



Contact:  
Jeremy Engdahl-Johnson  
Milliman, Inc.  
Tel: +1 646.473.3021  
[Jeremy.engdahl-johnson@milliman.com](mailto:Jeremy.engdahl-johnson@milliman.com)

---

FOR IMMEDIATE RELEASE

**Press Release**

## **Milliman Medical Index: Healthcare costs for an American family reach \$37,824 in 2026**

*2026 marks highest healthcare cost increase in more than a decade, as GLP-1 drugs and AI-enabled billing emerge as new drivers*

SEATTLE – May 20, 2026 – Milliman, Inc., the premier global consulting and actuarial firm, today announced the release of the 2026 Milliman Medical Index (MMI), which measures healthcare costs for Americans covered by a typical employer-sponsored health insurance plan. Healthcare costs for the average person rose 7.9% in 2026 to \$8,460—the highest annual increase in more than a decade, excluding pandemic-era fluctuations. Healthcare costs for the MMI's hypothetical family of four reached \$37,824. Outpatient facility costs rose 7.5% and pharmacy costs rose 14.8%, with those two service categories accounting for 69% of the total year-over-year increase.

"Pharmacy costs have been a persistent driver of healthcare cost growth for several years now, but 2026 represents an acceleration of the trend," says Milliman Principal and Consulting Actuary Andrew Timcheck. "A 14.8% increase in pharmacy costs—driven by GLP-1 utilization and high-cost specialty drugs—combined with continued outpatient facility cost growth, puts the 2026 trend environment in a category of its own for this decade."

"The 7.9% increase we are seeing this year is not the result of a single acute shock—it reflects structural forces that are not going away," says Milliman Principal and Consulting Actuary Deana Bell. "Outpatient costs have quadrupled for the MMI's family of four since the MMI was first published in 2005, with much of the trend exacerbated by delivery system consolidation, specialty drug growth, and site-of-care shifts."

"For the first time in the MMI's history, we're flagging artificial intelligence as a factor in healthcare cost trends," says Milliman Principal and Consulting Actuary Jason Clarkson. "Hospitals are using AI to optimize their billing and claim coding, and payers are using it to enhance their claim adjudication processes, especially for detecting fraud, waste, and abuse. That dynamic is worth watching as costs hit their highest growth rate in over a decade."

To read the 2026 Milliman Medical Index, visit [milliman.com/en/insight/2026-milliman-medical-index](https://milliman.com/en/insight/2026-milliman-medical-index).

### **About Milliman**

Milliman leverages deep expertise, actuarial rigor, and advanced technology to develop solutions for a world at risk. We help clients in the public and private sectors navigate urgent, complex challenges—from extreme weather and market volatility to financial insecurity and rising health costs—so they can meet their business, financial, and social objectives. Our solutions encompass insurance, financial services,



healthcare, life sciences, and employee benefits. Founded in 1947, Milliman is an independent firm with offices in major cities around the globe. Visit us at [milliman.com](http://milliman.com).

###