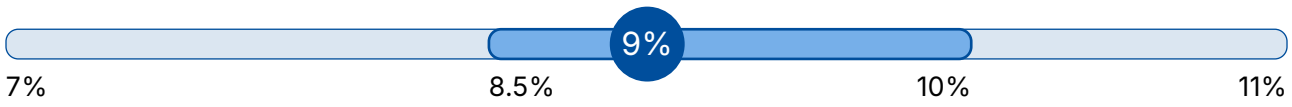
Helping Employees Understand Rising Healthcare Costs

Healthcare costs in the United States continue to climb, placing increasing pressure on employers and employees alike. As employers are likely to spend more, it's important for them to understand the drivers behind rising healthcare costs and communicate these realities effectively to their employees.





A Business Group on Health (BGH) survey found that U.S. employers expect a **9% increase** in healthcare costs in 2026.

Other industry surveys predict a cost increase between **8.5% and 10%** in 2026.

Key Drivers Behind Rising Costs in 2026



GLP-1 Medications
High cost and growing use



Chronic Conditions
More prevalent cases



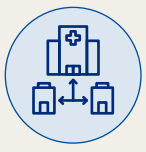
Cancer Care Spending
High-cost treatments



Macroeconomics
Inflation and labor costs



Mental Health
Rising utilization



Provider Consolidation
Reduced competition

7 Ways to Communicate With Employees

Transparent and empathetic communication is essential to help employees understand and navigate rising healthcare costs. Consider the following communication strategies:

1 Develop clear and simple messaging.
Employers should avoid jargon and use straightforward language to explain why costs are rising and the steps the organization is taking to address them.

2 Educate on cost drivers.
The end goal is to help employees become informed healthcare consumers so they feel confident in their decisions, making ones that result in lower costs.

3 Explain plan usage.
Employers can share insights on how employees can use their plans effectively, avoid unnecessary costs and understand the value of their benefits.

4 Highlight cost-containment efforts.
Show employees what you're doing to manage costs, such as negotiating with providers, using reference-based pricing or offering telehealth.

5 Use real-world examples.
When possible, employers can put benefits offerings in the context of real-world scenarios to illustrate how cost drivers affect the organization and its employees.

6 Explain macroeconomic factors.
Employers can share resources that explain why costs are rising everywhere, so employees understand the bigger picture.

7 Use multiple communication channels.
Organizations should tailor communication methods to their workforce, perhaps combining in-person meetings, digital tools and printed materials.

These cost increases reflect nationwide trends. Savvy employers who act now, communicate transparently and invest in employee well-being will be best positioned for the challenges ahead.

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