lines from high-dollar claims associated with costly conditions



Help drive more effective behavioral health utilization by encouraging employees with lower-severity needs to leverage available self-help tools and resources if talk therapy is not necessary



Expand coverage and support for women* who are in the family-planning stages, from fertility coverage to doula, maternity and neonatal services

*"Women's health" is a broader term used to describe conditions, services or supportive programs and resources, not to describe those supported. UnitedHealthcare provides supportive resources for all eligible individuals, regardless of gender identity.

Utilization Unpacked

Patterns in how employees access care continued to evolve. Emergency room (ER) utilization increased in 2025, while virtual care – once widely used during the pandemic – declined sharply, suggesting a renewed preference among members and providers for in-person care.

Engagement with clinical and care management programs also dropped in spite of a higher prevalence of chronic or complex conditions, highlighting opportunities to improve awareness and navigation. At the same time, digital engagement remained strong, underscoring the need for more integrated and targeted approaches to outreach that meet employees and members where they are.



ER visits rise, virtual care drops

Utilization trends show an uptick in expensive and often avoidable visits to the ER. Virtual visits declined significantly, while primary care and urgent care saw slight decreases. Gen Z, in particular, tended to rely more on ER services while remaining the least likely generation to use primary care.

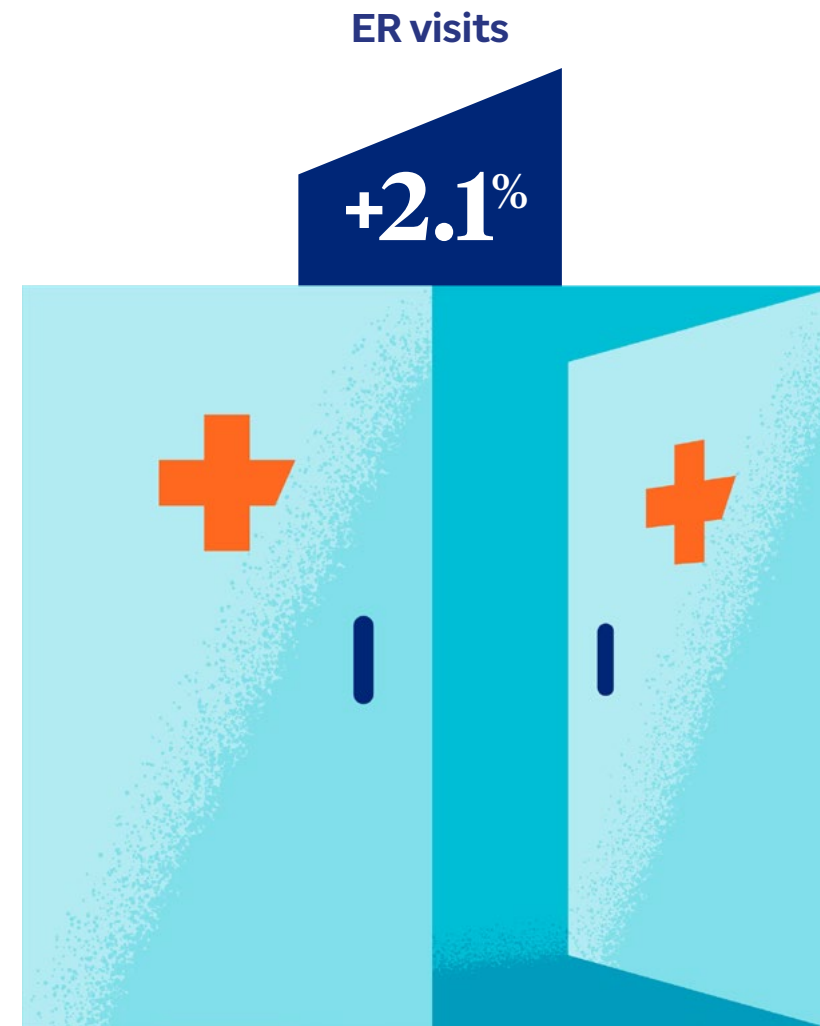
These trends reveal opportunities for carriers and employers to further educate members on the importance of preventive care over episodic care and on using appropriate sites of care, especially among younger generations.

“Seemingly small decisions about where to seek care can have an outsize impact on costs. Educating employees about their site of care options and investing in strategies that help navigate them to the most efficient ones requires a group effort on the part of carriers, providers and employers.”

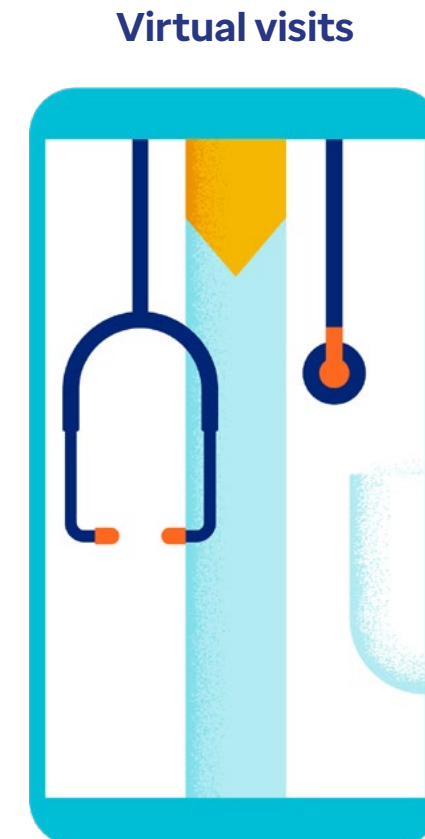
Craig Kurtzweil

Chief Data & Analytics Officer
UnitedHealthcare Employer & Individual

Visits per 1,000, 2024–2025



A slight rise in ER visits may be attributed to people being diagnosed earlier in life with complex/costly conditions, younger generations making less optimal health care decisions and an increase in freestanding ER facilities – making them more accessible despite their higher costs. Greater financial insecurity due to inflation and economic challenges also contributed to higher ER utilization, with employees putting off care until a condition became more acute/emergent.



This drop in virtual visits indicates a post-pandemic rebalance to more in-person care.

Driving engagement with digital

Member experience factored more prominently in 2025 RFPs, with digital advocacy capabilities ranked most important by employers and remaining central to members' experience with their health plans.⁴

The more engaged an employee is with the digital tools and resources available to them, the more likely they are to make optimal health care decisions, which may lead to lower costs.

Ensuring these digital tools serve as a front door for members into available health and well-being resources can be critical to improving plan engagement. And employers are taking notice: 44% of large UnitedHealthcare employer clients indicated they already have adopted or are planning to adopt websites, apps or platforms that centralize health and well-being resources into a single hub in a more personalized and relevant way.⁴

More informed choices = more potential savings

Each year, proprietary UnitedHealthcare Health Activation Index® (HAI®) scoring evaluates 50+ health care choices made by 14M+ UnitedHealthcare members. Since more informed health care choices tend to drive savings, every 1-point improvement in this score correlates to a 1.01% reduction in health care costs.

Members who used UnitedHealthcare digital tools at least 6 times per year (including at least 1 high-value use – e.g., to find care, price care or for pharmacy) had a 5.3-point higher HAI score compared to those who used them only once or twice a year.⁵

↑ 5.3pt

higher HAI score among members who used UnitedHealthcare digital tools at least 6x per year⁵

Member health plan interactions in 2025



Phone



Mail



Email

Among UnitedHealthcare members targeted for clinical engagement in 2025

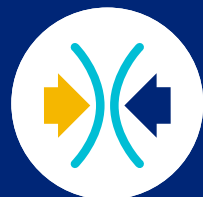


≈ **55%** enrolled



≈ **50%** were actively engaged

Compared to 2024



↑ **19%** more gaps closed



↑ **49%** higher estimated value per engaged member

Identifying opportunities to improve engagement in clinical programs

As more people are diagnosed with chronic and complex conditions, employers and carriers are challenged to get and keep employees engaged in the programs available to them. Part of this requires ensuring employees will be receptive to targeted outreach by meeting them where they are and helping them realize the value of these programs.

Getting and keeping employees engaged in programs that offer personal, hands-on support may help improve outcomes and experiences, prevent ER admissions and reduce costs for all.

Taking action

Utilization Unpacked



Work with carrier to educate employees about appropriate site of care utilization, engagement in available clinical programs and the importance of preventive care – especially for Gen Z employees – to help prevent unnecessary ER visits and encourage virtual visits when appropriate



Drive further engagement and use of digital tools through communications that highlight the features employees may find attractive, such as personalized chat and provider search experiences, simpler navigation across benefits and access to additional health and wellness offerings



Seek a carrier that is leveraging digital/AI-enabled capabilities and advocacy solutions to help identify and outreach to high-risk members who recently used the ER or would benefit from clinical programs



Consider a carrier that embeds total cost of care strategies into their plan designs and benefits to help prioritize primary care and encourage appropriate health care utilization



Chapter 4

Population Insights

Differences across demographic groups continue to shape health care utilization and costs in meaningful ways. Baby Boomers remain the most expensive generation due to higher risk and greater medical needs, but Millennials and Gen X are emerging as substantial cost drivers as they age and experience more complex health conditions.

Younger employees, particularly Gen Z, are showing early signs of concerning utilization patterns, including higher ER usage. Spouses and dependents also continue to contribute significantly to total plan costs, making population-specific strategies an important area of focus.

The changing generational makeup of health care spend

Although Baby Boomers continue to have the highest per-member costs, Millennials and Gen X – the 2 generations that represent the majority of today’s workforce – are emerging as increasingly costly groups to manage.

Notably, Millennials visited the ER more often than any other generation, including Baby Boomers, and Gen Z members relied on the ER more than they had in the past. These shifts suggest that younger populations may benefit from more targeted engagement to encourage preventive care and use of lower-cost care settings.

Trend by generation, 2024–2025

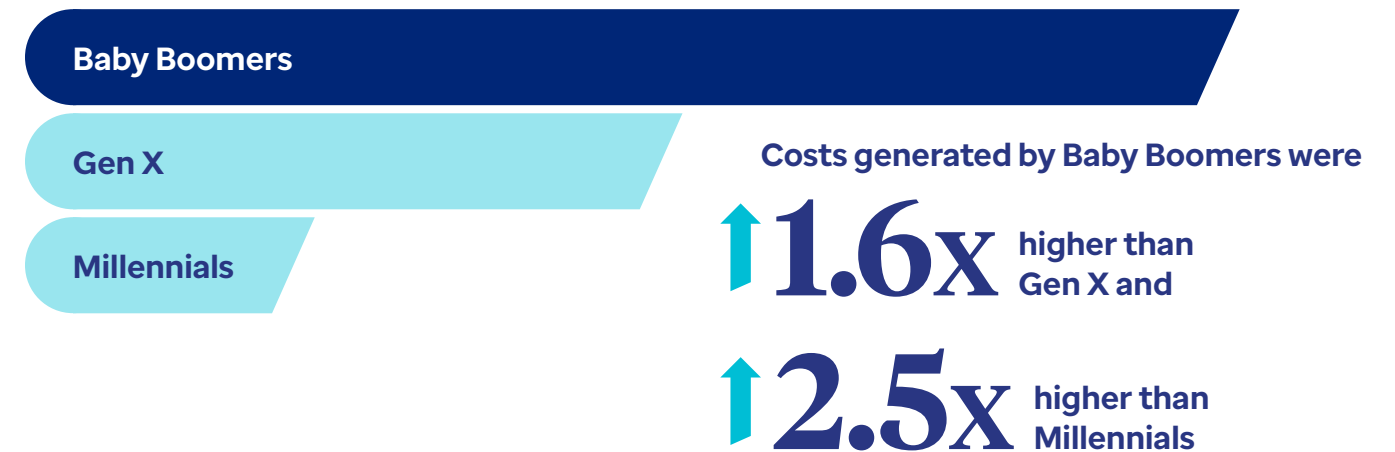
	Overall costs	Catastrophic claims costs	ER visits
Baby Boomer (ages 61–79)	▲10.9%	▲14.7%	▲4.4%
Gen X (ages 45–60)	▲13.7%	▲20.3%	▲1.6%
Millennial (ages 29–44)	▲12.8%	▲18.7%	▲1.2%
Gen Z (ages 13–28)	▲11.7%	▲12.7%	▲5.2%
Gen Alpha (ages 0–12)	▼24.1%	▼34.6%	▼3.5%

“When employers understand generational trends around utilization, condition prevalence and preference, they may find they’re able to design benefits that better support the health care their workforce needs.”

Craig Kurtzweil

Chief Data & Analytics Officer
UnitedHealthcare Employer & Individual

Overall health care spending



Since Gen X and Millennials represent the majority of today’s workforce (i.e., the majority of those covered under employer plans), these generations combined accounted for the majority (~60%) of total health care spending

Gen X



Millennials



Health plan membership Spend

Spousal coverage is becoming a growing cost factor

Spouses generated 36% higher per-member costs than employees, driven by an older average age (47 vs. an average employee age of 44) with more health risks and higher usage across most major care categories. Additionally, spouses may be more inclined to enroll in their partner's employer-sponsored plan if the coverage is better, especially if they have planned care or procedures like surgeries.

Driving better utilization among spouses and offering benefits that support employees and their families can be smart retention strategies, but it's important for employers to strike a balance between doing that and protecting their bottom lines.

↑ 36%
higher per-member costs



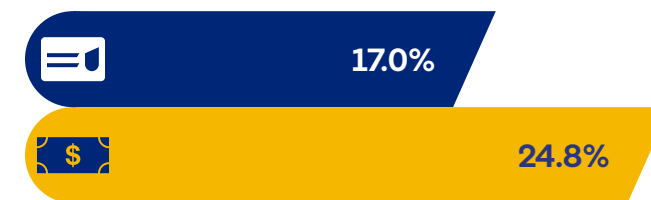
Spouse per-member cost

vs.



Employee per-member cost

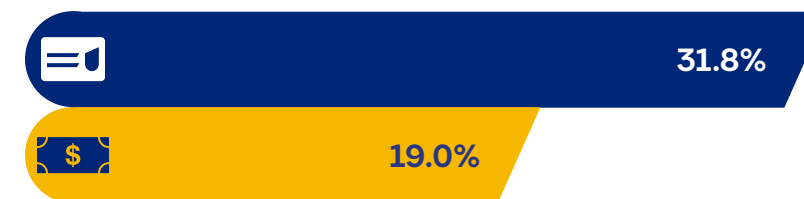
Spouses represented



Employees/subscribers represented



Dependents/other represented



 Health plan membership

 Spend

Taking action

Population Insights



Tailor communications to drive more effective health care utilization based on the different preferences and health needs of costly populations in today's multigenerational workforce



Consider a spousal surcharge to address the added cost of covering spouses – but be cautious about the impacts that can have on employee cost-share and satisfaction



Offer family-centric benefits, including resources for caregivers that can support employees and those they care for

Benefit Strategy Shifts

In response to rising costs and shifting employee needs, employers are reevaluating their benefit strategies and making meaningful adjustments. Many organizations are expanding lower-cost plan options, reassessing pharmacy management practices and introducing targeted programs that support affordability and clinical quality.

At the same time, employers are strengthening offerings in areas such as women's health, care advocacy and clinical programs to meet evolving workforce health needs and expectations. These strategic shifts underline an ongoing commitment to balancing cost control with comprehensive, employee-centric benefit design.



Moving beyond traditional plan design

Fewer large employers are offering consumer-driven health plans (CDHPs) or high deductible health plans (HDHPs) as their only plan option. A third now offer copay-driven plan designs like Surest (up from 10% in 2023) as a standalone or complementary offering to help empower employees to make more informed, cost-effective health care choices.

Voluntary benefit offerings are also becoming increasingly popular, while interest in an Individual Coverage Health Reimbursement Arrangement (ICHRA) remains limited. This signals a growing appetite among employers to give employees more choice so they can select the offerings that may be most relevant to them and their needs.

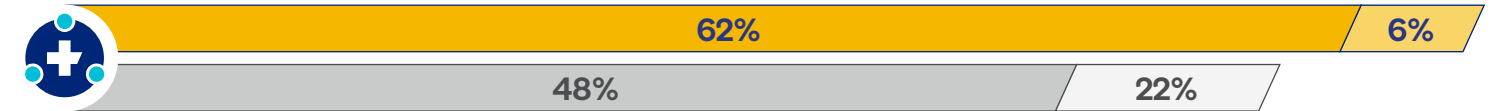
But employers are not willing to go as far as putting employees in a position where they are navigating the health system fully on their own. This is reinforced by the fact that about 20% have paired plans with care navigation strategies, with over 50% considering such approaches, even though interest in PCP-coordinated care and virtual-first plan designs remains low.⁴

Percentage of large UnitedHealthcare self-funded clients pursuing these benefits strategies:

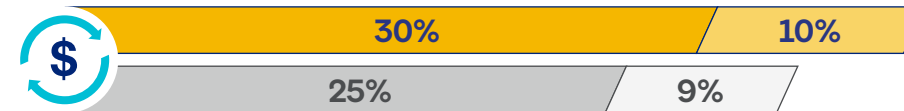


Employer benefits strategies⁴

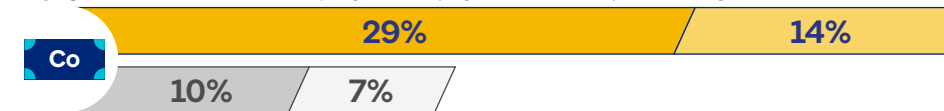
Voluntary benefits - expand array of employee-paid benefit offerings



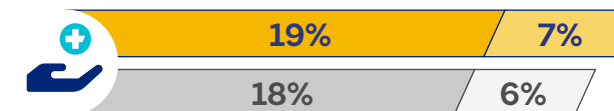
Employee affordability - offer lower-cost plan designs and/or reduce employee cost-sharing to improve affordability (e.g., reduce EE share of premiums, deductibles, out-of-pocket limit)



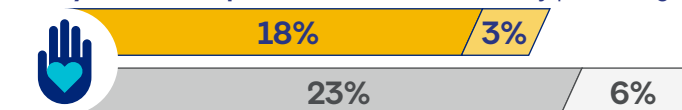
Copay insurance - offer employees copay insurance options (e.g., Surest)



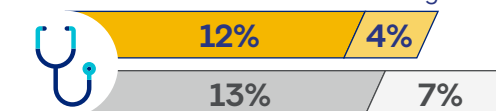
Value-based benefits - build incentives into the plan design by offering lower cost-sharing or premiums for employees who take specific health-related actions (e.g., use Centers of Excellence, use telehealth, adhere to chronic condition treatment plan)



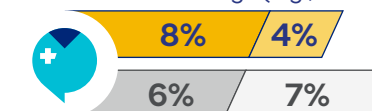
CDHP/HDHP full replacement - offer as the only plan design option to 75% or more of population



Traditional PCP-coordinated care - use network designs in which PCPs lead patient care coordination in traditional care settings



Virtual-first solution - use network designs in which virtual PCPs lead patient care coordination in virtual care settings (e.g., Virtual First)



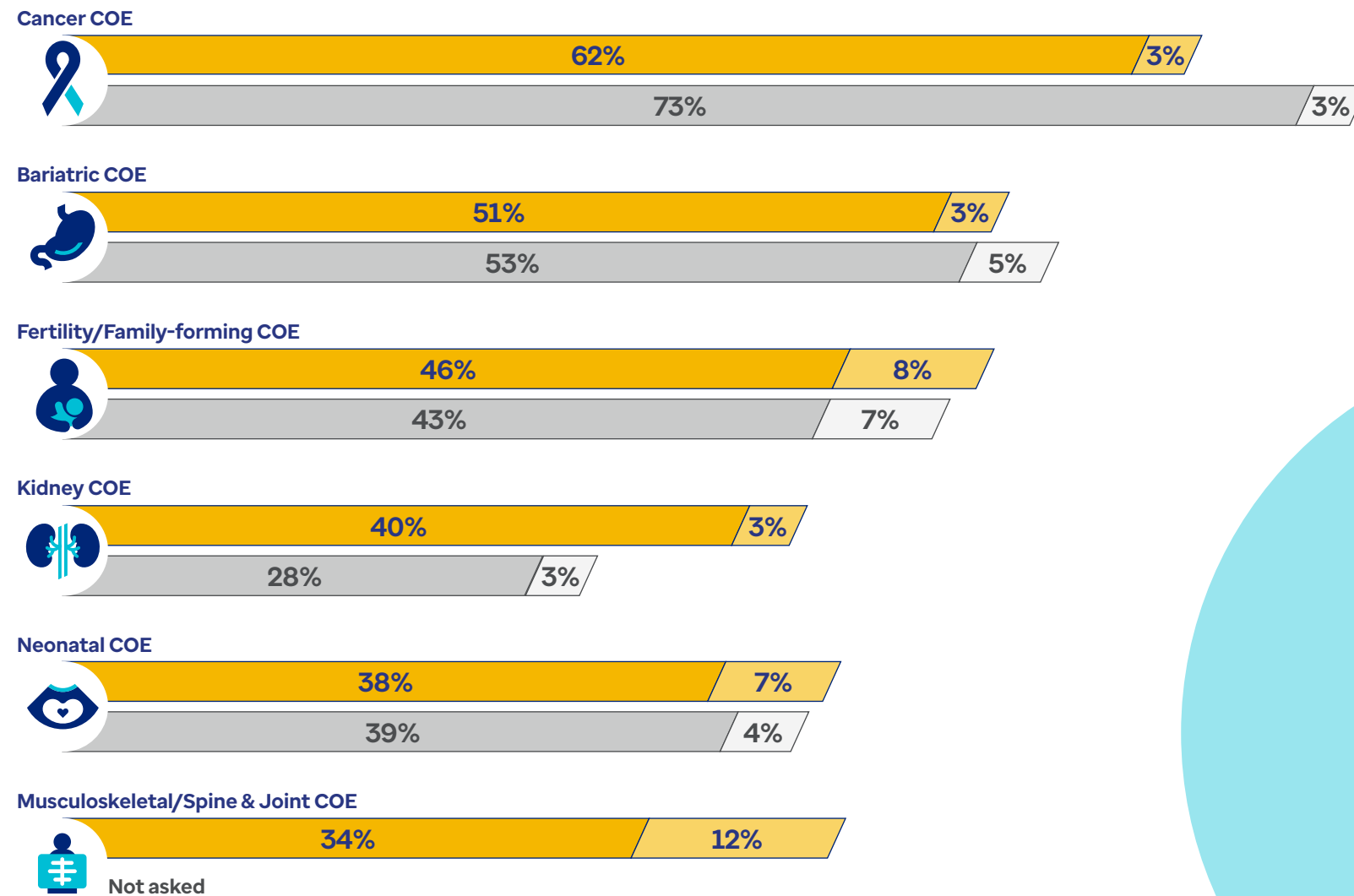
Tackling top cost drivers

Employers are increasingly considering preventive drug lists, affordability solutions and prescription savings outreach to address rising pharmacy costs. They're also increasing stop loss coverage considerations for gene therapies, while interest in non-traditional pharmacy benefit managers (PBMs) and specialty carve-outs remains lower. Most cover GLP-1s for diabetes, but only about a third cover GLP-1s for obesity with criteria. For other chronic and complex conditions, employers are turning to Centers of Excellence (COEs) as a way to help employees manage their care and reduce costs.

Quality care for the costliest conditions

COEs are a network of clinically superior, cost-effective health care centers to treat complex medical conditions.

Employer COE offerings⁴

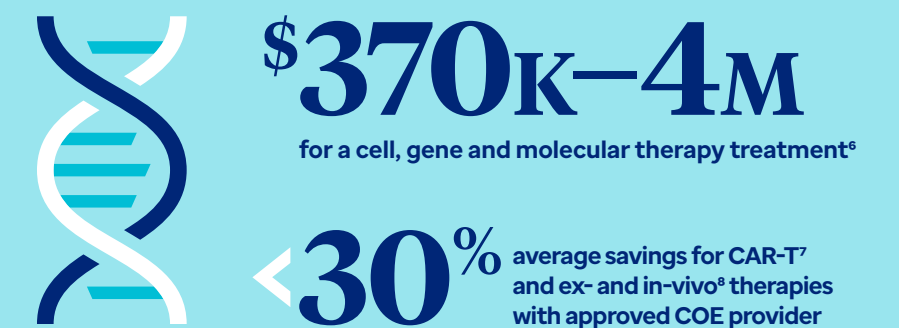


Percentage of large UnitedHealthcare self-funded clients pursuing COE strategies:



Making groundbreaking treatments more accessible

Cell, gene and molecular therapies are rapidly coming to market to help manage the most complex diseases. Since treatments change quickly, protocols may be inconsistent among providers, and costs can be very high.



Where employers see further opportunity ahead

Despite market and economic challenges, employers are actively seeking opportunities to expand and enhance their offerings to be simpler, more affordable and supportive. For large UnitedHealthcare self-funded clients, the value and ROI they see from investing in the health and well-being of their workforce is evident based on the strategic investments and considerations they're making.⁴



Over half of UnitedHealthcare large employer clients are investing in higher-level Advocacy solutions (up notably vs. 3 years ago)



Interest is increasing in Supplemental Health offerings to offset out-of-pocket costs, and in stop loss coverage to protect against claims volatility



Most use multiple vendors to support health and well-being today but would prefer an integrated solution that better simplifies administration, lowers costs and streamlines the member experience



Increasing demand for copay-driven plan designs like Surest that prioritize affordability and consumer choice



Vision and dental remain high-value, high-use anchors for preventive care



Desire for more flexibility in benefit structures and the ability to allow employees to choose the offerings that matter most to them



uhc.com/health-plan-value

Data and methodology: The bulk of this report examines top trends that UnitedHealthcare observed across its self-funded and fully insured books of business based on claims incurred between November 2024 through October 2025 and paid through January 2026. Catastrophic claims threshold was \$100K or higher. Results for individual clients will vary based on client-specific demographics, plan design, the state where the insured policy is issued and the level of engagement by employees, among other factors.

¹ How much is health spending expected to grow? Peterson-KFF Health System Tracker, Aug. 8, 2025. Available: <https://www.healthsystemtracker.org/chart-collection/how-much-is-health-spending-expected-to-grow>. Accessed: April 13, 2026.

² No let up in sight. Medical cost trend set to grow at 8.5%. Is your playbook ready? PwC, July 16, 2025. Available: <https://www.pwc.com/us/en/industries/health-industries/library/behind-the-numbers.html>. Accessed: April 13, 2026.

³ 2026 Employer Health Care Strategy Survey. Business Group on Health, Aug. 19, 2026. Available: <https://www.businessgrouphealth.org/resources/2026-employer-health-care-strategy-survey>. Accessed: April 14, 2026.

⁴ 2026 UnitedHealthcare National Accounts Client Strategy Benchmarking Report.

⁵ Medical costs are on an allowed adjusted bases (demo, risk, geo, cat claimants). Lower adjusted costs correlated with higher HAI[®] scores. 2024 UnitedHealthcare commercial book-of-business geographic and risk-adjusted study based on 4.9M members (P Value: < 0.0001).

⁶ Borchardt, M., et al. Pros and Cons of Various Reimbursement Models for Cell and Gene Therapies. CGT live, Dec. 16, 2024. Available: <https://www.cgtlive.com/view/pros-cons-reimbursement-models-cell-gene-therapies>. Accessed: March 19, 2026.

⁷ Optum claims data. All CAR-T cases, Aug. 2017-Dec. 2023.

⁸ UnitedHealthcare Health Care Economics data analysis, Dec. 2025.

Employee benefits including group health plan benefits may be taxable benefits unless they fit into specific exception categories. Please consult with your tax specialist to determine taxability of these offerings.

Insurance coverage provided by or through UnitedHealthcare Insurance Company or its affiliates. Administrative services provided by United HealthCare Services, Inc. or their affiliates.