

Federal Policies are Driving Rising Health Insurance Costs

Minnesotans Likely to Experience Avoidable Increases in Health Insurance Premiums in Individual and Small Group Markets

Thousands of individuals, families, and small business owners across our state are likely to face higher health insurance premiums driven by federal policies in Washington.

Over the next few years, these federal changes will:

- **Raise out-of-pocket costs** and **reduce plan value**, meaning less coverage for more money
- **Let enhanced premium tax credits expire**, raising net premiums for thousands
- **Strip medical coverage from millions**, destabilizing Minnesotans' access to services
- **Shorten the enrollment period** and **eliminate auto-renewals** for many consumers, making it harder for families to get covered

These federal policy changes would force Minnesotans to make tough choices. When federal subsidies disappear or medical coverage is stripped away, those affected are often left **choosing between paying for health insurance or other essentials like groceries, child care, or rent.**

To offset a portion of the gap left by federal inaction, Minnesota acted quickly to protect families and small businesses by extending the **Minnesota Premium Security Plan (MPSP)**—a reinsurance program that offsets high-cost claims and stabilizes premiums in the individual market.

- Without this program, premiums would have risen **25% higher** than proposed
 - The extension passed with **bipartisan support**
 - Minnesota is doing its part—but **federal partnership is essential**
-



Proposed 2026 health insurance rates after MPSP extension (assumes no federal action)

- **Individual market:** Insurers have proposed average increases ranging from 7%-26% for the 187,000 Minnesotans who buy insurance in the individual market.
- **Small group market:** Average proposed increases range from 7%-17% for the 202,000 Minnesotans covered by small group plans.

Individual Market – Average Proposed Increases

Insurer	% Change
Blue Plus	16.60%
HealthPartners, Inc.*	12.14%
HealthPartners Insurance Co.*	14.49%
Medica Insurance Company	26.03%
Quartz Health Plan MN	7.15%
UCare	14.79%

*HealthPartners Insurance Company is new to the exchange for Plan Year 2026. Many individuals will be moved from a HealthPartners Inc. plan to a HealthPartners Insurance Company plan. Determining which rate increase applies would depend on an individual's service area.

Small Group Market – Average Proposed Increases

Insurer	% Change
Blue Cross	16.30%
Blue Plus	17.00%
HealthPartners, Inc.	10.24%
Medica Insurance Company	8.95%
Quartz Health Plan MN	7.67%
Sanford	6.95%
UnitedHealthcare Insurance Company	12.21%
UnitedHealthcare of Illinois, Inc.	13.32%

Full details of the proposed insurance rates for the 2026 individual and small group market are available on the Minnesota Department of Commerce website. mn.gov/commerce/insurance/health/consumer-protections/rates/proposed/2026/