

BURDA ON HEALTHCARE

10 Things You Didn't Know About Employer Health Benefits

By David Burda

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Premium increases and the cost of GLP-1 drugs grabbed the headlines. But there is a lot more news in the Kaiser Family Foundation's 27th annual employer health benefits report if you look for it.

KFF released the 226-page [report](#) on Oct. 22. The report is based on a survey of 1,862 non-federal public and private employers. I, like many, consider KFF's annual report the gold standard of employer benefits surveys. Other health benefits surveys are just snapshots. I wrote about many of them in last month's column, "[Fat Shaming Our Way to Lower Health Insurance Premiums.](#)"

I combed through the new KFF report and found 10 things that I'm pretty sure you didn't read about in the healthcare trade press or the mainstream media. Speaking as a former healthcare business magazine editor, each one of these is worth a big feature story if not the cover.



1. HIGH-DEDUCTIBLE HEALTH PLANS? I DON'T THINK SO.

I remember when industry experts predicted that high-deductible health plans (HDHPs) were going to overtake traditional indemnity coverage, HMOs and PPOs and dominate the types of health plans that employers offer to their work-

ers. They were wrong. Only 36% of the employers in the KFF report said they did so this year. That's up from 33% last year but the same as in 2023 and down from the all-time high of 39% in 2018. HDHPs peaked and are past their prime.



2. WE DON'T NEED NO STINKING HEALTH BENEFITS

A lot of people are under the assumption that employer-sponsored health insurance is a given if you work for a company. That's not true, and that's why the availability and affordability of health plans on ACA health insurance exchanges are so crucial to the U.S. economy. Only 61% of employers in the report said they offered health insurance to their employees this year. That's down from 65% last year and a peak of 83% in 2010, when the ACA became law. The percentage this year varied significantly by employer size. Ninety-seven percent of large employers, which KFF defined as employing 200 or more workers, offered their employees health insurance compared with 59% for employers with fewer than 200 employees.

3. HEALTHCARE IS A BIG CONTRIBUTOR TO UNCOMPENSATED CARE

Now, you'd think that healthcare employers would top the list of industries in offering health insurance benefits to their workers. Not only is that not true, healthcare ranked last out of nine industries in the report. Only 54% of healthcare employers offered health insurance to their workers this year, compared with 61% for all industries. State and local governments topped all industries at 96%. The highest private industry was finance at 80%. The next time you hear healthcare executives crying about uncompensated care, charity care or bad debt, hand them a mirror.

4. EMPLOYEES' SHARE OF HEALTH INSURANCE PREMIUMS DIDN'T GO UP

You read that correctly. According to the KFF survey, the percentage of annual premiums for insurance paid by employees didn't go up this year. Employees paid 26% of the premiums for family coverage. The same as last year. Employees paid 16% of the premiums for individual coverage. Same as last year. That's down from highs of 30% and 19%, respectively, in 2010, which, again, is when Congress passed the ACA and President Obama signed it into law. Anyone who says employees are paying a higher share of health insurance premiums is lying or uninformed. Let's just say they're uninformed. Who would deliberately lie about that?



5. MORE EMPLOYEES CAN HIT PAUSE ON MEDICARE

I'm self-employed. I turned 65 in April. I enrolled in traditional Medicare. My path was straightforward, but for many seniors who work for large employers, that path may have a few zigs and zags in it. Twenty-seven percent of large employers who offer health benefits to active workers also offer health benefits to retired employees. Not only does that still happen, that's up from 24% last year. It's a far cry from the 66% who did so in 1988, when KFF conducted its first health benefits

survey. The fact that private health insurance benefits for retired employees haven't died out says something. It says to me that unions are effective in negotiating retiree health benefits for members. To wit, 55% of state/local government employers and 49% of transportation/communications/utility employers offer health insurance benefits to retirees. The next highest industry is finance at 37%, suggesting that retiree health benefits are common in executive pay packages.

6. EMPLOYERS GIVE LIP SERVICE TO PREVENTION & WELLNESS

For all their handwringing over the cost of covering prescription weightloss drugs and treating chronic medical conditions, not all employers are all in on prevention and wellness. Yes, 83% of large employers did offer at least one of three wellness programs to workers last year. The most popular was lifestyle

or behavioral coaching (74%), followed by stop-smoking programs (68%) and weightloss programs (63%). But only 53% of large employers offered health risk assessments to employees, and even fewer — 43% — offered biometric screenings to employees. They still don't get that an ounce of prevention is worth a pound of cure.



7. WE DON'T CARE THAT SOME PROVIDERS ARE BETTER THAN OTHERS

Most employers also don't get that some healthcare providers offer more value to employees and, by extension, to themselves. Only 18% of large employers incentivize workers to use a high-performance provider network, often referred to as a center of excellence, or offer them tiered provider networks by performance. The networks offer superior quality, lower costs or both. That's down from 21% in 2024. Go wherever. You'll be fine. Just watch out for those surprise out-of-network medical bills!

8. ANYONE REMEMBER DIRECT CONTRACTING? ANYONE? ANYONE?

Like steering employees to centers of excellence, the direct contracting page seems to have fallen out of employers' benefits playbook. Only 6% of large employers said they directly contract with providers for care to employees. That's down from 8% in 2019. In theory, providers compete for those direct contracts by offering employers higher-quality service and medical care at more competitive prices. Theory has not translated into practice.

9. GOOD LUCK FINDING PRIMARY CARE

Another survey finding supports my suggestion that many employers aren't really serious about prevention and wellness. Seventy-eight percent of large employers admitted to doing absolutely nothing to increase the number of primary care

providers available to their workers. Only 6% did. Even worse, 16% said they didn't know. How's that for caring about your workforce's health status? It's easier to complain about high drug costs and the cost of treating chronic medical conditions.

10. PRICE TRANSPARENCY WASTED ON EMPLOYERS

We all know federal law requires hospitals to make public the prices they charge for healthcare services and health plans to make public the prices they pay for healthcare services. All of that price transparency is supposed to make people who buy healthcare services better informed and more proactive

purchasers of healthcare services. Apparently, no one told employers. Only 18% of the large employers in the survey said they've conducted or received an analysis of their healthcare spend using price transparency data. Fifty-eight percent said they haven't. And 24% didn't even know.

Well, there you have it. Ten things you probably didn't know from KFF's 2025 employer health benefits report. After putting this together, I'm not sure I want to know them either. Taken together, they add up to an industry that really isn't doing much to drive more value for its customers, whether you call them customers, patients, members, enrollees or consumers.

Call me disappointed. The coming healthcare revolution can come fast enough.

Thanks for reading.

AUTHOR



David Burda began covering healthcare in 1983 and hasn't stopped since. Dave writes this monthly column "Burda on Healthcare," contributes weekly blog posts, manages our weekly newsletter 4sight Friday, and hosts our weekly Roundup podcast. Dave believes that healthcare is a business like any other business, and customers — patients — are king. If you do what's right for patients, good business results will follow.

Dave's personal experiences with the healthcare system both as a patient and family caregiver have shaped his point of view. It's also been shaped by covering the industry for 40 years as a reporter and editor. He worked at Modern Healthcare for 25 years, the last 11 as editor.

Prior to Modern Healthcare, he did stints at the American Medical Record Association (now AHIMA) and the American Hospital Association. After Modern Healthcare, he wrote a monthly column for Twin Cities Business explaining healthcare trends to a business audience, and he developed and executed content marketing plans for leading healthcare corporations as the editorial director for healthcare strategies at MSP Communications.

When he's not reading and writing about healthcare, Dave spends his time riding the trails of DuPage County, IL, on his bike, tending his vegetable garden and daydreaming about being a lobster fisherman in Maine. He lives in Wheaton, IL, with his lovely wife of 40 years and his three children, none of whom want to be journalists or lobster fishermen.

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