



February 6, 2026

Meeting Materials

STATE EMPLOYEES HEALTH CARE COMMISSION
February 6, 2026, 9:30 am

MEETING AGENDA

The Public May Listen to the [Kansas State Employee Health Plan - YouTube](#)

Welcome and Introductions by Secretary Proffitt

Action Items:

1. **Approval of Minutes [*Action Item*] - Secretary Proffitt**
From **December 18, 2025**

Discussion Items:

2. **Financial Report – Segal**
3. **Discussion on implementation of GLP-1 restrictions**
4. **HealthQuest Health Center**
5. **Next Meeting: April 15, 2026**

Appendix

A – Follow-up items from December meeting

Agenda Item

#1

The State of Kansas State Employees Health Care Commission (HCC) meeting was called to order on Thursday, December 18, at 9:30 a.m. The meeting was conducted in person at the KPERS Board Room in Topeka, Kansas, with a virtual video broadcast available to the public using [YouTube](#) and the SEHP website.

The following members were present:

- Commission Chair Adam Proffitt
- Commissioner Cristi Cain
- Commissioner Steve Dechant
- Commissioner Anthony Hensley
- Commissioner William Sutton
- Commissioner Vicki Schmidt

The following staff members were present:

- Jennifer Flory, SEHP Director
- Mike Michael, SEHP Deputy Director
- Cris Loomis, Administrative Director
- Pete Nagurny, SEHP Sr. Manager, Data & Finance
- Paul Roberts, SEHP Sr. Manager, Health Plan Operations
- Michelle Lopez, SEHP Assistant Manager, Health Plan Operations
- Delos DeCelle, SEHP Program Finance Manager
- Tracy Diel, Department of Administration, Acting Chief Counsel
- Peter Wang, Segal Consulting
- Ken Vieira, Segal Consulting
- Patrick Klein, Segal Consulting
- Kirsten Schatten, Segal Consulting
- Melanie Ingleby, Segal Consulting

Topic	Discussion	Action	Follow-up
Welcome and Roll Call	Commission Chair Adam Proffitt called the meeting to order at 9:30 am.	<ul style="list-style-type: none"> • Commissioner Cristi Cain - Present • Commissioner Steve Dechant – Present • Commissioner Beverly Gossage – Absent • Commissioner Anthony Hensley – Present (virtual) • Commissioner William Sutton – Present • Commissioner Vicki Schmidt - Present 	
1. Approval of Minutes [Action Item]	Commission Chair Adam Proffitt opened the floor for any comments or edits.	<p>Commissioner Dechant made a motion to approve the minutes for August 20, 2025.</p> <p>2nd – Commissioner Sutton</p> <p>The motion was passed</p>	
2. Member Administration Portal (MAP) Eligibility System Contract	Director Jennifer Flory presented information on the contract for the services and support of the Membership Administration Portal (MAP) eligibility system.	<p>Commissioner Cain made a motion to approve a three-year contract with iTedium.</p> <p>2nd – Commissioner Dechant</p> <p>The motion was passed with a roll call:</p> <ul style="list-style-type: none"> • Commissioner Cristi Cain - Yes • Commissioner Steve Dechant – Yes • Commissioner Anthony Hensley - Yes • Commissioner William Sutton – Yes • Commissioner Vicki Schmidt - Yes 	Commissioners requested additional information on when the additional fee for technical support would apply.
Recap	Recap from Secretary Proffitt due to technical difficulties.	Secretary Proffitt provided a summary for those watching online. The meeting was called to order, the minutes from the August meeting approved, and we just finished approving the contract for Membership Administration Portal (MAP) for the next three years.	

Topic	Discussion	Action	Follow-up
3. EAC Appointments	Mike Lundin, President of the Employee Advisory Committee (EAC) presented the EAC recommendations on new and renewing members to the committee.	<p>Commissioner Schmidt made a motion to approve the seven proposed new members and the reappointment of the three renewing members to the EAC.</p> <p>2nd – Commissioner Hensley</p> <p>The motion was passed with a roll call:</p> <ul style="list-style-type: none"> • Commissioner Cristi Cain - Yes • Commissioner Steve Dechant –Yes • Commissioner Anthony Hensley - Yes • Commissioner William Sutton – Yes • Commissioner Vicki Schmidt - Yes 	
4. Open Enrollment Report for Plan Year (PY) 2026	Director Jennifer Flory presented the PY2026 Open Enrollment report.		
5. Financial Report	Ken Vieira updated the HCC on changes to the Segal account team. Ken introduced new account manager Kirsten Schatten and actuary Melanie Ingleby to the committee. Patrick Klein presented the 2025 financials through October 2025.		
6. December 2026 HCC meeting	December 2026 HCC meeting	The Commission scheduled the December 2026 meeting date for December 1, 2026, from 9:30 to 11:00.	
Next Meeting	Next meeting is February 6, 2026, at 9:30 a.m.		
The meeting was adjourned at 10:47 a.m.			

Agenda Item #2

January 26, 2026

Ms. Jennifer Flory
Director – State Employee Health Benefit Plan
Kansas Department of Health and Environment
Topeka, Kansas 66612

Re: Projection Summary – December 2025

Dear Ms. Flory:

This letter provides a summary of the financial update with data through December of 2025 and the key assumptions included in the projections.

Experience: January 2025 to December 2025

Segal collected the actual experience and compared it to what was projected in our initial budget. Because the projection is developed monthly, we summarize the emerging experience and analyze the gain/(loss) for the period. The calendar year 2025 ended with a gain of \$12.6M compared to the initial budget.

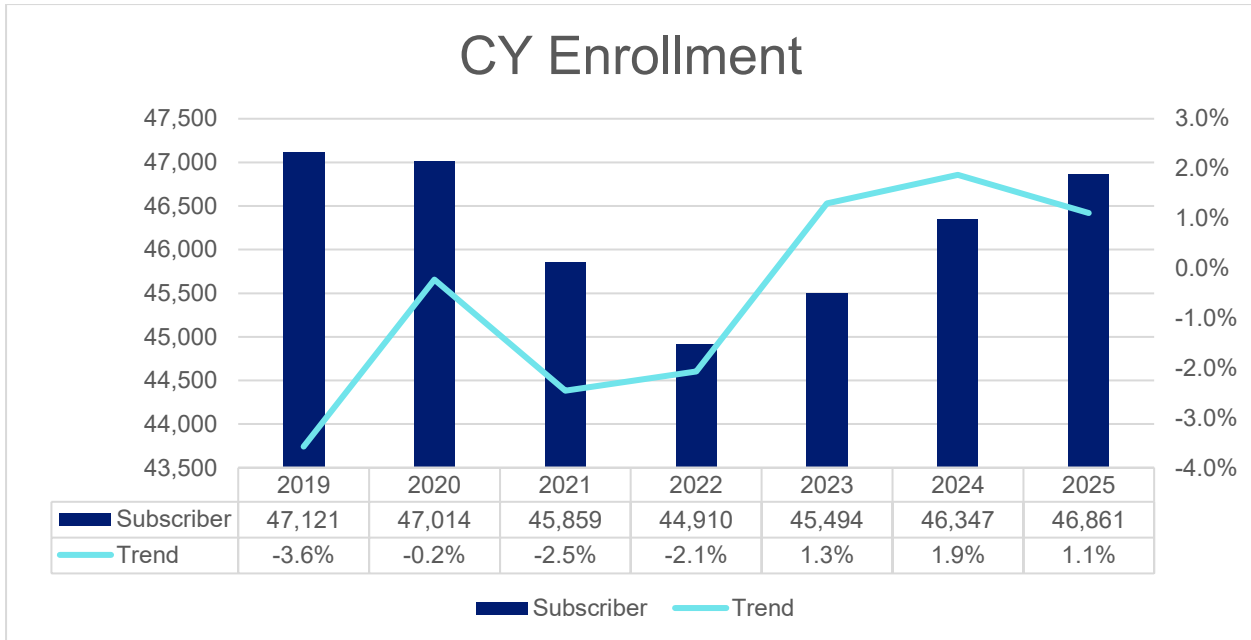
There was a revenue gain of \$19.8M (3.3%) for the calendar year primarily due to the Zinc Rx Settlement of \$14.6M. On the expense side, the overall loss was \$7.3M (1.2%). Medical and Rx claims were responsible for the majority of this amount. The claims experience was higher towards the end of the year for medical claims. The 2025 Rx trend of 9.6% exceeded projections and the plan's historical trend. The 2025 medical trend of 4.6%, on the other hand, was below projections and the plan's historical trend. The remaining expense items had small deviations from their budgeted amounts.

The reserve balance through December closed at \$37.5M versus \$24.9M from the initial projected budget. Below is a breakout of the various components.

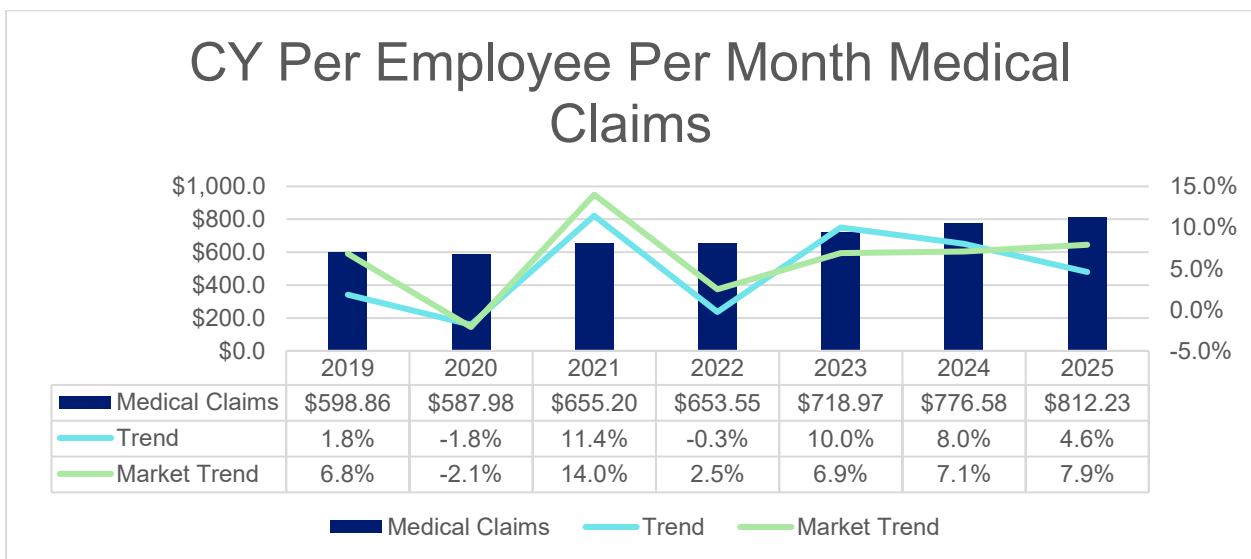
January 2025 to December 2025 Financials (in Millions)				
	Budgeted	Actual	Gain/(Loss) \$	Gain/(Loss) %
Program Revenue	\$598.7	\$618.5	\$19.8	3.3%
Medical self-insured claims	\$381.3	\$384.0	\$(2.7)	(0.7)%
Rx self-insured claims	\$118.0	\$121.2	\$(3.2)	(2.7)%
Dental self-insured claims	\$30.4	\$31.1	\$(0.7)	(2.3)%
Health Savings Contributions*	\$33.2	\$34.2	\$(1.0)	(3.0)%
ASO/Premium	\$46.2	\$45.7	\$0.5	1.1%
Contract Fees/Other**	\$7.0	\$7.5	\$(0.5)	(7.1)%
Administrative Fund	\$5.4	\$5.2	\$0.2	3.7%
Program Expenses	\$621.7	\$629.0	\$(7.3)	(1.2)%
Net Income/(Net Expense)	\$(23.0)	\$(10.4)	\$12.6	
Reserve Balance (All Funds)***	\$24.9	\$37.5	\$12.6	
* Includes Health Savings and Health Reimbursement Contributions ** Includes Contract Fees, Voluntary Benefit, Onsite Clinic, Wellness Program, EAP, MAP, Transparent Tools, Data Warehouse, HRA ASO, Non-State Administrative Expenses, Flex and PCORI. See full break out on Itemized Non Claims Expenses page of the projection. *** Total may not fully reconcile due to some intermediate values shown rounded to 1 decimal.				

Historical Trends: 2019 - 2025

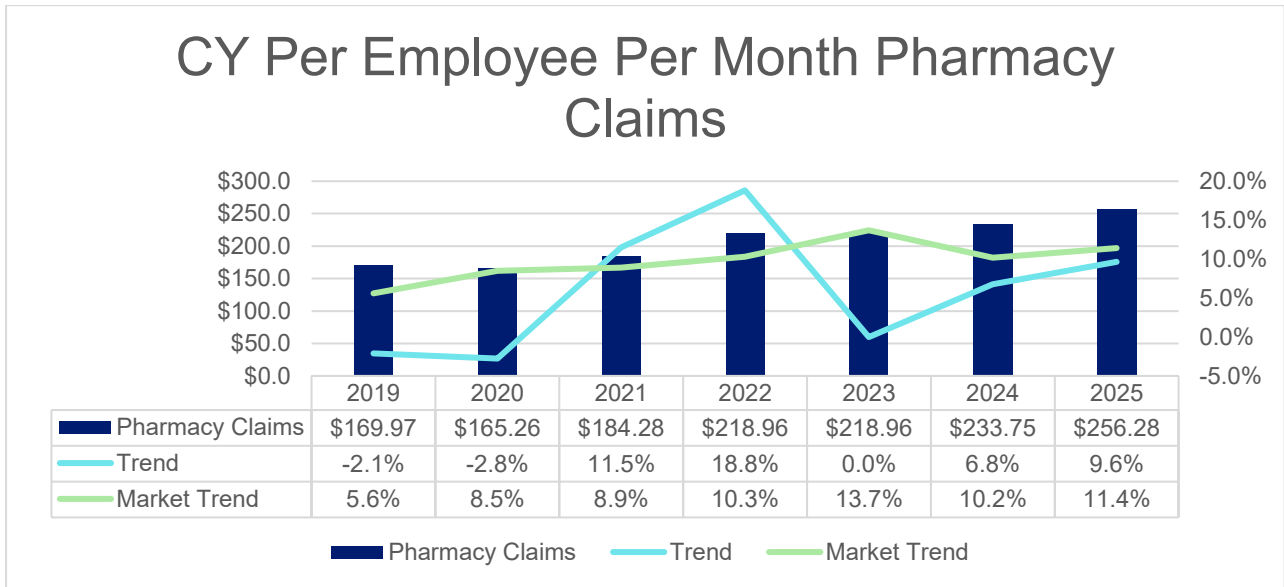
In this section, we have shown the historical trends for enrollment, medical, pharmacy, and dental claims. The graph below indicates that enrollment has been decreasing steadily over the past years but has increased the last 3 years including 1.1% in 2025 CY vs 2024 CY. The six-year effective trend is -0.1%.



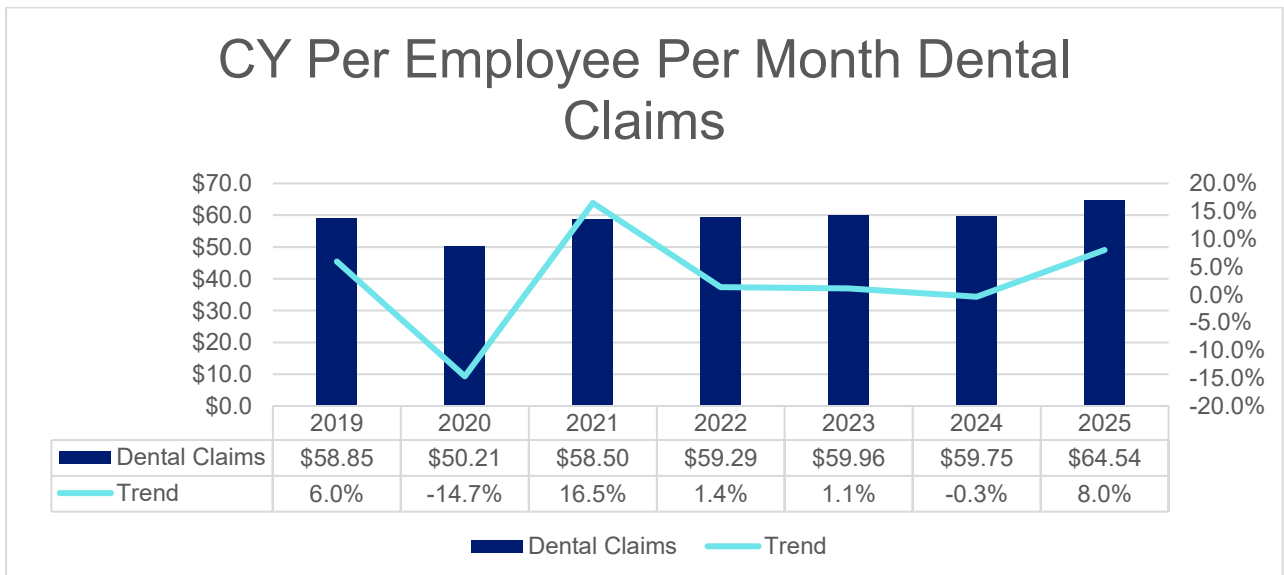
The medical claims on a PEPM basis increased 4.6%, 2025 CY vs. 2024 CY. The graph below compares State of Kansas trends against historical market trends sourced from the 2026 Segal Health Plan Cost Trend Survey. The Kansas program traditionally runs at lower trends than the market. CY 2023 and CY 2024 trend experience exceeded market trends. Note that there were benefit enhancements and additional coverage for services during this period that added cost. However, the 2025 CY trend was below trend expectations. Looking over a longer horizon, the six-year effective trend (2019 to 2025) was 5.2% which is in line with the model's medical trend used to project future claims.



The net pharmacy claims on a PEPM basis increased 9.6%, 2025 CY vs. 2024 CY. Pharmacy spend has been highly volatile. Like medical, it is impacted by underlying market trends, but other variables such as RFP contract changes and GLP-1 utilization can swing the costs significantly. The graph below compares State of Kansas trends against historical market trends sourced from the 2026 Segal Health Plan Cost Trend Survey. Over the period, the six-year effective trend was 7.1%.



The emerging dental claims on a PEPM basis are up 8.0% in 2025 CY vs. 2024 CY. The graph below shows historical trends. Similar to medical, the graph shows the impact from COVID-19, primarily in 2020. The six-year effective trend was 1.6%.



Enrollment

The average 2025 aggregate enrollment roughly matched the initial budget forecast. There was an increase in higher cost actives and non-Medicare retiree contracts and a decrease in lower cost Medicare contracts. The change in headcount would have increased revenue and expenses alike, making the net impact to the overall financials negligible.

Enrollment Monthly Avg.	Projected (Jan-Dec)	Actual (Jan-Dec)	Change in #	Change in %
Active & COBRA	38,861	38,904	42	0.1%
Non-Medicare Retiree	462	494	32	7.0%
Medicare Members	7,523	7,463	(60)	-0.8%
Total	46,846	46,861	15	0.0%

* Totals may not fully reconcile due to some intermediate values shown rounded to the digit.

The table below shows a snapshot of the January 2026 enrollment. This serves as the basis for enrollment assumptions for 2026 and future years. Compared to December 2025, the total medical enrollment increased 144 subscribers. Participation in Plan A has decreased from 50.8% to 50.4% of total subscribers. Medicare members decreased 0.8% from 7,366 to 7,308. Dental enrollment increased by 281 and vision enrollment increased by 323.

Contracts (January-2026)				
	Active	COBRA	Non-Medicare Retiree	Medicare Retiree
Medical				
Plan A	19,862	48	172	
Plan C	16,470	40	345	
Plan J	585	-	1	
Plan N	2,349	4	5	
Medicare				
Aetna (MA)				741
Plan C/C Select (Supp)				5,347
Plan G/G Select (Supp)				918
Plan N (Supp)				302
Medical Total	39,266	92	523	7,308
Contracts (January-2025)				
	Active	COBRA	Non-Medicare Retiree	Medicare Retiree
Dental Total	40,126	108	505	7,732
Vision Total	32,876	87	418	4,651

Multi-Year Projection Summary

The following table summarizes the projected revenue, expense, and employer/employee funding for the program. Each update will project the year we are in, now CY 2026, and four (4) additional calendar years.

Financial Projections (in Millions) – as of December 31, 2025						
	CY 2025	CY 2026	CY 2027	CY 2028	CY 2029	CY 2030
Program Revenue	\$618.5	\$643.7	\$688.6	\$734.5	\$784.2	\$837.4
<i>Medical self-insured claims</i>	\$384.0	\$401.9	\$433.5	\$447.5	\$472.9	\$498.5
<i>Rx self-Insured claims</i>	\$121.2	\$128.6	\$136.9	\$146.1	\$158.3	\$171.8
<i>Dental self-Insured claims</i>	\$31.1	\$31.9	\$33.5	\$33.9	\$34.9	\$35.9
Health Savings Contributions*	\$34.2	\$33.8	\$33.8	\$33.8	\$33.8	\$33.8
<i>ASO/Premium</i>	\$45.7	\$47.6	\$48.8	\$50.3	\$51.9	\$53.5
<i>Contract Fees/Other**</i>	\$7.5	\$7.7	\$7.7	\$7.7	\$7.8	\$7.9
<i>Administrative Fund</i>	\$5.2	\$5.3	\$5.3	\$5.3	\$5.4	\$5.4
Program Expenses	\$629.0	\$656.7	\$699.6	\$724.7	\$765.0	\$806.8
Net Income/(Net Expense)	\$(10.4)	\$(13.1)	\$(11.1)	\$9.8	\$19.3	\$30.6
Reserve Balance (All Funds)	\$37.5	\$24.4	\$13.3	\$23.1	\$42.4	\$73.0
* Includes Health Savings and Health Reimbursement Contributions						
** Includes Contract Fees, Voluntary Benefit, Onsite Clinic, Wellness Program, EAP, MAP, Transparent Tools, Data Warehouse, HRA ASO, Non-State Administrative Expenses, Flex and PCORI.						
*** Total may not fully reconcile due to some intermediate values shown rounded to 1 decimal.						

The ending balance in CY 2025 is \$37.5 compared to the initial budget projection \$24.9M.

The emerging experience impacted the baseline per capita figures used as the basis of the projection in the follow manner: Medical –Increase; Pharmacy – Neutral; Dental – Neutral.

The projected medical costs for future periods have increased since the prior update due to slightly higher medical claims experience being incorporated into the baseline of our future projections and increased enrollment.

Similarly, the projected pharmacy costs for 2026 and future periods have increased since the prior update due to increased enrollment.

Projected dental costs for future periods have remained consistent since the last update.

Note that the projected medical claims increase at a higher rate in 2027. This is because we are accounting for the 53 weekly claim wires paid that year compared to the traditional 52 weeks found in the other years.

Funding and Reserves

The projected funding used in calculating the fund balances below considers the plan offerings and funding rate changes approved at the June 25' HCC meeting. The model assumes a 7.5% employer rate increase and no change on employee and retiree rates for 2025. In 2026, employee and retiree rates are scheduled to increase by 2% and employer rates are scheduled to increase 8%. After these rate actions were applied, the model solved for a 7.0% increase to future funding (beyond what has been approved) in order for the Reserve Balance to match the Reserve Target at the end of the projection period (CY 2030). This is 0.8% lower than the calculated amount at the December HCC meeting and is mainly a function of extending the target another year.

The model is using the reserve target prescribed by the 2021 House Bill 2218, which is 10% of the average of the past three year's total expenses. The reserve balance is currently below the reserve target and the shortfall is projected to continue growing through 2027. The plan's operating cash flow is likely to be impacted in 2027, at the reserve's lowest point.

The future funding increases can be found at the bottom of the table. The employee funding is effective January 1st each year and the employer funding is effective July 1st each year. Thus, the 7.0% increase shown in 2029 represents the employer contribution between 7/1/2029-6/30/2030, while the employee funding would be 1/1/2029-12/31/2029.

The funding elections that have been approved by the HCC have been bolded in the table below.

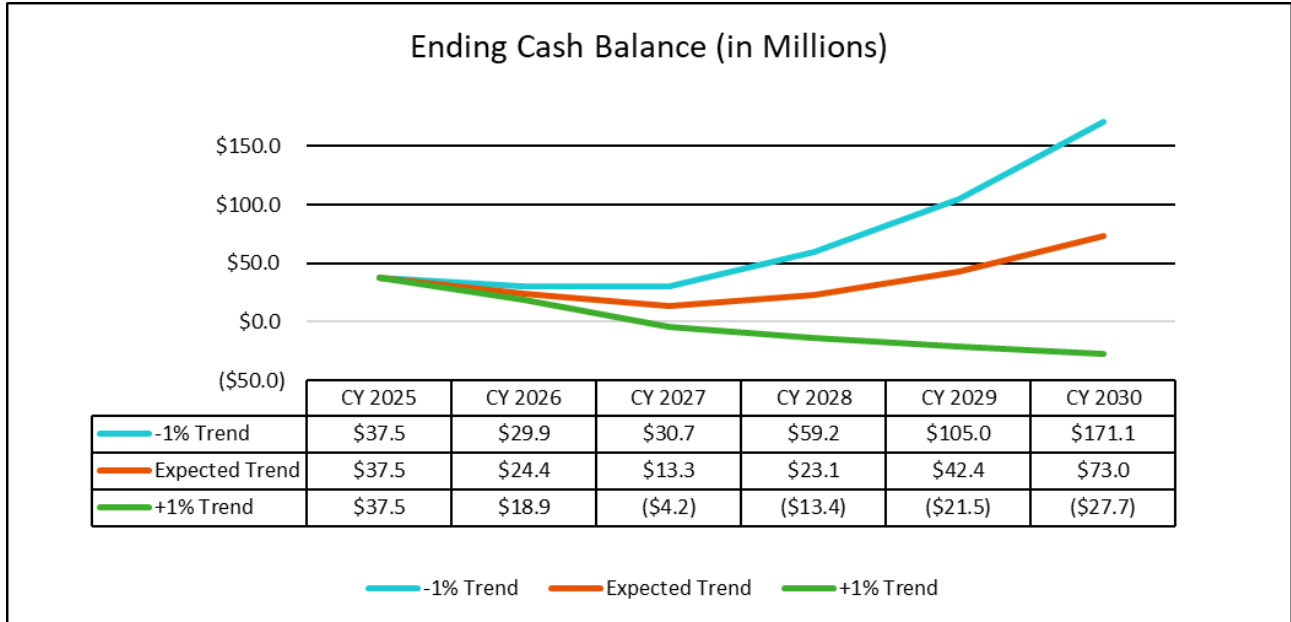
2021 House Bill No. 2218 Target (10% of Three Prior Years Total Plan Expenses) in CY 2025-2030 (in Millions)						
	2025	2026	2027	2028	2029	2030
10% of Prior Total Plan Expenses (3-Year Average)	\$53.8	\$58.3	\$62.3	\$66.2	\$69.4	\$73.0
Reserve Balance (All Funds)	\$37.5	\$24.4	\$13.3	\$23.1	\$42.4	\$73.0
Fund Balance vs. Target Surplus/(Shortfall)	\$(16.3)	\$(33.9)	\$(49.0)	\$(43.1)	\$(27.0)	\$0.0
Funding Rate Increase						
Employer	7.5%	8.0%	7.0%	7.0%	7.0%	7.0%
Employee*	0.0%	2.0%	7.0%	7.0%	7.0%	7.0%

Please see below what the reserve and funding rates would be if the model balanced to the target in 2029. While this approach improves cashflow slightly, the reserve balance is still significantly below target in 2027. Funding may need to be accelerated rather than following the prescribed schedule in the tables, which smooths the increase over multiple years.

2021 House Bill No. 2218 Target (10% of Three Prior Years Total Plan Expenses) in CY 2025-2029 (in Millions)					
	2025	2026	2027	2028	2029
10% of Prior Total Plan Expenses (3-Year Average)	\$53.8	\$58.3	\$62.3	\$66.2	\$69.4
Reserve Balance (All Funds)	\$37.5	\$24.4	\$16.3	\$34.7	\$69.4
Fund Balance vs. Target Surplus/(Shortfall)	\$(16.3)	\$(33.9)	\$(46.0)	\$(31.5)	\$0.0
Funding Rate Increase					
Employer	7.5%	8.0%	7.9%	7.9%	7.9%
Employee*	0.0%	2.0%	7.9%	7.9%	7.9%

Sensitivity Analysis

Trend is one of the most important assumptions in the projection. The following table illustrates the impact on the funds Cash Balance if trend (Medical, Pharmacy, and Dental) is 1% higher or lower than assumed:



This analysis illustrates the importance of having an appropriate reserve. If trend is 1% higher than the assumptions from 2026-2030, the cash balance will decrease to -\$27.7 at the end of CY 2030, assuming the current proposed funding increases of 7.0% remain intact. If this occurred, a funding increase of approximately 14.4% in 2031 & 2032 would be necessary to make up this shortfall. This increase would allow the Reserve Balance to grow and meet the target reserve at the end of CY 2032. Alternatively, a lower trend of 1% would provide a significant surplus and would allow the Program to potentially lower future rate increases to balance to the target reserve.

2027 - 2030 Funding Rate Sensitivity		
-\$1M	Current	+\$1M
6.9%	7.0%	7.1%

Due to the funding rate for 2025 assumed to be locked at 7.5% for employers and 0.0% for employees and the 2026 funding rates are assumed to be locked at 8.0% for employers and 2.0% for employees, the funding rate is sensitive to any changes in the claims data in the underlying projection. The table above displays the sensitivity of the 2027, 2028, 2029, and 2030 funding rates based on a \$1M gain or loss in the budget projections. Note that this gain or loss impacts the current 2026 costs as well as projected costs for the entire projection period.

Key Assumptions & Methodology

Claim Trends

Trend assumptions are utilized to project the annual increase in per member costs. We develop these by integrating the Program’s historical performance with Segal’s Annual Trend Survey. They are updated annually and reviewed with the Program. Current trend assumptions are as follows:

- Medical Self-Insured Claims: 5.5% for all years
- Pharmacy Self-Insured Claims: 8.5% for all years
- Dental Self-Insured Claims: 3.0% for all years
- Medicare Premium: 4.0% trend for all future years

HSA/HRA Funding

HSA/HRA amount are funded by employer contributions:

	CY 2026+		
	Plan C Base	Plan N Base	Potentially Earned
Full-time			
Employee	\$1,000	\$500	\$500
Employee + Spouse	\$2,000	\$1,125	\$500
Employee + Child(ren)	\$2,000	\$1,000	\$500
Employee + Family	\$2,000	\$1,125	\$500

Enrollment

From current levels, no overall population growth and no plan migration are assumed.

Baseline Self-Insured Claims Cost

Baseline claims rates for both medical and pharmacy follow a similar methodology, summarized below:

- Medical claims cost is developed based on expected cost per member per month (PMPM), and accounts for some months having 5 payment weeks rather than 4. The cost is developed based on medical claims paid in the experience period and 2-month lagged enrollment data. The PMPM is adjusted to reflect historical plan changes, enrollment migration, and any known experience since the end of the data period.
- Pharmacy claims cost is developed based on expected cost per member per month (PMPM). The cost is developed based on pharmacy claims paid in the experience period with 1-month lagged enrollment data. The PMPM is adjusted to reflect historical plan changes, enrollment migration, contract improvements, and any known experience since the end of the data period.

- Dental claims cost is developed based on expected cost per member per month (PMPM), and accounts for some months having 5 payment weeks rather than 4. The cost is developed based on medical claims paid during the experience period with 2-month lagged enrollment data. The PMPM is adjusted to reflect historical plan changes, and any known experience since the end of the data period.
- Both Medical and Rx costs are subdivided by each plan (Plan A, C, J, and N) and by group (Active and Non-Medicare Retiree).

Baseline claims costs are then trended and multiplied by expected enrollments and particulars for each month, populating the cash flow projection.

Prepayments

Certain university members prepay their June-Aug contributions in March-May. The employer and employee prepayment of \$2.8M per month were estimated based on specific membership data.

Adjustments from RFPs

The PBM RFP contract was awarded in 2025 to CVS. The updated pricing terms (2026-2028) have been incorporated into the projection.

Funding Rates

The funding rates and member contributions for 2026 were approved by the HCC at the June 2025 meeting. Future funding rates are set at the rate that the Reserve Balance is equal to the Target Reserve at the end of 2030.

Program Actuarial Values

At the June 2025 HCC meeting, Plan C and N deductibles were increased to meet new HDHP limits for 2026. Non-Single tier deductible for employee was changed from \$3,300 to \$3,400 based on new IRS requirement in 2026. Plan A deductible increased to \$1,000 from \$800 and specialist copays increased to \$60 from \$40 for Plan A, as well. The Actuarial Value of the plans for 2025 and 2026 are shown in the following table.

Plan Values						
	Plan A	Plan C (w/o HSA/HRA funding)	Plan C (w/ Base HSA/HRA funding)	Plan J	Plan N (w/o HSA/HRA funding)	Plan N (w/ Base HSA/HRA funding)
2025 Plan Actuarial Value	85.62%	82.66%	92.56%	84.96%	78.75%	83.18%
2026 Plan Actuarial Value	84.75%	82.64%	92.54%	84.96%	78.75%	83.18%

Contract Fees

Plan Staff provided fees for each contract that are consistent with their budgets.

ASO Fees

The Program provided per contract BCBS, Aetna, and Delta ASO fees and per prescription Caremark ASO fees for year 2026. Caremark per prescription fees were converted to per contract fees. These contract fees are assumed to increase 2% annually.

PCORI

The ACA's PCORI program has a nominal annual fee included with the "Contract Fees"

Wellness Participation

- HSA/HRA Rewards: 60% for 2026-2030
- Premium Discount: 50% for 2026-2030

Other Assumptions

There are a few other assumptions that have less impact on the plan financials that are detailed below for completeness:

- Investment Earnings are estimated at 3.50%/3.25%/3.00% of the annual cash balance for FY 2026/2027/2028+.
- Coverage Tier Factor: The purpose of these factors is to capture the cost impact of migration between contract tiers.
 - Medical and Rx: 1.00/2.85/1.57/2.69 for Employee Only/Employee + Spouse/Employee + Child(ren)/Employee + Family
 - Dental: 1.00/2.02/2.53/3.88 for Employee Only/Employee + Spouse/Employee + Child(ren)/Employee + Family

Report Terms and Acronyms

- **Administrative Fund-Expenses for administration of SEHP are paid from this fund**
Fees SEHP pays for administrating the employee benefit plan in which only purchasing administrative services are required from the insurer.
- **APR – Annual Percentage Rate**
- **ASO- Administrative Services Only**
-Arrangement with insurer for a plan that funds its own employee benefit plan and only purchases administrative services from the insurer.
- **BCBS – Blue Cross Blue Shield**
- **COBRA- Consolidated Omnibus Budget Reconciliation Act**
-The Consolidated Omnibus Budget Reconciliation Act (COBRA) gives workers and their families who lose their health benefits the right to choose to continue group health benefits provided by their group health plan for limited periods of time under certain circumstances such as voluntary or involuntary job loss, reduction in the hours worked, transition between jobs, death, divorce, and other life events. Qualified individuals may be required to pay the entire premium for coverage up to 102% of the cost to the plan.
- **CY- Calendar Year**
-January 1st to December 31st; same as Plan Year for Health Benefits
- **EAC-Employee Advisory Committee**
- **EAP – Employee Assistance Program**
- **EE- Employee**
- **EC – Employee Children**
- **EF – Employee Family**
- **ES – Employee Spouse**
- **ER- Employer**
- **FDIC – Federal Deposit Insurance Corporation**
- **FT – Full Time**
- **FY-Fiscal Year**
-Specific to the Kansas, July 1st to June 30th
- **FSA- Flexible Spending Account**
-Employer owned spending account for employees qualified Health care and Dependent care expenses funded by before tax payroll deductions
- **HCC- Health Care Commission.**
- **HKF – Healthy Kids Fulltime**
- **HKP – Healthy Kids Part Time**
- **HRA- Health Reimbursement Account**
-Employer funded plan where employees are reimbursed tax-free for qualified medical expenses up to a certain dollar amount per year
- **HSA- Health Savings Account**

-Employee-owned savings account which enables the employee to deposit money on a pre-tax basis into account to pay for qualified medical expenses. Employer contributions are also added to these accounts if employees qualify for them.

- **IBNR- *Incurred but not reported***

-Reserves to pay for claims that have transpired, but have not yet been reported for medical, pharmacy and dental claims

- **MA- *Medicare Advantage***

-Medicare health plan that offers Medicare benefits through a private-sector health insurer

- **MAP – *Membership Administration Portal***

- **MS-*Medicare Supplemental***

-Medicare Supplement (Medigap) plan

- **NDA – *Non-Disclosure Agreement***

- **OOP – *Out of Pocket***

- **PCORI- *Patient-Centered Outcomes Research Institute***

-Temporary Fee until 2029 paid to the Patient Centered Outcomes Research Institute created under Healthcare Reform.

- **PEPM- *Per Employee Per Month***

-Typical way of showing revenue and costs in rate form per employee

- **PT – *Part Time***

- **QTR - *Quarterly***

- **Rx - *Pharmacy***

- **YTD- *(Year to Date)***

-Refers to period of beginning of calendar year to the current date

Certification

The projections in this report are estimates of future costs and are based on unaudited information available to Segal consulting at the time the projections were made. Projections are not a guarantee of future results. Actual experience may differ due to, but not limited to, such variables as changes in the regulatory environment, local market pressure, changes in group demographics, overall inflation rates and claims volatility. The accuracy and reliability of health projections decrease as the projection period is extended.

By signing below, I certify that I am a qualified actuary by education and experience to evaluate health reserves and funding practices. I am an Associate or Fellow of the Society of Actuaries and/or a member of the American Academy of Actuaries and certify that all analysis was conducted in accordance with all applicable Actuarial Standards of Practice. All sections of this report are considered an integral part of the actuarial opinion.



Kirsten Schatten, ASA, FCA, MAAA
Senior Vice President



Melanie Ingleby, FSA
Vice President

**Kansas State Employees Health Care Commission
2025 Variance Report - Through December
Budget vs. Actual**

	Jan-2025			Feb-2025			Mar-2025		
	Initial Budget	Actual	Gain/(Loss)	Initial Budget	Actual	Gain/(Loss)	Initial Budget	Actual	Gain/(Loss)
Revenue									
State ER	37,823,396	37,823,396	-	31,707,875	31,707,875	-	33,963,290	33,963,290	-
State EE	6,368,295	6,368,295	-	6,305,842	6,305,842	-	6,860,459	6,860,459	-
Non-State ER	4,303,942	4,303,942	-	4,303,740	4,303,740	-	4,340,282	4,340,282	-
Non-State EE	691,481	691,481	-	694,397	694,397	-	686,241	686,241	-
Direct Bill	2,853,410	2,853,410	-	2,755,862	2,755,862	-	2,746,284	2,746,284	-
COBRA	81,954	81,954	-	65,897	65,897	-	58,541	58,541	-
Voluntary Benefit	366,319	366,319	-	366,579	366,579	-	394,477	394,477	-
Interest/Other	163,433	163,433	-	165,821	165,821	-	132,394	132,394	-
Zinc Rx Settlement / Funding from GBA	-	-	-	-	-	-	-	-	-
Administrative Fund	300,389	300,389	-	299,635	299,635	-	297,182	297,182	-
Total	52,952,619	52,952,619	-	46,665,647	46,665,647	-	49,479,150	49,479,150	-
Expenses									
Medical Claims	31,455,489	31,455,489	-	23,378,180	23,378,180	-	27,503,733	27,503,733	-
Rx Claims	10,385,277	10,385,277	-	8,391,483	8,391,483	-	9,056,669	9,056,669	-
Dental Claims	1,981,596	1,981,596	-	2,820,383	2,820,383	-	2,464,517	2,464,517	-
Health Savings ER	6,558,253	6,558,253	-	1,424,428	1,424,428	-	853,147	853,147	-
ASO/Premium	3,697,861	3,697,861	-	3,459,694	3,459,694	-	4,228,388	4,228,388	-
Voluntary Benefit	366,319	366,319	-	366,579	366,579	-	394,477	394,477	-
Onsite Clinic (Marathon)	181,122	181,122	-	180,196	180,196	-	177,412	177,412	-
Other Contract Fees/Flex	41,406	41,406	-	41,423	41,422.79	-	41,402	41,402	-
PCORI	-	-	-	-	-	-	-	-	-
Administrative Fund	450,364	450,364	-	405,869	405,869	-	427,624	427,624	-
Total	55,117,687	55,117,687	-	40,468,234	40,468,234	-	45,147,372	45,147,372	-
Net Cash Flow	(2,165,068)	(2,165,068)	-	6,197,413	6,197,413	-	4,331,779	4,331,779	-
Beginning Balance (Reserve Fund)	40,896,693	40,896,693	-	38,881,600	38,881,600	-	45,185,247	45,185,247	-
Ending Balance (Reserve Fund)	38,881,600	38,881,600	-	45,185,247	45,185,247	-	49,647,467	49,647,467	-
Beginning Balance (Administrative Fund)	6,995,325	6,995,325	-	6,845,351	6,845,351	-	6,739,117	6,739,117	-
Ending Balance (Administrative Fund)	6,845,351	6,845,351	-	6,739,117	6,739,117	-	6,608,675	6,608,675	-
Beginning Balance (Both Funds)	47,892,018	47,892,018	-	45,726,950	45,726,950	-	51,924,364	51,924,364	-
Ending Balance (Both Funds)	45,726,950	45,726,950	-	51,924,364	51,924,364	-	56,256,142	56,256,142	-
Enrollment (Subscriber)	Initial	Updated	Difference	Initial	Updated	Difference	Initial	Updated	Difference
Active	38,710	38,710	-	38,749	38,749	-	38,813	38,813	-
COBRA	82	82	-	74	74	-	59	59	-
Non-Medicare Retiree	456	456	-	465	465	-	462	462	-
Medicare Retiree	7,548	7,548	-	7,546	7,546	-	7,518	7,518	-
Total	46,796	46,796	-	46,834	46,834	-	46,852	46,852	-
Revenue PEPM	1,132	1,132	-	996	996	-	1,056	1,056	-
Expenses PEPM	1,178	1,178	-	864	864	-	964	964	-

**Kansas State Employees Health Care Commission
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Budget vs. Actual**

	Apr-2025			May-2025			Jun-2025		
	Initial Budget	Actual	Gain/(Loss)	Initial Budget	Actual	Gain/(Loss)	Initial Budget	Actual	Gain/(Loss)
Revenue									
State ER	40,577,589	40,523,521	(54,068)	34,121,730	34,121,732	2	28,870,675	29,219,262	348,587
State EE	6,939,362	6,861,498	(77,864)	6,939,362	6,858,413	(80,949)	5,765,419	5,822,628	57,209
Non-State ER	4,290,766	4,279,363	(11,402)	4,290,766	4,353,452	62,687	4,290,766	4,321,368	30,603
Non-State EE	685,575	690,076	4,501	685,575	702,615	17,040	685,575	697,255	11,680
Direct Bill	2,760,851	2,744,385	(16,466)	2,760,851	2,737,766	(23,085)	2,760,851	2,737,340	(23,511)
COBRA	63,079	62,524	(555)	63,079	59,835	(3,244)	63,079	70,278	7,198
Voluntary Benefit	319,180	394,339	75,159	319,180	392,576	73,396	319,180	335,496	16,316
Interest/Other	127,802	134,973	7,170	127,802	270,465	142,663	127,802	313,516	185,714
Zinc Rx Settlement / Funding from GBA	-	-	-	-	-	-	-	14,568,079	14,568,079
Administrative Fund	295,583	298,724	3,141	295,583	298,298	2,715	295,583	281,762	(13,821)
Total	56,059,787	55,989,404	(70,384)	49,603,928	49,795,152	188,509	43,178,930	58,366,984	15,188,054
Expenses									
Medical Claims	30,270,225	29,264,048	1,006,177	34,974,178	38,201,546	(3,227,368)	29,055,599	21,061,439	7,994,160
Rx Claims	8,307,178	8,823,147	(515,969)	10,417,938	11,052,755	(634,817)	10,556,083	11,113,097	(557,014)
Dental Claims	2,344,808	2,448,602	(103,795)	2,941,598	2,612,887	328,711	2,359,082	2,512,672	(153,590)
Health Savings ER	7,086,034	7,099,219	(13,184)	593,003	766,915	(173,913)	663,001	640,421	22,580
ASO/Premium	3,846,587	3,775,032	71,556	4,088,421	3,847,309	241,112	3,846,587	4,032,746	(186,159)
Voluntary Benefit	319,180	394,339	(75,159)	319,180	392,576	(73,396)	319,180	335,496	(16,316)
Onsite Clinic (Marathon)	176,365	185,428	(9,063)	187,865	173,436	14,429	187,865	190,836	(2,971)
Other Contract Fees/Flex	52,527	41,484	11,044	52,527	41,514	11,013	52,527	42,892	9,635
PCORI	-	-	-	-	-	-	-	-	-
Administrative Fund	459,046	423,068	35,978	459,046	439,644	19,403	459,046	437,106	21,940
Total	52,861,952	52,454,367	407,584	54,033,757	57,528,583	(3,494,826)	47,498,972	40,366,706	7,132,265
Net Cash Flow	3,197,836	3,535,036	337,200	(4,429,828)	(7,733,431)	(3,306,317)	(4,320,042)	18,000,277	22,320,319
Beginning Balance (Reserve Fund)	48,943,968	49,647,467	703,499	52,327,128	53,306,848	979,720	48,082,623	45,714,763	(2,367,860)
Ending Balance (Reserve Fund)	52,327,128	53,306,848	979,720	48,082,623	45,714,763	(2,367,860)	43,947,905	63,870,384	19,922,480
Beginning Balance (Administrative Fund)	6,469,140	6,608,675	139,535	6,283,816	6,484,331	200,514	6,098,492	6,342,985	244,492
Ending Balance (Administrative Fund)	6,283,816	6,484,331	200,514	6,098,492	6,342,985	244,492	5,913,169	6,187,640	274,472
Beginning Balance (Both Funds)	55,413,108	56,256,142	843,034	58,610,944	59,791,178	1,180,234	54,181,116	52,057,748	(2,123,368)
Ending Balance (Both Funds)	58,610,944	59,791,178	1,180,234	54,181,116	52,057,748	(2,123,368)	49,861,073	70,058,025	20,196,951
Enrollment (Subscriber)	Initial	Updated	Difference	Initial	Updated	Difference	Initial	Updated	Difference
Active	38,813	38,820	7	38,813	38,878	65	38,813	38,738	(75)
COBRA	59	56	(3)	59	55	(4)	59	64	5
Non-Medicare Retiree	462	493	31	462	477	15	462	485	23
Medicare Retiree	7,518	7,502	(16)	7,518	7,479	(39)	7,518	7,468	(50)
Total	46,852	46,871	19	46,852	46,889	37	46,852	46,755	(97)
Revenue PEPM	1,197	1,195	(2)	1,059	1,062	3	922	1,248	327
Expenses PEPM	1,128	1,119	(9)	1,153	1,227	74	1,014	863	(150)

**Kansas State Employees Health Care Commission
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Budget vs. Actual**

	Jul-2025			Aug-2025			Sep-2025		
	Initial Budget	Actual	Gain/(Loss)	Initial Budget	Actual	Gain/(Loss)	Initial Budget	Actual	Gain/(Loss)
Revenue									
State ER	37,601,657	37,476,963	(124,694)	31,145,798	31,793,059	647,261	33,863,613	34,584,689	721,076
State EE	5,765,419	5,826,288	60,869	5,765,419	5,862,466	97,047	6,352,390	6,491,588	139,197
Non-State ER	4,603,639	4,732,755	129,116	4,603,639	4,777,836	174,197	4,603,639	4,788,250	184,611
Non-State EE	685,575	709,337	23,763	685,575	717,292	31,718	685,575	715,567	29,992
Direct Bill	2,760,851	2,744,621	(16,230)	2,760,851	2,745,441	(15,410)	2,760,851	2,750,860	(9,990)
COBRA	63,079	79,617	16,538	63,079	108,839	45,760	63,079	102,891	39,812
Voluntary Benefit	319,180	334,577	15,396	319,180	335,831	16,651	319,180	365,196	46,015
Interest/Other	127,802	174,488	46,686	127,802	220,307	92,505	127,802	206,700	78,898
Zinc Rx Settlement / Funding from GBA	-	-	-	-	-	-	-	-	-
Administrative Fund	295,583	280,333	(15,250)	295,583	281,047	(14,536)	295,583	297,114	1,531
Total	52,222,785	52,358,979	136,194	45,766,926	46,842,118	1,075,192	49,071,713	50,302,855	1,231,142
Expenses									
Medical Claims	29,919,934	36,724,260	(6,804,326)	39,318,965	38,645,637	673,328	30,795,395	29,506,434	1,288,961
Rx Claims	3,116,496	702,607	2,413,888	10,833,912	11,840,773	(1,006,861)	10,928,565	12,376,290	(1,447,725)
Dental Claims	2,364,901	3,077,602	(712,702)	2,963,416	3,150,325	(186,909)	2,376,580	2,197,129	179,451
Health Savings ER	6,974,744	6,869,080	105,665	460,082	747,999	(287,916)	434,537	821,806	(387,269)
ASO/Premium	3,846,587	3,780,270	66,318	3,846,587	3,788,571	58,017	3,846,587	3,745,682	100,905
Voluntary Benefit	319,180	334,577	(15,396)	319,180	335,831	(16,651)	319,180	365,196	(46,015)
Onsite Clinic (Marathon)	187,865	193,361	(5,496)	187,865	187,471	394	187,865	191,988	(4,123)
Other Contract Fees/Flex	52,527	41,136	11,392	52,527	56,990	(4,462)	52,527	52,702	(174)
PCORI	209,619	213,311	(3,692)	-	-	-	-	-	-
Administrative Fund	463,918	487,751	(23,832)	463,918	434,494	29,424	463,918	400,093	63,825
Total	47,455,772	52,423,953	(4,968,181)	58,446,454	59,188,090	(741,636)	49,405,155	49,657,320	(252,165)
Net Cash Flow	4,767,013	(64,975)	(4,831,987)	(12,679,529)	(12,345,972)	333,557	(333,442)	645,536	978,977
Beginning Balance (Reserve Fund)	43,947,905	63,870,384	19,922,480	48,905,113	64,012,827	15,107,714	36,415,781	51,820,302	15,404,522
Ending Balance (Reserve Fund)	48,905,113	64,012,827	15,107,714	36,415,781	51,820,302	15,404,522	36,272,535	52,568,817	16,296,282
Beginning Balance (Administrative Fund)	5,913,169	6,187,640	274,472	5,722,973	5,980,223	257,250	5,532,777	5,826,776	293,999
Ending Balance (Administrative Fund)	5,722,973	5,980,223	257,250	5,532,777	5,826,776	293,999	5,342,581	5,723,797	381,216
Beginning Balance (Both Funds)	49,861,073	70,058,025	20,196,951	54,628,086	69,993,050	15,364,964	41,948,558	57,647,078	15,698,521
Ending Balance (Both Funds)	54,628,086	69,993,050	15,364,964	41,948,558	57,647,078	15,698,521	41,615,116	58,292,614	16,677,498
Enrollment (Subscriber)									
Active	38,813	38,623	(190)	38,813	38,702	(111)	38,813	38,803	(10)
COBRA	59	72	13	59	94	35	59	103	44
Non-Medicare Retiree	462	508	46	462	509	47	462	514	52
Medicare Retiree	7,518	7,463	(55)	7,518	7,456	(62)	7,518	7,421	(97)
Total	46,852	46,666	(186)	46,852	46,761	(91)	46,852	46,841	(11)
Revenue PEPM	1,115	1,122	7	977	1,002	25	1,047	1,074	27
Expenses PEPM	1,013	1,123	110	1,247	1,266	18	1,054	1,060	6

**Kansas State Employees Health Care Commission
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Budget vs. Actual**

	Oct-2025			Nov-2025			Dec-2025		
	Initial Budget	Actual	Gain/(Loss)	Initial Budget	Actual	Gain/(Loss)	Initial Budget	Actual	Gain/(Loss)
Revenue									
State ER	40,319,472	40,481,202	161,730	33,863,613	34,216,931	353,318	33,863,613	34,092,541	228,928
State EE	6,352,390	6,423,671	71,280	6,352,390	6,418,204	65,814	6,352,390	6,394,557	42,167
Non-State ER	4,603,639	4,823,059	219,421	4,603,639	4,878,724	275,085	4,603,639	4,848,882	245,243
Non-State EE	685,575	721,406	35,832	685,575	727,532	41,957	685,575	723,716	38,141
Direct Bill	2,760,851	2,748,778	(12,073)	2,760,851	2,730,211	(30,640)	2,760,851	2,737,682	(23,169)
COBRA	63,079	104,454	41,375	63,079	106,006	42,926	63,079	101,682	38,602
Voluntary Benefit	319,180	362,178	42,997	319,180	362,129	42,949	319,180	359,093	39,912
Interest/Other	127,802	161,079	33,277	127,802	208,477	80,675	127,802	145,691	17,889
Zinc Rx Settlement / Funding from GBA	-	-	-	-	-	-	-	-	-
Administrative Fund	295,583	298,079	2,496	295,583	297,825	2,242	295,583	297,171	1,588
Total	55,527,572	56,123,906	596,335	49,071,713	49,946,039	874,326	49,071,713	49,701,015	629,302
Expenses									
Medical Claims	38,438,890	39,375,096	(936,206)	34,016,213	21,972,361	12,043,852	32,220,315	46,911,648	(14,691,333)
Rx Claims	11,910,755	13,790,119	(1,879,364)	12,491,019	11,339,039	1,151,980	11,613,208	12,293,071	(679,863)
Dental Claims	2,978,051	2,933,173	44,878	2,388,317	1,887,226	501,091	2,394,207	3,015,039	(620,831)
Health Savings ER	7,040,734	7,069,545	(28,812)	663,458	634,061	29,397	464,747	714,692	(249,945)
ASO/Premium	3,846,587	3,791,309	55,278	3,846,587	3,834,060	12,528	3,846,587	3,763,608	82,979
Voluntary Benefit	319,180	362,178	(42,997)	319,180	362,129	(42,949)	319,180	359,093	(39,912)
Onsite Clinic (Marathon)	187,865	193,929	(6,064)	187,865	210,320	(22,454)	187,865	205,688	(17,823)
Other Contract Fees/Flex	52,527	88,677	(36,149)	52,527	105,974	(53,446)	52,527	69,531	(17,003)
PCORI	-	-	-	-	-	-	-	-	-
Administrative Fund	463,918	481,841	(17,923)	463,918	412,851	51,068	463,918	429,673	34,245
Total	65,238,508	68,085,868	(2,847,360)	54,429,086	40,758,020	13,671,066	51,562,557	67,762,043	(16,199,486)
Net Cash Flow	(9,710,936)	(11,961,961)	(2,251,025)	(5,357,373)	9,188,020	14,545,393	(2,490,844)	(18,061,028)	(15,570,185)
Beginning Balance (Reserve Fund)	36,272,535	52,568,817	16,296,282	26,751,794	40,790,617	14,038,823	21,584,617	50,093,662	28,509,045
Ending Balance (Reserve Fund)	26,751,794	40,790,617	14,038,823	21,584,617	50,093,662	28,509,045	19,283,969	32,165,136	12,881,167
Beginning Balance (Administrative Fund)	5,342,581	5,723,797	381,216	5,152,385	5,540,036	387,650	4,962,189	5,425,010	462,820
Ending Balance (Administrative Fund)	5,152,385	5,540,036	387,650	4,962,189	5,425,010	462,820	4,771,994	5,292,508	520,514
Beginning Balance (Both Funds)	41,615,116	58,292,614	16,677,498	31,904,180	46,330,653	14,426,473	26,546,807	55,518,672	28,971,865
Ending Balance (Both Funds)	31,904,180	46,330,653	14,426,473	26,546,807	55,518,672	28,971,865	24,055,963	37,457,644	13,401,681
Enrollment (Subscriber)	Initial	Updated	Difference	Initial	Updated	Difference	Initial	Updated	Difference
Active	38,813	38,944	131	38,813	39,041	228	38,813	39,067	254
COBRA	59	99	40	59	99	40	59	97	38
Non-Medicare Retiree	462	525	63	462	521	59	462	515	53
Medicare Retiree	7,518	7,410	(108)	7,518	7,377	(141)	7,518	7,366	(152)
Total	46,852	46,978	126	46,852	47,038	186	46,852	47,045	193
Revenue PEPM	1,185	1,195	10	1,047	1,062	14	1,047	1,056	9
Expenses PEPM	1,392	1,449	57	1,162	866	(295)	1,101	1,440	340

**Kansas State Employees Health Care Commission
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Budget vs. Actual**

	Jan-2025 - Dec-2025			Jan-Dec 2025			
	Initial Budget	Actual	Gain/(Loss)	Initial Budget	Actual/Budget	\$ Gain/(Loss)	% Gain/(Loss)
Revenue							
State ER	417,722,323	420,004,463	2,282,140	417,722,323	420,004,463	2,282,140	0.5%
State EE	76,119,137	76,493,909	374,772	76,119,137	76,493,909	374,772	0.5%
Non-State ER	53,442,091	54,751,652	1,309,561	53,442,091	54,751,652	1,309,561	2.5%
Non-State EE	8,242,291	8,476,914	234,623	8,242,291	8,476,914	234,623	2.8%
Direct Bill	33,203,213	33,032,639	(170,575)	33,203,213	33,032,639	(170,575)	-0.5%
COBRA	774,107	1,002,518	228,411	774,107	1,002,518	228,411	29.5%
Voluntary Benefit	4,000,000	4,368,790	368,790	4,000,000	4,368,790	368,790	9.2%
Interest/Other	1,611,867	2,297,344	685,476	1,611,867	2,297,344	685,476	42.5%
Zinc Rx Settlement / Funding from GBA	-	14,568,079	14,568,079	-	14,568,079	14,568,079	
Administrative Fund	3,557,453	3,527,560	(29,893)	3,557,453	3,527,560	(29,893)	-0.8%
Total	598,672,483	618,523,868	19,851,385	598,672,483	618,523,868	19,851,385	3.3%
Expenses							
Medical Claims	381,347,116	383,999,872	(2,652,756)	381,347,116	383,999,872	(2,652,756)	-0.7%
Rx Claims	118,008,582	121,164,328	(3,155,745)	118,008,582	121,164,328	(3,155,745)	-2.7%
Dental Claims	30,377,457	31,101,152	(723,695)	30,377,457	31,101,152	(723,695)	-2.4%
Health Savings ER	33,216,168	34,199,565	(983,397)	33,216,168	34,199,565	(983,397)	-3.0%
ASO/Premium	46,247,063	45,744,529	502,534	46,247,063	45,744,529	502,534	1.1%
Voluntary Benefit	4,000,000	4,368,790	(368,790)	4,000,000	4,368,790	(368,790)	-9.2%
Onsite Clinic (Marathon)	2,218,015	2,271,187	(53,172)	2,218,015	2,271,187	(53,172)	-2.4%
Other Contract Fees/Flex	596,978	665,130	(68,152)	596,978	665,130	(68,152)	-11.4%
PCORI	209,619	213,311	(3,692)	209,619	213,311	(3,692)	-1.8%
Administrative Fund	5,444,506	5,230,378	214,129	5,444,506	5,230,378	214,129	3.9%
Total	621,665,504	628,958,243	(7,292,738)	621,665,504	628,958,243	(7,292,738)	-1.2%
Net Cash Flow	(22,993,022)	(10,434,375)	12,558,647	(22,993,022)	(10,434,375)	12,558,647	
Beginning Balance (Reserve Fund)	40,896,693	40,896,693	-	40,896,693	40,896,693	-	
Ending Balance (Reserve Fund)	19,790,725	32,165,136	12,374,411	19,790,725	32,165,136	12,374,411	
Beginning Balance (Administrative Fund)	6,995,325	6,995,325	-	6,995,325	6,995,325	-	
Ending Balance (Administrative Fund)	5,108,272	5,292,508	184,236	5,108,272	5,292,508	184,236	
Beginning Balance (Both Funds)	47,892,018	47,892,018	-	47,892,018	47,892,018	-	
Ending Balance (Both Funds)	24,898,997	37,457,644	12,558,647	24,898,997	37,457,644	12,558,647	
Enrollment (Subscriber)	Initial	Updated	Difference	Initial	Updated	Difference	% Difference
Active	38,799	38,824	25	38,799	38,824	25	0.1%
COBRA	62	80	17	62	80	17	27.9%
Non-Medicare Retiree	462	494	32	462	494	32	7.0%
Medicare Retiree	7,523	7,463	(60)	7,523	7,463	(60)	-0.8%
Total	46,846	46,861	15	46,846	46,861	15	0.0%
Revenue PEPM	1,065	1,100	35	1,065	1,100	35	3.3%
Expenses PEPM	1,106	1,118	13	1,106	1,118	13	1.1%

**Kansas State Employees Health Care Commission
Multi-Year Projection
Assumption Summary**

Trend Assumptions	2024	2025	2026	2027	2028	2029	2030
Interest Rate on Fund Balance (Fiscal Year)	4.5%	4.00%	3.50%	3.25%	3.00%	3.00%	3.0%
Admin/Contract Fee Trend/Vision Trend	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Medical claim trend rate	8.0%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%
Prescription drug claim trend rate	6.8%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%
Dental claim trend rate	-0.4%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Medicare Advantage trend rate	7.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Funding Rate Assumptions							
Medical	Target based on 10% of Total Expenses						
Employer % Change (eff. July 1)	Fixed	Fixed	Fixed	Calculated	Calculated	Calculated	Calculated
State Employer	5.0%	7.5%	8.0%	7.0%	7.0%	7.0%	7.0%
Non-State Employer	5.0%	7.5%	8.0%	7.0%	7.0%	7.0%	7.0%
State Employee % Change (eff. Jan 1)	Fixed	Fixed	Fixed	Calculated	Calculated	Calculated	Calculated
Employee	0.0%	0.0%	2.0%	7.0%	7.0%	7.0%	7.0%
Employee + Spouse	0.0%	0.0%	2.0%	7.0%	7.0%	7.0%	7.0%
Employee + Child(ren)	0.0%	0.0%	2.0%	7.0%	7.0%	7.0%	7.0%
Employee + Family	0.0%	0.0%	2.0%	7.0%	7.0%	7.0%	7.0%
Non-State Employee % Change (eff. Jan 1)	Fixed	Fixed	Fixed	Calculated	Calculated	Calculated	Calculated
Employee	0.0%	0.0%	2.0%	7.0%	7.0%	7.0%	7.0%
Employee + Spouse	0.0%	0.0%	2.0%	7.0%	7.0%	7.0%	7.0%
Employee + Child(ren)	0.0%	0.0%	2.0%	7.0%	7.0%	7.0%	7.0%
Employee + Family	0.0%	0.0%	2.0%	7.0%	7.0%	7.0%	7.0%
Non-Medicare Retiree Contrib % Change (eff. Jan 1)	Fixed	Fixed	Fixed	Calculated	Calculated	Calculated	Calculated
Employee	0.0%	0.0%	2.0%	7.0%	7.0%	7.0%	7.0%
Employee + Spouse	0.0%	0.0%	2.0%	7.0%	7.0%	7.0%	7.0%
Employee + Child(ren)	0.0%	0.0%	2.0%	7.0%	7.0%	7.0%	7.0%
Employee + Family	0.0%	0.0%	2.0%	7.0%	7.0%	7.0%	7.0%
Dental							
Employer contribution % increase (eff. July 1)	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%
Active ee contribution % incr. (eff. Jan 1)	0.0%	0.0%	3.3%	3.3%	3.3%	3.3%	3.3%
Retirees contribution % increase (eff. Jan 1)	0.0%	0.0%	3.3%	3.3%	3.3%	3.3%	3.3%
Plan N EE+CH (Now \$1,000)		\$ -	\$ -	\$ -	\$ -		
Wellness Assumptions							
Earned HSA/HRA Contribution (\$500/\$1,000)	60%	60%	60%	60%	60%	60%	60%
Wellness Contribution Credit \$40 per month	50%	50%	50%	50%	50%	50%	50%
Reserve Targets							
10% of Total Expenses (average of prior 3 years)	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	
Additional Cash							
Funding from GBA							
Expense Cost/(Savings)							

Kansas State Employees Health Care Commission
Financial Data Through December 2025 and Enrollment Data Through December 2025
Multi-Year Projection

	2024 Actual	2025 Actual	2026 Projected	2027 Projected	2028 Projected	2029 Projected	2030 Projected
Revenue							
State ER	\$ 384,229,838	\$ 420,004,463	\$ 455,184,364	\$ 488,564,225	\$ 522,231,792	\$ 558,237,487	\$ 596,744,723
State EE	\$ 73,601,308	\$ 76,493,909	\$ 79,019,202	\$ 84,802,932	\$ 90,983,249	\$ 97,587,751	\$ 104,645,967
Non-State ER	\$ 53,364,993	\$ 54,751,652	\$ 56,501,014	\$ 60,623,763	\$ 64,782,569	\$ 69,228,832	\$ 73,982,597
Non-State EE	\$ 8,933,276	\$ 8,476,914	\$ 8,160,969	\$ 8,756,658	\$ 9,393,295	\$ 10,073,733	\$ 10,801,026
Direct Bill	\$ 31,411,607	\$ 33,032,639	\$ 34,456,785	\$ 35,922,659	\$ 37,454,903	\$ 39,056,761	\$ 40,731,651
COBRA	\$ 1,367,067	\$ 1,002,518	\$ 1,342,290	\$ 1,449,318	\$ 1,553,227	\$ 1,664,326	\$ 1,505,464
Voluntary Benefit	\$ 3,779,506	\$ 4,368,790	\$ 4,370,550	\$ 4,370,550	\$ 4,370,550	\$ 4,370,550	\$ 4,370,550
Interest/Other	\$ 4,669,363	\$ 2,297,344	\$ 1,125,780	\$ 651,720	\$ 350,027	\$ 703,362	\$ 1,343,683
Rx Settlement	\$ -	\$ 14,568,079	\$ -	\$ -	\$ -	\$ -	\$ -
Administrative Fund	\$ 3,619,205	\$ 3,527,560	\$ 3,499,417	\$ 3,424,467	\$ 3,363,295	\$ 3,314,179	\$ 3,314,179
Total	\$ 564,976,162	\$ 618,523,868	\$ 643,660,369	\$ 688,566,291	\$ 734,482,907	\$ 784,236,982	\$ 837,439,840
Expenses							
Medical Claims	\$ 359,567,379	\$ 383,999,872	\$ 401,901,999	\$ 433,537,217	\$ 447,484,864	\$ 472,852,655	\$ 498,504,998
Rx Claims	\$ 108,228,296	\$ 121,164,328	\$ 128,565,542	\$ 136,913,668	\$ 146,102,811	\$ 158,328,837	\$ 171,786,789
Dental Claims	\$ 28,100,916	\$ 31,101,152	\$ 31,874,384	\$ 33,525,427	\$ 33,883,680	\$ 34,896,856	\$ 35,942,063
Health Savings ER	\$ 33,521,944	\$ 34,199,565	\$ 33,786,964	\$ 33,786,964	\$ 33,786,964	\$ 33,786,961	\$ 33,786,960
ASO/Premium	\$ 42,391,977	\$ 45,744,529	\$ 47,611,919	\$ 48,827,666	\$ 50,334,805	\$ 51,893,311	\$ 53,505,058
Voluntary Benefit	\$ 3,779,506	\$ 4,368,790	\$ 4,370,550	\$ 4,370,550	\$ 4,370,550	\$ 4,370,550	\$ 4,370,550
Marathon (Onsite Clinic)	\$ 2,222,482	\$ 2,271,187	\$ 2,358,354	\$ 2,358,354	\$ 2,358,354	\$ 2,405,521	\$ 2,453,631
Other Contract Fees/Flex	\$ 505,958	\$ 665,130	\$ 780,201	\$ 780,201	\$ 782,060	\$ 797,701	\$ 813,655
PCORI	\$ 194,591	\$ 213,311	\$ 221,140	\$ 229,255	\$ 237,669	\$ 246,391	\$ 255,434
Expenses Cost/(Savings)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Administrative Fund	\$ 5,422,563	\$ 5,230,378	\$ 5,262,705	\$ 5,316,486	\$ 5,340,405	\$ 5,381,527	\$ 5,426,603
Total	\$ 583,935,612	\$ 628,958,243	\$ 656,733,757	\$ 699,645,788	\$ 724,682,161	\$ 764,960,309	\$ 806,845,743
Net Cash Flow	\$ (18,959,450)	\$ (10,434,375)	\$ (13,073,388)	\$ (11,079,496)	\$ 9,800,746	\$ 19,276,673	\$ 30,594,097
Beginning Balance (Reserve Fund)	\$ 58,052,785	\$ 40,896,693	\$ 32,165,136	\$ 20,855,036	\$ 11,667,558	\$ 23,445,415	\$ 44,789,435
Ending Balance (Reserve Fund)	\$ 40,896,693	\$ 32,165,136	\$ 20,855,036	\$ 11,667,558	\$ 23,445,415	\$ 44,789,435	\$ 77,495,956
Beginning Balance (Administrative Fund)	\$ 8,798,683	\$ 6,995,325	\$ 5,292,508	\$ 3,529,220	\$ 1,637,201	\$ (339,909)	\$ (2,407,257)
Ending Balance (Administrative Fund)	\$ 6,995,325	\$ 5,292,508	\$ 3,529,220	\$ 1,637,201	\$ (339,909)	\$ (2,407,257)	\$ (4,519,681)
Beginning Balance (Both Funds)	\$ 66,851,469	\$ 47,892,018	\$ 37,457,644	\$ 24,384,256	\$ 13,304,759	\$ 23,105,505	\$ 42,382,178
Ending Balance (Both Funds)	\$ 47,892,018	\$ 37,457,644	\$ 24,384,256	\$ 13,304,759	\$ 23,105,505	\$ 42,382,178	\$ 72,976,275
Target based on HB.2218	\$ 50,898,848	\$ 53,835,262	\$ 58,302,144	\$ 62,320,920	\$ 66,177,926	\$ 69,368,724	\$ 72,976,275
Fund Balance vs. HB.2218 Target Surplus/(Shortfall)	\$ (3,006,830)	\$ (16,377,618)	\$ (33,917,888)	\$ (49,016,161)	\$ (43,072,421)	\$ (26,986,545)	\$ (0)
Enrollment (Subscriber)							
Active	38,064	38,824	39,067	39,266	39,266	39,266	39,266
COBRA	104	80	97	92	92	92	92
Non-Medicare Retiree	416	494	515	523	523	523	523
Medicare Retiree	7,763	7,463	7,366	7,308	7,308	7,308	7,308
Total	46,347	46,861	47,045	47,189	47,189	47,189	47,189
	46,327						
Revenue PEPM	\$ 1,016	\$ 1,100	\$ 1,140	\$ 1,216	\$ 1,297	\$ 1,385	\$ 1,479
Expenses PEPM	\$ 1,050	\$ 1,118	\$ 1,163	\$ 1,236	\$ 1,280	\$ 1,351	\$ 1,425

Kansas State Employees Health Care Commission
Financial Data Through December 2025 and Enrollment Data Through December 2025
Itemized Non Claims Expenses Projected by Staff

	2025	2025	2025	2025	2025	2025	2025	2025	2025	2025	2025	2025	2025	2025
	January	February	March	April	May	June	July	August	September	October	November	December	To Date	Projected
ASO/Premium														
BCBS ASO/Premium	2,792,134	2,945,142	2,942,545	2,938,143	2,932,768	2,926,796	2,913,721	2,916,771	2,913,682	2,922,311	2,908,108	2,897,787	29,144,014	35,122,485
Aetna Premium (Medicare Retiree)	137,875	140,857	141,306	140,756	140,774	139,219	139,054	140,004	140,818	139,181	140,088	139,829	1,399,845	1,768,839
Aetna ASO	148,720	150,579	150,079	146,897	151,473	150,508	152,045	151,330	152,724	152,617	152,045	136,494	1,506,970	1,684,100
ASO-Delta (Dental)	50,744	50,622	50,354	50,338	50,470	50,480	50,444	50,666	50,606	50,870	50,696	50,598	505,593	597,169
ASO-Caremark (Rx)	153,269	147,659	134,489	74,856	142,167	141,863	144,897	149,387	150,411	121,506	124,514	118,172	1,360,504	1,935,417
Premium- Surency (Vision)	375,757	-	780,738	400,090	405,356	597,921	356,604	358,194	312,970	380,395	448,985	377,438	3,968,025	4,767,852
Premium-Silverscript (Medicare Rx)	20,204	18,132	18,453	17,873	17,991	17,550	17,249	17,550	17,679	16,798	-	32,393	179,479	279,402
MDX Medical Inc (Transparency Service)	19,157	6,703	10,426	6,079	6,310	8,410	6,255	4,669	6,793	7,633	9,624	10,898	82,432	91,800
Total	3,697,861	3,459,694	4,228,388	3,775,032	3,847,309	4,032,746	3,780,270	3,788,571	3,745,682	3,791,309	3,834,060	3,763,608	38,146,861	46,247,063
Voluntary Benefit														
Supplemental	366,319	366,579	394,477	394,339	392,576	335,496	334,577	335,831	365,196	362,178	362,129	359,093	3,647,568	4,000,000
Total	366,319	366,579	394,477	394,339	392,576	335,496	334,577	335,831	365,196	362,178	362,129	359,093	3,647,568	4,000,000
Onsite Clinic														
Marathon	181,122	180,196	177,412	185,428	173,436	190,836	193,361	187,471	191,988	193,929	210,320	205,688	1,855,179	2,218,015
Total	181,122	180,196	177,412	185,428	173,436	190,836	193,361	187,471	191,988	193,929	210,320	205,688	1,855,179	2,218,015
Other Contract Fees/Flex														
Compsych (Employee Assistant Program)	-	-	-	-	-	-	-	17,866	29,471	29,471	29,471	29,471	76,807	-
Itedium (COBRA)	7,582	7,949	7,949	7,949	7,949	7,949	7,949	7,949	7,949	7,949	7,949	7,949	79,125	90,978
ITEDIUM (MAP Enrollment)	15,259	15,307	15,225	15,281	15,394	16,988	15,293	15,360	15,277	15,413	50,650	14,330	154,797	300,000
Metlife (HRA ASO)	1,934	-	-	-	-	-	-	-	-	-	-	-	1,934	-
NueSynergy (Flex Spending Account)	16,632	18,167	18,228	18,254	18,171	17,955	17,894	15,815	5	35,844	17,904	17,781	176,963	206,000
Grand Total	41,406	41,423	41,402	41,484	41,514	42,892	41,136	56,990	52,702	88,677	105,974	69,531	489,626	596,978
Administrative Fund Cost														
Compsych (Employee Assistant Program)	29,858	29,858	29,858	29,858	29,858	29,858	29,858	-	-	-	-	-	209,008	358,300
RX Savings (Transparency Tools)	95,004	95,004	95,004	95,004	95,004	95,004	95,004	95,004	95,004	95,004	95,004	95,004	950,037	1,156,096
Gainwell DXC/Artemis Health (Data Warehouse)	18,150	-	-	-	-	-	-	-	-	-	-	-	18,150	111,750
CITI/Sagebrush (SEHP Audit)	-	11,563	14,730	14,730	26,317	26,317	26,317	23,149	11,587	11,587	10,096	10,096	166,296	186,488
Segal (Actuarial Fees)	41,000	41,000	41,000	41,000	41,000	41,000	41,000	41,000	41,000	41,000	41,000	41,000	410,000	492,000
Marathon (Wellness)	68,319	68,319	68,319	68,319	68,319	68,319	68,319	68,319	68,319	68,319	68,319	68,319	683,188	819,825
Operational Expenses	198,033	160,125	178,713	174,158	179,146	176,609	227,253	207,022	184,184	265,932	198,432	215,255	1,951,175	2,320,047
Total	450,364	405,869	427,624	423,068	439,644	437,106	487,751	434,494	400,093	481,841	412,851	429,673	4,387,854	5,444,506

Agenda Item

#3

GLP-1 Discussion

Agenda Item

#4

HealthQuest Health Center

Health Care Commission Meeting

February 6, 2026

Physician Update

- **Dr. Blaker provided his resignation December 28, 2025**
 - The position was posted January 13, 2026
 - Dr. Blaker's last day will be May 29, 2026
- **Recruitment Plan**
 - Post the physician position internally and externally
 - Position has been approved and posted:
<https://marathonhealth.wd501.myworkdayjobs.com/Marathon-Health-Careers/job/KS-Topeka/Family-Physici...>
 - Utilize medical job boards, professional networks, and direct outreach.
 - Marathon will utilize 2Ladders, a marketing and branding vendor they partner with for physician recruitment
 - Screen applicants and conduct interviews on a rolling basis
 - Plan is to have a physician in place prior to Dr. Blaker's last day
- **Contingency Plan**
 - If a viable permanent candidate is not in process by March Marathon will:
 - Post for a full-time Locums MD
 - Assume the increased cost associated with locum rates
 - Full-time MD coverage (5 days/week) will be maintained to meet contract requirements

APPENDIX - A

Follow up Items from the December 6, 2025 HCC Meeting

iTedium Contract Technical Support

iTedium Technical Support Fee

When the parties agree that additional development or programming services are needed and those additional items / hours have not been expressly included within the contract, the parties will meet, confer and agree on the additional hours that will be needed. The contractor will bill the agreed upon additional hours at \$85 per hour.