



HEALTH

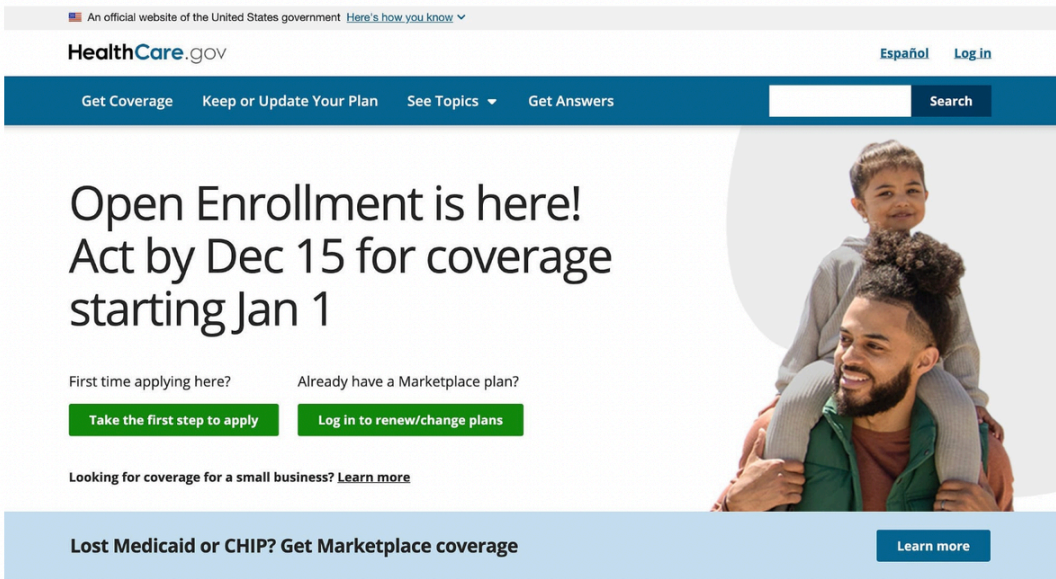
COMMENTARY

Scores of Alaskans face another eye-watering spike in their health care costs next year

Premiums for Alaska health insurance plans on the federal marketplace have spiked more than 50% over the past three years. Does anyone care?

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A screenshot of the landing page for the federal health insurance marketplace. (Image provided by Nat Herz)

Late last year, when I went to sign up for my 2024 health insurance on the federal Obamacare marketplace, the options all seemed

expensive – more expensive than what I paid in 2023.

A perk of being an independent news publisher is that instead of just grouching about this to my family and friends, I also had a legitimate pretext to ask Alaska's top insurance regulator: What's going on?

She responded 16 minutes later with exactly what I was looking for: a [chart](#) showing that, indeed, the plans offered by my insurer, Premera, rose an average of 16.7% between 2023 and 2024 – on top of a 19.5% increase the previous year.

Painful. Not just for me, but for the roughly 25,000 other Alaskans who were getting their health care not from their employer, but directly from insurers through the marketplace.

I wrote a [story](#) headlined: “Monthly premiums for health insurance on the federal marketplace will rise 16% in Alaska next year.”

It got picked up widely across the state, elicited some interesting responses and, for a minute, made me consider whether it was worth diverting some of my journalistic efforts to covering health care. Alaska's health care costs [consistently rank](#) among the nation's highest, yet elected officials don't seem to be making urgent efforts to change that.

But I let the subject go, dutifully paying \$834 a month for my “Blue Cross Alaska One Gold” plan, for a total of some \$10,000 a year just in premiums this year. I expect that I will receive some of that money back through tax credits – perhaps \$2,000 to \$4,000 – but I won't know until I send my return to the IRS.

Fast forward to earlier this month, when it was time, again, to choose insurance for the next year. The monthly price for the same gold plan for 2025 again jumped substantially: to \$953, or an additional \$1,400 in premiums over the course of 2025.

The cheapest “bronze”-level plans are rising sharply, too: to \$609 a month from \$490 for a person my age, according to a [state analysis](#).

The overall average increase in individual plans for 2025 is 16.9% – even higher than the 16.4% from the year before, and far outstripping the [average 7% increase](#) nationally.

Marketplace premiums in Alaska also rose 18.4% between 2022 and 2023, [according to the state's analysis](#) – meaning that the total increase in the past three years exceeds 50%. Small group plans are

seeing steep increases in 2025, too, though larger group plans are not, insurance regulators told me.

Again, tax credits are likely to return some of my premium cost to me at the end of the year; under the current scheme, they limit my premium expense to 8.5% of annual income. But that provision of federal health care law is [actually set to expire](#) next year: It's part of what's known as "enhanced" tax credits adopted during the coronavirus pandemic.

Without action from Congress, I and thousands of other Alaskans enrolled in individual health insurance plans could face sharp cost increases after next year – an [estimated average](#) of \$1,836, according to the health policy research organization KFF.

I'd like to stop here for a second just to back up: When I quit my job at a newspaper and launched Northern Journal, the biggest question mark was health care – specifically, whether I'd be able to afford it.

I have a heart condition, so going uninsured isn't an option for me, but the cost of the marketplace plans was daunting. So was having to guess my future income and knowing that I could face a higher tax bill if I was wrong, as the amount of the credits is tied to your earnings.

Even with tax credits, health care is still an enormous expense: [KFF says](#) that for someone my age making \$75,000, the subsidized cost of a mid-range marketplace plan for 2025 is \$529 a month in Alaska, or more than \$6,000 a year.

I'm sure the state's elected officials would like to tell you that Alaska is open for business. But I can tell you from personal experience: A price tag like that one is a huge obstacle to entrepreneurship.

Don't just take it from me: A fellow independent journalist also told me that the 2025 increases might force her to quit and find an employer who offers health coverage. Her family, she said, will be paying almost the equivalent of a second mortgage in 2025 unless she finds a job with employer-sponsored insurance.

State regulators and Premera officials both told me that the drivers of next year's premium spikes are similar to last year's: price increases for services and drugs, and higher demand for them.

"The impact of the COVID-19 pandemic continues to wash through the claims expense. Folks that put off care or didn't receive

care and now have some more serious illnesses are continuing to be observed in the data,” said Premera’s top Alaska executive, Jim Grazko. He wouldn’t agree with my characterization that the rate increases amount to a crisis, saying that Alaskans are buying marketplace insurance plans in increasing numbers, rather than abandoning them.

Insurers have become a scapegoat in America’s conversation around health care – see the case of Brian Thompson and Luigi Mangione – but it’s hard to directly blame them here. Premera, [in filings](#) with federal regulators, says it lost \$12 million in Alaska’s individual market in 2023, and Grazko said the company continues to price its products “pretty much to break even.”

How, then, to fix the underlying problems of provider and drug cost increases, along with the worsening health of Alaskans? That’s beyond my pay grade; identifying the right policy fixes is a bigger job than I’m able and willing to take on here.

What I can and will continue to do is remind my audience – which includes many elected and non-elected officials in state and federal government – that this system isn’t working. It’s not working for me; it’s not working for the tens of thousands of others on Alaska’s federal marketplace plans; it’s not working for the innumerable friends and loved ones who tell me they feel dehumanized by the American health care system. And I don’t get the sense that much is being done about it.

Ten days ago, [I emailed spokespersons](#) for both of Alaska’s U.S. senators, Republicans Lisa Murkowski and Dan Sullivan, and for Alaska’s incoming member of Congress, Republican Nick Begich.

Among the questions I asked: Do they have a comment on the steep increases faced by Alaskans who get insurance from the marketplace? How serious of a problem are the past three years of increases? What do you believe are policy solutions that could blunt these increases in the future?

I haven’t received a response.

Nathaniel Herz welcomes tips at natherz@gmail.com or (907) 793-0312. This [article](#) was originally published in Northern Journal, a newsletter from Herz. Subscribe at this [link](#).