

# TRUMP'S WORLD

# TIME



**THE GAZA  
DEAL**

*by* ERIC CORTELLESA

**THE FIGHT  
FOR TAIWAN**

*by* CHARLIE CAMPBELL

**PUTIN'S  
POWER PLAY**

*by* SIMON SHUSTER

GOOD QUESTION

# Why do health-insurance costs keep rising?

BY ALANA SEMUELS

JACOB MCDONALD KNOWS HE'S LUCKY TO HAVE A GOOD health-insurance plan through his employer, a tech company. But when his company recently updated employees about their options for health care in 2026, he was disappointed to learn that once again, costs were going up.

To cover his family of four, McDonald, 47, a network engineer based in Dallas, is being asked to pay 6.5% more than he did last year toward health insurance. "I expected to pay more, but this is the largest increase I can remember," he says.

Ballooning health care costs are driving up the price of insurance for the 154 million Americans who rely on employer-sponsored coverage. Starting this month and into January, employees will be able to pick their plans for the next year during the open-enrollment process and get a sense of just how much more they'll pay. One recent survey by Mercer found that employers expect to pay 7.5% more for health care for employees in 2026, which is the highest increase since 2010. Another survey by the Business Roundtable on Health found that respondents projected health care costs to jump 7.6% in 2026, on average—the highest increase in over a decade.

The rise in health care costs also affects people who don't have health insurance through an employer, an issue that accounts for the government shutdown that began Oct. 1. Democrats and Republicans are at odds over extending subsidies that reduced premiums for Affordable Care Act (ACA) plans starting in 2021. Without the subsidies, which Democrats favor, ACA premiums will rise by an average of 75% in 2026.

While health care costs typically grow every year, the past few years have seen a steep increase in prices, according to Mercer. After a decade in which growth hovered around 3% annually, 2026 is the fourth year in a row where costs surpassed that mark.

A few factors are driving the cost surge. Inflation is the most obvious. Sunit Patel, senior partner and chief U.S. health actuary of Mercer, notes that overall inflation in the economy takes a while to work itself into the health care system. But doctors are charging more this year than they were last year, in part because of those inflationary pressures. And labor costs at those doctors' offices and at hospitals are rising, says Matthew Rae, the associate director of the Program on the Healthcare Marketplace at KFF, a health care research organization.

At the same time, people are making greater use of

doctors and hospitals, after a few pandemic years in which they stayed away from places where sick people gathered. Insured employees are also using GLP-1s, which are extremely costly, to lose weight and stay healthy. "A combination of things puts pressure on premiums, but 6% to 7% is a meaningful increase," says Rae.

KFF released a survey of 1,800 employers in October that found an employee's share of premiums to cover a family of four in 2025 reached \$6,850. That's up 6% from a year before, while wages grew 4% during that time. Employers are feeling the pain as well, because workers pay only a quarter of a premium that, all told, reached almost \$27,000. As a result, many are asking employees to pay more. The average deductible that employees paid in 2025, \$1,886, has increased 17% over the past five years and 43% over the past 10 years.

THEY ARE FACING A DIFFICULT decision: If they absorb the expenses to protect their employees, they may have to make cuts in other parts of their business.

If they pass the price increases on to employees, they might face pushback.

Indeed, after most employers get first quotes from health-insurance companies on costs, they negotiate, eliminating some benefits or plan choices to bring costs down. Without those negotiations, for instance, Mercer estimates that plan costs would grow 9% in 2026 rather than 6.5%.

This year will see 59% of employers making cost-cutting changes to their plans, according to Mercer, up from 48% making changes in 2025 and 44% in 2024. That could include no longer covering GLP-1 drugs, or raising deductibles and out-of-pocket maximums. Employees will probably still stick around; for most people, even with the increased costs, a health-insurance plan through their employer is the best deal they're going to find. □



**'This is the largest increase I can remember.'**

—JACOB MCDONALD, TECH WORKER



< Keaton: effervescent original

as Michael Corleone's wife Kay, ready to be a dutiful wife and mother, only to be shut out of her husband's orbit. Her career thrived in the 1980s and beyond—she's staggering as an abandoned wife in the end-of-a-marriage drama *Shoot the Moon*—and, in the 1990s and 2000s, she was often the best thing about comedies like *Something's Gotta Give*. In 1995, she made her fiction-feature directorial debut with the freewheeling, briskly sweet picture *Unstrung Heroes*.

Through it all, Keaton has always felt like a person we knew, largely because of the role her then boyfriend Woody Allen wrote specially for her, the title character of 1977's *Annie Hall*. As the onetime girlfriend of Allen's preternaturally neurotic comedian Alvy Singer, Keaton breezes through like a gust of autumn wind—she's as captivating and capricious as a curlicue of airborne leaves. Nonchalant and focused at once: that was Keaton, inviting us along on a path of adventurous curves and turns, one whose length we would never think to measure until we looked back and saw how far we'd come.

—STEPHANIE ZACHAREK

DIED  
**D'Angelo**  
Soul genius

The R&B singer D'Angelo, who died on Oct. 14 at the age of 51, forged countless moments of artistic brilliance over his three-decade career. He was an electric live performer who perfected multiple instruments, as well as a studio wizard who crafted three near-perfect albums: *Brown Sugar* (1995), *Voodoo*—which TIME named the best of 2000, and which included the classic song "Untitled (How Does It Feel)"—and *Black Messiah* (2014).

D'Angelo distilled musings about sex, suffering, oppression, master-slave, also st... personal life, alcoholism, use, and anxiety. His family said that he died after a prolonged battle with cancer. —Andrew R. Chow



**Keaton**  
Actor extraordinaire

FOR THOSE OF US WHO measure our lives in movies, actors aren't just performers who have given us joy. They're people who have walked along with us year by year. To watch ourselves age is not much fun, but to watch *them* age is the privilege of a lifetime.

That's how it was with Diane Keaton, who died on Oct. 11 at age 79. She was so many things: a wonderful

photographer, a fine director, an individual of marvelously expressive personal style. But mostly, she was one of the most sparkling and versatile actors of her generation, one who took full advantage of the freedom newly afforded to actresses in the 1970s, even as the men of the new Hollywood—performers like Robert De Niro and Al Pacino, one of Keaton's great loves—drew louder praise.

Keaton landed her first major film role in 1972, opposite Pacino in *The Godfather*. She's heartrending



DIED  
**Ace Frehley**, a founding member and lead guitarist of the glam rock band KISS, on Oct. 16 at 74. Frehley, who designed the group's iconic logo, was known for using pyrotechnic effects on his guitars.



DEMOLISHED  
The **East Wing of the White House**, as ordered by President Donald Trump, to make way for a 90,000-sq.-ft. ballroom that is estimated to cost between \$200 million and \$300 million.

RELINQUISHED  
His titles, by Britain's **Prince Andrew**, on Oct. 17, amid scrutiny over his ties to convicted sex offender Jeffrey Epstein. "Continued accusations about me distract from the work of ... the Royal Family," he said.

RELEASED  
Former Republican Representative **George Santos** of New York, from prison on Oct. 17, after President Trump commuted his seven-year fraud sentence. Santos served less than three months.