



May 11, 2026

Meeting Materials

STATE EMPLOYEES HEALTH CARE COMMISSION
May 11, 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 **April 15, 2026**
- 2. ASO Vendor Contract [Action Item] – Jennifer Flory**

Discussion Items:

- 3. Discussion of Plan Design for Plan Year 2027**
- 4. Next Meeting: June 2, 2026**

Appendix:

- A. Review of Rates and Plan Design Decisions 2020-2026**
- B. 2024 & 2025 Member Cost Share Data**
- C. Follow up items from April 15, 2026 meeting**

Agenda Item

#1

The State of Kansas State Employees Health Care Commission (HCC) meeting was called to order on Wednesday, April 15, 2026, at 09:36 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 HCC members were present:

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

The following staff members were present:

- Jennifer Flory, SEHP Director
- Pete Nagurny, SEHP Deputy Director
- Paul Roberts, SEHP Sr. Manager, Health Plan Operations
- Michelle Lopez, Assistant Manager, Health Plan Operations
- Cris Loomis, Administrative Director
- Anna Garner, SEHP Project Analyst
- Jordan Brewer, Department of Administration Chief Counsel
- Tracy Diel, Department of Administration Counsel
- Gina Sander, Segal Consulting
- Melanie Ingleby, Segal Consulting
- Eileen Pincay, Segal Consulting
- Kirsten Schatten, Segal Consulting

Topic	Discussion	Action	Follow-up
Welcome and Roll Call	Commission Chair Adam Proffitt called the meeting to order at 9:36 a.m.		
1. Approval of Minutes	Commission Chair Adam Proffitt opened the floor for any comments or edits. No edits were suggested.	<p>Commissioner Sutton made a motion to approve the minutes for February 6, 2026.</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 	
2. ASO Contract	<p>Gina Sander from Segal Consulting presented the Medical ASO bids, cost, and key components of each vendor’s bid, followed by a robust discussion.</p> <p>Representatives from both Aetna and Blue Cross and Blue Shield of Kansas provided additional details on their bids and provider networks. Discussed was the possibility of a performance guarantee on the</p>	<p>Commissioner Sutton made a motion to award a three (3)-year contract to Aetna only, using “Aetna’s Local Best” network.</p> <p>2nd-Commissioner Dechant for discussion.</p> <p>Commissioner Schmidt made a substitute motion to table.</p> <p>2nd- Commissioner Hensley</p> <p>The substitute motion to table 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 	

	improvements to the Aetna network. .		
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Topic	Discussion	Action	Follow-up
3. Financial Report- Segal	Melanie Ingleby from Segal Consulting presented the 2026 financials for January and February, along with projections.		
4. Initial Conversations on PY27 Plan Design	Director Jennifer Flory opened the discussion for Plan Year 2027 and possible member Cost Share change levers the HCC could use.		Secretary Proffitt requested Commissioners to provide requested options for the plan design modeling tool for PY2027 to the SEHP by May 11, 2026. Secretary Proffitt requested the plan design worksheet without macros

			be sent out to the Commissioners before the next meeting.
5. Next Meeting	Additional Meeting Requested: Monday, May 11, 2026, 9:30 – 11:00 a.m. KPERS Board Room		Request that Commissioners provide any questions for the vendors in advance of the May 11 th meeting.
The meeting was adjourned at 11:47 a.m.			

Agenda Item #2



State of Kansas
State Employee Health Plan

RFP Evaluation

Medical TPA - Network Focus

May 11, 2026



| Agenda

Recap of April 15th Presentation

Follow-up Items

Network Access

Network Disruption

Financial Guarantees

April Presentation Recap

- Proposals Received: Aetna and BCBS of Kansas (BCBSKS)
- Network Access: Questionable variation in Primary Care Physician (PCP), Specialist, and Mental Health (MH) and Substance Use Disorder (SUD) provider counts between vendors.
- Network Utilization: Based on *eligible* claim dollars, 95.3% to 97.2% of total eligible claim dollars flowing through network providers. When based on *Place of Service*, only 71.2% of Aetna's *ancillary* charges were in network.
- Network Discount Differentials: Aetna and BCBSKS repriced the State Employee Health Plan's (SEHP's) actual experience. Aetna's net effective discounts are higher than BCBSKS'.

Financial Summary

First-Year Cost

February 2026 Enrolled Actives and Early Retirees: 39,851

Medical Cost Projection Actives & Early Retirees	2026 Baseline Blend Aetna (CPOS II) & BCBSKS	2027 Proposed Blend Aetna (CPOS II) & BCBSKS	2027 Proposed Blend Aetna (Local Best) & BCBSKS	2027 Aetna Only (CPOS II)	2027 Aetna Only (Local Best)	2027 BCBS Only
Repricing Results	Current Discounts					
Net Effective Discount	62.6%	61.4%	61.6%	64.9%	67.0%	61.0%
Differential from Baseline	N/A	103.1%	102.6%	93.9%	88.3%	104.3%
Projected Paid Medical						
2027 Baseline Projected Claims (April 2026 HCC Rpt)	\$446,583,442	\$446,583,442	\$446,583,442	\$446,583,442	\$446,583,442	\$446,583,442
Discount Differential	N/A	103.1%	102.6%	93.9%	88.3%	104.3%
Adjusted Paid Claims	\$446,583,442	\$460,468,259	\$458,279,763	\$419,159,790	\$394,318,097	\$465,621,109
Estimated Admin						
Annual Admin Fees*	\$14,867,611	\$15,800,124	\$15,800,124	\$11,883,568	\$11,883,568	\$15,637,532
Total Claims and Admin*	\$461,451,053	\$476,268,383	\$474,079,888	\$431,043,359	\$406,201,665	\$481,258,642
Variance from 2027						
\$ Change from Current Dual Network Offering	N/A	\$14,817,331	\$12,628,835	-\$30,407,694	-\$55,249,387	\$19,807,589
% Change from Current Dual Network Offering	N/A	3.21%	2.74%	-6.59%	-11.97%	4.29%

* Admin fees represent only the core PEPM fee - they do not include attribution fees, value-based payments, BlueCard fees, and various cost saving program fees that are based on a percent of savings.

- Network penetration is very high, for both Aetna and BCBS
- Aetna's net effective discounts are 3.9 – 6.0 percentage points higher than BCBS's network discount.
- Aetna's Local Best network offers greater discounts on inpatient and outpatient services in the Kansas City area. Specifically, Johnson and Wyandotte counties in Kansas, and Jackson, Platte, Cass, and Clay counties in Missouri.

Financial Summary

3-Year Cost

Medical Cost Projection Actives & Early Retirees	Proposed Blend Aetna (CPOS II) & BCBSKS	Proposed Blend Aetna (Local Best) & BCBSKS	Aetna Only (CPOS II)	Aetna Only (Local Best)	BCBS Only
Projected Medical Claims					
2027	\$460,468,259	\$458,279,763	\$419,159,790	\$394,318,097	\$465,621,109
2028	\$485,794,013	\$483,485,150	\$442,213,579	\$416,005,593	\$491,230,270
2029	\$512,512,684	\$510,076,833	\$466,535,326	\$438,885,900	\$518,247,935
Proj 3-Year Medical Claims	\$1,458,774,956	\$1,451,841,747	\$1,327,908,695	\$1,249,209,590	\$1,475,099,315
Admin Fees & Other Fees					
2027	\$15,800,124	\$15,800,124	\$11,883,568	\$11,883,568	\$15,637,532
2028	\$15,800,124	\$15,800,124	\$11,883,568	\$11,883,568	\$15,637,532
2029	\$15,800,124	\$15,800,124	\$11,883,568	\$11,883,568	\$15,637,532
Proj 3-Year Admin Fees	\$47,400,373	\$47,400,373	\$35,650,705	\$35,650,705	\$46,912,597
Total Estimated Medical Plan Cost					
2027	\$476,268,383	\$474,079,888	\$431,043,359	\$406,201,665	\$481,258,642
2028	\$501,594,138	\$499,285,275	\$454,097,147	\$427,889,161	\$506,867,803
2029	\$528,312,808	\$525,876,958	\$478,418,894	\$450,769,468	\$533,885,468
Projected 3-Year Total Plan Cost	\$1,506,175,329	\$1,499,242,120	\$1,363,559,400	\$1,284,860,295	\$1,522,011,913
Variance from 3-Year Multi-Vendor Arrangement					
\$ Change from Current Dual Network Offering		(\$6,933,209)	(\$142,615,930)	(\$221,315,035)	\$15,836,583
% Change from Current Dual Network Offering		-0.46%	-9.47%	-14.69%	1.05%

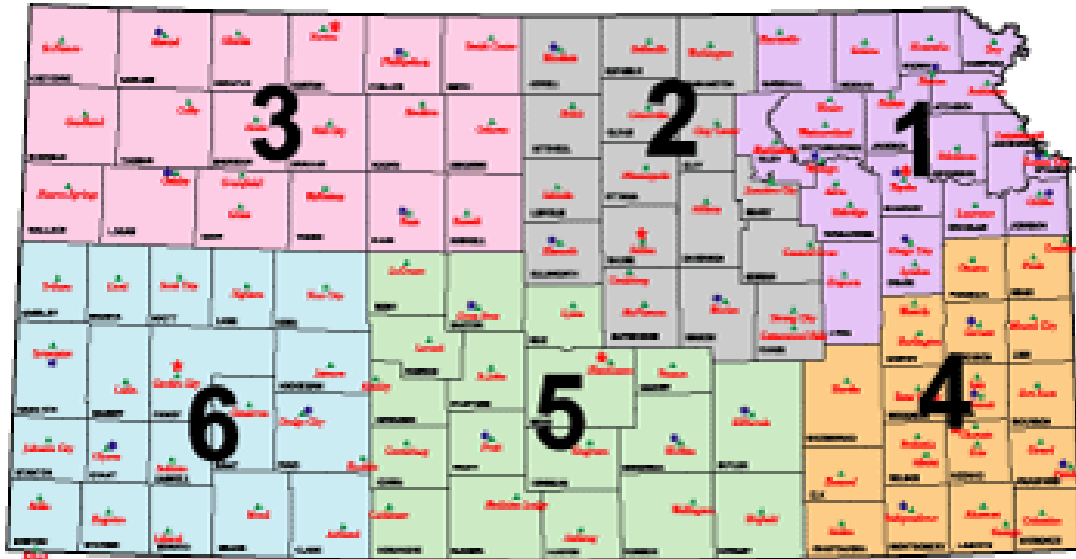
* Assumes 5.5% trend on medical claims, consistent with assumption used in Segal's financial updates

- Admin fees represent the proposed PEPM fee, multiplied by the number of enrolled employees, multiplied further by 12 months

Follow-up Items

- Network Access: More closely align Aetna and BCBSKS provider type categorization.
 - Aetna provided a more detailed list of provider categorization to better compare with BCBSKS' detailed list.
- Analyze Provider Disruption
- Outline Discount Guarantee offers
- Additional Fees in claim wire: Detail fees that are embedded in the claims wire for various cost-containment programs and services.
 - *Provided as a separate response in HCC packet.*

Network Access (1 of 2)



Eligible	Covered Lives	Statewide	Aetna					BCBSKS						
			Hospitals	MH & SUD Facilities	Primary Care Physicians	Specialty Physicians	MH Providers	Total	Hospitals	MH & SUD Facilities	Primary Care Physicians	Specialty Physicians	MH Providers	Total
48,876	40,092	Region 1	54	41	3,009	16,411	6,080	25,595	53	72	8,623	6,562	3,472	18,782
5,153	4,042	Region 2	21	17	547	1,993	1,258	3,836	21	13	1,118	569	810	2,531
5,198	4,239	Region 3	19	8	384	1,193	574	2,178	17	5	1,169	408	459	2,058
8,816	6,949	Region 4	19	26	1,297	3,788	1,097	6,227	20	26	2,108	998	869	4,021
16,947	13,418	Region 5	37	40	1,453	5,878	3,737	11,145	39	48	4,236	1,691	2,156	8,170
2,106	1,667	Region 6	20	4	409	1,277	264	1,974	20	6	934	656	150	1,766
87,096	70,407	Total	170	136	7,099	30,540	13,010	50,955	170	170	18,188	10,884	7,916	37,328

Aetna expanded their list of providers to include Nurse Practitioners and Physician Assistants - more closely aligning with BCBSKS' represented provider types.

Network Access (2 of 2)

Comparing Aetna's expanded provider representation to BCBSKS, Aetna's total provider count for the categories listed is higher by 13,627, primarily attributed to the specialty physician and MH provider categories.

Though Aetna's provider count increased, they still show significantly fewer PCPs compared to BCBSKS.

Overall, the heat map at the left end of the grid, shows that, on average, Aetna has 1 PCP for every 10 covered lives enrolled in an SEHP medical plan. On the county level, the largest ratio spreads occur in Stanton and Hamilton counties, 1:40 and 1:38, respectively.

Covered Lives per PCP	Eligible	Covered Lives	Statewide	Aetna					Total
				Hospitals	MH & SUD Facilities	Primary Care Physicians	Specialty Physicians	MH Providers	
13	48,876	40,092	Region 1	54	41	3,009	16,411	6,080	25,595
7	5,153	4,042	Region 2	21	17	547	1,993	1,258	3,836
11	5,198	4,239	Region 3	19	8	384	1,193	574	2,178
5	8,816	6,949	Region 4	19	26	1,297	3,788	1,097	6,227
9	16,947	13,418	Region 5	37	40	1,453	5,878	3,737	11,145
4	2,106	1,667	Region 6	20	4	409	1,277	264	1,974
10	87,096	70,407	Total	170	136	7,099	30,540	13,010	50,955

Network Disruption

Comparing Aetna’s Local Best network to the current combined Aetna CPOS II and BCBSKS network offering, and to BCBSKS’ network only, there is very little disruption in the number of claims and the allowed claim dollars.

Primary disrupted services include air ambulance and mental health/substance use disorder treatment and facilities – several out of state.

Network Comparison	% of Claims Disrupted	% of Allowed Amount Disrupted
Aetna Local Best vs Current BCBSKS/Aetna Blend	5%	3%
Aetna Local Best vs Current BCBSKS Network	6%	3%

Financial Guarantees (1 of 2)

Discount Guarantees

Aetna and BCBSKS offered network discount guarantees by place of service - Inpatient, Outpatient, and Professional.

Aetna's composite discount: 63.1%

- 50% of administration (admin) fees at risk
- Should Aetna fail to meet the guaranteed discount, the penalty would be paid out at a rate of 2% of the admin fee for each full 1% the discount guarantee is missed.

BCBSKS' composite discount: 59.5% (Segal calculated the composite discount, based on the proportion of eligible claim dollars in each place of service category)

- 3% of admin fees at risk
- Should BCBSKS fail to meet the guaranteed discount, the penalty is paid in full, immediately.

To Illustrate Impact: Assume discount of either comes in at 59.4%

- BCBSKS would pay 100% of 3% of admin fees = \$470K
- Aetna would pay 2% for every full 1% between 63.1% and 59.4% = \$713K

Financial Guarantees (1 of 2)

Trend Guarantees

Aetna offered a trend guarantee as an alternative to the discount guarantee.

- Assuming 4,500 plan enrollees: 5.1% trend guaranteed, with 50% of admin fees at risk
- Assuming 30,000+ plan enrollees: 0.9% trend guaranteed, with 75% of admin fees at risk.

Should Aetna fail to meet the guaranteed trend, the penalty would be paid out at a rate of 2% of the admin fee for each full 1% the trend guarantee is missed.

The HCC may select the preferred guarantee – the discount guarantee or the trend guarantee.

Similar to the calculation of discount guarantee, if they missed a trend guarantee by 3%, the payout would be \$713K

Additional Unsolicited Information

Revised Discount Guarantee

BCBS of Kansas

BCBSKS submitted an unsolicited revised discount guarantee, 4/21/26

BCBSKS' composite discount: 63.1% (Segal calculated the composite discount, based on the proportion of eligible claim dollars in each place of service category)

- 5% of admin fees at risk
- Should BCBSKS fail to meet the guaranteed discount, the penalty is paid in full, immediately.

To Illustrate Impact: Assume discount comes in at 63.0%

- BCBSKS would pay 100% of 5% of admin fees = \$782K

Revised BlueCard Fees

BCBS of Kansas

BCBSKS submitted unsolicited reduced BlueCard fee information, 5/1/26

The applicable BlueCard® access fee rates are as follows:

	Historical			Current	*New*
Year	2023	2024	2025	2026	2027
Rate	1.82%	1.79%	1.71%	1.66%	1.61%

This bid analysis report is for the sole use of Plan sponsor and its authorized representatives involved in the competitive bid. Some material provided by the bidders may be deemed proprietary and confidential to the bidder and may not be disclosed or shared with any third parties other than the authorized employees, directors, or Trustees of the Plan sponsor, unless required by public disclosure laws or other legal requirements.

Agenda Item

#3

Kansas State Employees Health Care Commission
Financial Data Through February 2026 and Enrollment Data Through February 2026
Cost Impact of Plan Changes

		2027	2028	2029	2030
Baseline Total Costs		\$ 715,307,702	\$ 740,945,089	\$ 782,221,525	\$ 825,145,535
Plan A - 20,075 Contracts	Change	Cost/(Savings)	Cost/(Savings)	Cost/(Savings)	Cost/(Savings)
Increase the Deductible from \$1,000/\$2,000 to \$1,250/\$2,500 (\$250/\$500)	N	\$ (1,872,882)	\$ (2,205,608)	\$ (2,343,967)	\$ (2,493,671)
Increase the Coinsurance from 20% to 25%	N	\$ (1,407,405)	\$ (1,657,437)	\$ (1,761,409)	\$ (1,873,906)
Increase the Deductible from \$1,000/\$2,000 to \$1,150/\$2,300 (\$150/\$300)	N	\$ (1,143,440)	\$ (1,346,577)	\$ (1,431,048)	\$ (1,522,446)
Eliminate the Coinsurance caps for Diabetes and Asthma					
Generics 10% Coinsurance					
Preferred Brands 20% Coinsurance	N	\$ (1,016,400)	\$ (1,196,968)	\$ (1,272,054)	\$ (1,353,298)
Increase the OOP max from \$5,250/\$10,500 to \$5,500/\$11,000 (\$250/\$500)	N	\$ (731,045)	\$ (860,918)	\$ (914,924)	\$ (973,358)
Increase the Specialist Copay \$60 to \$70	N	\$ (499,996)	\$ (588,822)	\$ (625,759)	\$ (665,725)
Increase the OOP Max from \$5,250/\$10,500 to \$5,400/\$10,800 (\$150/\$300)	N	\$ (340,845)	\$ (401,397)	\$ (426,577)	\$ (453,821)
Apply Deductible to both Medical and Pharmacy	N	\$ (263,890)	\$ (310,772)	\$ (330,267)	\$ (351,360)
Increase PCP Copay from \$20 to \$30	N	\$ (255,391)	\$ (300,762)	\$ (319,629)	\$ (340,043)
Increase PCP Copay from \$20 to \$25	N	\$ (127,743)	\$ (150,437)	\$ (159,874)	\$ (170,084)
Eliminate the Special Case Pharmacy Tier					
40% Coinsurance to a max of \$100 per 30 day supply	N	\$ (101,396)	\$ (119,410)	\$ (126,900)	\$ (135,005)
Increase the Emergency Room Copay from \$100 to \$125	N	\$ (89,813)	\$ (105,769)	\$ (112,404)	\$ (119,582)
Increase the Telehealth Copay from \$10 to \$15	N	\$ (29,858)	\$ (35,163)	\$ (37,368)	\$ (39,755)
Plan C - 16,852 Contracts	Change	Cost/(Savings)	Cost/(Savings)	Cost/(Savings)	Cost/(Savings)
Increase the OOP Max from \$4,500/\$9,000 to \$4,750/\$9,500 (\$250/\$500)	N	\$ (978,996)	\$ (1,151,682)	\$ (1,226,151)	\$ (1,301,331)
Increase the Coinsurance from 10% to 15%	N	\$ (814,127)	\$ (957,732)	\$ (1,019,660)	\$ (1,082,180)
Increase the OOP Max from \$4,500/\$9,000 to \$4,650/\$9,300 (\$150/\$300)	N	\$ (602,083)	\$ (708,285)	\$ (754,083)	\$ (800,319)
Increase the member plus coverage tiers Deductibles:					
from \$3,400/\$5,500 to \$3450* /\$5,700	N	\$ (42,947)	\$ (50,523)	\$ (53,790)	\$ (57,088)
Increase the Single only Deductible from \$2,750 to \$2,900 (\$150)	N	\$ (55,313)	\$ (65,070)	\$ (69,277)	\$ (73,525)
Plan N - 2,339 Contracts	Change	Cost/(Savings)	Cost/(Savings)	Cost/(Savings)	Cost/(Savings)
Increase the OOP Max from \$6,650/\$13,300 to \$6,900/\$13,800 (\$250/\$500)	N	\$ (149,789)	\$ (176,221)	\$ (187,614)	\$ (199,114)
Increase the OOP Max from \$6,650/\$13,300 to \$6,800/\$13,600 (\$150/\$300)	N	\$ (129,896)	\$ (152,818)	\$ (162,698)	\$ (172,671)
Increase the member plus coverage tiers Deductibles:					
from \$3,400/\$5,500 to \$3450* /\$5,700	N	\$ (4,754)	\$ (5,593)	\$ (5,955)	\$ (6,320)
Increase the Single only Deductible from \$2,750 to \$2,900 (\$150)	N	\$ (4,211)	\$ (4,954)	\$ (5,275)	\$ (5,598)
Plan J - 585 Contracts	Change	Cost/(Savings)	Cost/(Savings)	Cost/(Savings)	Cost/(Savings)
Increase the OOP Max from \$7,350/\$14,700 to \$7,600/\$15,200	N	\$ (17,676)	\$ (20,797)	\$ (22,141)	\$ (23,498)
Increase the OOP Max from \$7,350/\$14,700 to \$7,500/\$15,000	N	\$ (10,432)	\$ (12,274)	\$ (13,067)	\$ (13,868)
Prescription Drug All Plans - 39,851 Contracts	Change	Cost/(Savings)	Cost/(Savings)	Cost/(Savings)	Cost/(Savings)
Increase the Generic Drug Coinsurance from 20% to 25%	N	\$ (414,795)	\$ (488,218)	\$ (519,324)	\$ (551,817)
Increase the Preferred Brand Drugs Coinsurance from 35% to 40%	N	\$ (237,594)	\$ (279,651)	\$ (297,468)	\$ (316,080)
GLP-1 for Weight Loss (Provided by CVS at the request of Segal)	Change	Cost/(Savings)	Cost/(Savings)	Cost/(Savings)	Cost/(Savings)
Terminate Coverage of GLP-1s prescribed for AOM	N	\$ -	\$ -	\$ -	\$ -
Add a \$200 Copay per 30 day supply of GLP-1s for AOM	N	\$ 1,100,000	\$ 1,193,500	\$ 1,294,948	\$ 1,405,018
Implement a set baseline requirement for All GLP-1 AOM use of a BMI of 35 or higher. Apply the BMI to initial treatment and ongoing therapy. Eliminating the 5% Weight loss continuation of care option.	N	\$ 13,563,800	\$ 14,716,723	\$ 15,967,644	\$ 17,324,894
Initial BMI required for AOM treatment of 35 or higher. At each renewal of the PA the member must demonstrate a continuous 5% reduction in weight from the prior PA.	N	\$ 22,000,000	\$ 23,870,000	\$ 25,898,950	\$ 28,100,361
HSA/HRA	Change	Cost/(Savings)	Cost/(Savings)	Cost/(Savings)	Cost/(Savings)
Reduce HSA/HRA Contribution by	0%	\$ -	\$ -	\$ -	\$ -
Reduce HealthQuest Rewards by	0%	\$ -	\$ -	\$ -	\$ -
Total Additional Cost/(Savings) for Plan Change		\$ -	\$ -	\$ -	\$ -

Kansas State Employees Health Care Commission
Financial Data Through February 2026 and Enrollment Data Through February 2026
Cost Impact of Plan Changes

	2027	2028	2029	2030
Baseline Total Costs				
Plan A - 20,075 Contracts	PEPM	PEPM	PEPM	PEPM
Increase the Deductible from \$1,000/\$2,000 to \$1,250/\$2,500 (\$250/\$500)	\$ (7.77)	\$ (9.16)	\$ (9.73)	\$ (10.35)
Increase the Coinsurance from 20% to 25%	\$ (5.84)	\$ (6.88)	\$ (7.31)	\$ (7.78)
Increase the Deductible from \$1,000/\$2,000 to \$1,150/\$2,300 (\$150/\$300)	\$ (4.75)	\$ (5.59)	\$ (5.94)	\$ (6.32)
Eliminate the coinsurance caps for Diabetes and Asthma				
Generics 10% Coinsurance				
Preferred Brands 20% Coinsurance	\$ (4.22)	\$ (4.97)	\$ (5.28)	\$ (5.62)
Increase the OOP max from \$5,250/\$10,500 to \$5,500/\$11,000 (\$250/\$500)	\$ (3.03)	\$ (3.57)	\$ (3.80)	\$ (4.04)
Increase the Specialist Copay \$60 to \$70	\$ (2.08)	\$ (2.44)	\$ (2.60)	\$ (2.76)
Increase the OOP Max from \$5,250/\$10,500 to \$5,400/\$10,800 (\$150/\$300)	\$ (1.41)	\$ (1.67)	\$ (1.77)	\$ (1.88)
Apply Deductible to both Medical and Pharmacy	\$ (1.10)	\$ (1.29)	\$ (1.37)	\$ (1.46)
Increase PCP Copay from \$20 to \$30	\$ (1.06)	\$ (1.25)	\$ (1.33)	\$ (1.41)
Increase PCP Copay from \$20 to \$25	\$ (0.53)	\$ (0.62)	\$ (0.66)	\$ (0.71)
Eliminate the Special Case Pharmacy Tier				
40% Coinsurance to a max of \$100 per 30 day supply	\$ (0.42)	\$ (0.50)	\$ (0.53)	\$ (0.56)
Increase the Emergency Room Copay from \$100 to \$125	\$ (0.37)	\$ (0.44)	\$ (0.47)	\$ (0.50)
Increase the Telehealth Copay from \$10 to \$15	\$ (0.12)	\$ (0.15)	\$ (0.16)	\$ (0.17)
Plan C - 16,852 Contracts	PEPM	PEPM	PEPM	PEPM
Increase the OOP Max from \$4,500/\$9,000 to \$4,750/\$9,500 (\$250/\$500)	\$ (4.84)	\$ (5.70)	\$ (6.06)	\$ (6.44)
Increase the Coinsurance from 10% to 15%	\$ (4.03)	\$ (4.74)	\$ (5.04)	\$ (5.35)
Increase the OOP Max from \$4,500/\$9,000 to \$4,650/\$9,300 (\$150/\$300)	\$ (2.98)	\$ (3.50)	\$ (3.73)	\$ (3.96)
Increase the member plus coverage tiers Deductibles:				
from \$3,400/\$5,500 to \$3450* /\$5,700	\$ (0.21)	\$ (0.25)	\$ (0.27)	\$ (0.28)
Increase the Single only Deductible from \$2,750 to \$2,900 (\$150)	\$ (0.27)	\$ (0.32)	\$ (0.34)	\$ (0.36)
Plan N - 2,339 Contracts	PEPM	PEPM	PEPM	PEPM
Increase the OOP Max from \$6,650/\$13,300 to \$6,900/\$13,800 (\$250/\$500)	\$ (5.34)	\$ (6.28)	\$ (6.68)	\$ (7.09)
Increase the OOP Max from \$6,650/\$13,300 to \$6,800/\$13,600 (\$150/\$300)	\$ (4.63)	\$ (5.44)	\$ (5.80)	\$ (6.15)
Increase the member plus coverage tiers Deductibles:				
from \$3,400/\$5,500 to \$3450* /\$5,700	\$ (0.17)	\$ (0.20)	\$ (0.21)	\$ (0.23)
Increase the Single only Deductible from \$2,750 to \$2,900 (\$150)	\$ (0.15)	\$ (0.18)	\$ (0.19)	\$ (0.20)
Plan J - 585 Contracts	PEPM	PEPM	PEPM	PEPM
Increase the OOP Max from \$7,350/\$14,700 to \$7,600/\$15,200	\$ (2.52)	\$ (2.96)	\$ (3.15)	\$ (3.35)
Increase the OOP Max from \$7,350/\$14,700 to \$7,500/\$15,000	\$ (1.49)	\$ (1.75)	\$ (1.86)	\$ (1.98)
Prescription Drug All Plans - 39,851 Contracts	PEPM	PEPM	PEPM	PEPM
Increase the Generic Drug Coinsurance from 20% to 25%	\$ (0.87)	\$ (1.02)	\$ (1.09)	\$ (1.15)
Increase the Preferred Brand Drugs Coinsurance from 35% to 40%	\$ (0.50)	\$ (0.58)	\$ (0.62)	\$ (0.66)
GLP-1 for Weight Loss (Provided by CVS at the request of Segal)	PEPM	PEPM	PEPM	PEPM
Terminate Coverage of GLP-1s prescribed for AOM	\$ -	\$ -	\$ -	\$ -
Add a \$200 Copay per 30 day supply of GLP-1s for AOM	\$ 2.30	\$ 2.50	\$ 2.71	\$ 2.94
Implement a set baseline requirement for All GLP-1 AOM use or a BMI of 35 or higher. Apply the BMI to initial treatment and ongoing therapy. Eliminating the 5% Weight loss continuation of care option.	\$ 28.36	\$ 30.77	\$ 33.39	\$ 36.23
Initial BMI required for AOM treatment of 35 or higher. At each renewal of the PA the member must demonstrate a continuous 5% reduction in weight from the prior PA.	\$ 46.00	\$ 49.92	\$ 54.16	\$ 58.76
HSA/HRA	PEPM	PEPM	PEPM	PEPM
Reduce HSA/HRA Contribution by	\$ -	\$ -	\$ -	\$ -
Reduce HealthQuest Rewards by	\$ -	\$ -	\$ -	\$ -
Total Additional Cost/(Savings) for Plan Change				

**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%	8.6%	8.6%	8.6%	8.6%
Non-State Employer	Fixed	Fixed	Fixed	Calculated	Calculated	Calculated	Calculated
5.0%	7.5%	8.0%	8.6%	8.6%	8.6%	8.6%	
State Employee % Change (eff. Jan 1)	Fixed	Fixed	Fixed	Calculated	Calculated	Calculated	Calculated
Employee	0.0%	0.0%	2.0%	8.6%	8.6%	8.6%	8.6%
Employee + Spouse	0.0%	0.0%	2.0%	8.6%	8.6%	8.6%	8.6%
Employee + Child(ren)	0.0%	0.0%	2.0%	8.6%	8.6%	8.6%	8.6%
Employee + Family	0.0%	0.0%	2.0%	8.6%	8.6%	8.6%	8.6%
Non-State Employee % Change (eff. Jan 1)	Fixed	Fixed	Fixed	Calculated	Calculated	Calculated	Calculated
Employee	0.0%	0.0%	2.0%	8.6%	8.6%	8.6%	8.6%
Employee + Spouse	0.0%	0.0%	2.0%	8.6%	8.6%	8.6%	8.6%
Employee + Child(ren)	0.0%	0.0%	2.0%	8.6%	8.6%	8.6%	8.6%
Employee + Family	0.0%	0.0%	2.0%	8.6%	8.6%	8.6%	8.6%
Non-Medicare Retiree Contrib % Change (eff. Jan 1)	Fixed	Fixed	Fixed	Calculated	Calculated	Calculated	Calculated
Employee	0.0%	0.0%	2.0%	8.6%	8.6%	8.6%	8.6%
Employee + Spouse	0.0%	0.0%	2.0%	8.6%	8.6%	8.6%	8.6%
Employee + Child(ren)	0.0%	0.0%	2.0%	8.6%	8.6%	8.6%	8.6%
Employee + Family	0.0%	0.0%	2.0%	8.6%	8.6%	8.6%	8.6%
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 February 2026 and Enrollment Data Through February 2026
Multi-Year Projection

	2026 Projected	2027 Projected	2028 Projected	2029 Projected	2030 Projected
Revenue					
State ER	\$ 455,496,880	\$ 492,063,172	\$ 533,509,160	\$ 578,489,822	\$ 627,308,732
State EE	\$ 79,099,831	\$ 86,250,098	\$ 93,903,050	\$ 102,201,976	\$ 111,202,197
Non-State ER	\$ 56,395,516	\$ 60,875,613	\$ 65,971,656	\$ 71,500,354	\$ 77,498,800
Non-State EE	\$ 8,132,968	\$ 8,838,252	\$ 9,621,328	\$ 10,470,643	\$ 11,391,874
Direct Bill	\$ 34,472,653	\$ 35,914,179	\$ 37,521,356	\$ 39,209,807	\$ 40,984,316
COBRA	\$ 1,257,514	\$ 1,380,984	\$ 1,501,679	\$ 1,632,625	\$ 1,507,987
Voluntary Benefit	\$ 4,444,794	\$ 4,370,550	\$ 4,370,550	\$ 4,370,550	\$ 4,370,550
Interest/Other	\$ 1,629,380	\$ 86,018	\$ (524,225)	\$ (216,156)	\$ 708,404
Rx Settlement	\$ -	\$ -	\$ -	\$ -	\$ -
Administrative Fund	\$ 3,503,257	\$ 3,429,591	\$ 3,368,273	\$ 3,311,122	\$ 3,311,122
Total	\$ 644,432,793	\$ 693,208,457	\$ 749,242,828	\$ 810,970,743	\$ 878,283,981
Expenses					
Medical Claims	\$ 416,702,238	\$ 446,583,442	\$ 460,952,765	\$ 487,080,756	\$ 513,509,873
Rx Claims	\$ 133,360,221	\$ 139,584,786	\$ 148,957,501	\$ 161,422,754	\$ 175,143,689
Dental Claims	\$ 31,816,768	\$ 33,693,841	\$ 34,053,894	\$ 35,072,159	\$ 36,122,617
Health Savings ER	\$ 33,618,149	\$ 33,786,070	\$ 33,772,570	\$ 33,772,567	\$ 33,772,567
ASO/Premium	\$ 47,212,384	\$ 48,619,117	\$ 50,120,239	\$ 51,672,534	\$ 53,277,870
Voluntary Benefit	\$ 4,247,647	\$ 4,370,550	\$ 4,370,550	\$ 4,370,550	\$ 4,370,550
Marathon (Onsite Clinic)	\$ 2,365,590	\$ 2,358,354	\$ 2,358,354	\$ 2,405,521	\$ 2,453,631
Other Contract Fees/Flex	\$ 797,951	\$ 780,201	\$ 782,060	\$ 797,701	\$ 813,655
PCORI	\$ 221,140	\$ 229,255	\$ 237,669	\$ 246,391	\$ 255,434
Expenses Cost/(Savings)	\$ -	\$ -	\$ -	\$ -	\$ -
Administrative Fund	\$ 5,004,746	\$ 5,315,587	\$ 5,339,488	\$ 5,380,591	\$ 5,425,649
Total	\$ 675,346,835	\$ 715,321,202	\$ 740,945,089	\$ 782,221,525	\$ 825,145,535
Net Cash Flow	\$ (30,914,042)	\$ (22,112,745)	\$ 8,297,739	\$ 28,749,218	\$ 53,138,447
Beginning Balance (Reserve Fund)	\$ 32,165,136	\$ 2,752,583	\$ (17,474,167)	\$ (7,205,212)	\$ 23,613,475
Ending Balance (Reserve Fund)	\$ 2,752,583	\$ (17,474,167)	\$ (7,205,212)	\$ 23,613,475	\$ 78,866,449
Beginning Balance (Administrative Fund)	\$ 5,292,508	\$ 3,791,019	\$ 1,905,023	\$ (66,192)	\$ (2,135,661)
Ending Balance (Administrative Fund)	\$ 3,791,019	\$ 1,905,023	\$ (66,192)	\$ (2,135,661)	\$ (4,250,188)
Beginning Balance (Both Funds)	\$ 37,457,644	\$ 6,543,602	\$ (15,569,143)	\$ (7,271,404)	\$ 21,477,814
Ending Balance (Both Funds)	\$ 6,543,602	\$ (15,569,143)	\$ (7,271,404)	\$ 21,477,814	\$ 74,616,261
Target based on HB.2218	\$ 58,302,144	\$ 62,941,356	\$ 67,320,876	\$ 71,053,771	\$ 74,616,261
Fund Balance vs. HB.2218 Target Surplus/(Shortfall)	\$ (51,758,543)	\$ (78,510,500)	\$ (74,592,280)	\$ (49,575,957)	\$ (0)
Enrollment (Subscriber)					
Active	39,067	39,239	39,239	39,239	39,239
COBRA	97	89	89	89	89
Non-Medicare Retiree	515	523	523	523	523
Medicare Retiree	7,366	7,287	7,287	7,287	7,287
Total	47,045	47,138	47,138	47,138	47,138
Revenue PEPM	\$ 1,142	\$ 1,225	\$ 1,325	\$ 1,434	\$ 1,553
Expenses PEPM	\$ 1,196	\$ 1,265	\$ 1,310	\$ 1,383	\$ 1,459

APPENDIX - A

HCC Plan Design & Rate Decisions

Plan Years 2020 - 2026

Rate Decisions

- **PY 2020**

- Employee and Employee + children: No rate increase
- Employee + Spouse & Family: Rates reduced 6%
- FY 2021 Employer Rate increase of 4.5%

- **PY 2021**

- Employee and Employee + children: No rate increase
- Employee + Spouse & Family: Rates reduced 2%
- FY 2022 Employer Rate increase of 3%

- **PY 2022**

- Employee and Employee + children: No rate increase
- Employee + Spouse & Family: Rates reduced 2%
- FY 2023 Employer Rate increase of 5%

PY = Plan Year – Employee Rates (EE) are on the Plan Year which is the calendar year.

FY = Fiscal Year – Employer Rates (ER) are on the Fiscal Year.

Rate Decisions

- **PY 2023**

- Employee and Employee + children: No rate increase
- Employee + Spouse & Family: No rate increase
- Reduced PY 2023 employee dental rates all coverage tiers by \$13.38
- FY 2024 Employer Rate increase of 7.5%
- Increased Employer rate by \$13.38 for dental

- **PY 2024**

- Employee and Employee + children: No rate increase
- Employee + Spouse & Family: No rate increase
- FY 2025 Employer Rate increase of 5%

- **PY 2025**

- Employee and Employee + children: No rate increase
- Employee + Spouse & Family: No rate increase
- FY 2026 Employer Rate increase of 7.5%

PY = Plan Year – Employee Rates (EE) are on the Plan Year which is the calendar year.
FY = Fiscal Year – Employer Rates (ER) are on the Fiscal Year.

Rate Decisions

- **PY 2026**
 - Employee Rates increase 2%
 - FY 2027 Employer Rate increase of 8%
 - Dental: Employer rate and Employee plus dependent rates increases by 3.3%

PY = Plan Year – Employee Rates (EE) are on the Plan Year which is the calendar year.

FY = Fiscal Year – Employer Rates (ER) are on the Fiscal Year.

Plan Design Changes

Plan A

PY 2021

- Changed to a 2 tier Deductible \$1,000/\$2,000 eliminating 3rd tier of \$3,000

PY 2022

- Reduced the Deductible from \$1000/\$2000 to \$900/\$1,800
- Reduced PCP office visit Copay from \$40 to \$30 per visit
- Reduced the Out of Pocket (OOP) Max from \$6,250/\$10,500 to \$5,250/\$10,500

Plan C

PY 2020

- Reduced Coinsurance from 20% to 10%

PY 2022

- Reduced the Out of Pocket (OOP) Max from \$5,500/\$11,000 to \$4,500/\$9,000

Pharmacy – All Plans

PY 2022

- Reduced the Preferred Brand Coinsurance from 40% to 35%
- Reduced the Non Preferred Brand Coinsurance from 65% to 60%

Plan Design Changes

Plan A

PY 2023

- Reduced the Deductible from \$900/\$1,800 to \$800/\$1,600
- Reduced the PCP office visit Copay from \$30 to \$20 per visit
- Reduced the Specialist office visit Copay from \$60 to \$40 per visit

Plan C & Plan N

PY 2023

- Increased the first Deductible on Employee + Dependent coverage tiers from \$2,800 to \$3,000. Required change for QHDHPs
- Family deductible remains at \$5,500.
- Employee only plans remain at \$2,750.

Plan Design Changes

Medical - All Plans

PY 2024

- Added hearing aid coverage
 - Subject to Deductible & Coinsurance
 - Maximum benefit of \$5,000 per three (3) year period

Plans C & N

PY 2024

- Increased the first Deductible on Employee + Dependent coverage tiers from \$3,000 to \$3,200.
Required change for QHDHPs
- Family Deductible remains \$5,500
- Employee Only Deductible remains \$2,750

Plan Design Changes

Medical - All Plans

PY 2025

- Orthodontics lifetime maximum increased from \$1,000 to \$1,500
- Dental annual maximum increased from \$1,700 to \$2,000
- Added coverage for residential treatment centers **retroactive to January 1, 2024**
- Breast cancer screening coverage for ultrasound and MRI scans covered at 100%. **Retroactive to January 1, 2024**

Plan C & Plan N

PY 2025

- Increased the first Deductible on employee + dependent coverage tiers from \$3,200 to \$3,300 Required change for QHDHPs
- Family deductible remains at \$5,500
- Employee only plans remain at \$2,750

Plan Design Changes

Plan A

PY 2026

- Deductible increased \$200/\$400 to \$1,000 for single and \$2,000 for family
- Specialist Office Visit copay increased \$20 to \$60 copay

Pharmacy – All Plans

PY2026

- Changed the Prior Authorization criteria for GLP-1 medication prescribed as Anti-Obesity Medications (AOM).

Plans C & N

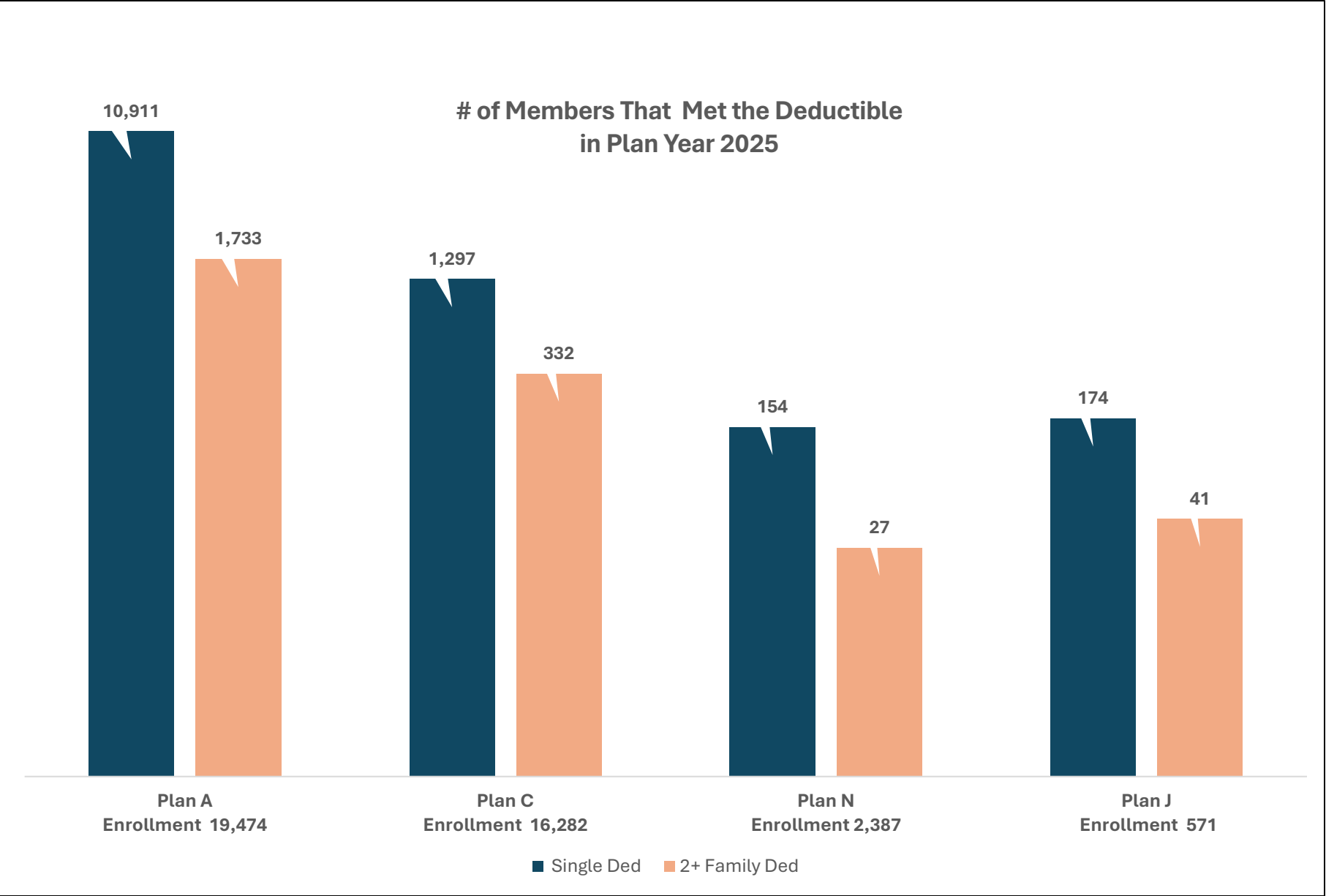
PY 2026

- Increased the first Deductible on Employee + Dependent(s) coverage tiers from \$3,300 to \$3,400
Required change for QHDHPs
- Family deductible remains at \$5,500
- No change to Member only Deductible

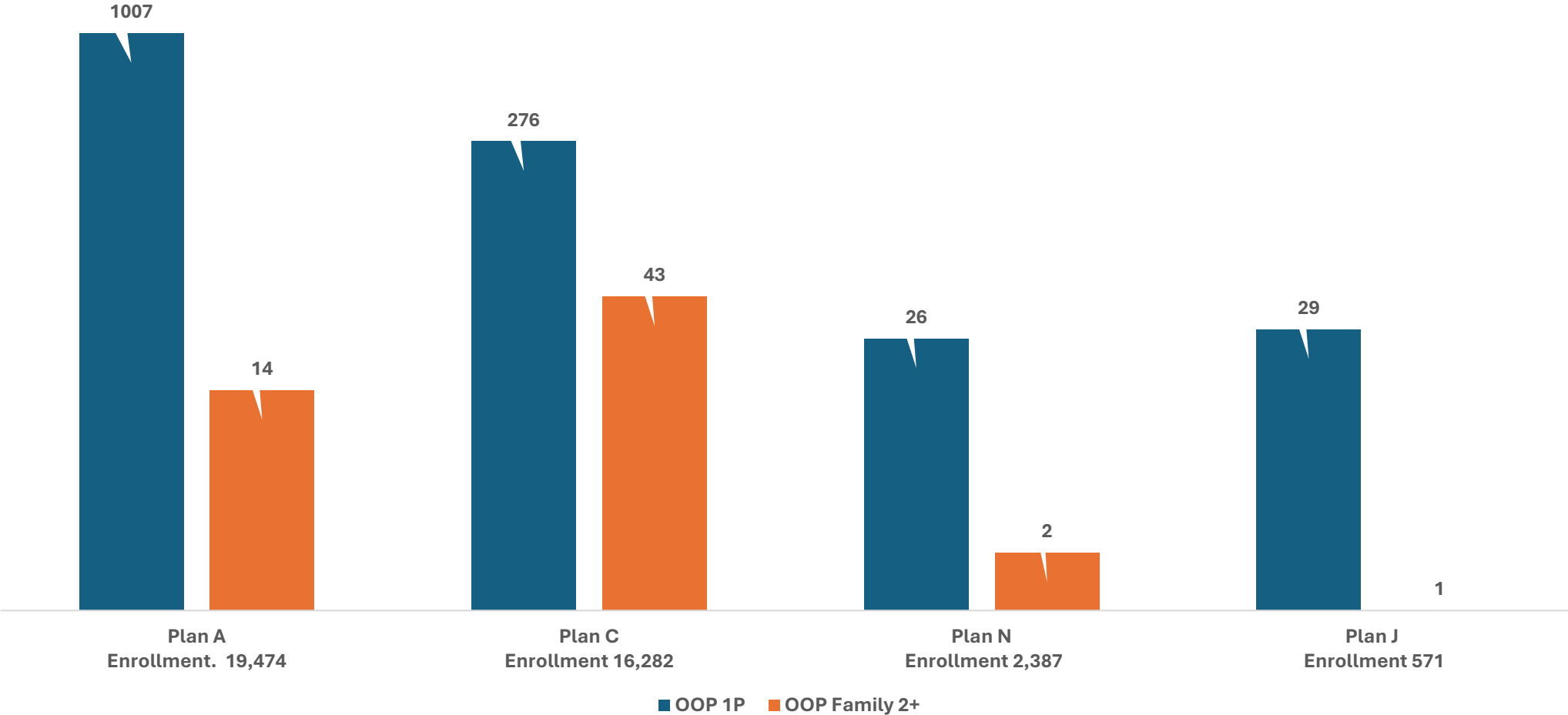
APPENDIX - B

Cost Share Data for

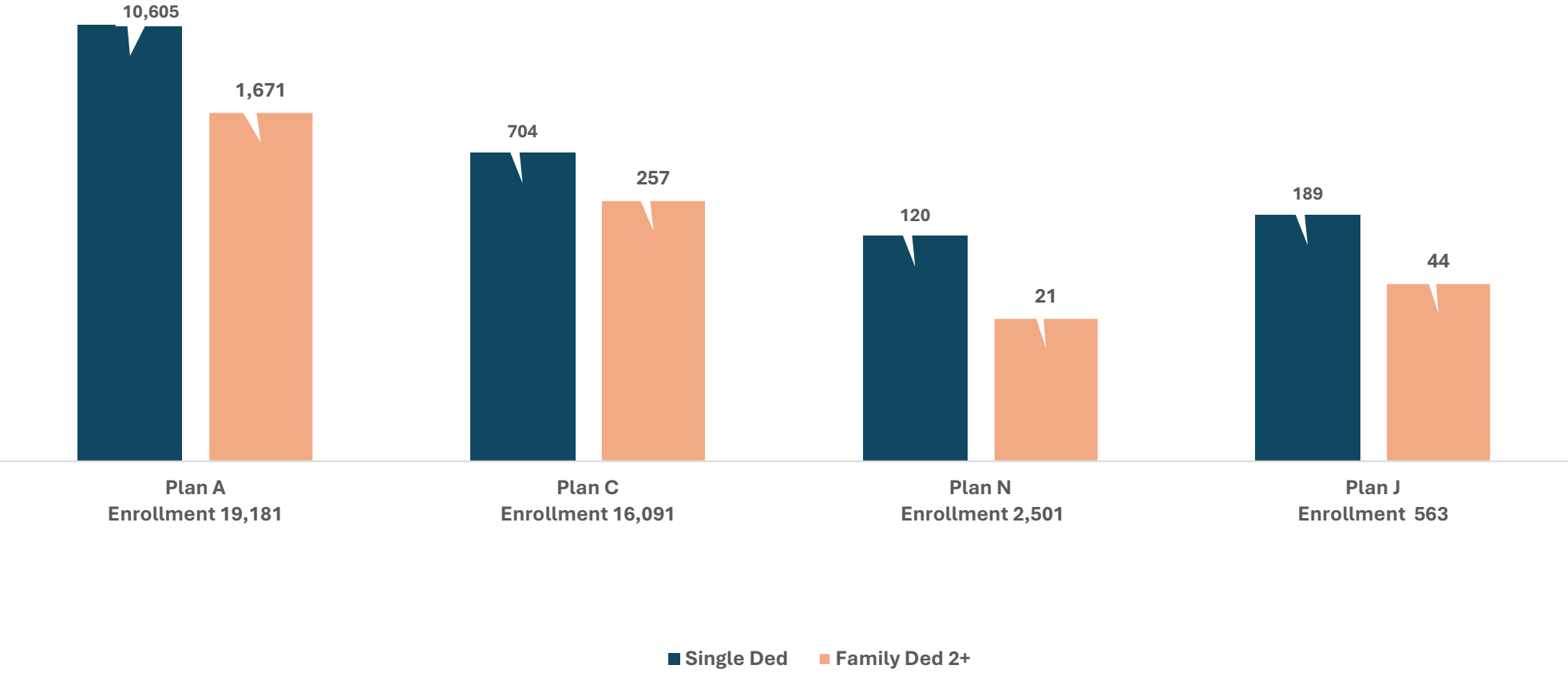
Plan Years 2024 & 2025



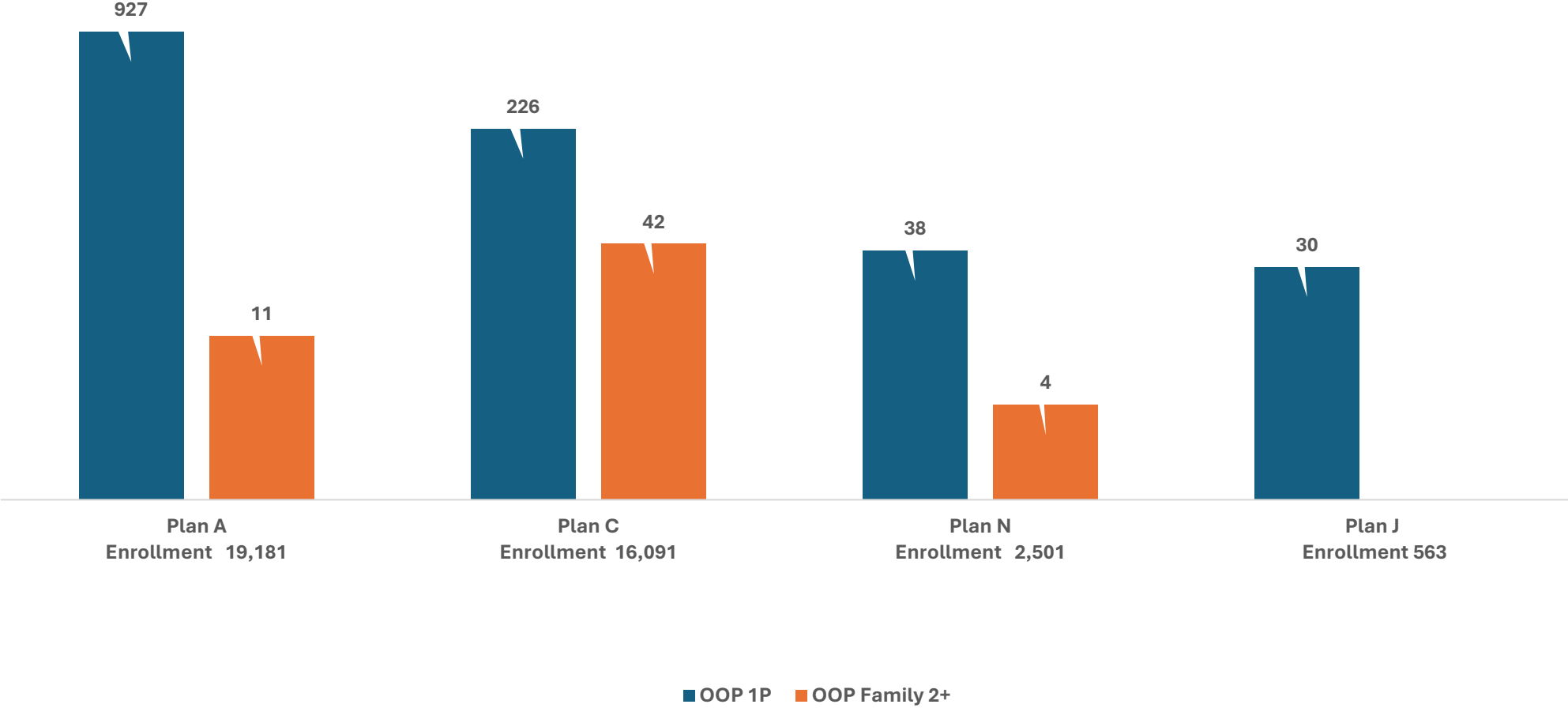
of Members that Met the OOP Max in Plan Year 2025



of Members that Met the Deductible in Plan Year 2024



of Members that Met the OOP Max in Plan Year 2024



APPENDIX - C

Follow up from

April 15, 2026

How much did the Plan pay in other administrative fees not included in the PEPM fee last year?

Financial Summary

First-Year Cost

February 2026 Enrolled Actives and Early Retirees: 39,851

Medical Cost Projection Actives & Early Retirees	2026	2027	2027	2027	2027	2027
	Baseline Blend Aetna (CPOS II) & BCBSKS	Proposed Blend Aetna (CPOS II) & BCBSKS	Proposed Blend Aetna (Local Best) & BCBSKS	Aetna Only (CPOS II)	Aetna Only (Local Best)	BCBS Only
Repricing Results	Current Dis counts					
Net Effective Discount	62.6%	61.4%	61.6%	64.9%	67.0%	61.0%
Differential from Baseline	N/A	103.1%	102.6%	93.9%	88.3%	104.3%
Projected Paid Medical						
2027 Baseline Projected Claims (April 2026 HCC Rpt)	\$446,583,442	\$446,583,442	\$446,583,442	\$446,583,442	\$446,583,442	\$446,583,442
Discount Differential	N/A	103.1%	102.6%	93.9%	88.3%	104.3%
Adjusted Paid Claims	\$446,583,442	\$460,468,259	\$458,279,763	\$419,159,790	\$394,318,097	\$465,621,109
Estimated Admin						
Annual Admin Fees*	\$14,867,611	\$15,800,124	\$15,800,124	\$11,883,568	\$11,883,568	\$15,637,532
Total Claims and Admin*	\$461,451,053	\$476,268,383	\$474,079,888	\$431,043,358	\$406,201,665	\$481,258,642
Variance from 2027						
\$ Change from Current Dual Network Offering	N/A	\$14,817,331	\$12,628,835	-\$30,407,694	-\$55,249,387	\$19,807,589
% Change from Current Dual Network Offering	N/A	3.21%	2.74%	-6.59%	-11.97%	4.29%

* Admin fees represent only the core PEPM fee - they do not include attribution fees, value-based payments, BlueCard fees, and various cost saving program fees that are based on a percent of savings.

- Network penetration is very high, for both Aetna and BCBS
- Aetna's net effective discounts are 3.9 – 6.0 percentage points higher than BCBS's network discount.
- Aetna's Local Best network offers greater discounts on inpatient and outpatient services in the Kansas City area. Specifically, Johnson and Wyandotte counties in Kansas, and Jackson, Platte, Cass, and Clay counties in Missouri.

This bid analysis report is for the sole use of Plan sponsor and its authorized representatives involved in the competitive bid. Some material provided by the bidders may be deemed proprietary and confidential to the bidder and may not be disclosed or shared with any third parties other than the authorized employees, directors, or Trustees of the Plan sponsor, unless required by public disclosure laws or other legal requirements.



Slide 11
from 4.15.26
HCC packet

* Admin fees represent only the core PEPM fee - they do not include attribution fees, value-based payments, BlueCard fees, and various cost saving program fees that are based on a percent of savings.

How much did the Plan pay in other administrative fees not included in the PEPM administrative fee?

Plan Year	Aetna	BCBSKS
2024	\$499,630	\$6,992,852
2025	\$890,267	\$6,577,997

The fees represented in this table are fees for various cost containment programs and services associated with the health plans that are not included in the PEPM administration fee.

Aetna

Fee Description	2024	2025
National Advantage	\$56,414	\$87,245
Third party Code & Claim Review	\$243,459	\$553,296
No Surprises Act Billing	\$16,627	\$78,155
Recovery	\$97,219	\$78,401
Aetna Informatic Service	\$8,500	\$2,500
Vendor Services & Rewards	\$77,411	\$90,670

BCBSKS

Fee Description	2024	2025
Blue Card Access	\$3,619,587	\$3,846,272
Value Based Payments	\$2,477,878	\$1,793,822
Admin Expense Allowance	\$895,387	\$937,903