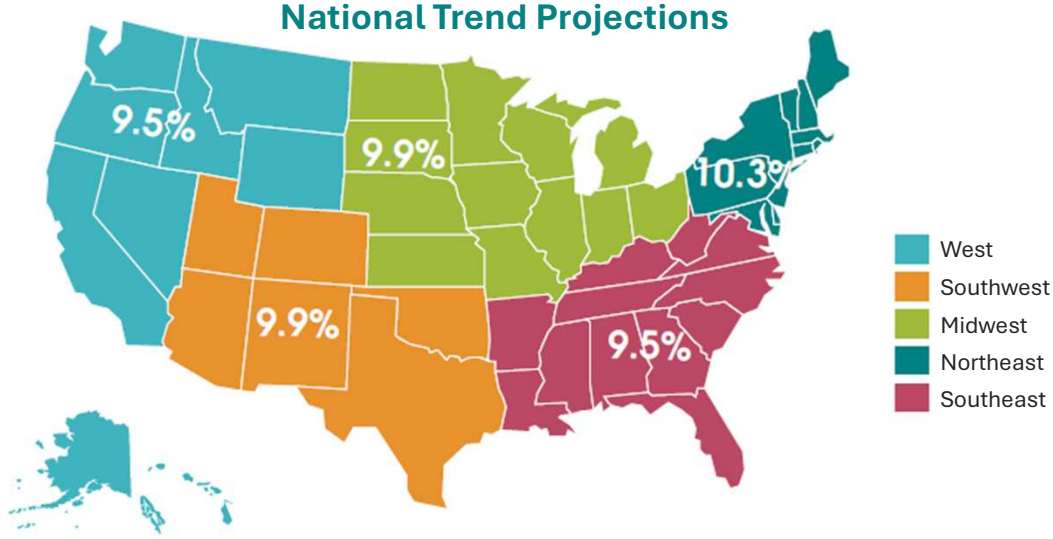
Employee Benefits Health Care Trend Insights - 2026
Jennie Coyle, Senior VP of Underwriting and Compliance
HEFFERNAN
INSURANCE BROKERS
Because You're Different

Heffernan Benefits Advisory Services
16th Annual Trend Report
2026 Trend Projections
Employee Benefits Landscape

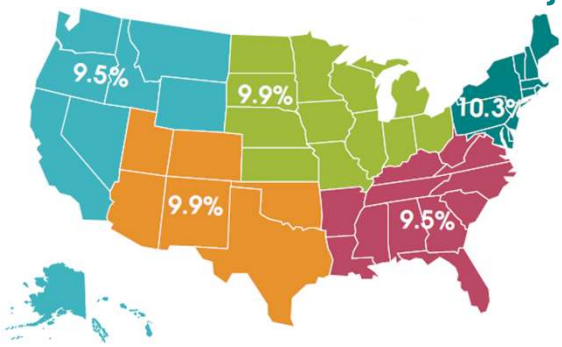
National Trend Projections



National Trend is 9.8%

TRENDS

National Trend Projections

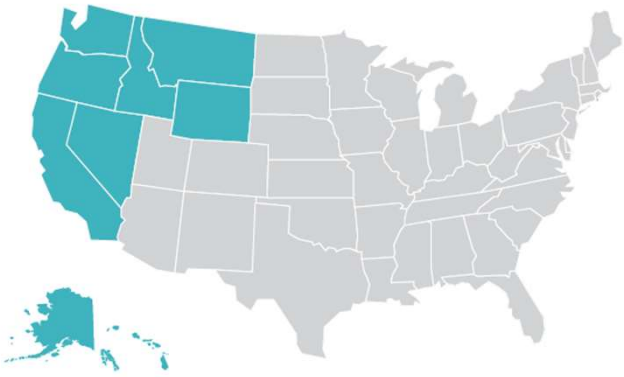


National Trend is 9.8%

Plan Type	National	West	Southwest	Midwest	Northeast	Southeast
HMO w/RX	9.3%	8.2%	9.9%	9.1%	9.9%	9.2%
PPO w/RX	10.0%	10.9%	9.6%	9.9%	10.3%	9.7%
CDHP w/RX	9.7%	9.0%	10.4%	9.9%	10.3%	9.2%
POS w/RX	9.7%	8.3%	10.7%	9.8%	10.0%	9.6%
IND w/RX	10.3%	11.3%	9.5%	10.0%	10.0%	10.1%

TRENDS

West Region



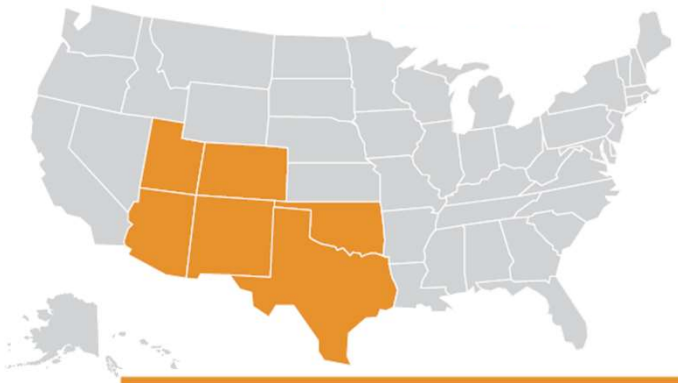
The West Region includes Alaska, California, Hawaii, Idaho, Montana, Nevada, Oregon, Washington, and Wyoming.

9.5%

Plan Type	West	AK	CA	ID	NV	OR	WA
HMO w/RX	8.2%	11.0%	6.9%	15.0%	11.2%	10.4%	11.6%
PPO w/RX	10.9%	11.0%	10.6%	10.1%	11.5%	13.3%	11.7%
CDHP w/RX	9.0%	11.0%	8.1%	10.1%	11.5%	10.3%	11.3%
POS w/RX	8.3%	N/A	7.5%	9.5%	11.2%	11.3%	9.5%
IND w/RX	11.3%	11.4%	11.2%	N/A	13.9%	13.2%	12.9%

TRENDS

Southwest Region



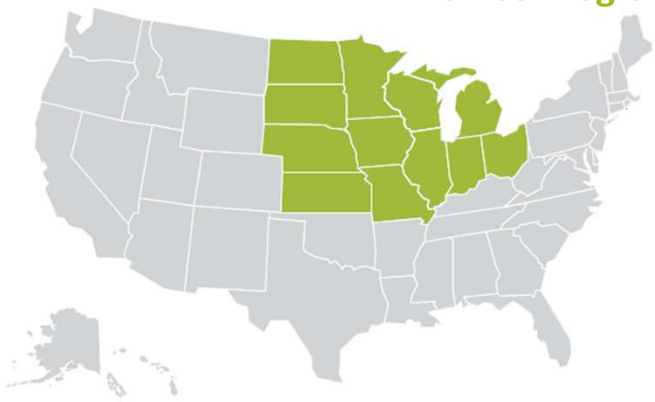
The Southwest Region includes Arizona, Colorado, New Mexico, Oklahoma, Texas, and Utah.

9.9%

Plan Type	Southwest	AZ	CO	NM	TX
HMO w/RX	9.9%	9.4%	7.3%	9.9%	9.9%
PPO w/RX	9.6%	10.8%	9.9%	7.3%	7.3%
CDHP w/RX	10.4%	10.8%	8.2%	9.9%	9.9%
POS w/RX	10.7%	10.9%	10.4%	9.9%	9.9%
IND w/RX	9.5%	9.7%	9.7%	7.8%	7.8%

TRENDS

Midwest Region



The Midwest Region includes Iowa, Illinois, Indiana, Kansas, Michigan, Minnesota, Missouri, North Dakota, Nebraska, Ohio, South Dakota, and Wisconsin.

9.9%

Plan Type	Midwest	IA	IL	IN	KS	MO	NE	OH
HMO w/RX	9.1%	8.6%	7.8%	8.8%	9.1%	9.8%	8.8%	10.8%
PPO w/RX	9.9%	8.7%	9.7%	9.5%	9.6%	9.9%	9.5%	11.0%
CDHP w/RX	9.9%	8.7%	10.8%	9.0%	9.3%	9.8%	9.0%	10.9%
POS w/RX	9.8%	8.7%	10.8%	8.9%	9.2%	8.3%	9.0%	10.8%
IND w/RX	10.0%	8.7%	10.2%	10.1%	10.3%	9.1%	10.1%	10.4%

TRENDS

Northeast Region

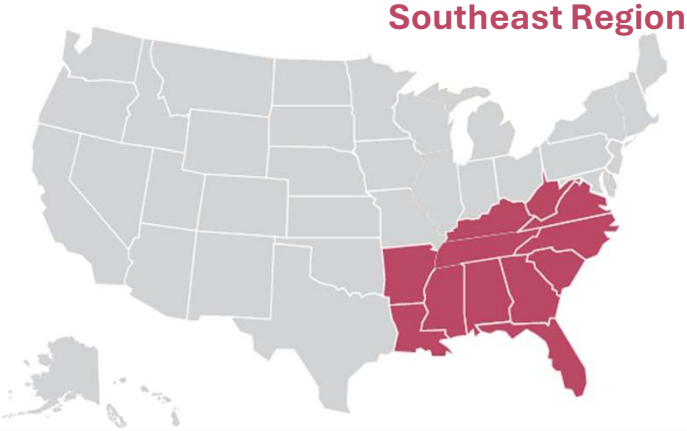
The Northeast Region includes Connecticut, Delaware, Massachusetts, Maryland, Maine, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont.

10.3%

Plan Type	Northeast	CT	DE	MA	MD	NJ	NH	NY	PA	RI	VT
HMO w/RX	9.9%	9.9%	10.9%	10.1%	6.5%	7.7%	10.2%	11.8%	10.4%	9.7%	9.6%
PPO w/RX	10.3%	10.5%	10.9%	11.9%	7.2%	7.8%	10.5%	11.8%	10.6%	10.0%	10.0%
CDHP w/RX	10.3%	10.5%	10.9%	11.9%	6.8%	8.0%	10.5%	11.8%	10.6%	10.1%	10.0%
POS w/RX	10.0%	10.4%	10.9%	10.1%	7.2%	7.8%	10.3%	11.8%	10.4%	9.7%	9.7%
IND w/RX	10.0%	9.8%	9.2%	12.0%	7.2%	7.7%	8.7%	11.2%	10.6%	10.1%	10.0%

TRENDS

Southeast Region



The Southeast Region includes Alabama, Arkansas, District of Columbia, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, and West Virginia.

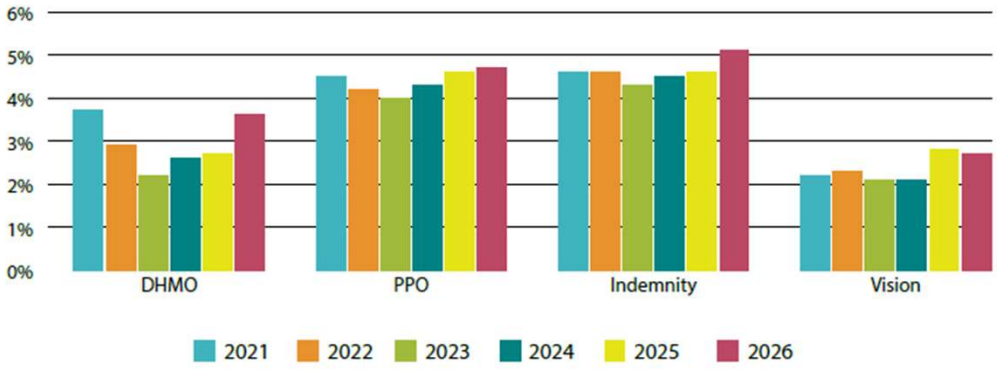
9.5%

Plan Type	Southeast	VA	NC	DC	FL	GA	SC	TN	WV	AL	AR
HMO w/RX	9.2%	7.5%	8.7%	8.7%	9.9%	7.3%	8.4%	8.7%	11.9%	11.5%	9.4%
PPO w/RX	9.7%	8.9%	8.5%	9.1%	9.9%	9.1%	9.2%	9.3%	11.9%	9.2%	9.7%
CDHPwRX	9.2%	8.5%	8.5%	8.8%	9.9%	7.4%	8.7%	8.9%	11.9%	8.6%	9.3%
POS w/RX	9.6%	7.7%	8.8%	8.8%	11.7%	7.6%	8.6%	8.8%	11.9%	8.5%	9.5%
IND w/RX	10.1%	9.1%	7.8%	9.2%	11.7%	9.8%	9.9%	9.8%	11.9%	N/A	10.0%

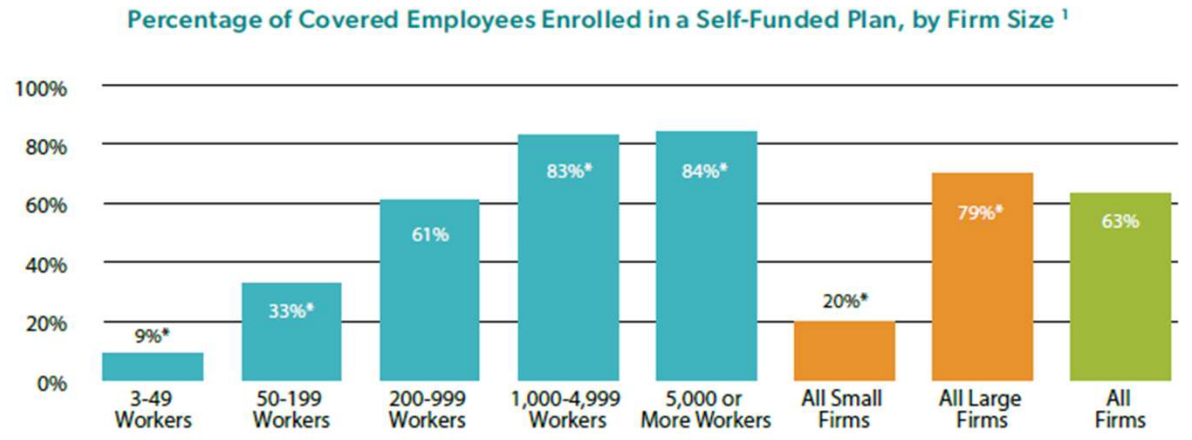
TRENDS

TRENDS

Dental & Vision Trend Projections



A LOOK AT THE SELF-FUNDED MARKET



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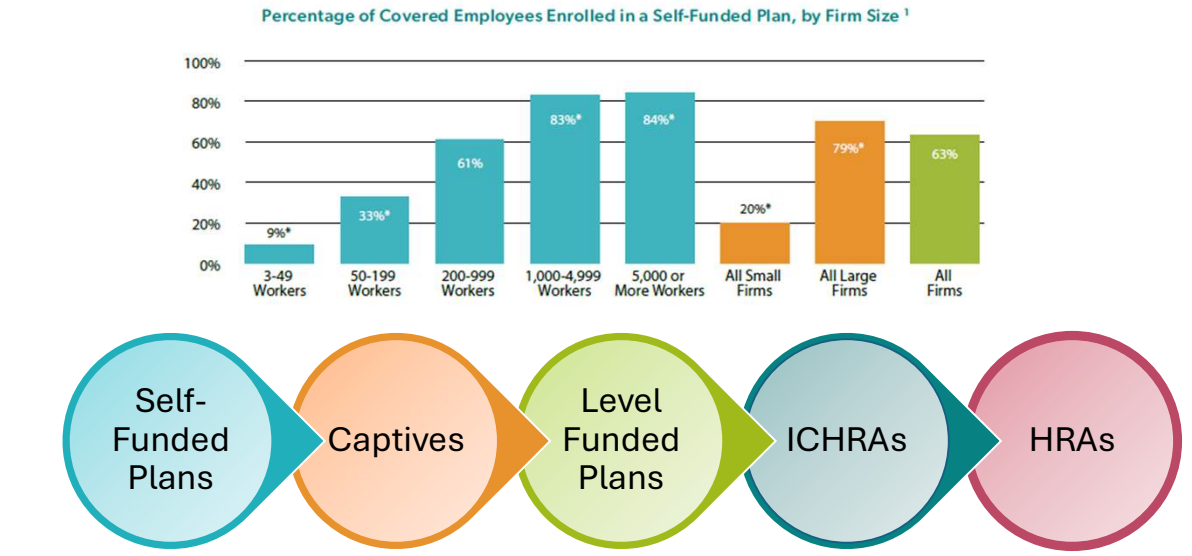
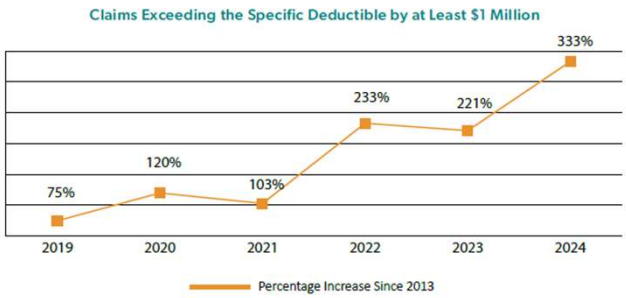
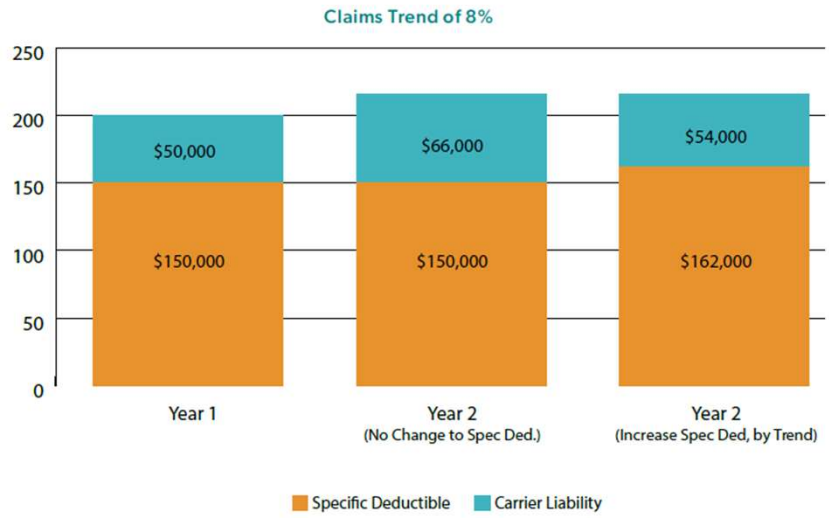


GROWTH OF LARGE CLAIMS



Frequent Claims	Largest Claims
Neoplasma/Cancer	Congenital Anomalies
Cardiovascular Diseases	Transplants
Musculoskeletal	Newborn/Neonatal Care

UNDERSTANDING LEVERAGED TREND



PROVIDER NETWORKS

Oregon health system terminates contract with UnitedHealthcare

Jakob Emerson -

WEEKLY NOW NEWS OPINION CALENDAR A&E PEOPLE ADS ABOUT US

Salinas Valley Health and Anthem Blue Cross, at a negotiation stalemate, prepare thousands of patients to go out-of-network.

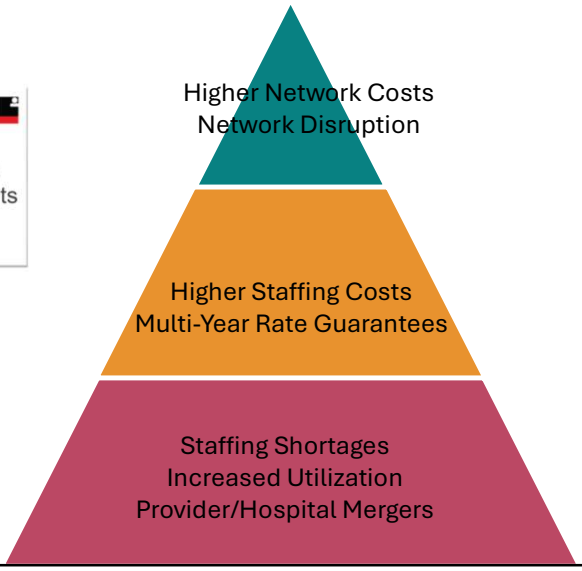
PAYERS

Bon Secours Mercy Health, Anthem BCBS feud over contract negotiations

By Pa

Trinity 'taking a stand' against UnitedHealthcare

Alan Condon - Thursday, May 23rd, 2024



DENTAL PROVIDER NETWORKS

THE HEALTH INDUSTRY'S PR CRISIS

28% of Americans say health coverage is good or excellent, down from 41% in 2012.

3% of Americans say the US health care system has no problems, while **69%** say it has major or crisis-level problems.

Reaction to the Killing of UHC CEO

- Flood of social medial posts complaining about medical claim denials
- Sympathy/support for the killer
- Sentiment that health insurance carriers are sacrificing the health of their members to enrich themselves

Catalyst for a Broader Conversation about Health Care

- Improving transparency
- Reducing claims denials
- Patient care prioritized over financial considerations

THE HEALTH INDUSTRY'S PR CRISIS

How Did We Get Here?

AI-Enabled Claim Processing

Benefits

- Speed up the approval process for straightforward claims
- Help with fraud detection
- Extract relevant information from unstructured data
- Quickly analyze and process large volumes of claims data- reducing the time to handle each claim

AI-Denials

- Prior-authorization denial rates increased
- Lack of human oversight, nuanced judgement, ethical considerations

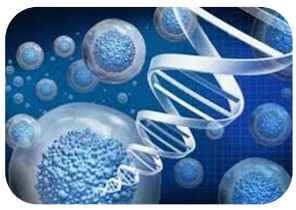
THE HEALTH INDUSTRY'S PR CRISIS

Additional Reasons for Dissatisfaction

Cost of Care especially RX even with Medical Insurance
- Results in Unfilled RXs
- Forgoing medical procedures

Access to Care
- Finding in-network providers
- Long appointment wait times
- Inconvenient appointment times

THE BENEFITS AND COSTS OF PHARMACY INNOVATION



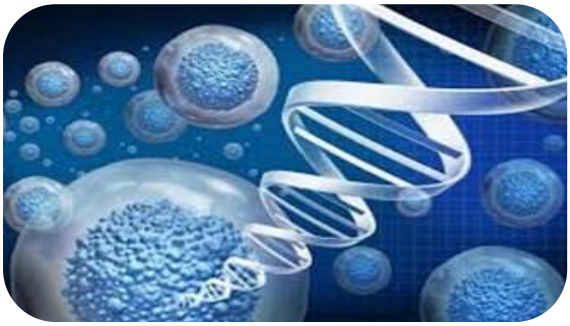
Cell & Gene Therapy

AI Drug Discovery

Personalized 3D-Printed Drugs

GLP-1s

THE BENEFITS AND COSTS OF PHARMACY INNOVATION



Cell & Gene Therapy

- List of approved cell & gene therapies is long - and growing
- Commonly developed to treat cancers
- New developments in inherited blood disorders and rare genetic diseases

THE BENEFITS AND COSTS OF PHARMACY INNOVATION

AI Drug Discovery

- $2 billion to bring a new drug to market – with 90% of drug candidates failing
- 40-65% traditional drugs make it through phase 1
- AI discovered drugs have an 80-90% success rate

THE BENEFITS AND COSTS OF PHARMACY INNOVATION

Personalized 3D-Printed Drugs

- Uses additive manufacturing technology versus subtractive techniques
- Allows for personalized medicine – particularly beneficial for elderly and pediatric patients

THE BENEFITS AND COSTS OF PHARMACY INNOVATION

GLP-1s

Originally used for diabetes, increased usage for obesity, coronary heart disease, stroke, and certain cancers

THE BENEFITS AND COSTS OF PHARMACY INNOVATION

Top Ten Most Expensive Drugs in the US [11]

Brand Name	Generic Name	Company	Manufacturer Price ($ M)
Lenmeldy	atidarsagene autotemcel	Orchard Therapeutics	4.25
Bequvez; Hemgenix	fidanacogene elaparvovec; etranacogene dezaparvovec	Pfizer; CSL Behring	3.50
Elevidys	delandistrogene moxeparvovec	Sarepta Therapeutics	3.20
Lygenia	lovotibeglogene autotemcel	bluebird bio	3.10
Skysona	elivaldogene autotemcel	bluebird bio	3.00
Rethymic	allogeneic processsed theymus tissue	Enzyvant	2.81
Zynteglo	autologous cd34*cells (ba-t87q-globin gene)	bluebird bio	2.80
Zolgensma	onasemnogene abeparvovec	Novartis	2.32
Casgevy	exagamglogene autotemcel	Vertex and CRISPR Therapeutics	2.20

HOW WOMEN'S HEALTH IS FINALLY RECEIVING THE ATTENTION IT DESERVES

Historically, women have been underrepresented in health research, a trend that has real-world health impacts. Recently, we have been seeing a correction, with greater focus on understanding women's health.

Prior to a law in 1993 mandated that women be included in clinical trials, women were rarely included. This extended even to animal trials.

We don't fully understand how some diseases and drugs may impact women differently.

Assumption that treatments that were safe and effective for men were safe for women. Not true, even when excluding pregnancy complications.

Some diseases affect women differently- something the medical community is just starting to understand. Understanding of female-only health issues is even worse.

HOW WOMEN'S HEALTH IS FINALLY RECEIVING THE ATTENTION IT DESERVES

Ongoing Struggles and Progress

Studies show that women's pain is dismissed more than men's pain.
Women spend 25% more of their lives in debilitating health than men.
The fact that studies exist = progress

Women's Health Initiative – cardiovascular diseases,

Increased money and studies not just at governmental level but also in various philanthropic organizations, global health initiatives, and venture capital funds increasing investments in women's health and research.

Campaigns to educate and destigmatize menopause.
86% of women going through menopause experienced symptoms while working with 62% reporting that it affected their work.

HOW BIG DATA IS CHANGING HEALTHCARE

- Explosion of Health Care Data
- How Health are Data is Used
- Quality and Privacy Concerns

Questions?
Jennie Coyle, Senior VP of Underwriting and Compliance
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