



HUB International 2026 Trend Study

Overview

As healthcare costs continue to accelerate in 2025, accurate trend projections are critical for effective renewal planning and budget forecasting.

In preparation for the upcoming renewal cycle, HUB's National Actuarial Team took a multi-faceted approach to gather comprehensive industry trend insights. This included:

1. Conducting a proprietary survey of some of our carrier partners, a list which we aim to expand in future years.
2. Reviewing external industry trend reports and publications to validate our findings against broader market benchmarks.

2026 TREND RECOMMENDATIONS

Based on our comprehensive analysis, HUB's National Actuarial Team recommends the following trend projections for 2026 budget planning:

Rx Only
10% - 12%

**Medical &
Rx
Combined**
8% - 10%

**Medical
Only**
7% - 9%

Dental
4% - 5%

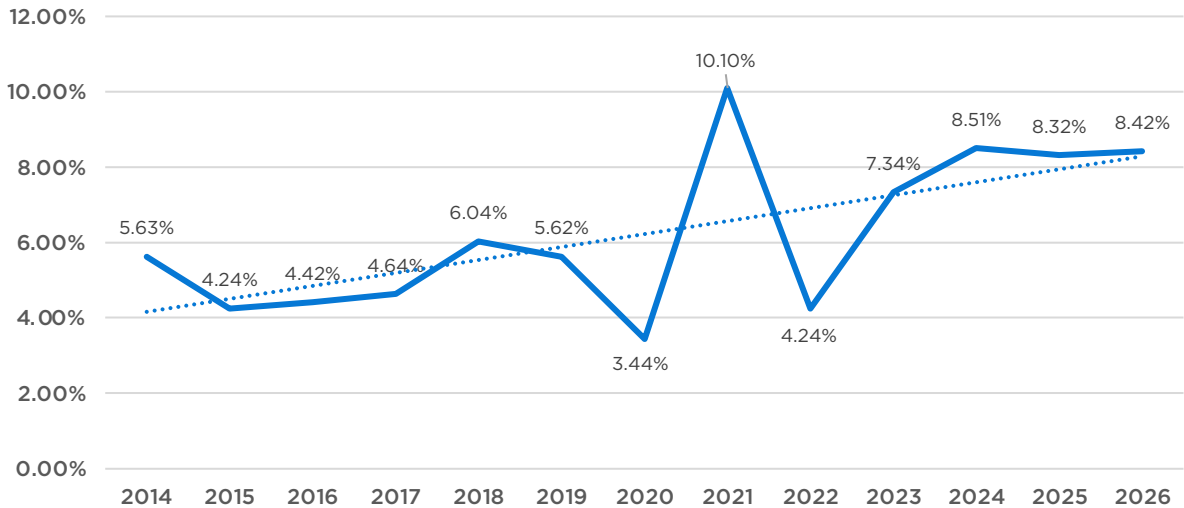
Vision
2% - 3%

Important Note: These ranges represent national averages. Specific factors including region, industry sector, population demographics and carrier/TPA relationships may result in variations from these projections.

HISTORIC TREND SUMMARY

Understanding historical trend patterns is essential for contextualizing our 2026 projections and identifying emerging cost drivers. Our analysis of multi-year carrier data reveals significant patterns in both national trends and regional variations that provide valuable insights for strategic planning.

Combined Med/Rx Trend¹



¹ 2014–2024 are actual trend patterns, while 2025 and 2026 are projected.

EXPECTED 2025 REGIONAL TRENDS

Based on carrier partner data, the expected 2025 trends show significant regional variations. Note that we surveyed the carrier partners broadly based on their own definitions of regions, so they may not align with HUB definitions.

Expected 2025 Summary						
Line of Coverage	National	Central	East	Pacific	South	West
Med/Rx Combined	8.32%	7.98%	10.04%	9.29%	7.76%	8.96%
Med Only: PPO	8.21%	7.41%	10.00%	9.18%	7.34%	8.42%
Med Only: HMO	7.83%	7.25%	9.41%	9.08%	7.50%	9.44%
Med Only: HDHP	8.21%	7.08%	8.91%	8.69%	7.14%	8.20%
Med Only: Indemnity	8.47%	9.82%	11.30%	11.05%	10.02%	9.45%
Rx Only	11.49%	9.99%	10.92%	11.08%	10.00%	11.75%
Dental Only	4.20%	4.43%	5.10%	5.13%	4.72%	5.02%
Vision Only	2.44%	2.17%	2.17%	2.75%	2.50%	2.75%

KEY REGIONAL OBSERVATIONS FOR 2025

- o **East Region:** Consistently shows the highest medical trends across all plan types, with Med/Rx Combined at 10.04%, nearly two percentage points above the national average.
- o **Pacific Region:** Exhibits the second-highest trends in most categories, particularly in Indemnity plans (11.05%) and Rx (11.08%).
- o **South Region:** Generally shows the lowest trends for medical coverage, approximately 0.8-1.0% below national averages.
- o **West Region:** Has notably high HMO trends (9.44%) and the highest pharmacy trend among all regions (11.75%).
- o **Central Region:** Maintains the lowest trends in most plan types except for dental, where it exceeds the national average.

PROJECTED 2026 REGIONAL TRENDS

The projected 2026 trends indicate subtle shifts from 2025 expectations; however, the carrier participation declined for the 2026 projected data set, which may be driving some of the variation:

Projected 2026 Summary ¹						
Line of Coverage	National	Central	East	Pacific	South	West
Med/Rx Combined	8.42%	8.09%	9.80%	9.50%	7.59%	9.03%
Med Only: PPO	8.01%					
Med Only: HMO	7.53%					
Med Only: HDHP	8.00%					
Med Only: Indemnity	8.31%					
Rx Only	11.26%					
Dental Only	4.39%					
Vision Only	2.25%					

¹ There was not enough data provided to support the regional breakout by detail.

NOTABLE 2025-2026 TREND SHIFTS

- o **Med/Rx Combined Increases Nationally:** National trend rises from 8.16% to 8.42% (+0.26 percentage points), with most regions showing increases except East, which moderates slightly (10.04% to 9.80%)
- o **Pharmacy Trends Accelerate Significantly:** National Rx trend jumps from 10.43% to 11.26% (+0.83 percentage points), representing the largest category increase year-over-year
- o **East Region Moderation:** East shows the only regional decrease in Med/Rx Combined trends (from 10.04% to 9.80%), which is due to the variation in carrier participation for the 2025 vs. 2026 data set
- o **Pacific Region Stabilization:** Pacific Med/Rx Combined trends increase modestly (from 9.29% to 9.50%), remaining the second-highest region
- o **South Region Remains Most Favorable:** South continues to show the lowest Med/Rx Combined trend (7.59%), slightly down from 2025 (7.76%). Our analysis of this data revealed several important insights that inform our 2026 recommendations.

LEADING FACTORS INCREASING TREND

According to our carrier partners, the following factors have contributed to increasing trend.



Increased Utilization

- o General rise in healthcare service usage, especially post-pandemic.
- o Higher outpatient and inpatient utilization, particularly for mental health and substance abuse services.
- o Greater demand for outpatient surgeries.



High Cost Prescription Drugs

- o Significant impact from GLP-1 drugs (e.g., for diabetes and weight loss or other uses).
- o Off-label use and access attempts for GLP-1s driving short-and-mid-term volatility.
- o Rising costs and usage of specialty drugs, including cell and gene therapies.
- o Autoimmune drugs and medication switches (e.g., Humira® to Skyrizi®) contributing to trend increases.



Price Inflation

- o General inflation affecting health care services and labor.
- o Provider wage inflation and consolidation leading to higher service rates.
- o Contracting and rate negotiations adding pressure.



Population Health and Severity

- o Deteriorating population health increasing claim severity and frequency.
- o Increased severity of facility claims, especially in mental health and chronic disease management.



Regulatory and Legislative Impacts

- o Mandated benefits (e.g., infertility coverage) and other regulatory changes influencing cost trends.



COMMON DEFLATORS OF TREND

According to our carrier partners, the following factors have helped offset trend increases.

Site-of-Care Optimization

- o Migration from higher-cost settings (e.g., outpatient departments and ER) to lower-cost alternatives like ambulatory surgical centers.
- o Utilization management focused on directing care to more cost-effective sites.

Biosimilars Adoption

- o Increased use of biosimilars contributing to cost savings.
- o Implementation of biosimilar strategies and office-administered drug coupon programs.

GLP-1 Drug Management

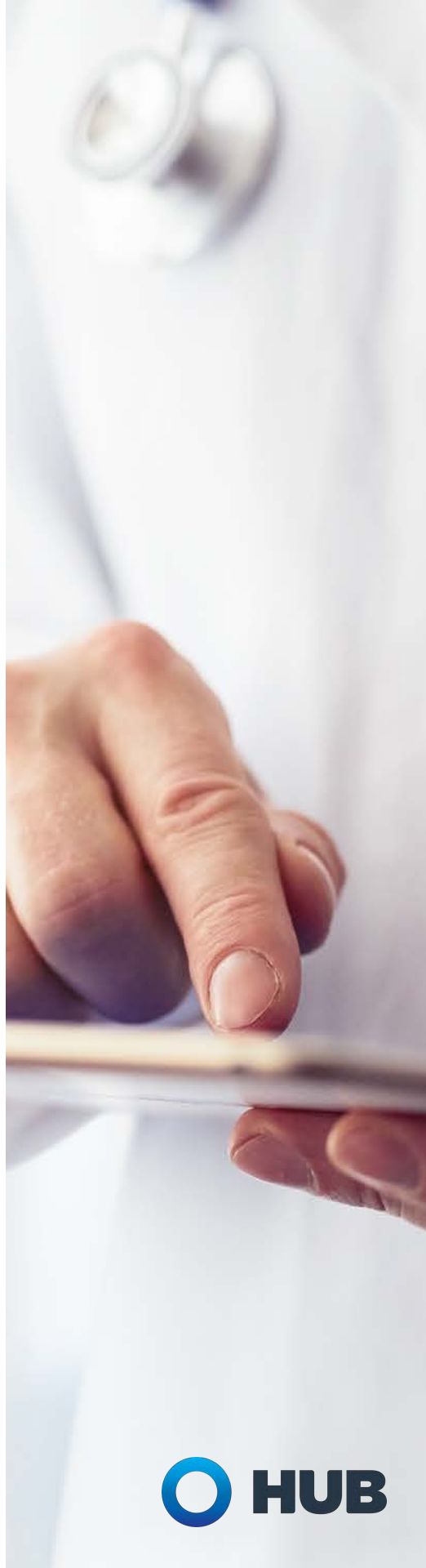
- o Deceleration in GLP-1 usage for diabetes.
- o More restrictive coverage criteria and cost management efforts reducing trend impact.

Medical and Risk Management

- o Medical management programs helping control costs.
- o Risk adjustment playing a role in trend moderation, though outweighed by other cost drivers.

Overall Trend Stabilization

- o Slight decreases or leveling in trend projections due to combined efforts in utilization and drug cost control.
- o Decreased utilization and/or unit costs contributing to downward pressure on trends.



CONCLUSION

Key Findings

Healthcare costs are accelerating, with 2026 trends projected at 8-10% for combined Medical & Rx coverage, driven primarily by specialty pharmaceuticals (10-12% Rx trend) and significant regional variations, with the East and Pacific regions experiencing trends one to two percentage points above national averages.

Multiple cost drivers are converging to create sustained upward pressure, including provider consolidation and workforce shortages, increased utilization of mental health and substance abuse services, rising chronic condition prevalence and the introduction of advanced treatments like gene and cell therapies.

Pharmacy costs represent the greatest challenge and opportunity, with specialty medications now comprising over 50% of pharmacy spend and GLP-1 medications for diabetes and obesity emerging as major cost drivers requiring immediate management strategies including step therapy, biosimilar adoption and restrictive coverage criteria.

DATA & ASSUMPTIONS

Data Source

- In our inaugural survey, we received responses from the following partners and look forward to expanding the list in future years:

Aetna	Cigna Healthcare
Anthem Blue Cross Blue Shield	Florida Blue
Arkansas Blue Cross and Blue Shield	Health Care Service Corporation
BCBS of Michigan	Highmark
Blue Cross and Blue Shield of Alabama	Kaiser Foundation Health Plan, Inc.
Blue Cross and Blue Shield of Kansas City	Louisiana Blue
Blue Cross and Blue Shield of Nebraska	Regence
Blue Cross and Blue Shield of North Carolina	RxBenefits
Blue Cross Blue Shield of Mass.	United Concordia
Blue Cross of Idaho	UnitedHealthcare
Blue Cross Blue Shield of Arizona	Wellmark Blue Cross and Blue Shield of Iowa
Blue Shield of California	Wellmark Blue Cross and Blue Shield of South Dakota
CareFirst BlueCross BlueShield	Louisiana Blue

Assumptions

- Carrier data may or may not include the impact of Rx rebates, leveraging, and/or plan designs.
- Carrier reported information may vary on the basis on trend vs. actual rates.
- Carrier data did not explicitly describe the funding level of the trend; as a result, the study may blend fully insured and Admin Services Only (ASO) results.
- We removed any outlier data points in our analysis that materially impacted the final result.

Limitations

- While we have reviewed the data for reasonableness, we have not performed a complete audit of the information provided and therefore cannot attest to the level of its accuracy.

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