

# Health Care Premium Rates and Prescription Drug Costs

May 28, 2025

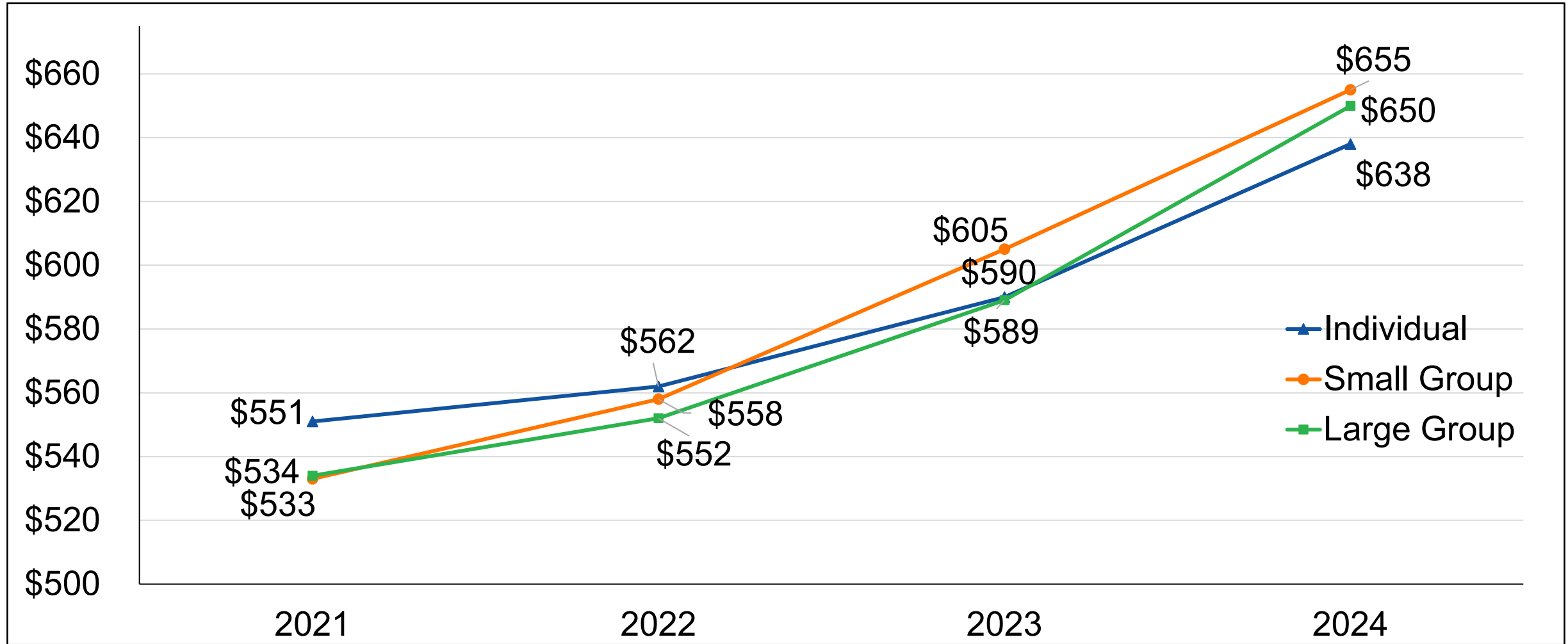
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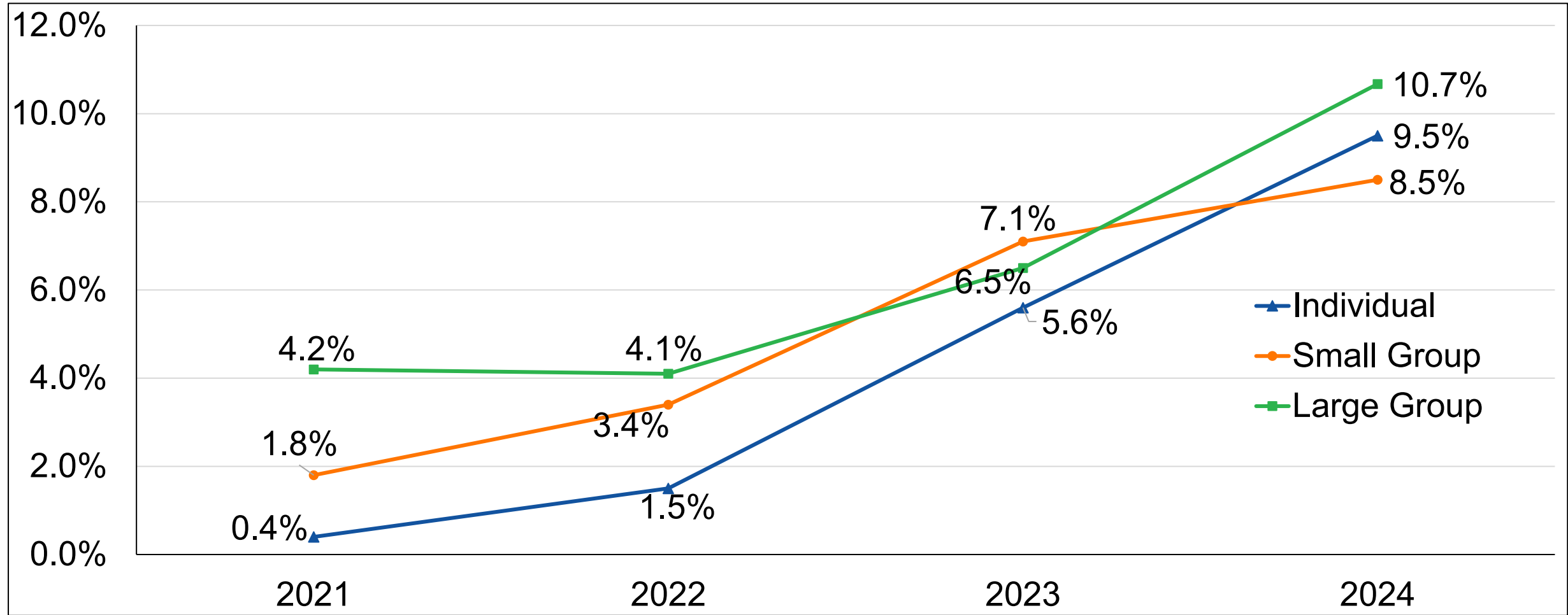
# Summary of the 2024 Annual Rate Filings

- The majority of enrollees in the commercial market are covered by employer sponsored plans in the large group market.
- Approximately 7.65 million enrollees were in the large group market, compared to 2.44 million enrollees in the individual market and 2.29 million enrollees in the small group market.
- Average premium per member per month increased by \$100 from 2021 to 2024.
- Average premium per member per month was \$638 in the individual market, \$655 in the small group market and \$650 in the large group market.
- Weighted average rate increase was 9.5% for the individual market, 8.5% for the small group market and 10.7% for the large group market. In comparison, Covered California had an average rate increase of 9.6%, and CalPERS had an average rate increase of 10.9% in 2024.

# Average Monthly Premium 2021 – 2024



# Weighted Average Rate Increase 2021 – 2024



# Individual Market Aggregate Premium Rates

# Summary of the 2024 Individual Market Filings

- 13 Health Care Service Plans were required to file
- Almost 2.4 million enrollees in individual market
- Weighted average rate increased by 9.5%
- Average premium PMPM across all health plans was \$638
- Most enrollees in the individual market selected a silver plan
- Average actuarial value ~ 77%.

# Average Rate Increase – Individual Market

Plan Type	Number of Enrollees	Weighted Average Rate Increase	Average Premium PMPM
On-Exchange (Covered California)	1,975,175	8.9%	\$632.59
Off-Exchange	431,130	12.4%	\$653.09
Grandfathered	35,449	9.1%	\$763.34
<b>Total</b>	<b>2,441,754</b>	<b>9.5%</b>	<b>\$638.11</b>

# Small Group Market Aggregate Premium Rates



# Summary of the 2024 Small Group Filings

- 13 Health Care Service Plans were required to file
- Almost 2.3 million enrollees in small group market
- Weighted average rate increased by 8.5%
- Average premium PMPM across all health plans was \$655
- Most enrollees in the small group market were in gold plan
- Average actuarial value ~ 79%.

# Average Rate Increase – Small Group Market

Plan Type	Number of Enrollees	Weighted Average Rate Increase	Average Premium PMPM
On-Exchange	84,763	8.7%	\$639.03
Off-Exchange	2,059,831	8.4%	\$657.88
Grandfathered	141,161	8.9%	\$618.78
<b>Total</b>	<b>2,285,755</b>	<b>8.5%</b>	<b>\$654.76</b>

# Large Group Aggregate Premium Rates

# Summary of the 2024 Large Group Filings

- 23 Health Care Service Plans were required to file
- Almost 7.7 million enrollees in large group market
- Weighted average rate increased by 10.7%
- Average premium PMPM across all health plans was \$650
- Most enrollees were in HMO products
- Average actuarial value ~ 92%.

# Rate Increases for Covered California, CalPERS and Large Group Plans

Year	Covered California	CalPERS	Large Group Plans
2020	0.8%	5.1%	4.3%
2021	0.5%	5.3%	4.2%
2022	1.8%	5.5%	4.1%
2023	5.6%	7.0%	6.5%
2024	9.6%	10.9%	10.7%
2025	7.9%	9.0%	Not Available

# Average Rate Increase in 2024

	Average Rate Increase	Number of Enrollees	Average Premium PMPM
All Plans	10.7%	7,653,634	\$649.92
Kaiser	12.2%	5,122,071	\$642.31
All Plans Excluding Kaiser	7.8%	2,531,563	\$665.32

# Large Group Contractholder Review Request

- The contract holder has a combined total of more than 2,000 enrollees (employees plus dependents) enrolled in all health plans.
- Request the DMHC to review a rate change at <https://wpso.dmhc.ca.gov/LargeGroupRateReview/>

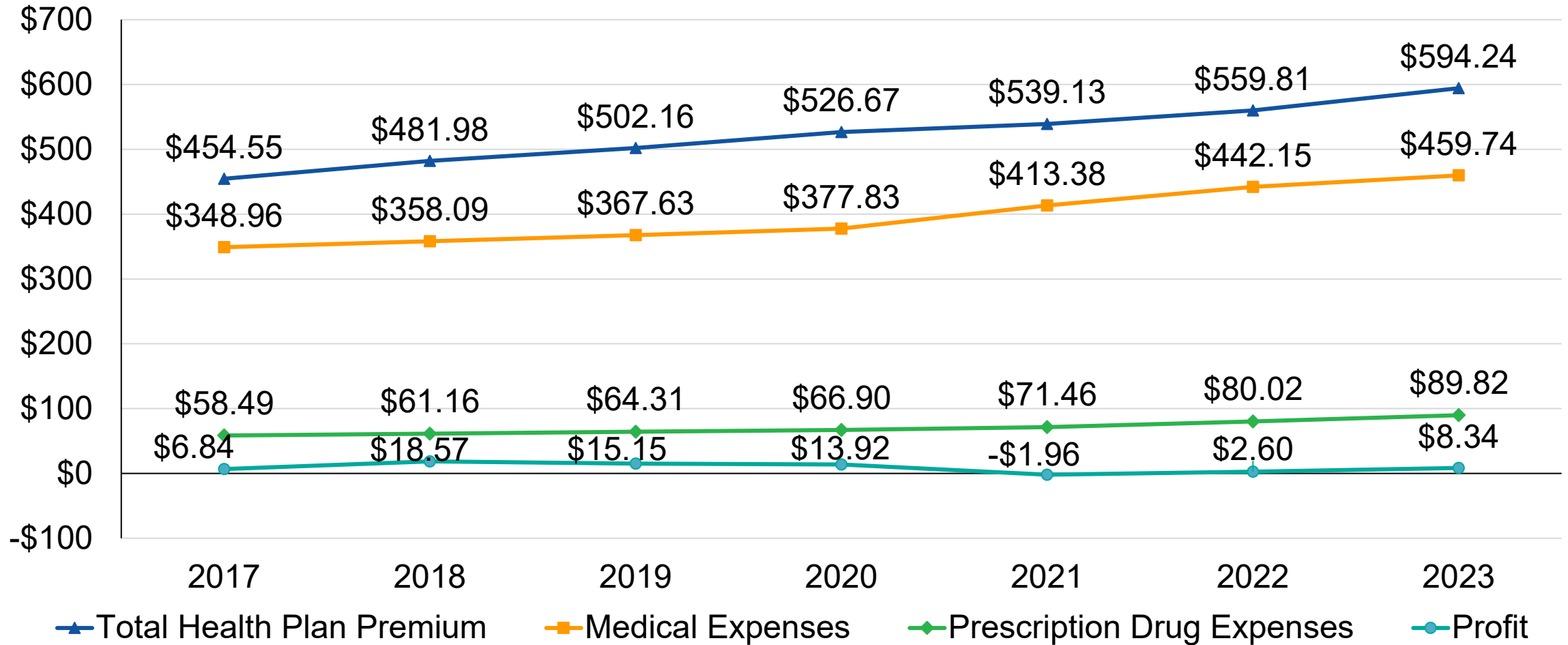
# Summary of the Prescription Drug Cost Transparency Report for Measurement Year 2023



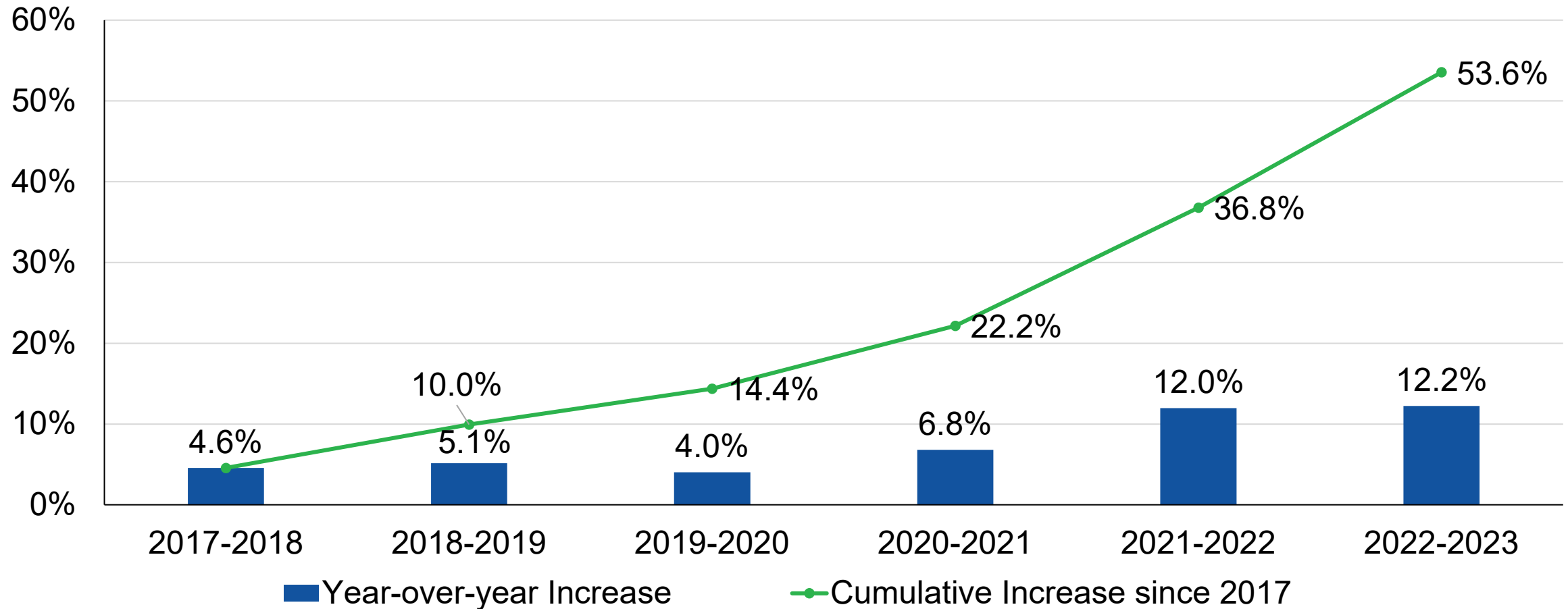
# Key Findings

- Health plans paid approximately \$13.6 billion for prescription drugs in 2023, an increase of almost \$1.3 billion from 2022, and \$4.9 billion from 2017.
- Prescription drugs accounted for 15.1% of total health plan premiums in 2023
- On a PMPM basis, health plans' prescription drug costs increased by 12.3% in 2023, whereas medical expenses increased by 4.0%.
- Manufacturer drug rebates totaled approximately \$2.6 billion
- Specialty drugs accounted for only 2.0% of all prescription drugs dispensed, however, accounted for 65.8% of total annual spending on prescription drugs.
- Generic drugs accounted for 89.2% of all prescribed drugs but only 12.7% of the total annual spending on prescription drugs.

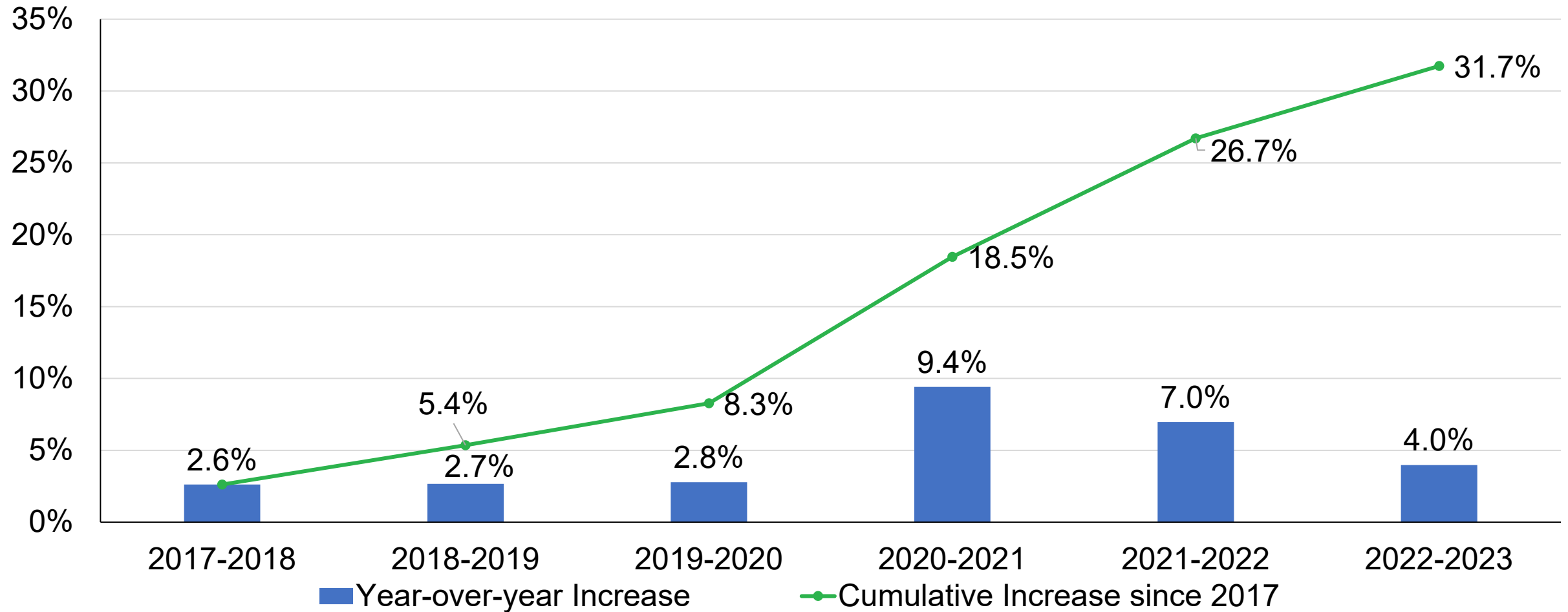
# Seven-Year Trend: Total Health Plan Premium, Medical Expenses, Prescription Drug Expenses and Profit (PMPM)



# Seven-Year Trend: Prescription Drug Cost Increase



# Seven-Year Trend: Medical Expenses Increase



# Links to the Reports

You can find the reports on the [DMHC website](#):

- [Health Plan Aggregate Premium Rate Report for Measurement Year 2024](#)
- [Prescription Drug Cost Transparency Report for Measurement Year 2023](#)

# Questions