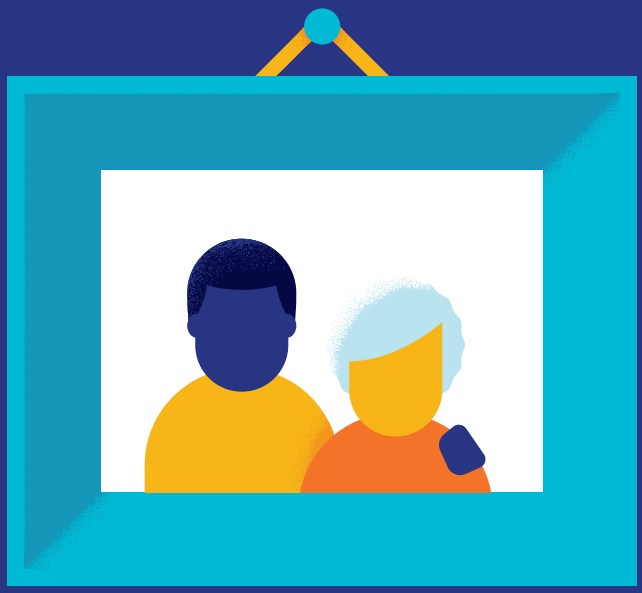
Managing tomorrow's cost today

A generational and gender lens on workforce health



For our 9th annual white paper, the Health Action Council (HAC) and UnitedHealth Group examine a growing trend with significant care delivery and cost implications: utilization and spend differences across generations and genders. Based on an in-depth analysis of HAC member data drawn from across the country, this white paper offers new insights detailing a range of distinct health needs, engagement levels and care delivery preferences.[1]

What is catastrophic care?

Catastrophic care is a major driver of rising health care costs in the United States. For the purposes of this white paper, catastrophic care is defined as any claim spend that exceeds $100,000 for a member during a 12-month period. Catastrophic claims are often associated with unpredictable health events, such as accidents and cancer, but they can also be the product of unmanaged chronic conditions. For example, diabetes, hypertension and high cholesterol – all chronic conditions – are major risk factors for heart attacks and strokes.

Catastrophic cases can involve a one-time surgical procedure, prolonged hospitalization and treatment and/or an ongoing underlying condition. All catastrophic cases, however, involve a significant medical incident requiring costly care.

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To better support employees and address risks, understand the role of age and gender

Today's employers are confronting a health care landscape increasingly defined by 2 closely related trends: (1) The overall health status of the U.S. population is declining, and (2) health care costs are rising. It is widely understood that as people age, their health risk levels rise. But many members' prospective risk scores are increasing in ways that highlight a troubling reality. (Risk scores project members' relative medical claim costs based on age and gender, as well as claim levels of similar member populations over the past 12 months.) Younger members are developing chronic health conditions faster and requiring catastrophic care at significantly higher rates than they did just 2 years ago.

Even as the workforce becomes younger, members are growing sicker faster, and overall member spend continues to rise. As employers grapple with affordability challenges, they should ask an important question: How can I identify the members who will benefit most from engagement—both in terms of health improvement and cost reduction?

By detailing the health and cost trends of members by both age and gender, this white paper can help employers prioritize member engagement efforts. Potential paths forward are not straightforward. For example, female members are 22% more expensive than male members. Yet, as this paper shows, men tend to underutilize care until later in life, leading to much higher catastrophic care needs after the age of 60. There are clear opportunities for improved men's health outcomes through higher primary care provider (PCP) engagement earlier in life. Ultimately, of course, how an employer chooses to engage members and make a benefits program most effective will depend on their specific population and opportunities. But designing the right strategy starts with understanding the major health and cost trends shaping the overall workforce.

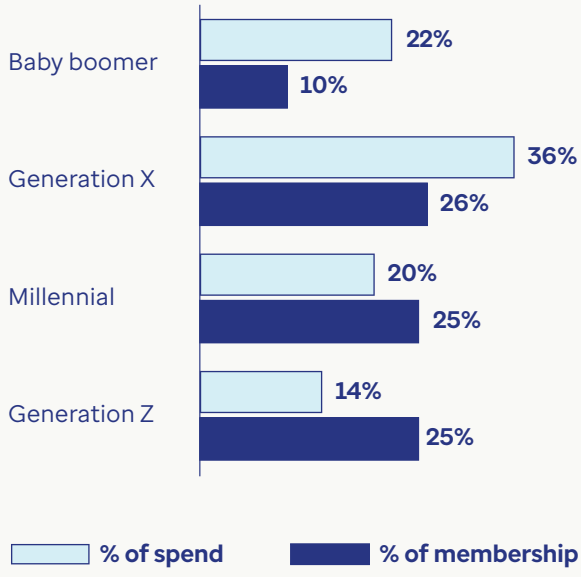
The big picture

Today's workforce comprises 4 generations, but 3 of them make up a large majority (75%) of overall membership. Generation X (ages 45–60), millennials (29–44) and Generation Z (13–28) each account for an equal portion of membership, but it's Generation X that drives the highest spend of any age cohort at 36%. The 3 dominant generations together account for 70% of total spend, slightly below their collective portion of membership.

Unsurprisingly, the greatest differential between a generation's percentage of membership and spend is seen in the oldest generation: baby boomers. This generation (ages 61–79) represents only 10% of total membership yet accounts for 22% of overall spend due to higher rates of chronic conditions, catastrophic care and long-term care.

With many baby boomers reaching or surpassing traditional retirement age, younger people now make up a larger portion of overall membership. Younger members' health is declining. Millennials and Gen Z saw the largest spending increases between 2023 and 2025—for both catastrophic and non-catastrophic claims. Gen Z's year-over-year spending jumped 18%, nearly double the growth rate of baby boomers.

Percentage of membership and spend by generation



	Baby boomer (born 1946–1964)	Gen X (born 1965–1980)	Millennial (born 1981–1996)	Gen Z (born 1997–2012)
Overall trend	**10%**	**11%**	**12%**	**18%**
Non-catastrophic trend	7%	6%	10%	10%
Catastrophic trend	14%	21%	24%	41%
Catastrophic % of paid	44%	37%	26%	28%

To be clear, the annual health care spend among baby boomer members is by far the highest among all generations in dollar terms. As expected, members become more expensive (on average) as they age. But the faster rate of spend increase among millennials and Gen Z members should serve as a warning sign to employers. Overall, spend is not decreasing as younger employees make up a larger share of the membership — it's increasing.

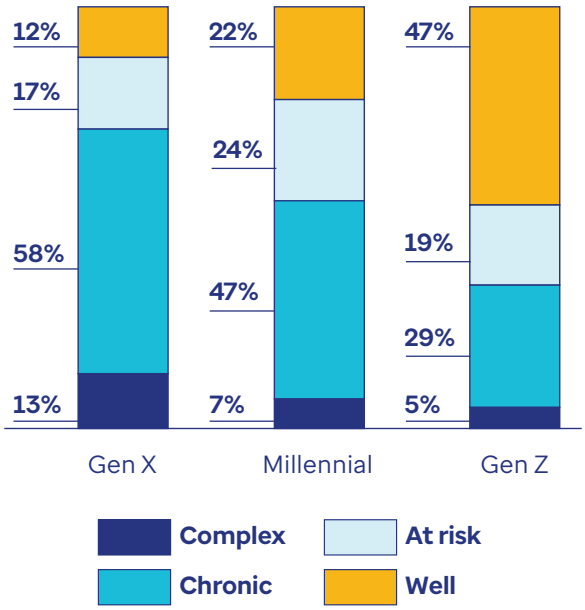
Spotlight: Millennials

Why are younger generations seeing the fastest rise in health care spend? A key reason is the increasing prevalence and severity of chronic conditions such as obesity, back pain and hypertension. To understand what that looks like, consider the changing health profile of millennials.

From 2023–2024 and 2024–2025, the percentage of millennials considered well decreased from 25% to 22%, chronic conditions increased from 44% to 47%, and those managing complex conditions increased from 6% to 7%.

The most common chronic conditions among millennial members are obesity, depression and hypertension. Nearly one-third (28%) have a metabolic condition, and almost one-fourth (23%) have behavioral health needs. Millennials also have the highest behavioral health utilization of any generation, with 36% experiencing behavioral health comorbidity — the coexistence of mental health disorders (such as anxiety or depression) with other chronic conditions (such as substance use or physical illness).

Health continuum by generation



They experience this combined burden more intensely than older generations, as behavioral health issues are closely linked to increased risk and earlier onset of chronic diseases like hypertension, high cholesterol and diabetes. As a result, millennials are more likely to develop comorbid conditions and feel their cumulative effects earlier in adulthood. This overlap of chronic disease and behavioral health conditions is associated with higher medical risk, poorer treatment adherence and worse overall outcomes.

Another factor that may be contributing to millennial members' higher spend is their preference for just-in-time health care options. Millennials have the highest rate of ER visits per 1,000 members among all generational cohorts and the second-highest rate of urgent care visits per 1,000 — 210 visits, just below Gen Z's rate of 212. And the generation is tied with Gen Z for the lowest average number of PCP visits per member per year. As we'll see, higher member engagement with a PCP is associated with lower per member, per month (PMPM) spend.

Virtual care utilization and spend implications

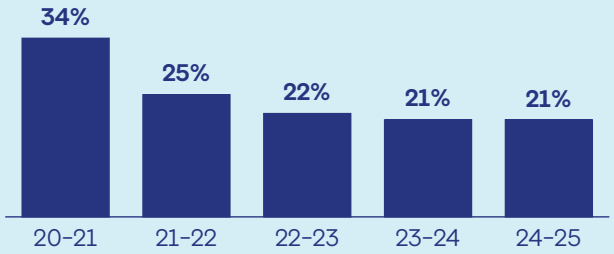
The COVID-19 pandemic normalized telemedicine for tens of millions of Americans. But virtual care adoption rates have declined more rapidly than industry forecasts suggested. There has been a steady drop in members utilizing virtual visits since 2021. At the same time, our analysis of membership data shows an increase in virtual utilizers who do not engage with a PCP, which increases costs.

Growing preference for brick and mortar, overall

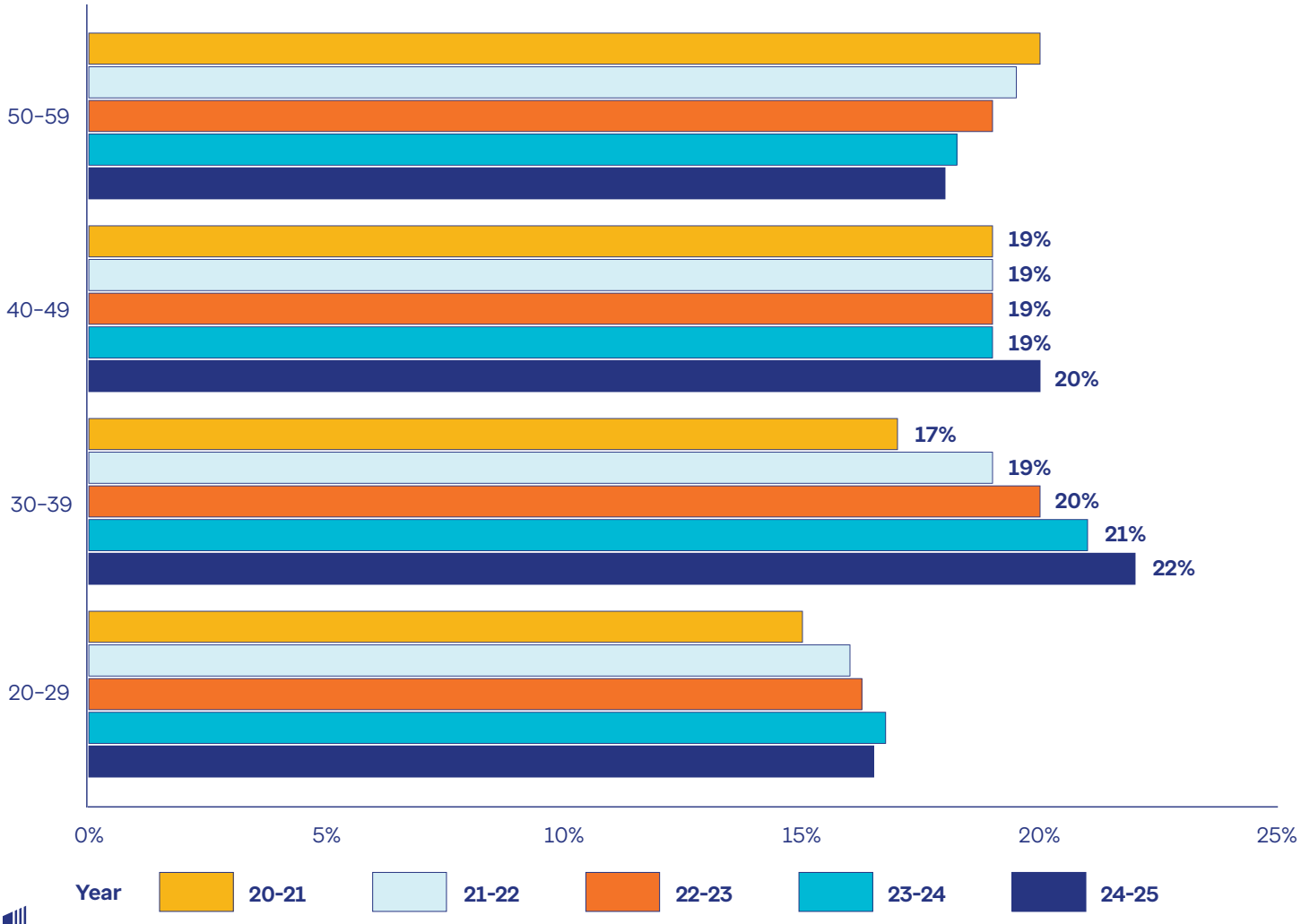
Since the height of telemedicine utilization in 2020 and 2021, usage dropped significantly, then slowly declined and since 2023 has remained flat.

Members generally prefer in-person care across all ages. However, members aged 30–49 accounted for the highest share of virtual care users in the most recent year — more than 40% of all virtual visits. This group, which includes millennials and younger members of Gen X, was the only age segment to show an increase in virtual care utilization between 2020 and 2025.

Percent of unique members utilizing virtual/telemedicine visits by year



Virtual care utilizers by age over time



More virtual care utilizers aren't seeing PCPs

Digging deeper into virtual visit data reveals a trend with cost implications. Since 2021, the share of telemedicine users who do not see a PCP has steadily increased – from 25% in 2020–2021 to 30% by 2024–2025.

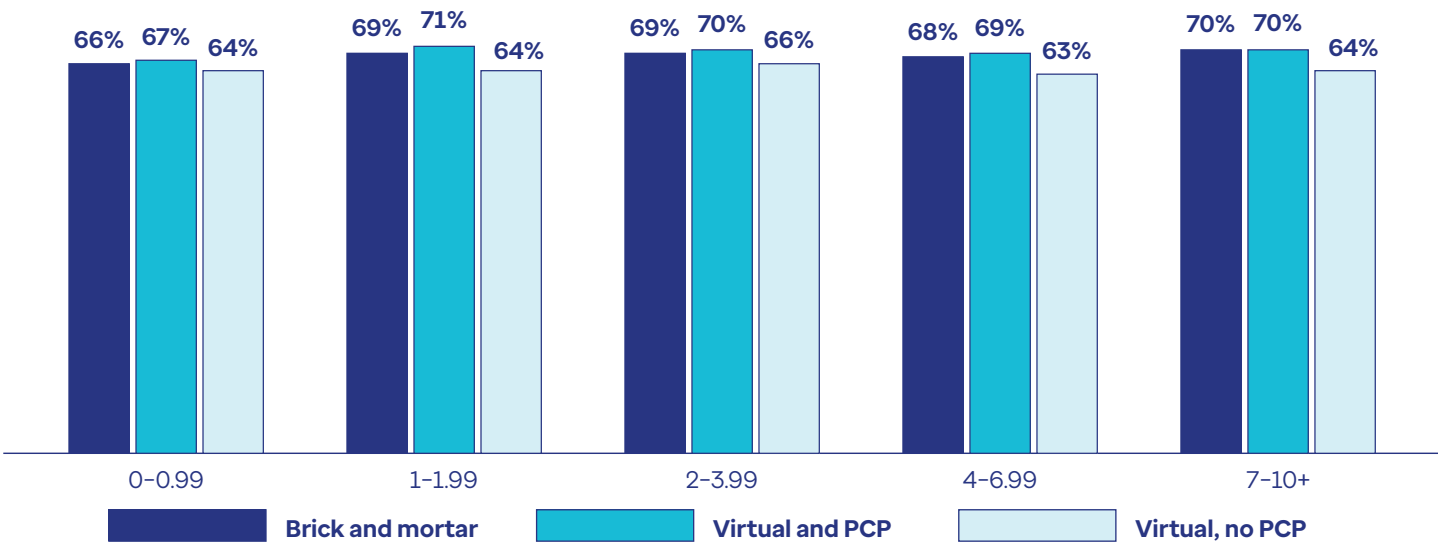
This is notable because members utilizing virtual care without a PCP have higher PMPM costs, especially as risk factors rise. The higher a member's risk level, the more brick-and-mortar-based care mitigates spend. Among members 26–49 years old, across most risk levels, the spend differentials were greatest between members receiving in-person care only with a PCP and those receiving virtual care with no PCP engagement. (A member's risk level is based on claims spanning the previous 12 months.)

Member risk level group	Brick and mortar only, PCP	Virtual and PCP	Virtual, no PCP
0–0.99	$97	$240	$187
1–1.99	$441	$514	$515
2–3.99	$1,005	$1,085	$1,196
4–6.99	$1,783	$2,049	$2,223
7–10+	$5,389	$6,556	$6,515

Allowed PMPM Ages 26–49. Risk level groups are based on risk scores derived from a member's claim experience during the preceding 12 months. This data is drawn from April 2024–March 2025.

A primary reason for these higher PMPM costs, on average, is that members who use virtual care without having a primary care provider tend to make less optimal financial, clinical, and resource-use decisions, and they also show lower levels of clinical compliance. The differentials between this group of members and the groups receiving either brick-and-mortar care or virtual care with a PCP are greatest at higher risk. One clear takeaway: As a member's risk level rises, PCP engagement is critical for condition management.

Clinical compliance health activation by risk score

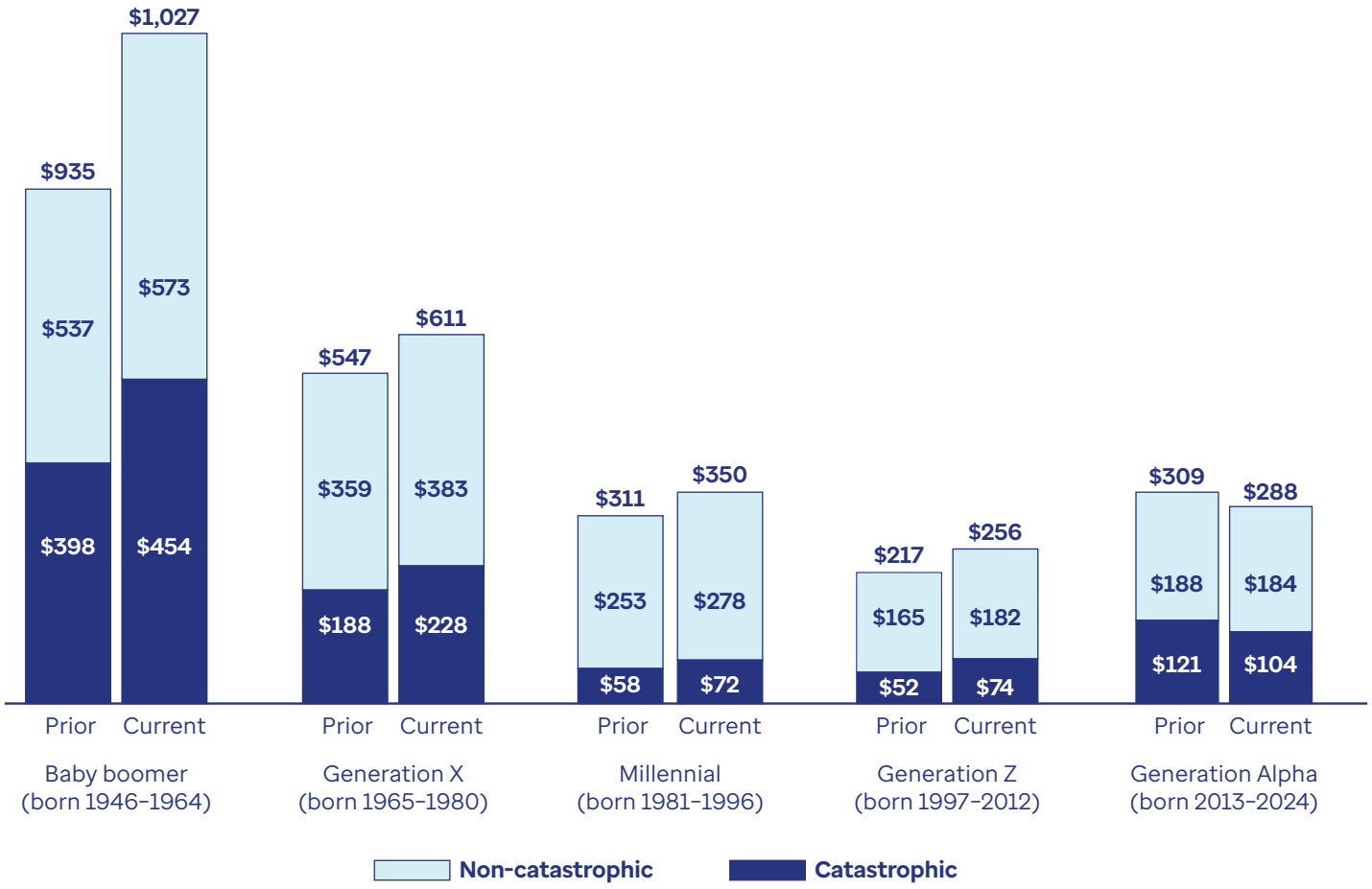


Ages 26–49. This data is drawn from April 2024–March 2025.

Baby boomers, Gen X driving catastrophic spend higher

It's no surprise that as members age, their medical costs tend to rise. By 2030, all members of the baby boomer generation will have reached the traditional retirement age of 65. This large generation is living longer than its predecessors, driving up overall health care utilization. This has cost implications.

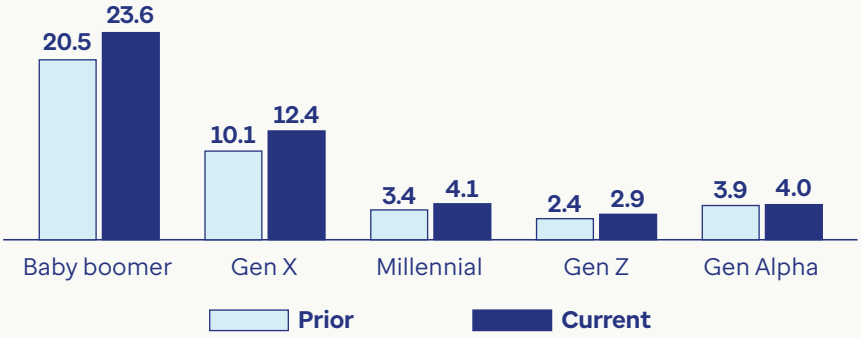
Membership data reveals huge differences in total cost of care across generations. For example, a baby boomer member's cost was 4 times higher than a Gen Z member's total cost, on average, during 2024–2025.



Steady increases in catastrophic care spend are a major driver of overall rising costs. Across the entire membership, the average PMPM catastrophic care spend grew 39% between April 2020 and March 2025, with an average year-over-year increase of 9%. In the 2-year period spanning April 2023 to March 2025, the number of catastrophic claimants per 1,000 members grew across all generations, most notably among baby boomers and Gen X. Baby boomers stand out sharply: Their rate of claimants has been greater than all other generations combined for the past 2 years.

Catastrophic by generation

Catastrophic claims per 1,000 by generation

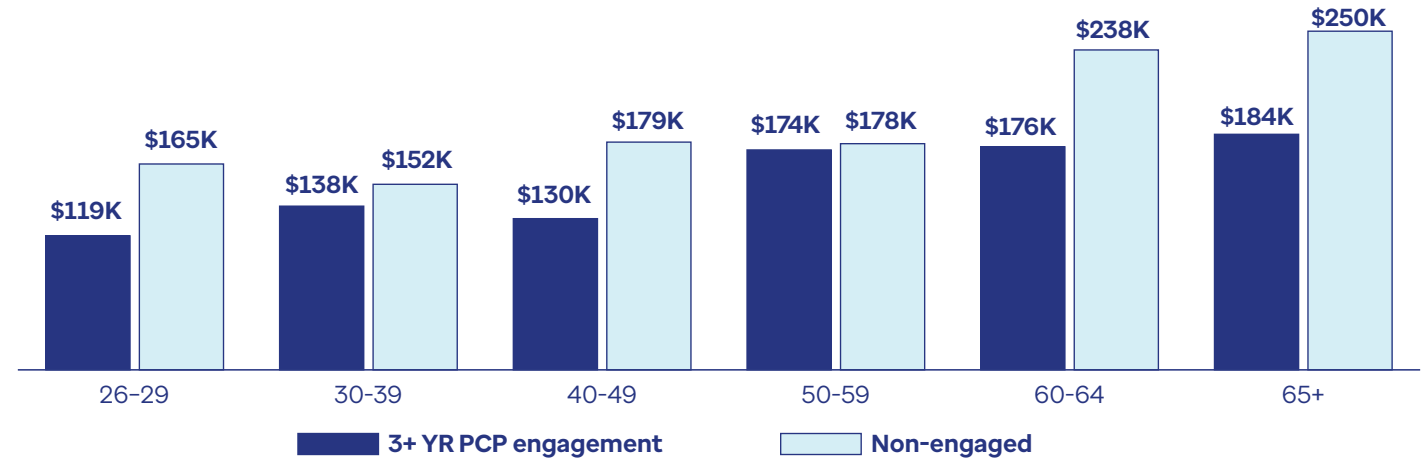


Major mitigating factor: PCP engagement level

The good news: Membership data reveals that members who have engaged with a PCP for at least 3 years have an average catastrophic case cost 27% lower than members who did not engage. This single factor can reduce catastrophic costs across all age groups.

The cost differential between those engaged with a PCP, versus non-engaged, varies by age. Differentials are significant at nearly all age ranges, but savings are especially pronounced for ages 60 and older.

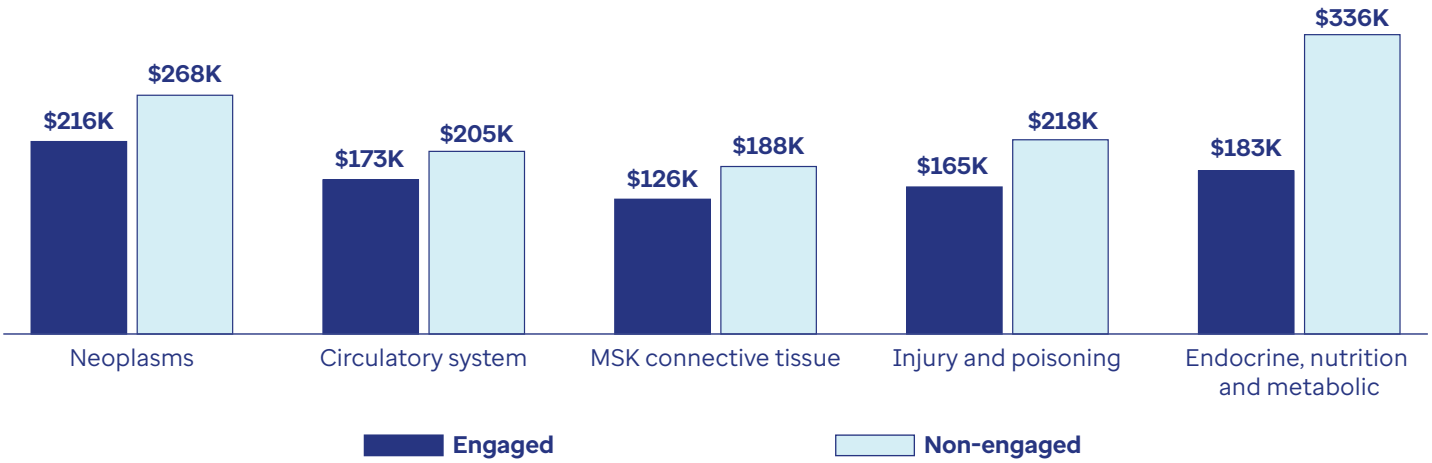
Average cost per catastrophic case by engagement and age range



Similarly, cost savings vary widely across diagnosis categories between PCP-engaged members and those without PCP engagement. Between April 2024 and March 2025, the 5 categories with the largest differentials in average catastrophic case cost between the 2 groups were neoplasms/cancer, circulatory, musculoskeletal connective tissue, injury and poisoning and endocrine, nutrition and metabolic.

Average catastrophic cost by diagnosis

These 5 areas account for 72% of total catastrophic allowed spend.

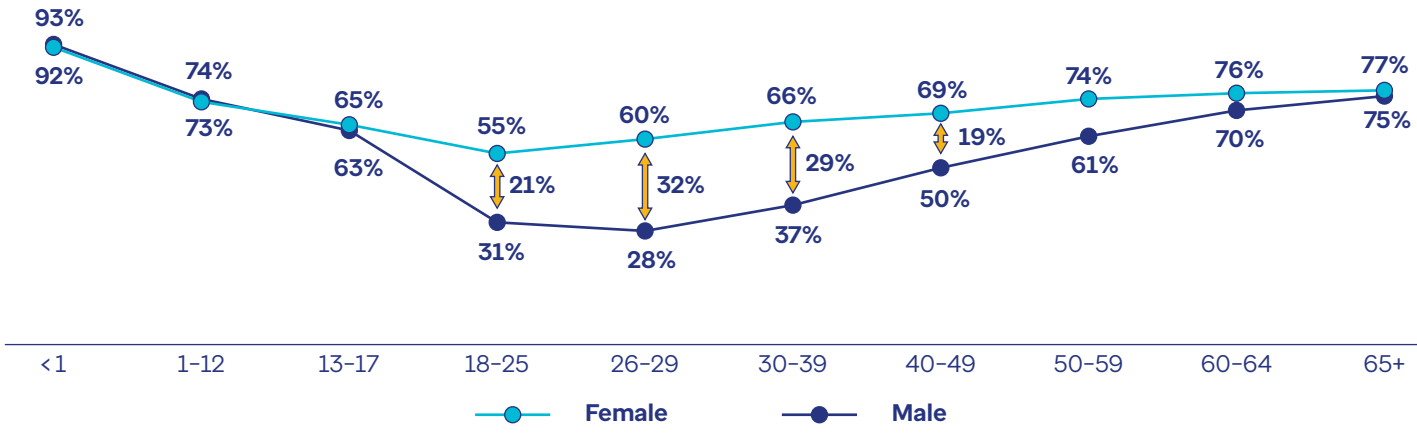


Spotlight: Men, catastrophic care and PCPs

Male PCP engagement rates are consistently lower

Member data shows men generally have lower engagement with PCPs than women for most of their lives. The divergence begins at age 18 and continues until around age 65. The largest discrepancies are between ages 18 and 39, when the majority of men are not engaging with a PCP. By the time they reach their 40s, only half of men are engaged.

PCP engagement by age

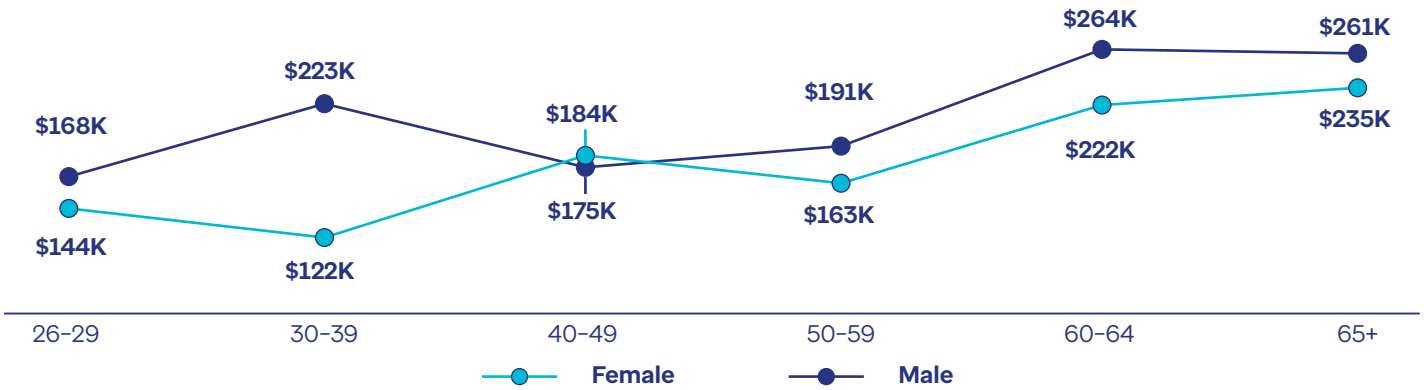


Men do not catch up to women's PCP engagement rate until they are in their 60s. This is particularly notable given the fact that men have higher rates of chronic disease (such as diabetes) than women by their 50s.

Average catastrophic case costs

Among non-PCP engaged members aged 26–65+, men have 24% higher catastrophic care costs than women, except in the 40–49 age band. (Breast cancer is the leading reason for women's catastrophic care in this age period.) This underscores the significant cost burden non-engaged male members place on health systems, in terms of catastrophic care.

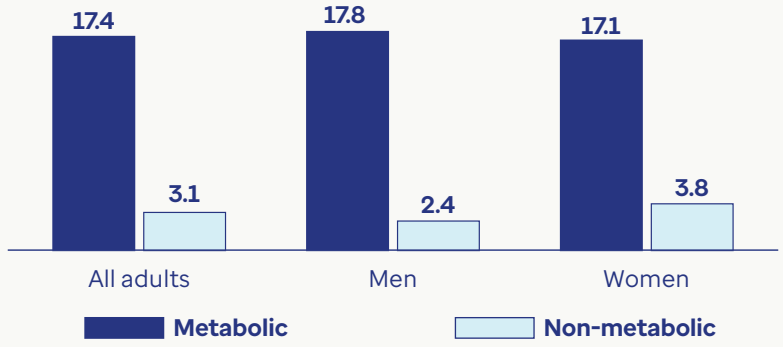
Non-engaged – Average catastrophic case cost by age and gender



Metabolic conditions play major role in catastrophic spend

Looking across all age groups, there is a close relationship between metabolic conditions and catastrophic health events. This is true for men and women, but men with a metabolic condition are more likely to require catastrophic care than women.

Catastrophic claimants per 1,000



7x

Men with a metabolic condition are more than 7 times as likely to experience a catastrophic event than men without a metabolic condition.

12%

Adult male members with a metabolic condition have, on average, a 12% higher catastrophic case cost than men without such a condition.

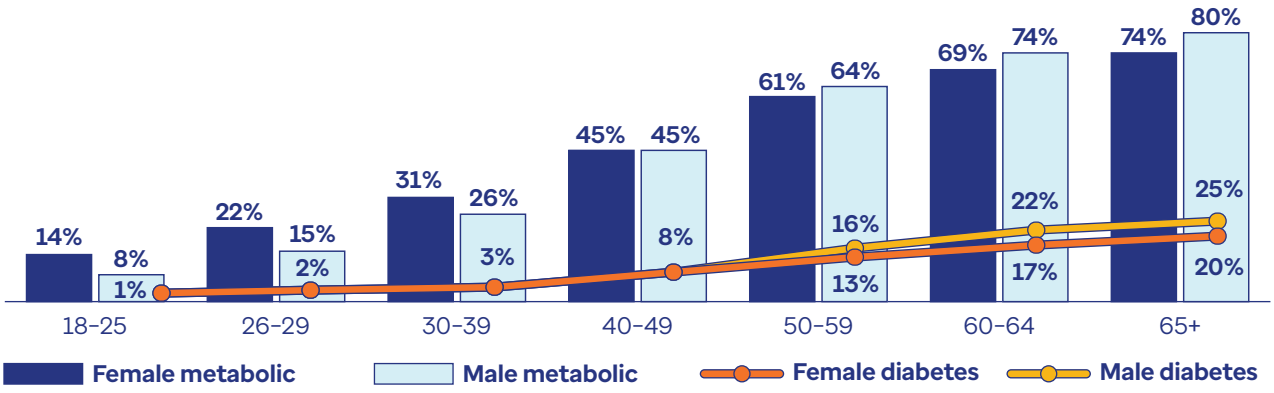
Men over the age of 40 with a metabolic comorbidity have an average catastrophic case cost 30% higher than men without a metabolic comorbidity.

As male members age, metabolic comorbidities drive significantly higher catastrophic care costs. The cost gaps between metabolic-related cases and non-metabolic cases is dramatic. This is because once men reach 40, the impact of metabolic comorbidity on catastrophic care severity increases. The average cost paid per metabolic-related catastrophic case is 147% higher than for non-metabolic-related cases for male members aged 40–49. For male members aged 65+, the average cost paid per metabolic-related catastrophic case is 159% higher compared to non-metabolic-related cases.

By 50, men have higher rates of diabetes, and metabolic conditions overall

Through their 40s, female members are more likely to have a metabolic condition. Both genders have the same rates of diabetes from 18 to 49. After 50, prevalence begins to diverge for both diabetes and other metabolic conditions. The gender gap with respect to both prevalence of diabetes and overall metabolic conditions subsequently grows.

Percentage of metabolic and diabetes by age and gender



This divergence has major cost implications. Even as men's metabolic condition and diabetes rates begin rising faster, they still have lower PCP engagement rates than women in their 50s and early 60s. They don't reach parity until aged 65+.

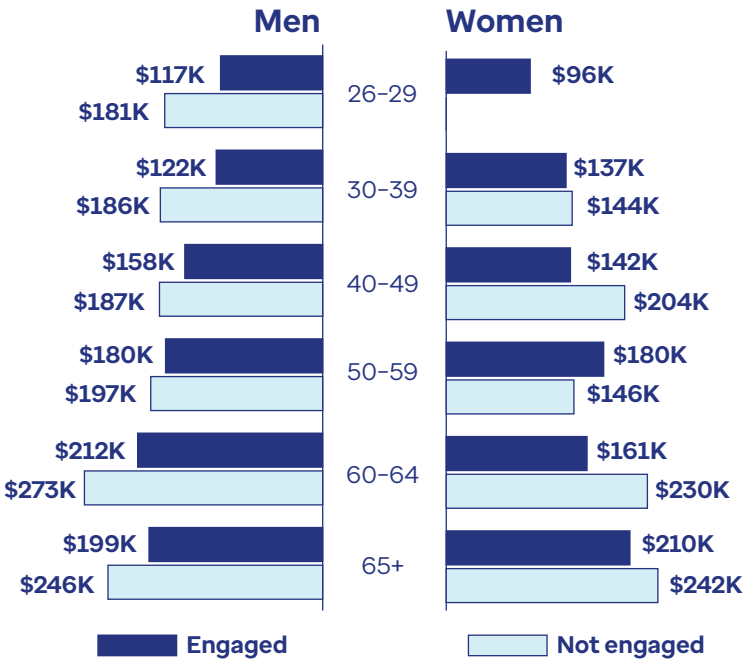
Member data shows that PCP engagement significantly impacts catastrophic acuity at nearly all ages. On average, PCP engagement mitigates catastrophic care costs for men and women with a metabolic comorbidity by 20%. But at most ages, non-engaged men have higher average costs than their non-engaged female peers.

Across generations, engaged members generate lower spend

The value of PCP engagement extends to non-catastrophic care. For example, members younger than 40 who are engaged with a PCP have 5% lower spend on average compared to those utilizing the health system without a PCP relationship. This group also had 15% fewer ER and urgent care visits and 63% fewer hospital admissions between April 2024 and March 2025.

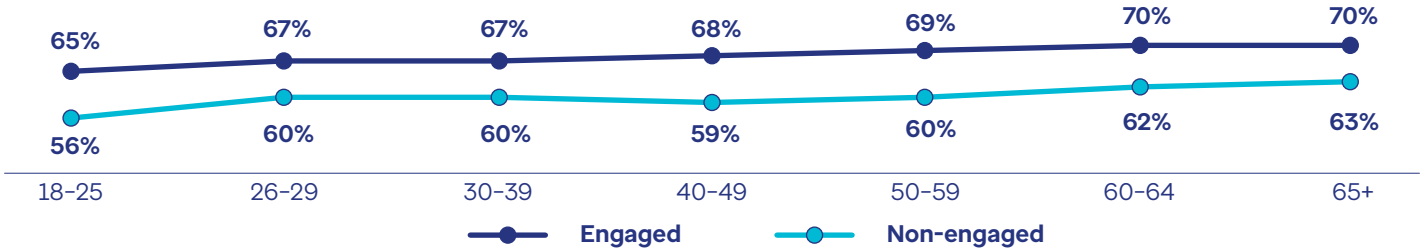
More broadly, PCP-engaged members tend to be more informed health care consumers throughout their lives. An analysis of UnitedHealthcare member data shows that across all ages, engaged members consistently make better decisions. The largest gaps in optimal decision-making between engaged and non-engaged members appear in preventive cancer screenings and circulatory issues—both leading diagnosis categories for baby boomers and Generation X members who become catastrophic claimants.

Metabolic: Avg. cost per catastrophic case by PCP engagement April 2024–March 2025



Finally, the link between PCP engagement and per-member spend is seen across the country. Our data analysis shows a 10% higher risk-adjusted PMPM spend on average for states with low PCP engagement (below 60%) compared to states with high PCP engagement (65% or higher).[2]

Health activation by age range



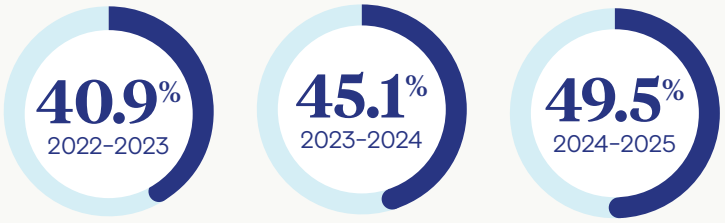
65+ spend keeps rising

It's no surprise that health care costs for members 65 years old and older are going up each year. What is striking is the speed at which catastrophic care spend for this group is rising—and the extent to which men are driving that trend.

Although individuals 65 or older comprised just 3% of membership in the 12 months ending March 2025 (as they did the year prior), their share of PMPM spend grew from 6% to 8% between 2023–2024 and 2024–2025. Catastrophic care spend accounts for an increasingly large portion of total PMPM spend for 65+ members.

Catastrophic claims account for 50% of PMPM spend among 65+ population

In just 2 years, the portion of PMPM for 65+ members resulting from catastrophic care has risen sharply.



Major cost drivers: Male catastrophic case volume and acuity

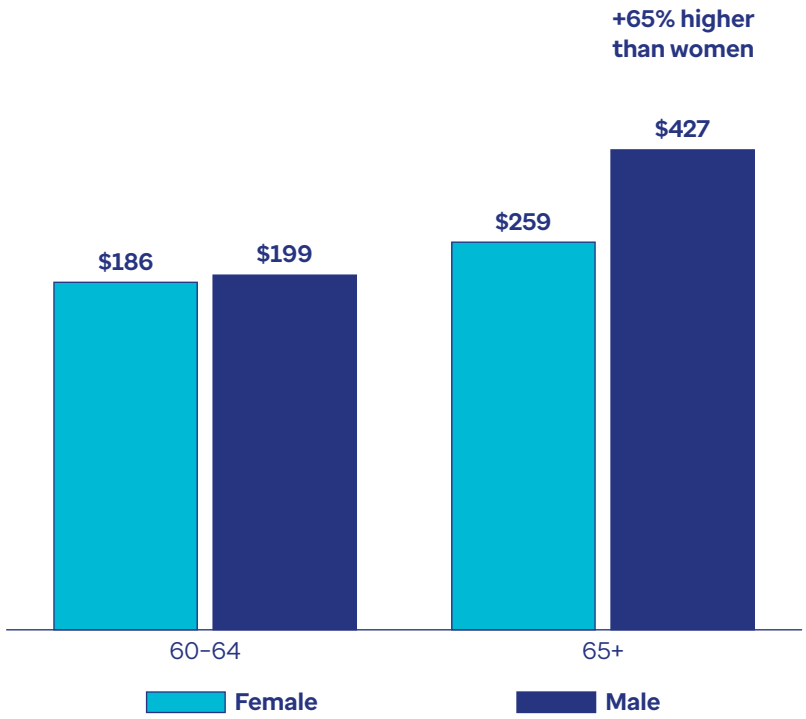
It may be that after years of not managing emerging health conditions closely – and not having a PCP to help them manage issues – older men are going to providers with more advanced problems that are more expensive to treat.

When we examine catastrophic case data for members 65 and older, a stark trend emerges. Men have far more catastrophic cases than women, and those cases are more severe.

The divergence in catastrophic claims volume and cost between men and women after age 64 is striking. While both of these metrics are quite similar for all members 60–64, the number of catastrophic claims per 1,000 male members 65 years or older is nearly double that of women. The PMPM catastrophic costs for men in this age group are 65% higher than those of women.

Catastrophic care-related PMPM costs are significantly higher for men aged 65 and older across multiple diagnosis categories. Consider circulatory-related problems, which encompass heart disease, stroke and hypertension. Male members' average PMPM cost for circulatory-related care is more than 3 times higher than for women.

Catastrophic care PMPM



Catastrophic claimants per 1,000	60–64	65+
Female	11.9	12.1
Male	12.3	22.7

Diagnosis category	Female	Male
Circulatory system	$35	$119
Neoplasms	$93	$111
MSK connective tissue	$22	$33
Injury and poisoning	$22	$30
Sensory nervous system	$8	$20

Conclusion: Targeted engagement strategies

By 2031, the workforce will span 5 generations, encompassing baby boomers, Generation X, millennials, Generation Z and Generation Alpha. Each generation brings distinct and evolving health needs and expectations for care delivery. These demands are already increasing and require employers to communicate effectively across generations. If the trend of rising chronic disease prevalence and severity continues among young members, employers must prepare for higher utilization and costs tied to chronic and catastrophic conditions.

Employers can make a difference through their benefit strategies and offerings. HAC employers have experienced better outcomes and managed costs over a 15-year period. To continue bending the curve, here are actions you can take now:

1. **Segment your population and pinpoint "tomorrow's high-cost" risk.** Stratify claims, high-cost claimants and utilization by generation and gender to identify where chronic conditions are accelerating or are unmanaged. Overlay this data with any predictive analytics that may be available. Use data to identify "avoidable escalations" and ask your vendor partners to intervene earlier.
2. **Make PCP selection and engagement a priority.** Educate employees about primary care providers and the value of having a PCP relationship. During onboarding and open enrollment, make PCP selection simple by using navigation tools. Consider expanding access to PCPs with on-site and near-site health centers.
3. **Put a lens on preventive care.** Educate employees throughout the year on the importance of preventive care. Ask vendor partners about the use of tools that personalize messages based on an individual's preventive care needs and help employees schedule appropriate services. Request vendor partners add a line to inbound and outbound scripts encouraging members to obtain preventive services. Consider offering paid time off to attend preventive visits.
4. **Turn virtual care into a gateway to a PCP.** Identify high virtual care utilizers and proactively connect them to a PCP who offers in-person and virtual care visits.
5. **Prioritize metabolic and chronic condition management.** Remember many of these conditions may be preventable. Consider offering a program that rotates exercise, nutrition and mindfulness, while encouraging less screen time and more quality sleep. Also promote access to a nutritionist or other solutions that align to the conditions most prevalent in your population. Ensure solutions are easy to access and use.
6. **Build a men's health strategy that starts at age of 40.** Encourage annual dental and vision exams and employees to know key health numbers – blood pressure, cholesterol, blood glucose / A1C and to act when results are out of range by scheduling a visit with a PCP. Use targeted campaigns to promote PCP selection and engagement, along with preventive screenings tied to major catastrophic categories.
7. **Communicate differently across generations.** Keep the core strategy consistent and steady, PCP engagement, prevention and chronic management while varying channels, tone and calls-to-action to meet generational expectations.

By anticipating generational needs and mitigating cost-driving trends, employers may help improve health outcomes and allocate resources in smarter ways.

Learn more

Gain an advanced viewpoint of your employee population's health based on additional data points. For more details, contact Patty Starr of Health Action Council or reach out to your broker, consultant or UnitedHealthcare representative.

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About Health Action Council – HAC is a not-for-profit organization representing large employers that enhances human and economic health through thought leadership, innovative services and collaboration. We provide value to our members by facilitating projects that help to improve quality, lower costs and enhance individual experiences, and by collaborating with key stakeholders to help build a culture of health.

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[1] Unless otherwise noted, this work contains UnitedHealth Group internal data based on a comparison of current medical and pharmacy plan data of Health Action Council plan sponsors from April 2024 through March 2025, paid through June 2025.

[2] A risk-adjusted PMPM is calculated by dividing members' allowed PMPM by their prospective risk scores. This allows for a more accurate PMPM comparison between two member groups.

[3] UnitedHealthcare internal analysis, Sept. 30, 2025.

[4] FORTUNE is a registered trademark of Time, Inc. FORTUNE and Time Inc. are not affiliated with, and do not endorse products or services of UnitedHealth Group.

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