Blue Cross Alabama Proposes Major Price Hike for Some Obamacare Plans

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Blue Cross Blue Shield of Alabama is now seeking an average rate increase of 39 percent on many of its individual plans in 2017, the Centers for Medicare & Medicaid Services reports. Health care advocates say the price hikes will disproportionately affect people living with costly conditions like heart disease, cancer, diabetes and hepatitis C virus (HCV), AL.com reports.

The company's announcement comes shortly after the departure of Humana and UnitedHealth from Alabama's insurance exchange roster left Blue Cross Blue Shield the sole distributor of subsidized health care in the state. If approved, the proposed hikes will affect more than 160,000 people who purchase their insurance via the HealthCare.gov website, or about 5 percent of Blue Cross membership in the state overall.

According to Blue Cross executives, the health insurer lost more than $250 million on its marketplace plans between 2014 and 2016, prompting the price increase. And without competition from other insurance providers, customers on the individual market in Alabama will have no option to shop around for cheaper coverage if the proposed increase is approved.

Health care activists in the state say the price increase may not impact low-income residents much but is likely to start squeezing more high-income buyers, especially if they don't qualify for government subsidies. The price hikes are also far more likely to affect people living with costly health conditions who avail themselves of more medical services, such as prescriptions and emergency room visits, than other beneficiaries, including people living with diabetes, heart disease, hepatitis C and cancer.

Officials with the Alabama Department of Insurance are now reviewing Blue Cross's proposal and in September will issue an opinion about whether or not the price hikes are justified.

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