



# News Release

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FOR IMMEDIATE RELEASE

Aug. 14, 2025

## **Covered California Rates and Plans for 2026: Consumer Affordability on the Line with Uncertainty Surrounding Federal Premium Tax Credit Extension**

SACRAMENTO, Calif. — Covered California announced its health plans and rates for the 2026 coverage year, highlighting a preliminary weighted average rate increase of 10.3 percent. However, this increase could be reduced if Congress takes timely action to extend the federal enhanced premium tax credits that have played a vital role in lowering costs and driving enrollment increases nationally and in California the past four years.

The proposed rate change can be attributed to many factors, including the increasing cost of health care and pharmacy expenditures, alongside broader industry challenges. Federal health care policies are driving premiums up even further, particularly the expiration at the end of 2025 of the federal enhanced premium tax credits that have helped lower premiums for millions of Americans since 2021. Combined with these rate increases, if Congress does not extend the enhanced premium tax credits, costs will rise significantly for consumers in 2026.

For California, the combined impact of the loss of enhanced premium tax credits and these premium increases would be devastating: All Covered California enrollees would see their costs increase. From the loss of the enhanced premium tax credits alone, 1.7 million enrollees in California could see an additional average net premium increase of 66 percent. This would be a catastrophic cost increase for a majority of the exchange's enrollees, pricing many out of coverage. This story would be repeated across the nation for consumers getting health insurance through Patient Protection and Affordable Care Act marketplaces. The result would be unnecessarily higher monthly health care premiums for millions of Americans already facing rising costs and inflation.

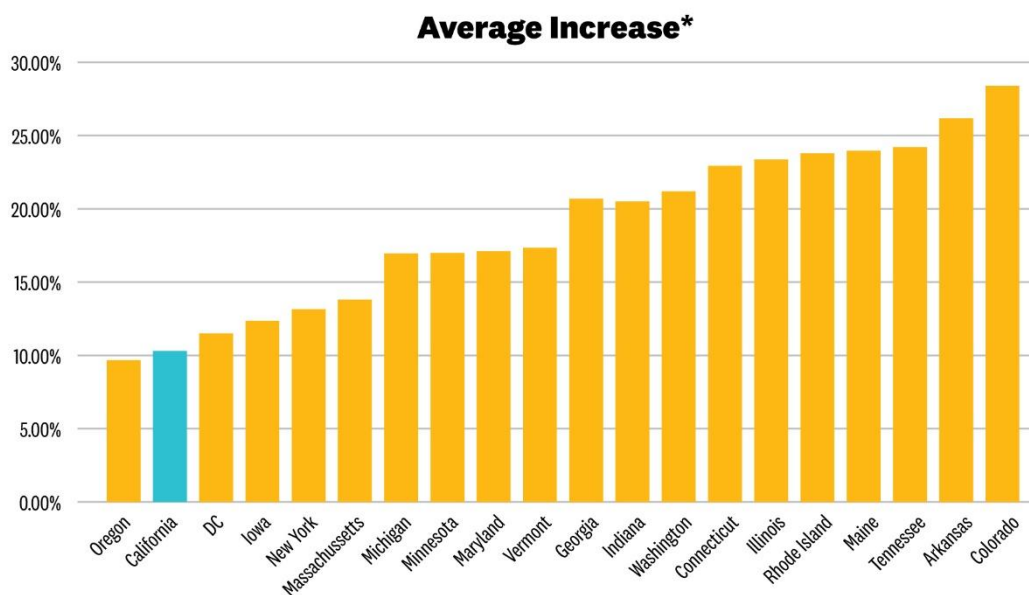
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“Skyrocketing health insurance premiums are the last thing Americans need right now,” said Covered California Executive Director Jessica Altman. “There is still time for Congress to act and protect the health care of millions of Americans who rely on marketplace coverage, and we’re hopeful that lawmakers on both sides of the aisle recognize the need to extend this essential lifeline for working families. Regardless of what happens, we’re here to help Californians access high-quality, affordable health insurance, and encourage everyone to contact us to find a plan that works for their needs and budget.”

### California’s Individual Market Rate Change for 2026

Despite market uncertainties surrounding federal tax subsidies, Covered California maintains a strong marketplace, with a record-high number of enrollees, and engages in active negotiations with health insurance companies to ensure consumers are receiving the best value possible. California has also continued to support the access and affordability of health care, including state-funded assistance to Covered California enrollees that helps keep our marketplace healthy and stable. Because of these efforts, Covered California has a significantly lower average rate increase than the national average [of 20 percent](#).

**Figure 1: California’s Rate Change Lower Than National Average**



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Covered California's 10.3 percent increase for 2026 reflects an average of proposed rates across all health insurers that offer individual plans. As it does year over year, actual rates can differ greatly by plan and region. They are subject to final review and public comment by California's Department of Managed Health Care (see Table 1: Covered California Individual Market Rate Changes by Rating Region and Table 2: California Individual Market Rate Changes by Carrier). Final rates will take effect on Jan. 1, 2026, coinciding with the potential sunset of the enhanced premium tax credits.

### **California Is Taking Steps to Protect the Most Vulnerable From Increasing Costs**

In 2025, Gov. Newsom and the California Legislature increased the amount of state funds available for the enhanced cost-sharing reduction program, appropriating \$165 million to expand eligibility. As a result, Californians with incomes above 200 percent of the federal poverty level (\$31,300 for an individual or \$64,300 for a family of four) were eligible to enroll in an Enhanced Silver 73 plan with no deductibles and reduced out-of-pocket costs.

This year, California is continuing to take proactive steps to shield its lowest-income enrollees from the steepest rate increases and reduce costs for consumers should the enhanced tax credits expire. For 2026, the state has allocated \$190 million to provide state subsidies for individuals earning up to 150 percent of the federal poverty level, ensuring monthly premiums remain comparable to 2025 levels for those with an annual income of \$23,475 for an individual or \$48,225 for a family of four. It would provide some additional assistance to those earning up to 165 percent of the federal poverty level.

While this funding will provide a meaningful lifeline for the lowest-income Covered California enrollees, it far from fills the \$2.1 billion hole the federal government would be leaving. If Congress takes timely action to extend the federal enhanced premium tax credits, Covered California will be able to maintain the current state enhanced benefit program, which provides plans with lower out-of-pocket costs to most Covered California enrollees.

"Even in this chaotic federal environment, California is leading the way to keep marketplace health insurance affordable, and we're so incredibly proud of the progress we've made covering nearly 2 million Californians in 2025," Altman said.

"Our success is a testament to the quality health insurance that is available through Covered California, the federal enhanced premium tax credits that help reduce the cost of monthly premiums, and the value that people see in having health insurance for themselves and their families. We have lots of work still ahead of us, and that begins with Congress taking action to extend the tax credits that have helped millions of Americans."

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## **Covered California Remains an Affordable Option for Californians**

Despite the challenges posed by federal uncertainty, Covered California's strong enrollment, combined with one of the healthiest consumer pools in the nation, continues to attract health insurance companies. This has resulted in increased competition and choices that benefit Californians. In 2026, 11 health insurance companies will offer plans across the state, ensuring that all Californians have access to two or more choices. Additionally, 92 percent will be able to choose from three carriers or more and 75 percent will have four or more carriers to choose from.

Changes for 2026 include Aetna's exit from the marketplace. Its nearly 21,000 enrollees in Regions 3, 5, 6, and 11 will be allowed to choose a new plan or move to the carrier with the lowest-cost plan in the same metal tier.

Covered California's commitment to affordability and access remains unwavering. Its proactive approach to negotiating rates, combined with state subsidies, showcases California's leadership in advancing the goals of the Affordable Care Act and protecting its residents during this critical time.

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**Table 1: Covered California Individual Market Rate Changes by Rating Region**

Rating Region	Total enrollment <sup>i</sup>	Avg. rate change	Shop and switch <sup>ii</sup>
Statewide Total	1,927,520	10.3%	1.0%
Region 1 <i>Alpine, Amador, Butte, Calaveras, Colusa, Del Norte, Glenn, Humboldt, Lake, Lassen, Mendocino, Modoc, Nevada, Plumas, Shasta, Sierra, Siskiyou, Sutter, Tehama, Trinity, Tuolumne and Yuba counties</i>	68,890	11.1%	9.3%
Region 2 <i>Marin, Napa, Solano and Sonoma counties</i>	62,630	8.8%	1.9%
Region 3 <i>Sacramento, Placer, El Dorado and Yolo counties</i>	105,330	7.4%	1.0%
Region 4 <i>San Francisco County</i>	38,380	9.0%	1.0%
Region 5 <i>Contra Costa County</i>	58,590	7.7%	1.8%
Region 6 <i>Alameda County</i>	81,480	7.9%	2.9%
Region 7 <i>Santa Clara County</i>	78,230	12.4%	5.0%
Region 8 <i>San Mateo County</i>	33,320	8.2%	0.6%
Region 9 <i>Monterey, San Benito and Santa Cruz counties</i>	33,390	10.8%	-1.5%
Region 10 <i>San Joaquin, Stanislaus, Merced, Mariposa and Tulare counties</i>	93,810	11.4%	6.3%
Region 11 <i>Fresno, Kings and Madera counties</i>	51,140	12.9%	10.5%
Region 12 <i>San Luis Obispo, Santa Barbara and Ventura counties</i>	86,430	8.5%	1.9%
Region 13 <i>Mono, Inyo and Imperial counties</i>	14,850	12.9%	10.3%
Region 14 <i>Kern County</i>	29,470	10.2%	6.9%
Region 15 <i>Los Angeles County (northeast)</i>	258,490	10.5%	-2.8%

Region 16 <i>Los Angeles County (southwest)</i>	318,130	10.0%	-6.8%
Region 17 <i>San Bernardino and Riverside counties</i>	186,850	12.5%	4.6%
Region 18 <i>Orange County</i>	182,200	10.4%	2.0%
Region 19 <i>San Diego County</i>	145,810	11.8%	2.6%

**Table 2: California Individual Market Rate Changes by Carrier**

Carrier	Weighted Average Rate Change
Anthem Blue Cross	14.5%
Blue Shield of California	9.1%
Balance by CCHP	9.6%
Health Net	15.0%
Inland Empire Health Plan	17.9%
Kaiser Permanente	7.1%
LA Care Health Plan	11.0%
Molina Healthcare	14.7%
Sharp Health Plan	8.6%
Valley Health Plan	21.0%
Western Health Advantage	13.9%
<b>Overall</b>	<b>10.3%</b>

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## About Covered California

Covered California is the state's health insurance marketplace, where Californians can find affordable, high-quality insurance from top insurance companies. Covered California is the only place where individuals who qualify can get financial assistance on a sliding scale to reduce premium costs. Consumers can then compare health insurance plans and choose the plan that works best for their health needs and budget. Depending on their income, some consumers may qualify for the low-cost or no-cost Medi-Cal program.

Covered California is an independent part of the state government whose job is to make the health insurance marketplace work for California's consumers. It is overseen by a five-member board appointed by the governor and the Legislature. For more information about Covered California, please visit [CoveredCA.com](https://coveredca.com).

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i: Covered California's Active Member Profile March 2025: [https://hbex.coveredca.com/data-research/library/mct-profiles/CC\\_MediCal\\_Transitioner\\_Profile\\_2025\\_03\\_R20250513.xlsx](https://hbex.coveredca.com/data-research/library/mct-profiles/CC_MediCal_Transitioner_Profile_2025_03_R20250513.xlsx)

ii: Shop and switch refers to the average rate change consumers could see if they shop around and switch to the lowest-cost plan in their current metal tier.