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The market is shrinking after the pullback of federal subsidies.

ACA Rates To Increase By 13% in '27

BY ANNA WILDE MATHEWS

Affordable Care Act plan premiums will rise by 13% in 2027, the second straight year of double-digit increases in a strained market that is already facing shrinking enrollment.

Next year's boost follows a 26% surge this year and is the second biggest rise since 2018, according to KFF, the healthresearch nonprofit that calculated the increase based on federal data released Friday.

The hike means an average monthly premium of about $704 for a 40-year-old buying an ACA "benchmark" plan for 2027, compared with $624 this year and around $497 in 2025. Benchmark plans are midtier products in each region that are used to set federal subsidy amounts.

People can start shopping for next year's ACA plans on Sunday, which is Nov. 1. The latest increase will add to the strain for the slice of ACA consumers who pay the full price for their plans. Most people with ACA coverage get the government subsidies, but federal support was reduced sharply at the start of this year, leading millions of people to drop out of the market.

Americans are feeling the effect of higher healthcare costs during this fall's insurance enrollment period. Employers are facing 2027 insurance increases, which they are passing along to workers in the form of bigger paycheck withdrawals and higher outof- pocket costs. Even seniors, now choosing their Medicare plans, are seeing slimmeddown benefits and increases in charges such as drug deductibles.

For the ACA plans, as with other types of insurance, a main driver of higher premiums for next year is the growth in spending in areas like hospital care and drugs, said Cynthia Cox, a senior vice president at KFF.

The ACA market is under unique pressure, however, because it is shrinking after the pullback of federal subsidies that made plans far more expensive for millions of people. Healthier people are more likely to drop their coverage, leaving a smaller, sicker pool, leading to higher premiums.

As of late October, a KFF tally showed 31 state-level departures by insurers, with eight additions. Cigna Group is pulling out of the ACA altogether next year.

"The market is deteriorating," said Cox. She and other analysts say the ACA market isn't close to collapsing, but it will remain smaller than its peak in 2024 and 2025.

This year, enrollment in ACA plans dropped to around 19.2 million as of February, a 12% decline from a year earlier. Insurers have said more have left since then, and it is likely to continue next year.

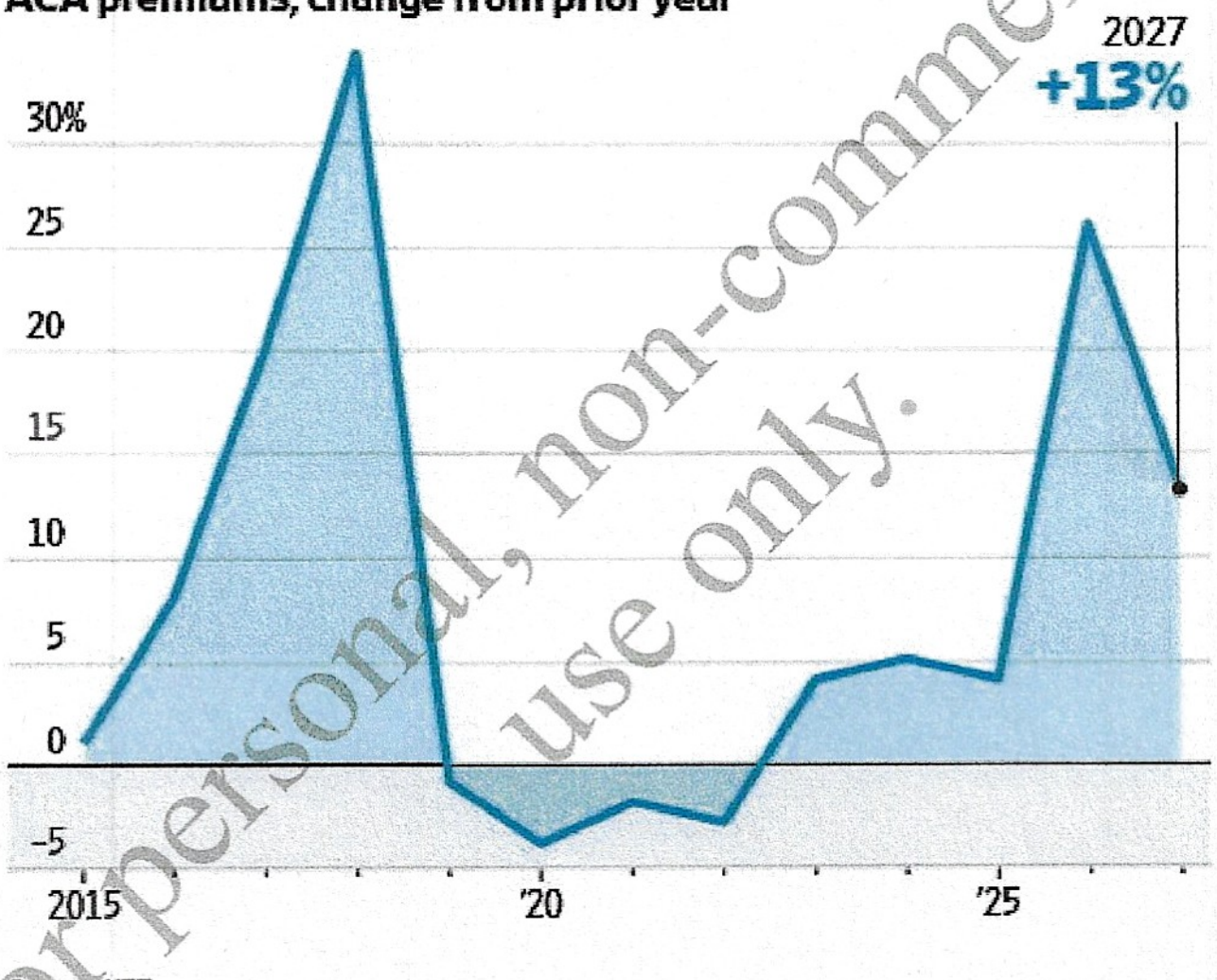
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Premiums for Affordable Care Act (ACA) plans will increase by double digits again in 2027.

ACA premiums, change from prior year



Source: KFF

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