

HR BRIEF

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Helping Employees Understand Rising Health Care Costs



As health care costs in the United States continue to climb, organizations that offer health benefits are challenged with managing escalating expenses while maintaining transparency and trust with their workforce. Supporting employee health literacy is key, along with transparent and empathetic communication. Consider these strategies:

- **Develop clear, concise and simple messaging.** It's essential to use straightforward language to explain why costs are rising and what steps the organization is taking to manage them. Consider highlighting any positive changes, such as coverage for more specialty drugs or added wellness benefits.
- **Educate employees on cost drivers and plan usage.** Employers can share insights on how employees can use their plans effectively, avoid unnecessary costs and understand the value of their benefits. Resources like cost comparison tools and provider directories can be helpful for employees.
- **Highlight cost-containment efforts.** Show employees what you're doing to manage costs (e.g., negotiating with providers, using reference-based pricing, offering telehealth or investing in wellness programs). This reassures them that you're actively working to protect their benefits.
- **Use real-world examples.** For example, explain how a new high-cost medication impacts premiums or why increased mental health utilization is a positive but costly trend.
- **Explain macroeconomic factors.** The main point for employees to understand is that these rising costs aren't specific to the organization—they are happening everywhere. Employers can explain why costs are increasing, such as inflation, labor costs, diagnostics and therapeutics advances, and provider consolidation.

Ultimately, employers can be pivotal in helping employees understand and manage the impact of rising costs.

5 Attraction and Retention Trends to Monitor in 2026

Employers are navigating a labor market shaped by technological disruption, shifting worker priorities and economic uncertainty, all while striving to attract and retain talent. Here are five trends to watch in 2026:

1. **The rise of gig work**—Statista reported that more than 70.4 million Americans are currently involved in freelance work. By 2027, freelancers and gig workers are expected to become the majority of the workforce.
2. **Artificial intelligence (AI) redefined**—AI is no longer just a productivity tool; it's a workforce disruptor. According to Korn Ferry, 43% of companies plan to replace roles with AI.
3. **Burnout as a business risk**—Half (48%) of workers cite overwhelming workloads as the primary reason for burnout, according to a DHR Global survey. As companies streamline teams and push for efficiency, employees often find themselves juggling more responsibilities without additional support. This can lead to employees working too many hours to keep up with rising expectations. Losing top performers due to burnout can create a vicious cycle for the employee experience.
4. **Layoffs reshaping talent pools**—Resume.org found that 6 in 10 companies plan to lay off employees in 2026. While overall labor reports show that total employment and hiring activity have fluctuated at relatively normal levels, the

proportion of layoffs has been significant and is expected to continue.

5. **Stability returning to the labor market**—After several years of volatility, the labor market is showing signs of settling down. Indeed reported that job postings are expected to level off rather than surge or collapse, marking a shift from the rapid hiring cycles of the pandemic era.

These shifts present an opportunity for organizations to rethink how they approach hiring and retention. Contact us for more resources.