



NEWS RELEASE

Survey: 54% of Small- to Mid-Sized Businesses Report Double-Digit Health Plan Premium Increases for 2027

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73% of these businesses are considering dropping traditional health insurance benefits for 2027, with cost the primary motivator

80% of employers facing rate hikes say they were surprised by the size of their premium increase for next year

INDIANAPOLIS, Sept. 16, 2026 /PRNewswire/ -- **eHealth** (Nasdaq: EHTH), a leading private online health insurance marketplace, today published new **original research** showing that over half of small- to mid-sized employers offering group health benefits are facing plan premium increases of 10% or more for 2027, prompting many to consider cancelling coverage for employees or exploring alternative insurance arrangements.

At the same time, there's growing awareness among these business owners and managers of Custom Health Option and Individual Care Expense (CHOICE) Arrangements, with knowledge of this alternative increasing 11% compared to a year ago. CHOICE Arrangements were previously known as Individual Coverage Health Reimbursement Arrangements (ICHRA).

eHealth's report, which is based on a survey of over 500 owners and managers of businesses with 500 or fewer employees, highlights the challenges small- to mid-sized employers face when it comes to offering traditional group health insurance benefits.

Key findings from the report include:

Cost concerns heading into 2027 among small- to mid-sized businesses

- 54% of businesses that offer group health insurance are facing double-digit group health insurance premium increases for 2027, with over one in five employers reporting a premium increase of 15% or more.
- 80% of those facing rate hikes say they were surprised by the size of the premium increase for next year, including 44% who were "very surprised."
- 73% are considering dropping traditional health insurance benefits in 2027, with 85% of these citing the high cost of coverage as the primary motivator.
- 85% 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.

Satisfaction rates and interest in alternative options

- 72% express at least one point of dissatisfaction with their current coverage, with the most common issues including high premiums (29%), unpredictable costs (19%) and finding a plan that suits everyone (13%).
- 79% say administering a group health insurance plan is a burden, including 41% that consider the process a "huge burden."
- 58% report already pursuing alternative insurance arrangements other than a fully insured plan, such as level-funded or self-funded plans, or shifting to CHOICE Arrangements.
- 57% of all small- to mid-sized employers are familiar with CHOICE, up from 46% last year.

"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**. "With over half of small- to mid-sized employers facing double-digit premium increases for 2027, many are responding by evaluating alternative approaches that can provide greater cost certainty and less administrative burden, while providing improved flexibility and financial assistance to employees seeking health insurance coverage."

Read the **full report**.

Survey methodology

eHealth's report is based on a nationwide survey of more than 500 owners and managers of small to mid-sized businesses (of no more than 500 employees), drawn from the general population. The survey was conducted by a third-party survey vendor between August 24 and 28, 2026. The overall margin of error is +/- 4%.

About eHealth

For nearly 30 years, eHealth, Inc. (Nasdaq: EHTH) has helped millions of Americans find the healthcare coverage

that fits their needs at a price they can afford, using data, artificial intelligence and a consumer-first approach to help people quickly and effectively compare insurance options. As a leading independent licensed insurance agency and advisor, eHealth offers access to plans from more than 180 health insurers, including national and regional companies, supporting consumers during their working years and retirement. eHealth's licensed insurance agents help match consumers with the insurance plans, services, and support they need to live healthier, more financially secure lives. For more information, visit **eHealth** or follow us on **LinkedIn**, **Facebook**, **Instagram**, and **X**.

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