

Health Care Costs: Are They Going to Go Up or Down?

That is a fair question! Especially because the short answer is that 1) they will definitely go down in 2025 under the new offer, but 2) after that, ***either could happen***. It depends on whether the overall rates increase each year, and by how much.

The current offer has the same structure as was put in place in the agreement in 2011 and continued in 2014, which works as follows: the contract states that the portion of the health care cost that IAM members pay every month (monthly premium) is scheduled to increase by 10% per year...unless those costs go above an aggregate cost share cap. The cost share cap can be difficult to understand, but basically, the lower the cap, the lower your health care costs are likely to be. (We explain the cost share cap in more detail [here](#).)

In the old agreement, the cost share cap was set at 16%, which served us well in keeping costs down. In some years, costs did go up—but they went up by far less than 10%, thanks to the cap.

In this new offer, aggregate cost share is now capped at 15%. A lower cap means there's a much better chance that your monthly premium rates won't increase by the full 10%. In fact, rates in 2025 will ***decrease by 9.3% under the new 15% cap***, whereas under the ***old cap (16%), they would have increased by 3.1%***.

A 3.1% increase would have been better than the 10% increase, but obviously a *9.3% decrease is even better!*

What's the Worst Case Scenario?

Unfortunately, it's hard to say what your costs will be after 2025, simply because health care costs in general are very hard to predict.

The worst possible scenario is that your monthly premium rates will increase by the full 10% per year, even with the lower cap in place. Below is a chart showing what the rates would look like in that scenario. But it's important to remember that **reducing the cap to 15% makes these scenarios much less likely to occur**.

Plan Name	Tier Name	2024 Cost	2025 Cost (9.3% less than 2024)	2026 Cost (Worst Case, 10% more)	2027 Cost (Worst Case, 10% more)	2028 Cost (Worst Case, 10% more)
Traditional Medical Plan	Employee Only	\$51.32	46.53	\$51.18	\$56.30	\$61.93
Traditional Medical Plan	Employee + Spouse	\$102.64	93.06	\$102.37	\$112.60	\$123.86
Traditional Medical Plan	Employee + Child(ren)	\$102.64	93.06	\$102.37	\$112.60	\$123.86

Traditional Medical Plan	Employee + Family	\$153.96	139.59	\$153.55	\$168.90	\$185.79
Selections (WA)	Employee Only	\$89.82	81.44	\$89.58	\$98.54	\$108.40
Selections (WA)	Employee + Spouse	\$179.64	162.88	\$179.17	\$197.08	\$216.79
Selections (WA)	Employee + Child(ren)	\$179.64	162.88	\$179.17	\$197.08	\$216.79
Selections (WA)	Employee + Family	\$269.46	244.32	\$268.75	\$295.63	\$325.19
Kaiser (WA)	Employee Only	\$89.82	81.44	\$89.58	\$98.54	\$108.40
Kaiser (WA)	Employee + Spouse	\$179.64	162.88	\$179.17	\$197.08	\$216.79
Kaiser (WA)	Employee + Child(ren)	\$179.64	162.88	\$179.17	\$197.08	\$216.79
Kaiser (WA)	Employee + Family	\$269.46	244.32	\$268.75	\$295.63	\$325.19
Kaiser (CA)	Employee Only	\$51.32	46.53	\$51.18	\$56.30	\$61.93
Kaiser (CA)	Employee + Spouse	\$102.64	93.06	\$102.37	\$112.60	\$123.86
Kaiser (CA)	Employee + Child(ren)	\$102.64	93.06	\$102.37	\$112.60	\$123.86
Kaiser (CA)	Employee + Family	\$153.96	139.59	\$153.55	\$168.90	\$185.79