

2025 Rael & Letson Trend Survey

This workbook is provided to assist R&L users in the selection of short-term trend rates for the budget projections of both self-funded and fully-insured medical/drug plans. The data is based on a compilation of survey¹ responses from R&L's nine most-utilized vendors over the six geographic regions in which R&L clients primarily operate. Below are descriptions of the information in each of the worksheet tabs.

2026 Medical	The medical trend rates for each region are broken out by HMO versus PPO delivery system. These rates represent the percentage increase in 2026 medical cost over that for 2025. To provide the user with an understanding of the variances among the underlying survey responses, summary statistics are provided to show the minimum, 25th percentile, median, 75th percentile, maximum, and overall average.
2026 Rx	These rates represent the percentage increase in 2026 drug cost over that for 2025. To provide the user with an understanding of the variances among the underlying survey responses, summary statistics are provided to show the minimum, 25th percentile, median, 75th percentile, maximum, and overall average.

¹ We did not capture responses from specific vendors regarding dental or vision. However, based on national surveys, 2026 dental trends are in the range of 4.0% to 5.1%, while 2026 vision trends are in the range of 2.2% to 2.8%.

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2026 Medical (% Increase over 2025)

	Southern CA (e.g., Los Angeles County)		Central Valley (e.g., Fresno County)		Northern CA (e.g., San Francisco County)		Pacific Northwest (e.g., King County)		Southwest (excl. CA) (e.g., Maricopa County)		Hawaii (e.g., Honolulu County)	
	HMO (excluding Rx)	PPO (excluding Rx)	HMO (excluding Rx)	PPO (excluding Rx)	HMO (excluding Rx)	PPO (excluding Rx)	HMO (excluding Rx)	PPO (excluding Rx)	HMO (excluding Rx)	PPO (excluding Rx)	HMO (excluding Rx)	PPO (excluding Rx)
Minimum	6.50%	8.10%	7.00%	8.24%	7.00%	8.10%	8.30%	8.68%	8.02%	8.34%	6.86%	7.47%
25th %ile	7.70%	8.25%	7.60%	8.40%	7.75%	8.40%	8.84%	9.30%	8.81%	8.97%	7.85%	9.14%
Median	8.20%	9.40%	8.07%	9.55%	8.10%	8.70%	9.37%	10.76%	9.60%	9.60%	8.83%	10.80%
75th %ile	8.35%	10.40%	8.29%	10.40%	8.30%	10.40%	11.04%	12.32%	11.35%	11.20%	9.82%	11.25%
Maximum	8.40%	13.30%	9.90%	10.40%	13.40%	13.70%	12.70%	13.20%	13.10%	12.80%	10.80%	11.70%
Average	7.89%	9.80%	8.14%	9.41%	8.66%	9.73%	10.12%	10.85%	10.24%	10.25%	8.83%	9.99%

Notes:

1. Survey respondents were requested to provide trend for their broadest network and a non-Medicare (active/early retiree) population.
2. Survey respondents were requested to use the referenced county if a single trend was unavailable for a specified region.

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2026 Drugs (% Increase over 2025)

	All California Regions	Pacific Northwest (e.g., King County)
Minimum	8.50%	10.80%
25th %ile	10.23%	12.09%
Median	10.90%	13.37%
75th %ile	11.70%	14.66%
Maximum	13.80%	15.94%
Average	11.03%	13.37%

Notes:

1. Survey respondents were requested to provide drug trends before any applicable rebates.