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## Health Insurance Costs Expected to Rise

A new report from Mercer, a consulting firm specializing in human resources and financial services, predicts that health insurance costs will increase by an average of 6.5% in 2026. This is the most significant jump in 15 years. While health care spending has drastically increased over the last few years, annual increases over the past decade were typically around 3%.

The following are some reasons health care costs are rising:

- More cancer diagnoses and expensive treatments
- Increased use of costly weight-loss drugs
- More chronic and complex health conditions
- Greater demand for mental health services

Because of rising health care expenses, nearly 60% of employers plan to make cost-cutting changes to their health plans. This could result in higher premiums, deductibles and copays for employees.

For more information about employee benefits, contact your manager or HR representative.

## 7 Steps to Take After Open Enrollment

Open enrollment can be overwhelming, but once it ends, it's time to get ready for your benefits to kick in. The steps you take now can help you make the most of your health insurance and other benefits all year long.

Consider taking the following seven key steps after open enrollment:

1. Review your plan documents.
2. Verify your provider network.
3. Complete any required follow-up tasks.
4. Confirm you've received your insurance cards.
5. Set up benefits-related online accounts and mobile apps.
6. Schedule preventive care services.
7. Create a benefits budget.

If you have questions about your plan or available resources, check with your employer's HR or benefits team to understand the details, tools and support included in your coverage.

## What Is an HRA?

A health reimbursement arrangement (HRA) is an employer-funded account that can reimburse employees for certain medical expenses. Typically, an employer can only offer an HRA to employees who have a group health plan, often a high deductible health plan (HDHP). Your employer determines the amount of money available in the HRA, which is typically an amount less than your annual health plan deductible.

One reason HRAs were created was to help employees be more aware of their health care expenses while helping them meet their deductibles with tax-free health funds. The IRS provided an official definition of HRAs in 2002, and HRAs underwent other regulatory changes with the Affordable Care Act (ACA), which now generally prohibits standalone HRAs that are not integrated with an ACA-compliant group health plan.

HRAs can be a great way to pay for out-of-pocket health care expenses while still working down your deductible, especially if you have an HDHP.