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Health Care

## Health insurers back in the black, but at what cost?



Image: Birmingham Business Journal

Blue Cross Blue Shield and Point32Health returned to profitability in 2026 by limiting GLP-1 coverage, raising concerns about long-term healthcare costs. Insurers, healthcare providers, drug companies and politicians need to work together to figure out how to cover these medications.

ILLUSTRATION BY JAKE STEVENS | BBJ; GETTY IMAGES

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### Story Highlights

- Blue Cross Blue Shield and Point32Health returned to profitability.
- The insurers reduced eligibility for GLP-1 drugs to cut costs.
- Insurers, healthcare providers, drug companies and politicians need to work together to figure out how to cover these medications.

The state's two largest insurers, [Blue Cross Blue Shield of Massachusetts](#) and [Point32Health](#), saw their bottom lines swing back into the black in the first quarter of 2026 after two years of staggering operational losses.

Both did it, in part, by reducing eligibility for GLP-1 agonist drugs. They're not the only ones. [Both the state](#) and [the city of Boston](#) have sought to reduce coverage of GLP-1 drugs for public employees as a way of reining in spending.

To be sure, insurers need to protect their operating margins. Nobody wants to see premiums rise, especially not businesses. And with Gov. Healey's latest [limit on health insurance company cost-sharing increases to 3.6%](#) for the merged market, where many individuals and smaller employers get insurance, premiums are almost sure to go up.

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But cutting coverage of these drugs cannot be the long-term solution. It's inequitable – and bad for the healthcare industry in the long run.

Blue Cross Blue Shield chose to end coverage for everybody except people diagnosed with Type 2 diabetes. At the end of 2025, in advance of that decision taking effect, CEO Sarah Iselin [told the Business Journal](#) that it was a difficult decision and "entirely about cost" – not about their effectiveness or their safety. And not about whether they can help people beyond those diagnosed with Type 2 diabetes.

The evidence is mounting that they can. Besides their well-documented impact on weight loss, the drugs show promise for reducing cardiovascular disease and [asthma flareups](#) and treating kidney disease and the recently renamed polyendocrine metabolic syndrome (formerly known as polycystic ovarian syndrome.) They're even being studied as a preventive medicine for Alzheimer's disease, according to the Alzheimer's Drug Discovery Foundation, and have shown promise in treating addictions like alcoholism.

Without insurance coverage, patients must turn to self-pay programs like Eli Lilly's LillyDirect, which offers vials of its lowest dose of tirzepatide for \$299 a month. The costs climb as the dosage goes up. Others turn to pharmaceutical compounders and online programs like Hims&Hers. (The online prescriber reported roughly \$2.3 billion in revenue in 2025 and expects \$2.7 billion to \$2.9 billion in 2026.)

Some people can afford the hundreds of dollars a month to buy these drugs out of pocket. Others can't.

By not covering GLP-1s for conditions like obesity – and the off-label emerging uses – insurers are kicking the can down the road. Metabolic issues can lead to extensive – and expensive – medical treatment down the line if not treated. Commercial insurers like Blue Cross and Point32Health may worry that they will

not see the cost savings realized themselves, but the cost savings for society as a whole are worth examining.

Insurers, healthcare providers, drug companies and politicians need to work together to figure out how to cover these medications without sending insurance companies back into the red. Boston is the ideal place for this problem to be solved.

Neither Novo Nordisk, the company behind semaglutide, nor Eli Lilly, behind tirzepatide, are headquartered here, but both have extensive presences in our biotech hub, where world-class research is taking place. There are also several up-and-coming biotechs here working on GLP-1 treatments, like Kailera Therapeutics, [which recently completed a record-breaking IPO](#). We also have [some of the top medical institutions](#) in the world.

Cutting GLP-1 coverage seems to have helped to steady the ship for insurers for now. But they – and the wider biotech and healthcare industries – cannot ignore the potential for these medications. It's time to figure out how to make them accessible to those who need them.

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**T H E L I S T**

## **Largest PPO Providers in Massachusetts**

Mass. PPO members as of 12/31/24

<b>Rank</b>	<b>Prior Rank</b>	<b>Company/Prior rank (*unranked in 2024)/</b>
<b>1</b>	<b>1</b>	Blue Cross Blue Shield of Massachusetts
<b>2</b>	<b>2</b>	Point32Health
<b>3</b>	<b>3</b>	Mass General Brigham Health Plan

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