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MID OREGON CREDIT UNION



Above left, Kevin Cole, Mid Oregon Credit Union CEO, said the company expects to spend 38% more on coverage in 2027. Cerebral Brewing CFO Dan McGuire has budgeted for a 20% increase. CEREBRAL BREWING

Rising Healthcare Costs Reverberate

BY ANNA WILDE MATHEWS

Corporate America is getting hit by healthcare sticker shock—and companies are passing a greater share of the cost on to workers.

The trend is accelerating. New data show that this year, the average cost of a family health plan crossed $28,000, rising by 5%, according to an annual survey from the nonprofit KFF, which provides the broadest picture of U.S. employer health coverage. The share coming out of employees' paychecks shot up even faster—to $7,471, an increase of 9% from 2025.

Kevin Cole, chief executive of Mid Oregon Credit Union, was stunned when he got the company's new healthcare cost projection: Mid Oregon was expected to spend 38% more on coverage in 2027.

"It was horrific, much worse than I expected," said Cole.

Cole had to make changes to the health coverage offered to the credit union's roughly 170 employees. Among those changes: raising workers' premium payments in tandem with the overall cost increase, raising deductibles and offering a new high-deductible plan.

Still, the changes are only expected to bring Mid Oregon's cost increase down by about 2 percentage points.

Next year is likely to be worse, according to health benefits consultants and actuaries.

The cost increases for 2027 follow two or three years of steep rises, and the drivers aren't going away. Hospitals have been able to raise some prices and use artificial-intelligence tools to boost billing.

High-cost drugs for an array of conditions, including cancer and weight loss, are driving up spending. Some employers are reacting by dropping coverage for popular GLP-1 weight loss drugs, though some are now helping to fund pretax accounts that workers can use to buy them on their own.

Denver-based Cerebral Brewing, which makes its own

beer and owns tap rooms, is budgeting for a 20% cost increase on its health plans, which renewed on July 1. The company is also facing cost increases for aluminum and fuel, and it hasn't raised its overall beer prices.

To blunt the rise in healthcare costs and keep coverage affordable for its approximately 50 workers, Cerebral shifted to plans with bigger deductibles, including one set at $6,000 for a single employee.

"It's obviously a high number, but we felt that the costbenefit of it was worth it," said Dan McGuire, the company's chief financial officer.

The highest-deductible plan costs employees less than $100 per biweekly paycheck, and Cerebral also gives workers $50 monthly stipends to use on health-related expenses.

Increasing workers' premium contributions was the most popular strategy this year among employers trying to hold down healthcare cost increases, according to the KFF survey.

That likely signals that employers feel the labor market isn't very tight and that they can risk putting more of the burden on employees, said Gary Claxton, a senior vice president at KFF. "You don't think they're going to go anywhere."

As employees' premium and out-of-pocket costs rise, particularly in lower-wage industries like retail, more workers may go without coverage, said Elliot Rosenblum, president of Symphony Consulting, which works with midsize employers.

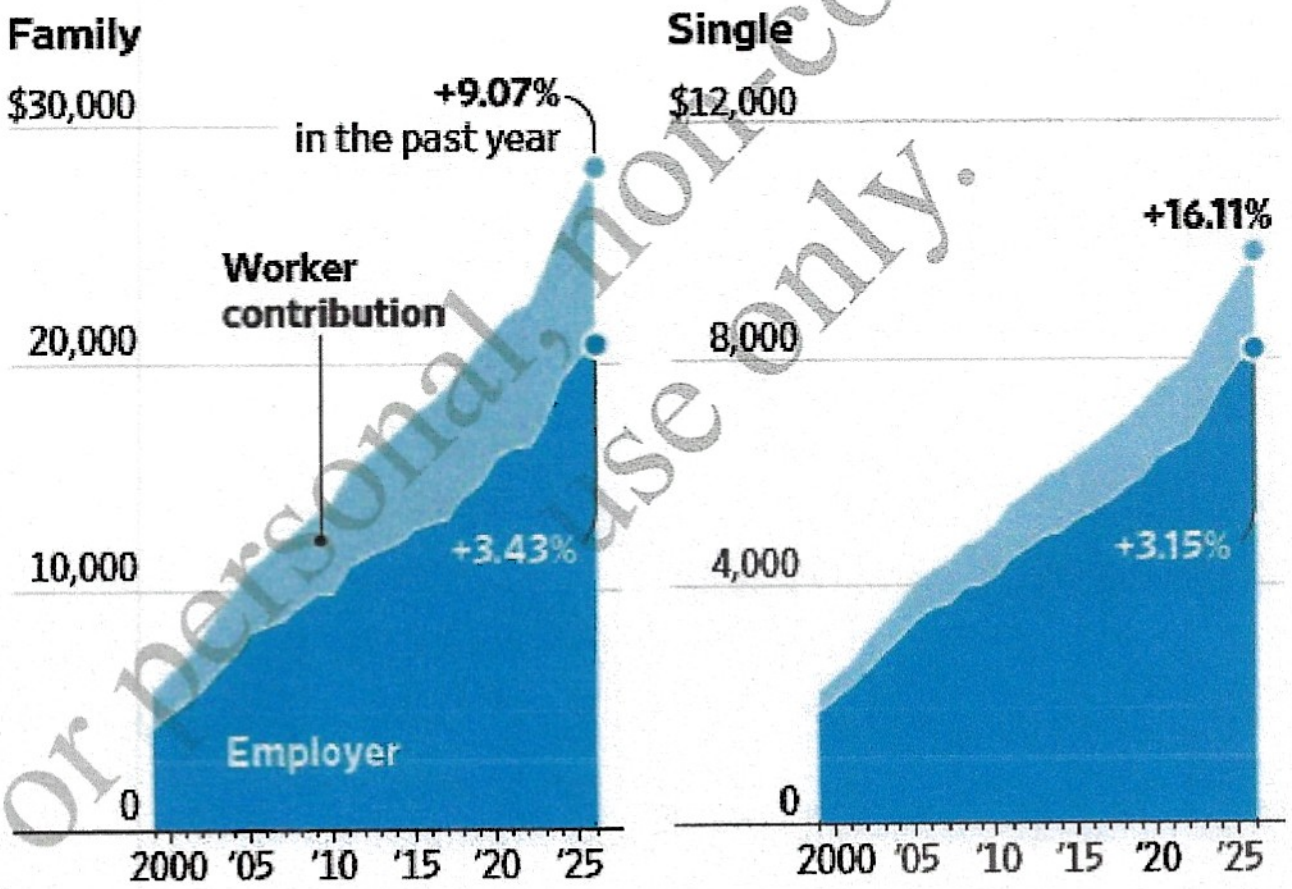
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Health Benefits' Costs Climb

The average cost of a family health plan is up 5% this year—and workers are paying an increasing share of the expense. B1

Average annual contributions to premiums for coverage through 2026



Sources: KFF Employer Health Benefits Survey (2018-26); Kaiser/HRET Survey of Employer-Sponsored Health Benefits (1999-2017)

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