



**Small
Business**

News Release

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Covered California for Small Business Announces Rate Change and New Carrier for 2027 Amid Record-High Enrollment

SACRAMENTO, Calif. — Covered California for Small Business (CCSB) announced a statewide weighted average rate change of 8.6 percent for small-business employers and their employees and the addition of Western Health Advantage as a new carrier for the upcoming 2027 plan year.

As of September, 82,905 Californians receive coverage from plans offered through Covered California for Small Business, the highest enrollment in CCSB history and a five percent increase from 2025 to 2026. In addition, 9,969 small businesses are currently enrolled, showing that Covered California continues to offer the best coverage options for businesses and their employees.

“Thousands of Californians are building their dreams of entrepreneurship in the state. Our record enrollment is proof that small business owners trust Covered California for Small Business to support their dreams by providing affordable, high-quality coverage for their employees and their families,” said Covered California Executive Director Jessica Altman. “A healthy workforce is a productive workforce. CCSB plans provide coverage that can help prevent illness, increase productivity and retention, and improve their overall health and wellness.

This year’s preliminary rate change of 8.6 percent is below the 9.2 percent increase that the Business Group on Health is projecting for large employers nationally¹. Covered California continues to work with carriers to offer high-quality coverage at affordable prices for all eligible small businesses the state.

CCSB will offer plans from four carriers in 2027 at varying rates and metal tiers, ranging from Bronze, Silver, Gold, and Platinum. The list of carriers includes Blue Shield of California, which will offer health maintenance organization (HMO) and preferred provider organization (PPO) plans, and Kaiser Permanente (offering HMO plans).

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¹ Source: Business Group on Health, [“2027 Employer Healthcare Strategy Survey: Full Report.”](#)

They are joined by Sharp Health Plan, and their availability HMO plans in San Diego County, and Western Health Advantage with HMO plans available in 10 counties across Northern California. Across the state, consumers have 44 distinct plan options to choose from. CCSB also offers Delta Dental of California dental plans, with HMO and PPO options available for employees and their dependents.

Table 1: Weighted Rate Change by Carrier for Plan Year 2027	
Carrier	2027 Average Rate Change
Blue Shield of California	12.1%
Kaiser Permanente	5.3%
Sharp Health Plan	12.3%
Weighted average rate for plan year 2027	8.6%

Businesses with up to 100 full-time equivalent employees can apply for health coverage for their workers through the CCSB marketplace. Unlike the individual market, there are no open enrollment or special-enrollment periods. Businesses may enroll at any time during the year if they meet these additional criteria:

- The business has at least one employee who receives a W-2 (excluding the owner or the owner's spouse).
- The majority of eligible employees live or work in California.
- The business offers health insurance to all eligible employees and meets contribution and participation requirements.

Federal tax credits are available at varying amounts depending on the type of organization:

- For-profit employers could receive financial help for up to 50 percent of eligible premium expenses.
- Tax-exempt employers could receive financial help for up to 35 percent of eligible premium expenses.

Employers control the contribution amount (50% minimum) and can offer employees a range of tier options so they can shop and compare to find the plan and corresponding networks of doctors and hospitals that meet their family's needs and lifestyles. As coverage level increases, plans generally cover a higher share of medical costs — and employees typically pay more in monthly premiums.

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Once an employer has enrolled, coverage and premiums are guaranteed for 12 months from the effective coverage date. Newly eligible employees may be added during the plan year with a qualifying event. An employer like Sophie, owner of Butter & Crumble in San Francisco, who relies on Covered California for Small Business to provide coverage to her employees.

“My employees are everything to me. They are how this business runs truly. We’ve scaled really slowly; we have about 20 employees now and offering 100% healthcare through Covered California is one of those things that has been great to be able to offer as a benefit to them,” said Sophie. “When we reached out to Covered California, they helped redirect us and offer plans that are varied and are more suitable towards more people that we work with, so we’re really grateful.”

More of Sophie’s story is available on Covered California’s [YouTube](#), [Instagram](#), and [Facebook](#) pages.

“We know that in time of rising costs, affordability is top-of-mind for our small businesses in California,” said Altman. “That is why we work constantly with carriers to provide competitive rates and expanded options that fit the needs and budgets of businesses and employees year-round.”

Visit the redesigned CoveredCA.com/small-business for information on how to apply and obtain financial help through a simpler, consumer-centered process and experience. Californians may also call (844) 332-8384 or send an email to smallbusiness@covered.ca.gov for any questions about enrollment.

About Covered California for Small Business

Covered California for Small Business (CCSB) is a health insurance marketplace specifically designed for small businesses with 100 or fewer full-time equivalent employees. Through CCSB, small business owners can shop and compare from a choice of competitively priced health insurance plans from private insurance companies and obtain federal tax credits so both the employer and their employees can find a plan that fits their needs and budget.

Covered California is an independent part of the state government – overseen by a five-member board appointed by the governor and the Legislature – with a mission to increase the number of insured Californians, improve health care quality, lower costs, and reduce health care disparities. For more information about Covered California for Small Business please visit CoveredCA.com/small-business.

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