

FOR THE EXCLUSIVE USE OF AORTIZ@MAHEALTHCOUNCIL.ORG

From the Boston Business Journal:

<https://www.bizjournals.com/boston/news/2026/09/28/health-insurance-premiums-cost-business-2026.html>

SUBSCRIBER CONTENT:

THE PLAYBOOK

Career & Workplace

Businesses are feeling the squeeze from higher health insurance costs



The renewed emphasis on health insurance costs comes amid soaring prices for small businesses.

COURTNEYK



By [Andy Medici](#) – Senior Reporter, The Playbook, The Business Journals
Sep 28, 2026

Listen to this article 6 min

Story Highlights

- Median individual premiums at small businesses reached \$8,743 in 2026, up 7% annually.
- More than 52% of small business employers absorbed increased health insurance costs themselves.
- Ninety-eight percent of National Federation of Independent Business members say providing coverage will become unsustainable within the decade.

Rapidly rising healthcare costs are putting small-business owners in a difficult situation – and forcing many to absorb higher prices.

The National Federation of Independent Business this year has pushed for a variety of Congressional actions it says would help make health insurance coverage more affordable, as 98% of its members have said their ability to provide such care will become unsustainable within the decade.

“Small businesses want to provide quality health benefits for their employees, but rising costs are making that harder every year,” said NFIB President Brad Close. “Without action to address medical and insurance costs, millions of small businesses will continue to face the impossible choice between reducing benefits, delaying job creation, or dropping coverage altogether.”

NEW MEMBER PERK: PORTFOLIO

Curated Benefits from Premium Brands

Enjoy exclusive discounts on business services, travel, and everyday essentials with Portfolio.

[ACCESS MY SAVINGS](#)

The renewed emphasis on health insurance costs comes amid soaring prices for small businesses. [Data from payroll and benefit platform Gusto](#) found that the median individual premium at small businesses reached \$8,743 in 2026, up 7% since last year and 31% since 2022.

But the smallest businesses pay the most. Businesses with two to five employees now pay a median of \$9,170 per employee, roughly 6% more than firms with 25 to 49 employees.

The share of small businesses offering health insurance hovered around 21% in 2026, with employers covering 68% of the premium.

But when asked how employers control health insurance costs, more than 52% said they absorbed increased costs themselves, while 36% reduced coverage and 30% said they increased employee contributions – with employers being able to pick multiple options in their response.

More small businesses are offering high-deductible healthcare plans, in which a higher initial deductible results in lower monthly payments while offering employers a way to set aside pre-tax dollars to spend on healthcare.

The share offering at least one Health Savings Account-eligible plan rose from about 9.6% in 2019 to nearly 13% by 2026, giving employers another way to manage rising costs while maintaining coverage.

“Rather than cut one of the benefits employees value most, small businesses are finding workarounds that allow them to maintain coverage,” the Gusto

report said.

A separate survey by health insurance marketplace eHealth found that more than half of small to mid-sized businesses offering group benefits are facing premium increases of 10% or more for 2027 – and the added costs are catching many by surprise. About 80% said they were surprised by the size of the premium increase and 44% said they were "very surprised."

That survey found business owners are facing bleak situations, including:

- 73% who are considering dropping traditional health insurance benefits in 2027, with 85% of these citing the high cost of coverage as the primary motivator.
- 85% who worry they won't be able to afford to offer group health insurance benefits within three years.
- Among businesses that don't offer employees a group health insurance plan, 65% say they would like to do so but can't afford it.

"Employers of all sizes know that offering health benefits helps them hire and retain the best workers, but our new survey shows that rising health insurance costs are making that increasingly difficult," said [Derrick Duke](#), CEO of eHealth.

But rising costs are not going away any time soon. [Global professional services firm Aon](#) predicts that U.S. employer healthcare costs will rise 9.5% in 2027. That will make the average healthcare plan cost more than \$19,000 per employee when the employer and employee shares are combined.

An additional point of concern for employers is that not only is the cost itself increasing, but the rate of increase also is rising. Between 2021 and 2022, employer costs grew 3.7%. Since then, the annual increase has become 4.5% in 2023, 6.4% in 2024, 7.2% in 2025 and 8.8% this year, according to Aon.

Similarly, the employee's share has gone from a 2.9% increase between 2023 and 2024 to a 5.5% increase in 2025 and 7.9% this year.

Aon is not the only firm predicting soaring health-insurance costs. [Consulting firm WTW has projected healthcare costs will go up 11.1% in 2027](#), the highest rate of increase in more than two decades.

Part of what is driving higher costs is the [growing pervasiveness of a popular class of weight-loss drugs known as GLP-1s](#). Known for years for treating diabetes, GLP-1 drugs more recently have become a popular weight-loss measure. The class of drugs includes the brand names Ozempic, Mounjaro, Zepbound and Wegovy.

[Seventy percent of employers surveyed by NFP, an Aon company](#), said they anticipate that pharmacy costs will increase in the coming year, with 51% citing GLP-1s as a contributing factor.

Want more stories like this in your inbox? [Sign up for The Playbook newsletter](#).