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Obamacare Insurers Seek Hefty Rate Rises

BY ANNA WILDE MATHEWS

Rates for many Affordable Care Act plans rose by double digits this year. Insurers want to do the same next year.

Some of the biggest Obamacare companies are seeking hefty premium increases for 2027, often for the second year in a row. In Washington state, Centene is asking for a 28% increase, after boosting rates by 35% in 2026. Blue Cross and Blue Shield of Illinois wants 15%—on top of a 28% increase this year.

“It is a stunning jump” when you add both years together, said Cynthia Cox, senior vice president at KFF, a health-research nonprofit.

At the request of The Wall Street Journal, KFF analyzed the rate requests for the largest ACA plans by enrollment in 15 states where insurers’ 2027 filings have already become public, as well as the District of Columbia.

Surging ACA premiums are likely to become a focus in the midterm elections, with Democrats expected to emphasize healthcare affordability.

ACA insurers said they are dealing with the same factors that pushed premiums up in 2026. Healthcare spending, including on pharmaceuticals and hospitals, is still rising rapidly.

At the same time, insurers said they expect the impact of reduced federal subsidies, which kicked in at the start of 2026, to roll through next year as well. Facing sharply higher insurance bills, millions of policyholders are dropping ACA plans, leaving a smaller group of enrollees who are generally less healthy, and thus costlier to cover.

Already, the number of

Obamacare policyholders fell to 19.2 million as of February, from 22.1 million a year earlier. Actuaries said more people are likely to leave later this year and next.

“Enrollment continues to drop, while the risk pool continues to deteriorate,” said Michelle Anderson, a consulting actuary at Wakely Consulting Group.

Health Care Service Corp., the parent of Blue Cross and Blue Shield of Illinois, said its requested rates reflect “rising cost of care and evolving federal and state requirements.”

Centene, which is seeking a 28% increase in New York in addition to its Washington request, declined to comment.

Another major national ACA player, Elevance Health, is asking for double-digit premium boosts in Indiana, Connecticut, Kentucky and Maine. Elevance declined to comment.

KFF calculated the median increase across 77 publicly available ACA rate filings for 2027: 14%. For 2026, the median final rise across all ACA plans was 20%.

Insurers' 2027 ACA rates have to be reviewed by regulators, and the premiums finalized in late summer might be different from these early requests.

ACA policyholder Raquel Vokenroth said she is worried about whether she will be able to hold on to her insurance next year. A legal assistant in Rapid City, S.D., Vokenroth, 52 years old, paid about \$450 a month for her health plan last year, with the help of a subsidy.

This year, her monthly insurance cost shot up to around \$1,260, more than her mortgage payment, because she no longer qualified for the scaled-back federal support. Despite help from her employer, the extra expense meant she had to cut her retirement contributions.

Now, she is bracing for the likelihood of higher premiums in 2027, though it isn't clear how much they will rise. Rate filings aren't yet public in South Dakota. "Everything is going up, you know, fuel, groceries, just everything," Vokenroth said.

In another sign of strain, more insurers are pulling back from the ACA market.

Cigna Group will stop selling plans next year, after CVS Health's Aetna left in 2026. The exits and other uncertainty have led to insurers giving priority to stable profit margins and seeking higher rates, said Jeremy Kush, a consulting actuary at Milliman.

Insurers cited a variety of factors that are driving up their costs, such as the rising use of certain medical services and growing spending on specialty drugs for conditions including cancer.

"When the cost of care goes up, the cost of insurance goes up," said David Merritt, a senior vice president at the Blue Cross Blue Shield Association.

Blue Cross and Blue Shield of Minnesota flagged the growing role of artificial-intelligence billing tools that help healthcare providers "document and submit a greater number of patient conditions and risk factors in order to receive higher payments."

Some insurance companies are also blaming a federally mandated negotiating process for out-of-network bills, which has led to costly settlements.

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