Obamacare Premiums Poised for Second Straight Double-Digit Jump

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Summary by Bloomberg AI

- People buying Obamacare health insurance face double-digit premium increases in 2027 for the second year in a row, intensifying the affordability squeeze.
- Insurers are proposing to raise premiums by a median of 14% next year, according to an analysis from the health policy group KFF of rate requests in more than a dozen states.
- The combination of expiring subsidies and rising premiums threaten to deliver another blow to Americans already straining to cover household expenses.

People buying Obamacare health insurance face double-digit premium increases in 2027 for the second year in a row, intensifying the affordability squeeze that has pushed millions to stop signing up for coverage.

Insurers are proposing to raise premiums by a median of 14% next year, according to an analysis from the health policy group KFF of rate requests in more than a dozen states. In 2026, premiums in the Affordable Care Act market jumped 20%.

About **19 million people** are covered by Obamacare health plans. **Most people** get subsidies that reduce what they have to pay and can insulate them from premium hikes. Enrollment dropped by about 4 million people this year after Congress declined to extend additional, Covid-era subsidies that lowered costs even more.

That's led to shrinking membership at some insurers including Centene Corp., while others including Cigna Group and CVS Health Corp. have been exiting the market entirely.

The combination of expiring subsidies and rising premiums threaten to deliver another blow to Americans already straining to cover household expenses. An Indiana 40-year-old on a midlevel plan making $65,000 a year would pay $546 a month next year, KFF calculated. That's up from a monthly cost of $316 in 2025, when the enhanced subsidies were in place.

As subsidies lapsed and health plans became more costly, healthier people were discouraged from signing up. That caused insurers to increase premiums for 2026 to cover the expenses of the sicker people who remained, according to the KFF analysis. Insurers expect this trend to continue in 2027, and it accounts for about 4 percentage points of the increase they're requesting next year.

Health plans also said they plan to boost premiums because medical costs are going up, inflation is increasing expenses across the board, and worker wages are rising, according to the analysis. The cost of medicines including GLP-1 weight-loss and diabetes drugs is further increasing spending.

KFF analyzed rate filings of 77 insurers in 16 states and DC. Insurers in the ACA market must submit premiums to state regulators for approval, and initial rates may change.

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