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Health Insurers Seek Big Premium Increases

BY ANNA WILDE MATHEWS

If you buy your own health insurance, you are probably going to pay more next year—a lot more.

Insurers are seeking hefty 2026 rate increases for Affordable Care Act marketplace plans, the coverage known as Obamacare. Blue Cross & Blue Shield of Illinois wants a 27% increase, while its sister Blue Cross plan in Texas is asking for 21%. The largest ACA plans in Washington state, Georgia and Rhode Island are all looking for premiums to surge more than 20%.

The companies said the big increases are needed because of higher healthcare costs and changing federal policy, including cuts to subsidies that help consumers pay for plans. The higher premiums would come after years of enrollment growth and mostly single-digit rate increases in the Obamacare market, where individuals and families buy insurance for themselves. About 24 million people have ACA plans.

At the request of The Wall Street Journal, the health-research nonprofit KFF analyzed the rate requests for the largest ACA plans by enrollment in 17 states where the insurers' filings have already become public, as well as the District of Columbia.

They showed that some of the biggest national ACA players, including Centene and Elevance Health, are seeking double-digit increases in several states. The Blue Cross & Blue Shield plans of Texas and Illinois are both owned by Health Care Service, a giant nonprofit.

Higher ACA premiums would hit consumers including Clare Forry, a 40-year-old resident of Arlington Heights, Ill., who has a Blue Cross & Blue Shield of Illinois plan that currently costs about \$590 a month.

If her monthly payment rose above \$700 next year, the cost would be “pretty hard to grasp,” said Forry, a retail-industry manager. “That’s some people’s mortgage payments.”

Most Obamacare enrollees’ monthly insurance bills will go up substantially next year because of reductions in federal subsidies that help pay for their coverage. Enhanced payments passed by Congress in 2021 will lapse at the end of December.

The drop-off in subsidies is both helping to drive higher premiums and making it harder for many consumers to pay them.

Some people “are going to be hit with this double whammy” of bigger monthly insurance bills and the loss of the subsidy that blunts their cost, said Cynthia Cox, a vice president at KFF.

KFF also found that, across all the rate filings that are public, the median requested premium increase was about 15%, which would likely be the steepest since 2018.

Insurers said higher rates are driven primarily by projected increases in the expense of enrollees’ care. Major insurers including Centene and Elevance have already seen their financial results squeezed this year by higher claims costs.

An Elevance spokeswoman pointed to comments company executives made Thursday on a call with Wall Street analysts in which they mentioned rising emergency-room visits, costly drugs and more use of behavioral healthcare by ACA plan enrollees, among other factors.

A Health Care Service spokesman said that “plans are priced to reflect anticipated healthcare needs” and that the nonprofit promotes “market stability and sustainable access to comprehensive coverage for our members.” He said that he couldn’t comment on specific enrollees, but that rate changes would vary by plan, location and member.

A Centene spokeswoman declined to comment. The company said on July 1 that it was refiling 2026 ACA rates to reflect estimates of an enrollee population with more health conditions.

In rate filings, some insurers said tariffs could add to the cost of drugs and medical supplies.

Also pushing up premiums: Enrollment in the ACA marketplaces is expected to drop by millions next year because of the shrinking subsidies, as well as new rules that tighten sign-up requirements.

When enrollment falls, the people who stay in the plans tend to be the ones who are less healthy and have higher claims costs on average, according to actuaries and insurers.

“People who think they are going to need healthcare are going to be more willing to jump over additional hurdles or pay more for coverage,” said Cori Uccello, a senior health fellow at the American Academy of Actuaries. Insurers ask for higher premiums because the typical enrollee in the smaller pool is likely to have costlier medical needs, she said.

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