

FOR IMMEDIATE RELEASE:

June 25, 2025

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WHAT'S BEHIND HEALTH INSURANCE PREMIUM INCREASES IN NY? HIGH HEALTH CARE COSTS
New HPA Policy Brief Examines Factors Driving the Cost of Coverage

The New York Health Plan Association (HPA) today issued *Health Insurance 101: Understanding Health Care Premiums*, examining the elements driving increases in health insurance premiums.

Among them:

- **Hospital and Provider Price Growth:** According to the Health Care Cost Institute, provider prices in New York are 22% higher than the national average, despite the complexity of services being below the U.S. average.
- **Rising Prices for Prescription Drugs:** In January, Big Pharma hiked prices on more than 870 drugs, following increases on more than 750 drugs in January 2025 and 775 brand named drugs in January 2024.
- **Mandated Benefits:** This past session, New York lawmakers approved several bills requiring coverage of specific services and limits on cost-sharing, which add to premiums and fall disproportionately on small and medium-sized employers.
- **Health Insurance Taxes:** Taxes, assessments and surcharges on health plans, including the recent extension of the MCO tax, total over \$7 billion annually and add more than \$1,000 to the premium for family coverage.

“Continued growth in hospital and provider prices that are well above the national average, increases in exorbitant drug prices, new mandated benefits and taxes on insurance are reflected in the rates health plans submitted for 2027,” said Eric Linzer, President and CEO of HPA. “In the absence of state policies to contain these factors and make coverage more affordable for consumers and employers, the final approved premium rates must recognize the high and escalating cost of care in New York.”

The issue brief is available on the HPA website at: <https://nyhpa.org/wp-content/uploads/2026/06/Health-Insurance-101-2026.pdf>

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The New York Health Plan Association represents 20 managed care health plans that provide comprehensive health care services to more than 8 million New Yorkers.