

BENEFITS BREAKDOWN

December 2025



How Much Will Health Care Costs Rise in 2026?

Health care costs have been growing at an alarming rate in recent years, and they're not slowing down. As such, surveys project that health care costs in the United States are likely to increase by 6.5% to, in many cases, as much as over 10% in 2026. Here's a breakdown of 2026 cost predictions:

- Mercer predicts that the total health benefit cost per employee will rise **6.5%** on average, which is the highest increase since 2010, even after planned cost-reduction measures.
- The Business Group on Health expects a **7.6%** increase, when offset with plan design changes.
- PwC expects medical costs to grow at **8.5%** for the third year in a row.
- The International Foundation of Employee Benefit Plans anticipates a **10%** increase in health care costs.
- A KFF analysis revealed the median proposed premium increase among 318 small group insurers is **11%**.

Furthermore, individual Marketplace plans are likely to increase by as much as 15%-20%. Regardless of the exact figure, employers can expect their health care costs to continue to skyrocket throughout 2026.

White House Announces TrumpRx.gov

President Donald Trump unveiled [TrumpRx.gov](https://trumprx.gov), a federally operated website where individuals can buy prescription medications at discounted prices. Pfizer said their drugs listed on the platform will offer savings of an average of 50%. The website indicates that it is expected to launch in January 2026 and will direct consumers to the direct-to-consumer websites of pharmaceutical companies to fill their orders. These website deals would be available for patients who are not using their health insurance. At this time, it's unclear whether the website will be helpful for Americans covered by private insurance, Medicare or Medicaid.

The creation of TrumpRx.gov was part of a negotiated agreement between the administration and [Pfizer](https://www.pfizer.com), as the pharmaceutical company will invest \$70 billion in domestic manufacturing facilities. This was the first deal related to the Most Favored Nation (MFN) pricing, and the president said similar deals with other drugmakers are in the works. In fact, [AstraZeneca](https://www.astrazeneca.com) became the second drugmaker to enter a deal and agree to offer its drugs at a discount of up to 80% off list prices through TrumpRx.

The vast majority of Americans have health insurance and are unlikely to need to use TrumpRx. Implications of MFN are still unclear, and in some cases, a medication may be cheaper with insurance. If employer plan participants purchase drugs from TrumpRx instead of from ordinary pharmacies, they might still send the receipts to the plans and ask for reimbursement. However, depending on how the direct purchasing platform works and what kind of connections it does (or doesn't have) to pharmaceutical distribution, employers and plan administrators may not hear about the prescriptions until the reimbursement requests show up. Contact us for more resources.