

Insurance premiums to double in '26

Higher-income families of four could face hikes of more than \$10,000

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Premiums will double next year for Coloradans who buy their health insurance on the state's individual market, with higher-income families facing increases of \$10,000 or more, the Colorado Division of Insurance announced Monday.

Marketplace customers face a double hit this year. The monthly "sticker price" of health insurance is rising, typically due to the aging population and increased use of expensive care, including high-cost medications. And households will have to pay a larger share of that monthly cost than they have since the pandemic as the tax credits that subsidize insurance purchases revert to pre-COVID levels.

The average person who receives subsidies to buy their insurance through Connect for Health Colorado, the state-run marketplace, will have to pay 101% more in 2026 after accounting for both factors, according to the Division of Insurance.

The enhanced subsidies lowered the percentage of a person's income that they had to put toward premiums. For example, an individual earning \$35,000 per year previously had to pay 3% of their income, or \$1,033 annually, for their insurance, according to the health policy group KFF. Next year, they'll have to pay 7.5%, or about \$2,615.

People earning more than four times the federal poverty line, or about \$128,000 for a family of four, won't receive any subsidies next year. For a family of four at that income level in Denver, premiums for a silver plan would rise \$14,000, with greater increases in rural areas. The enhanced subsidies also phased out as income increased, but did so more gradually.

The division estimated about 75,000 of the 335,000 people who buy insurance on the state marketplace will opt to go without coverage, leaving them exposed to high medical bills if they have an unexpected illness or accident.

Jessica Nelson, of Denver, said going without insurance isn't an option for her family, so they'll have to choose a less generous plan, take on more work to raise their incomes, or cut non-essential spending. Both she and her husband are self-employed, and neither wants to return to corporate jobs for the sake of insurance.

But at least they can make the numbers work, she said.

"I just keep thinking about the people who are going to be losing their insurance," she said.

The upcoming lapse in tax credits is driving the now four-week-long government shutdown. Democrats say that any deal to reopen the government should include an extension of the enhanced subsidies, while Republicans say any extension has to come after a deal to fund federal agencies.

Mannat Singh, executive director of the Colorado Consumer Health Initiative, cast doubt on Republicans' willingness to extend the subsidies when the government reopens.

Allowing them to expire helped bring down the cost of extending tax cuts for top earners through H.R. 1, she said. The sweeping tax law is known as either the "big beautiful" or "big ugly" bill, depending on the political leanings of the person speaking. All of Colorado's Republican delegation voted for the bill, while all of the Democrats voted against it.

"They knew this devastation was coming and have failed to protect Coloradans from massive increases in insurance premiums," she said in a news release. "Congress needs to take action now to extend enhanced premium tax credits."

If Congress extended the higher subsidies, premiums would rise about 16% and lower-income people wouldn't face any increase, according to the state insurance division.

Theoretically, lawmakers could still act, but the window is closing rapidly. Open enrollment starts Saturday, and people who want coverage in January need to choose a plan by Dec. 15.

Typically, the state would have released this information weeks ago after determining whether rates that insurers submitted over the summer were reasonable.

The legislature passed a bill in August to try to reduce rates, requiring insurance companies to submit a new set of numbers. The Division of Insurance then asked them to lay out how much lower their rates would be if Congress extended the subsidies. Those rates are now irrelevant, though extending the subsidies could limit how much of the increase customers have to pay.

The Congressional Budget Office estimated that extending the subsidies would increase the number of people with insurance by 3.8 million, but also raise the deficit by \$350 billion over the next decade.

"These premium increases are going to create impossible decisions for families across the state. We have sounded the alarm bells at every turn, but Congress' refusal to act means that Coloradans will be left with unacceptably high health insurance bills during a tightening time in the economy," Insurance Commissioner Michael Conway said in a news release.

Nationwide, KFF estimated premiums would rise an average of 114% for people who received subsidies. Other estimates put average premium increases at 93%.

The cost of job-based insurance also typically rises annually. In 2025, workers had to pay about 6% more in annual premiums than they did in the previous year, according to KFF. Information about 2026 premiums isn't yet available.

The legislature reduced the average impact from about 174% to 101% by appropriating \$75 million to directly subsidize customers and by putting up to \$50 million toward the state's reinsurance program, Conway said.

Reinsurance acts as a backstop for insurers, covering some of the cost of their most expensive customers' care. That means insurance companies aren't on the hook for as much money and can charge lower premiums, which in turn saves the federal government money it would have paid out in tax credits.

The federal government allowed the state to use those savings to pay for reinsurance, but with lower tax credits, the savings are also lower. The legislature's appropriation partially replaced the federal money Colorado won't receive.

Though the legislature's efforts helped, the increase in premiums on the individual market will affect health care providers and people with job-based insurance over time, Conway said at a news conference last week. When fewer people have health insurance, hospitals provide more uncompensated care, and then pass the increased costs on to commercial insurance plans, he said.

"There isn't a corner of our health care ecosystem that's going to be safe from the disaster that is coming our way," he said.