Why you're paying more for health insurance – and what impacts costs



Employers

- Decide which plans to offer and how much of the premium to cover
- Set strategies to control the long-term costs of coverage



Prescription drugs

Cost drivers include: **

- High-priced new therapies for previously untreatable conditions
- Existing drugs approved for more conditions, increasing usage
- Specialty medications, used by 2-3% of members, that account for more than half of total drug spend



Hospital & physician services

Cost drivers include:*

- More patients with complex, chronic conditions
- A rise in more intensive, high-cost procedures
- Advancements in medical technology and IT infrastructure





You

- Regular checkups and preventive care help you stay healthier and avoid serious health problems down the road
- Talking to your doctor about your health, treatment options, costs and where to get care helps you make the best choices for your wellbeing



Private health insurers

- Support efforts like care management to improve member health and reduce avoidable costs
- Negotiate payment rates with doctors and hospitals
- Set premiums based on expected health care costs



Government policy

- New laws, policy changes can impact premiums
- Taxes on private insurance can add costs

Did you know?

Health insurers can be for-profit or nonprofit:

- For-profits tend to be accountable to shareholders for meeting profit goals.
- Nonprofits reinvest any surplus funds to support their mission and ensure they can cover members' claims during unexpected events (i.e., pandemics).



Amount of every premium dollar Excellus BlueCross BlueShield, a nonprofit, spent on medical care for members last year.

nttps://academic.oup.com/aipp/article/82/14/800/8117949
Data regarding specialty medications represents commercial claims data for the health plan from January 2024 through June 2025
Specialty drugs treat conditions such as cancer, multiple sclerosis and rheumatoid arthritis.
Excellus BlueCross BlueShield is a nonorofit independent licensee of the Blue Cross Blue Shield Association.



Sources: https://www.kff.org/health-costs/health-policy-101-health-care-costs-and-affordability/?entry=table-of-contents-what-factors-contribute-to-u-s-health-care-spending https://guidehouse.com/insights/healthcare/2023/2024-health-system-digital-and-it-investments

^{**} Sources: https://pmc.ncbi.nlm.nih.gov/articles/PMC10678302/ https://academic.oup.com/ajhp/article/82/14/806/8117945