

Family health plan premiums hold at \$22,463, but employers see growth in mental health needs

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A prominent national survey finds that premiums for family coverage in employer health plans held steady this year—a first for an annual report

that for decades has shown family coverage in the U.S. becoming increasingly expensive.

While somewhat encouraging in terms of affordability, the findings in the latest Kaiser Family Foundation report show how family coverage remains costly as [worker](#) demand grows for [mental health](#) and substance use services.

The average total premium this year is \$22,463, with employers paying more than two-thirds of the cost, according to the report released Thursday. Current premiums were finalized in 2021, the foundation said, before inflation became a major economic concern.

"This could be the calm before the storm, as recent inflation suggests that larger increases are imminent," Drew Altman, president and CEO of the California-based foundation, said in a statement. "Given the tight labor market and rising wages, it will be tough for employers to shift costs onto workers when costs spike."

The COVID-19 [public health crisis](#) lowered [health](#) care use and dampened health care spending, which explains in part this year's relatively flat premiums, said Matthew Rae, an associate director with Kaiser. Those pandemic impacts are extending a period of relatively modest premium growth, he said.

"There were years and years when we talked about double-digit premium increases," Rae said, "and that's not really been the story of the last five years."

Since 2012, average premiums for family coverage have risen 43%, which is greater than inflation (25%) and wages (38%) during the period.

At the same time, employers are seeing more workers struggle with mental health and substance use.

Nearly half of large employers—defined as those with 200 or more workers—reported an increase in the share of workers using [mental health services](#), while 14% said more workers were using substance-use services. Of note, about 29% of these [large firms](#) said more workers this year sought family leaves related to [mental health issues](#).

While about one-quarter of large employers added mental health providers to their health plan networks this year, about 30% said they don't believe they have enough behavioral health providers to ensure their workers have timely access to care.

"The findings here I think are quite staggering," Rae said. "I was shocked by the magnitude of some of the things we found."

Employer health plans are the largest single source of coverage in the U.S., providing insurance to nearly 159 million people under the age of 65. To gauge trends, the foundation surveyed more than 2,100 non-federal public and [private firms](#) with three or more employees.

On average, workers are contributing \$6,106 toward family premiums this year. The average total cost for family coverage is \$22,463 this year. While higher than 2021 (\$22,221), the difference is not statistically significant.

Premiums for individual coverage average \$7,911 this year, which is also not significantly different than last year. Since 1999, a few other Kaiser surveys found steady premiums for single coverage, Rae said.

Among workers who face an annual deductible for single coverage, the average amount this year stands at \$1,763, which is similar to 2021.

Workers at small firms—those with three to 199 workers—face larger deductibles on average than their peers at large companies, the survey found.

For [family](#) coverage, workers at small firms pay a larger share of the total premium.

"I think what happens is, a lot of small employers make a set contribution to the premium and don't bear any additional costs when someone enrolls dependents," Rae said. "Small firms have less leverage in the market and oftentimes have affordability challenges in offering premiums that are affordable for their workforces. So, we tend to see higher cost-sharing for [small firms](#)."

"We're going to have to think about policy solutions or market solutions for this."

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