

Benefits Insights

Brought to you by:
National Insurance Services

Summary of the 2025 Employer Health Benefits Annual Survey

Employer-sponsored insurance covers 154 million people under the age of 65. Each year, the KFF conducts a survey to examine trends in employer-sponsored health benefits. This article summarizes the main points of the [2025 Employer Health Benefits Survey](#).

Health Insurance Premiums

In 2025, the average premiums for employer-sponsored health insurance were \$9,325 for single coverage and \$26,993 for family coverage. The average single and family premiums increased by 5% and 6%, respectively, over the last year, slightly lower than the previous year (6% and 7%, respectively).

Additionally, the 2025 KFF report notes an increase of 4% in workers' wages and inflation of 2.7%. The average premium for family coverage has risen 24% over the last five years, compared with a 26% increase in workers' wages and a 28.6% rise in inflation.

Premiums under high deductible health plans with savings options (HDHP/SOs) were still lower than the average premium. HDHP/SOs' annual premiums for single and family coverages were \$8,620 and \$25,379, respectively.

Conversely, on average, the premiums for workers enrolled in preferred provider organization (PPO) plans were higher than those for other plans. The average PPO premium was \$9,818 for single coverage and \$28,272 for family coverage in 2025.

Worker Contributions

In 2025, the average worker contribution toward premiums was 16% for single coverage and 26% for family coverage, similar to 2024's percentages.

In terms of dollar amounts, workers contributed \$1,440 and \$6,850 toward their premiums for single coverage and family coverage in 2025, respectively. These numbers slightly increased from 2024.

Plan Enrollment

Enrollment figures were reasonably similar to last year's. The following were the most common plan types in 2025:

- PPOs: 46% of workers covered
- HDHP/SOs: 33% of workers covered
- Health maintenance organizations: 12% of workers covered
- Point-of-service plans: 9% of workers covered
- Conventional (indemnity) plans: less than 1% of workers covered

Self-Funding

In the past few years, self-funded plans have become more popular. Many large organizations self-fund or pay for some or all health services for their workers directly from their own funds rather than purchase health insurance. In 2025, 67% of covered workers—including 27% at small firms and 80% in large firms—were enrolled in self-funded plans. The percentage of covered workers in self-funded plans in 2025 was similar to that in 2024.

Level funded arrangements combine self-funded plans with stop-loss. In 2025, 37% of covered workers in small firms are covered by a level funded plan, similar to 2024.



Employee Cost Sharing

Most workers must pay a share of their health care costs, and the average deductible for single coverage was \$1,886 in 2025, similar to last year's number. The average annual deductible has increased 17% over the last five years and 43% over the past decade.

In 2025, 34% of covered workers were in a plan with a general annual deductible of \$2,000 or more for single coverage, similar to last year. This percentage has increased by 32% over the last five years, and 77% over the past decade.

Beyond deductibles, most workers cover some portion of the costs of their health care services. For example, 65% of covered workers had coinsurance, 11% had a copay for hospital admissions, and 8% had both requirements. The average hospital admission coinsurance rate was 20% in 2025; the average payment amount was \$313.

In addition, nearly all workers were covered by a plan with an out-of-pocket maximum (OOPM), but the costs varied considerably. Among covered workers with single coverage, 12% had an OOPM of less than \$2,000, and 21% had an OOPM above \$6,000.

Availability of Employer-sponsored Coverage

Similar to last year, 61% of firms with 10 or more workers offer health benefits to at least some of their workers. The 2025 survey was limited to firms with 10 or more employees, resulting in a higher overall offer rate than previously published estimates. Large firms (those with 200 or more workers) are much more likely than smaller firms to offer health benefits (97% and 59%, respectively).

Although the vast majority of workers are employed by firms offering health benefits, many aren't covered by their employers. Some are not eligible to enroll, while others choose not to for various reasons. Overall, 80% of workers were eligible for health benefits at firms that offer coverage, and 76% of eligible workers took up the organization's offer. That works out to be 61% of workers at firms that offer health benefits enrolling in coverage, which was the same for 2024.

Among firms that offer health benefits and firms that do not, 55% of all workers were covered by health plans offered by their employer, similar to last year's percentage.

Health Promotion and Wellness Programs

Many firms have programs that help workers identify health issues and manage chronic conditions. The 2025 KFF report highlights the following programs:

- **Health risk assessments**—Among organizations offering health benefits, 35% of small firms and 53% of large firms provided workers the opportunity to complete a health risk assessment, similar to last year. Of large firms that offer a health risk assessment, 53% used incentives or penalties to encourage workers to complete the assessment, similar to the percentage in 2024.
- **Biometric screenings**—Workers at 22% of small firms and 43% of large firms were given the opportunity to complete a biometric screening. While the large firm percentage remained similar to the previous year, the figure for small firms jumped from 9% in 2024. Among large firms with a biometric screening program, 62% use incentives or penalties to encourage workers to complete the assessment, similar to last year (65%).
- **Health and wellness promotion programs**—Organizations offer these programs to help employees improve their lifestyles and avoid unhealthy habits. Most employers—56% of small and 83% of large—offered a program in at least one of these areas: smoking cessation, weight management, and behavioral or lifestyle coaching. These figures are similar to last year's.

GLP-1 Drug Coverage for Weight Loss

Glucagon-like peptide 1 (GLP-1) receptor agonists have grown in popularity due to their effectiveness in helping individuals with Type 2 diabetes and for weight loss. In the 2025 survey, 16% of firms with 200 to 999 workers, 30% of firms with 1,000 to 4,999 workers, and 43% of firms with 5,000 or more workers reported covering GLP-1s when used primarily for weight loss. The percentage of firms with 5,000 or more workers covering GLP-1 agonists for weight loss in 2025 is higher than in 2024 (43% and 28%, respectively). Of these firms covering GLP-1s, 34% required a specific condition or

had a requirement for coverage. These included meeting with a professional (dietitian, psychologist, case worker or therapist) or enrolling in a lifestyle or weight loss program.

Firms covering GLP-1s said that the use of these medications for weight loss was higher than expected. Furthermore, 43% of these firms with 1,000 to 4,999 workers, and 66% of these firms with 5,000 or more workers said that covering GLP-1s for weight loss had a “significant” impact on their plans’ prescription drug spending.

The share of the largest firms covering these GLP-1s for weight loss increased significantly in 2025, but many of these firms also reported higher-than-expected use. Individual employer feedback suggested that some firms have stopped covering GLP-1s for weight loss, and some even tightened up coverage for Type 2 diabetes. Whether and how to provide GLP-1 coverage is likely to remain an important topic for employers and workers in the foreseeable future.

Employee Concerns About Health Plan Management

Consumer concerns about health plan management have been growing in recent years. Large firms offering health benefits shared that they believe employees are concerned about the following aspects of health care management:

- Affordability of cost sharing
- Scheduling timely appointments with providers
- Complexity of prior authorization requirements
- Finding in-network providers
- Number of denied claims

Conclusion

As expected, the average annual premiums for both single and family coverage increased in 2025 due to the economy’s impact on health benefits, and this was similar to the rate of growth over the past two years. Furthermore, early reports predict that health care costs will be even higher in 2026.

Employers should begin identifying tools and resources to manage rising costs and explore cost-sharing strategies.

Contact us today for more information.