

U.S. Employers to Spend \$1.3 Trillion on Health Benefits in 2024

Health care spending in the United States has been trending upward for decades, and analysts at the Centers for Medicare and Medicaid Services (CMS) [predict](#) that total employer spending this year will increase by 5.8% to \$1.3 trillion.

Furthermore, spending per participant will increase by 6% to \$7,459. However, due to increased health care expenses and cost of living, enrollment is projected to decrease by 0.2%, down to 178 million.

CMS analysts also reported that overall health care spending is increasing by 5.2% this year to \$5 trillion. The average 2024 health care spending per person, including overhead, is \$15,074. According to the CMS projection tables, 2032 total health care spending could rise to \$7.7 trillion, or 19.7% of the gross domestic product.

Employer Takeaway

Health care spending is projected to increase in 2024, impacting individuals, employers and carriers alike. As a result, many employers will likely be faced with higher costs and enrollment challenges. As health care becomes less affordable for individuals, enrollment rates are expected to decline. In response, employers may look to manage rising costs by exploring customizable benefits packages, alternative funding and payment models; supporting financial well-being; and offering wellness programs to promote healthier lifestyles.

Employers should continue to monitor benefits trends, employee utilization and spending. Contact us for more resources.