



June 2, 2026

Meeting Materials

STATE EMPLOYEES HEALTH CARE COMMISSION
June 2, 2026, 9:00 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 **May 11, 2026**
2. **Preferred Lab Vendor Contracts [Action Item]** – Jennifer Flory
3. **Pharmacy Transparency Vendor Contract [Action Item]** – Jennifer Flory
4. **Voluntary Insurance Contract [Action Item]** – Jennifer Flory

Break

5. **Financial Report - Segal**
6. **2027 Plan Design and Rates [Action Item]** – Secretary Proffitt

Discussion Items:

7. **Next Meeting: August 18, 2026**

Appendix:

- A. **Review of Rates and Plan Design Decisions 2020-2026**
- B. **2024 & 2025 Member Cost Share Data**
- C. **EAC's GLP-1 Coverage Memo**

Agenda Item

#1

The State of Kansas State Employees Health Care Commission (HCC) meeting was called to order on Monday, May 11, 2026, at 9:31 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 (virtual)
- 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 RFP & Project Analyst
- Jordan Brewer, Department of Administration Chief Counsel
- Tracy Diel, Department of Administration Counsel
- Gina Sander, 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 9:31 a.m.		
1. Approval of Minutes	Commission Chair Adam Proffitt opened the floor for any comments or edits. No edits were suggested.	<p>Commissioner Dechant made a motion to approve the minutes for April 15, 2026.</p> <p>2nd – Commissioner Sutton.</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 and Kirsten Schatten with Segal Consulting presented a recap of the Medical ASO bids, providing additional network disruption and cost details, followed by a robust discussion.</p> <p>Commissioner Cain and Commissioner Sutton shared comments and concerns received from employees.</p> <p>EAC President Michael Lundin shared feedback from the EAC</p>	<p>Commissioner Hensley made a motion to take from the table the Sutton motion proposed at the April 15th, 2026, meeting.</p> <p>2nd-Commissioner Sutton.</p> <p>The motion failed with a roll call:</p> <ul style="list-style-type: none"> • Commissioner Cristi Cain - No • Commissioner Steve Dechant – No • Commissioner Anthony Hensley - No • Commissioner William Sutton – Yes • Commissioner Vicki Schmidt – No <p>Commissioner Hensley made a motion to award a three (3)-year contract to Aetna and Blue Cross and Blue Shield of Kansas as proposed.</p>	

	<p>members and shared concerns raised to them by state employees.</p>	<p>2nd-Commissioner Cain</p> <p>Commissioner Schmidt made a substitute motion to extend the current contracts with Aetna and Blue Cross and Blue Shield by one (1) year only and take it out for bid in 2027.</p> <p>2nd-Commissioner Dechant</p> <p>The motion failed with a roll call:</p> <ul style="list-style-type: none"> • Commissioner Cristi Cain - No • Commissioner Steve Dechant – Yes • Commissioner Anthony Hensley - No • Commissioner William Sutton – No • Commissioner Vicki Schmidt – Yes • Commission Chair Adam Proffitt- No <p>Commissioner Proffitt made a substitute motion to award a three (3)-year contract to Aetna and Blue Cross and Blue Shield of Kansas as proposed, with the option of tiered pricing to be determined by the HCC at a later date.</p> <p>2nd-Commissioner Sutton</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- Abstain • Commission Chair Adam Proffitt- Yes <p>“I am “abstaining” on the substitute motion to extend multi-year, multimillion dollar contracts to both Aetna and BCBSKS</p>	<p>Commissioner Schmidt will send her explanation of her vote to SEHP staff for the minutes.</p>
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		<p>to administrate medical plans for the State Employee Health Plan (SEHP) for the following reasons:</p> <ul style="list-style-type: none">○ The vote selecting which health plan providers will be available to Kansas state employees is a significant one. The decision will determine the amount of increased cost for health insurance for the state’s employees. This cost will be passed onto taxpayers and state employees.○ The difference in the plan year 2024 through 2026 RFP contract bids (individual company only) between Aetna and BCBSKS was \$35 million. This year that difference is approximately \$240 million.○ There has been insufficient explanation for the extreme difference between these bids.○ Many of my questions and the questions of other commissioners regarding the bids were not sufficiently answered. The questions include, but are not limited to the following:<ul style="list-style-type: none">● A definitive answer about how BCBSKS added nearly 10,000 PCPs since the prior bid.● An answer providing a comparison between the projected costs in the previous bids from both providers and the actual costs for that same time period.● An answer to what analysis, if any, was done to assess whether the possible \$200 million in “savings”, over the next three years, was realistically attainable.○ The State of Kansas employees deserve to have their representatives on the Commission, get their questions answered as to why there is such a significant difference in the two bids.	
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		<ul style="list-style-type: none">○ The substitute motion, made by Chairman Proffitt, would allow for a difference in the employee premium for their chosen provider at the time of enrollment. However, the Commissioners were provided no information as to what that difference would be or what effect that would have on revenue prior to voting.○ The commissioners also had no information on the consequences to cost sharing by employees if the chairman’s substitute motion was approved.○ It is clear, based upon the presentations provided to the Commission that there was a lack of advocacy for state employees in contract negotiations.○ Our contract negotiators and Segal (who receives over \$40,000 a month for their services, over my objection) have put the commissioners in a position to be voting blindly and simply wishing for a favorable outcome. I am not willing to do this. <p>It is irresponsible for the HCC to vote on agreeing to contracts that will bind the Commission for three years without having sufficient information to evaluate bids. State employees have not been properly served by the individuals negotiating on their behalf or by the firm tasked with advising their representatives. I am unwilling to cast a vote without appropriate questions answered. For these reasons, I abstain from voting.”</p>	
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Topic	Discussion	Action	Follow-up
3. Plan Design for PY2027	Director Jennifer Flory continued the discussion for Plan Year 2027.		Director Flory requested that Commissioners provide any additional plan design options for the Plan Year 2027 modeling tool by May 15, 2026.
Next Meeting:	June 2, 2026, at 9:00 a.m. in the KPERS conference room, first floor.		
The meeting was adjourned at 11:39 a.m.			

Agenda Item #2

Preferred Lab Vendors Contract

For Plan Years 2027-2029

Program Background

- The Preferred Lab Program is a value-added benefit to available to all participants in plans A, C, J, & N.
- There is no premium or administrative fee associated with this Program.
- Current Preferred Lab Program
 - Members on Plan A can have covered lab work reimbursed at 100% of the negotiated cost by having the lab work performed and billed through the preferred lab vendors.
 - Members on Plans C, J, or N receive negotiated discounts for having covered lab services performed and billed by the preferred lab vendors until they meet their deductible. After the deductible is satisfied; the plan pays covered lab services at 100% of the negotiated cost.
 - Preferred Lab vendors are required to be network providers for all SEHP health plan administrators. The Preferred Lab vendor is responsible for billing health plans for services.

Bid Responses & RFP Negotiations

- There are 3 responses to the RFP. All responses are from incumbent vendors.
 - Quest Diagnostics
 - Stormont Vail Health
 - The University of Kansas Health System (TUKHS)
- Negotiation meetings were held with all 3 respondents.

Bid Response Evaluation

- Bids were evaluated on the following criteria
 - Members' access to quality care.
 - Vendor capacity
 - Discounts offered on outpatient, non-emergency lab testing

Service Locations

- Quest offers a Statewide and Nationwide location network.
- Stormont Vail offers a regional lab benefit at designated locations in the following counties: Lyon, Osage, Pottawatomie, Shawnee, Geary and Riley counties.
- TUKHS offers a regional lab benefit at designated locations in the following counties: Barton, Johnson, Shawnee and Wyandotte.

Projected Cost & Savings Estimate

- The total number of lab procedures processed through the Preferred Lab benefit in 2025 was 221,134.
- The health plan only incurs costs when a member receives a covered lab test.
- There is no premium or administrative fee associated with this Program.
- The total savings on the lab procedures processed through the Preferred Lab benefit in 2025 was \$5,238,895
- Plan Year 2025 utilization numbers for lab services were used for the projected savings.
 - If the utilization mix for lab services changes over the course of this contract term it would affect the projected savings.
 - The savings are based on a comparison of the fees for lab service provided through the preferred lab program vs. non-preferred lab charges.

Projected Savings Per Vendor for 3-year Contract Term

- Quest: \$8,542,218
- Stormont Vail Health: \$4,956,552
- TUKHS: \$2,940,436

Vendor	Projected Savings			
	One Year		Three Year	
	Total Savings	Plan Savings	Total Savings	Plan Savings
Quest	\$2,847,406	\$2,253,280	\$8,542,218	\$6,759,840
Stormont Vail Health	\$1,652,184	\$1,307,447	\$4,956,552	\$3,922,341
TUKHS	\$980,145	\$775,633	\$2,940,436	\$2,326,899
Totals	\$5,479,735	\$4,336,360	\$16,439,206	\$13,009,080

- Projected savings are based on Best and Final fee schedules provided by vendors.

Agenda Item #3

Pharmacy Transparency Tool Contract

June 2, 2026

Health Care Commission Meeting

Pharmacy Transparency Tool Overview

- The tool is designed to assist members with information to help make high-quality cost-effective health care decisions about prescription drugs.
- Members have access to a concierge service to assist them in shopping for possible lower cost prescription drug options including alternative medications, dosage form changes, and speaking with a pharmacy tech that will discuss drug options with their doctor.
- Vendor does outreach to members on lower cost alternatives and provides education and support on upcoming preferred drug list changes.
- These services are available to all members covered on Plans A, C, J, & N.
- Current vendor is Rx Savings Solutions.
- Only bid received was from the incumbent.

Current Program Information

- Rx Savings Solutions has contracted with SEHP since 2015.
- 2025 Program savings \$3,693,294
 - SEHP savings \$2,494,509
 - Member savings \$1,198,785
- Member Engagement :
 - 50.9% of all eligible members have registered an account
 - 46% of engage members have made a switch to a lower cost alternative
 - 49% of registered SEHP members have returned to visit the Rx Savings platform.
 - SEHP members also maintain a 60% overall engagement rate across the member portal, inbound calls to Rx Savings Pharmacy Support, and targeted direct mail outreach (Notifications and Personalized Savings Reports).

Bid Evaluation



Customer Service and Member Outreach



Services offered including SEHP and members /



Potential for Member and Plan Savings



Cost



Provides a member friendly website and that supports single sign on



Reporting

Bid includes the following:

- Patented software service to identify potential prescription savings
- Member support services
- The Contact my Prescriber Concierge Service
- Member self-service and member engagement toolkits
- Member portal with education tools
- Onsite training sessions/benefit fair support
- Direct mail programs

Proposed Contract Cost

	2027 PEPM	2028 PEPM	2029 PEPM	Annual Total	3 Year Contract Total
Rx Savings Solutions	\$2.34	\$2.34	\$2.34	\$1,106,155	\$3,318,466

- Current contract pricing is \$2.45 PEPM
- Assumes 39,393 number of contracts

Agenda Item

#4

Voluntary Benefits

Health Care Commission Meeting

Voluntary Benefits Overview

- Voluntary benefits are optional benefits designed to supplement traditional offerings and are primarily employee-paid.
- Voluntary benefits offered by the SEHP include Accident, Critical Illness and Hospital Indemnity insurance.
- Voluntary Benefit Plans are available to all benefit eligible employees.
- Member pays 100% of the premium.

Voluntary Plans

- **Accident Plan:** Pays a lump-sum benefit following an accident such as bone fractures, joint dislocations, lacerations, loss of limbs, and death. Benefit is intended to offset the cost of out-of-pocket expenses such as deductibles, coinsurance, and loss of income.
- **Critical Illness Plan:** Pays a lump-sum benefit following diagnosis of a critical illness such as cancer, coronary artery bypass graft, heart attack, major organ failure, stroke, and a myriad of other diseases and conditions. Benefit is intended to offset the cost of out-of-pocket expenses such as deductibles, coinsurance, and loss of income.
- **Hospital Indemnity Plan:** Pays a lump-sum benefit when an enrolled member is admitted to an approved facility for a covered medical condition such as surgery, heart attack, and other various critical conditions. Benefit is intended to offset the cost of out-of-pocket expenses such as deductibles, coinsurance, and loss of income.

History

The SEHP has offered group voluntary benefit plans since 2017

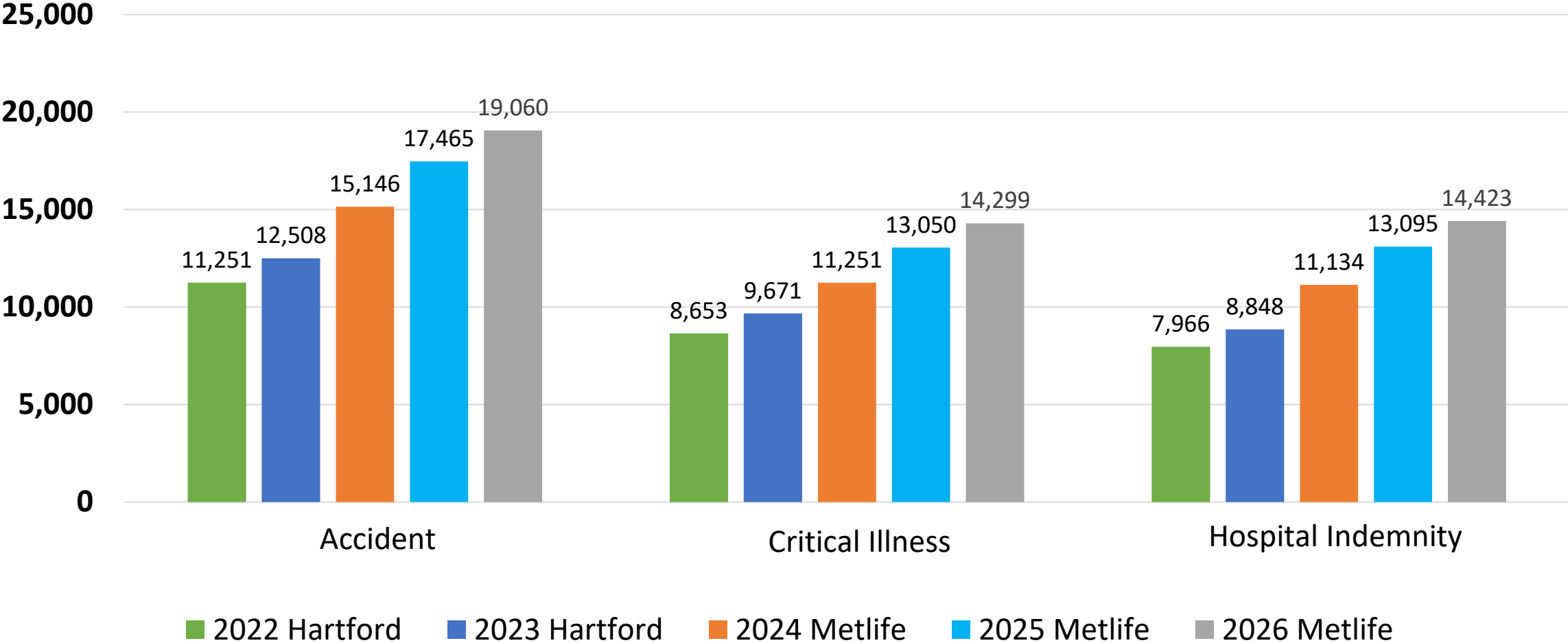
MetLife is the current vendor, since 2024

March 2026 enrollment:

- Accident: 19,773
- Critical Illness: 14,848
 - Critical Illness \$10K – 5,966
 - Critical Illness \$20K – 8,882
- Hospital Indemnity: 14,952
 - Hospital Indemnity \$10K – 6,981
 - Hospital Indemnity \$20K – 7,971

Voluntary Insurance Enrollment

As of Open Enrollment Each Year



Group Platform Advantage

Members can obtain favorable rates with the convenience of payroll deduction

Guaranteed issue – no health statements required

No Pre-existing condition limitations/exclusions

No benefit waiting periods

Administration and single points of contact for claims support

Customer Service includes a designated Client Services Consultant

Member may add any eligible dependents to the plan

Bids

- **4 bids were received:**
 - Aetna
 - Colonial Life
 - MetLife
 - The Hartford
- Finalist meetings were held with all 4 vendors

Bid Evaluations

Benefit Offerings

Cost to the member

Claims Process

Customer service to the members and the SEHP

Rate guarantees

The vendor's ability to provide services on a statewide basis

Bid Exceptions

Aetna

- No Exceptions.

Colonial Life

- Critical Illness Plans have a maximum new enrollment age of 74. Members on coverage can continue past age 74.
- Unable to agree to Performance Guarantees in sections 6.14C, 6.14D, & 6.14E.
- Agency Information Security Staff have concerns with their proposed off-shore resource usage.
- CI rates increase 15% from rates listed in BAFO if ported.
- HI plans are not portable.
- Preexisting condition waiver for the 3 years of contract. Waiver beyond the 3 years is subject to Colonial underwriting approval.

Hartford

- Proposes a \$100,000 annual cap on Performance Guarantee payouts across all plan types.
- Proposes the ability to change rates by up to +/- 10% if the eligible population changes by at least 25%.

MetLife

- No Exceptions.

Bid Ranking

Based on proposed rates compare to current rates

Plan	Aetna Plan 1	Aetna Plan 2	Colonial	Hartford	MetLife
Accident Insurance	4	3	5	2	1
Critical Illness - Low	4	3	5	1	2
Critical Illness - High	4	3	5	1	2
Hospital Indemnity - Low	4	3	5	2	1
Hospital Indemnity - High	4	3	2	1	1

Accident Benefit Plan

Monthly Rates

Monthly Premium

	MetLife	Hartford	Colonial	Aetna		MetLife
	Current 2026 Rates	Base Plan	Base Plan	Plan 1	Plan 2	Base Plan
Basic Death Benefit (EE only)	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
EE Only	\$2.46	\$1.97	\$7.79	\$2.46	\$2.39	\$1.95
EE + Spouse	\$3.86	\$3.09	\$12.12	\$3.86	\$3.75	\$3.09
EE + Child(ren)	\$4.11	\$3.29	\$20.49	\$4.11	\$3.99	\$3.29
Family	\$6.47	\$5.18	\$24.92	\$6.47	\$6.29	\$5.18
Rate Guarantee at least 3 years		5 years	Yes	Yes	Yes	5 years
Percent Difference from 2026 Rates		-19.9%	269.9%	0.0%	-2.8%	-20.2%
Rank		2	5	4	3	1

Critical Illness - \$10K Benefit Plan (1 of 2)

Attained Age, Monthly Rates

Age	MetLife – Current 2026 Rates				Hartford				Aetna Plan 1				Aetna Plan 2			
	EE only	EE+SP	EE+CH	Family	EE only	EE+SP	EE+CH	Family	EE only	EE+SP	EE+CH	Family	EE only	EE+SP	EE+CH	Family
< 20	\$0.70	\$1.00	\$1.10	\$1.50	\$0.50	\$0.70	\$0.70	\$0.90	\$0.70	\$1.00	\$1.10	\$1.50	\$0.67	\$0.96	\$1.06	\$1.44
20-24	\$0.70	\$1.00	\$1.10	\$1.50	\$0.50	\$0.70	\$0.70	\$0.90	\$0.70	\$1.00	\$1.10	\$1.50	\$0.67	\$0.96	\$1.06	\$1.44
25-29	\$0.80	\$1.20	\$1.20	\$1.60	\$0.60	\$0.90	\$0.80	\$1.10	\$0.80	\$1.20	\$1.20	\$1.60	\$0.77	\$1.15	\$1.15	\$1.54
30-34	\$1.30	\$1.90	\$1.70	\$2.30	\$0.90	\$1.30	\$1.10	\$1.50	\$1.30	\$1.90	\$1.70	\$2.30	\$1.25	\$1.82	\$1.63	\$2.21
35-39	\$2.00	\$3.00	\$2.50	\$3.50	\$1.40	\$2.10	\$1.60	\$2.30	\$2.00	\$3.00	\$2.50	\$3.50	\$1.92	\$2.88	\$2.40	\$3.36
40-44	\$3.30	\$5.00	\$3.80	\$5.50	\$2.30	\$3.50	\$2.50	\$3.70	\$3.30	\$5.00	\$3.80	\$5.50	\$3.17	\$4.80	\$3.65	\$5.28
45-49	\$5.40	\$8.00	\$5.70	\$8.40	\$3.80	\$5.60	\$4.00	\$5.80	\$5.40	\$8.00	\$5.70	\$8.40	\$5.19	\$7.68	\$5.47	\$8.07
50-54	\$8.00	\$12.10	\$8.20	\$12.40	\$5.60	\$8.45	\$5.80	\$8.65	\$8.00	\$12.10	\$8.20	\$12.40	\$7.68	\$11.62	\$7.88	\$11.91
55-59	\$11.50	\$17.40	\$11.60	\$17.70	\$8.10	\$12.25	\$8.30	\$12.45	\$11.50	\$17.40	\$11.60	\$17.70	\$11.05	\$16.71	\$11.14	\$17.00
60-64	\$16.90	\$25.50	\$16.80	\$25.70	\$11.80	\$17.80	\$12.00	\$18.00	\$16.90	\$25.50	\$16.80	\$25.70	\$16.23	\$24.49	\$16.14	\$24.68
65-69	\$25.70	\$39.10	\$25.40	\$39.10	\$18.00	\$27.40	\$18.20	\$27.60	\$25.70	\$39.10	\$25.40	\$39.10	\$24.68	\$37.56	\$24.40	\$37.56
70-74	\$39.30	\$59.50	\$38.70	\$59.20	\$27.50	\$41.65	\$27.70	\$41.85	\$39.30	\$59.50	\$38.70	\$59.20	\$37.75	\$57.15	\$37.17	\$56.86
75-79	\$39.30	\$59.50	\$38.70	\$59.20	\$27.50	\$55.80	\$27.90	\$56.20	\$39.30	\$59.50	\$38.70	\$59.20	\$37.75	\$57.15	\$37.17	\$56.86
80+	\$42.00	\$64.10	\$42.40	\$64.50	\$29.40	\$60.30	\$29.80	\$60.70	\$39.30	\$59.50	\$38.70	\$59.20	\$37.75	\$57.15	\$37.17	\$56.86

Rate Guarantee at least 3 years	5 years	Yes	Yes
Difference from 2026 Rates	-29.8%	0.0%	-4.0%
Rank	1	4	3

Critical Illness - \$10K Benefit Plan (2 of 2)

Attained Age, Monthly Rates

Age	MetLife – Current 2026 Rates				Colonial*				MetLife			
	EE only	EE+SP	EE+CH	Family	EE only	EE+SP	EE+CH	Family	EE only	EE+SP	EE+CH	Family
< 20	\$0.70	\$1.00	\$1.10	\$1.50	\$3.30	\$4.80	\$3.30	\$4.80	\$0.60	\$0.90	\$1.00	\$1.40
20-24	\$0.70	\$1.00	\$1.10	\$1.50	\$3.30	\$4.80	\$3.30	\$4.80	\$0.60	\$0.90	\$1.00	\$1.40
25-29	\$0.80	\$1.20	\$1.20	\$1.60	\$3.70	\$5.50	\$3.70	\$5.50	\$0.70	\$1.10	\$1.10	\$1.40
30-34	\$1.30	\$1.90	\$1.70	\$2.30	\$4.30	\$6.40	\$4.30	\$6.40	\$1.20	\$1.70	\$1.50	\$2.10
35-39	\$2.00	\$3.00	\$2.50	\$3.50	\$6.30	\$9.40	\$6.30	\$9.40	\$1.80	\$2.70	\$2.30	\$3.20
40-44	\$3.30	\$5.00	\$3.80	\$5.50	\$8.50	\$12.70	\$8.50	\$12.70	\$3.00	\$4.50	\$3.40	\$5.00
45-49	\$5.40	\$8.00	\$5.70	\$8.40	\$12.00	\$17.90	\$12.00	\$17.90	\$4.90	\$7.20	\$5.10	\$7.60
50-54	\$8.00	\$12.10	\$8.20	\$12.40	\$15.80	\$23.70	\$15.80	\$23.70	\$7.20	\$10.90	\$7.40	\$11.20
55-59	\$11.50	\$17.40	\$11.60	\$17.70	\$21.40	\$32.00	\$21.40	\$32.00	\$10.40	\$15.70	\$10.40	\$15.90
60-64	\$16.90	\$25.50	\$16.80	\$25.70	\$28.10	\$42.00	\$28.10	\$42.00	\$15.20	\$23.00	\$15.30	\$23.10
65-69	\$25.70	\$39.10	\$25.40	\$39.10	\$33.60	\$50.30	\$33.60	\$50.30	\$23.10	\$35.20	\$23.20	\$35.30
70-74	\$39.30	\$59.50	\$38.70	\$59.20	\$41.00	\$61.40	\$41.00	\$61.40	\$35.40	\$53.60	\$35.50	\$53.70
75-79	\$39.30	\$59.50	\$38.70	\$59.20	N/A	N/A	N/A	N/A	\$35.40	\$53.60	\$35.50	\$53.70
80+	\$42.00	\$64.10	\$42.40	\$64.50	N/A	N/A	N/A	N/A	\$37.80	\$57.70	\$38.20	\$58.10

Rate Guarantee at least 3 years	Yes	5 Years
Difference from 2026 Rates	79.2%	-9.8%
Rank	5	2

*Colonial has an age limit of 74 for new enrollees; There are no age limits for employees who are currently enrolled and coverage will continue after age 74.

Colonial's Portability is included; Rates increase +15% if Ported

Critical Illness - \$20K Benefit Plan (1 of 2)

Attained Age, Monthly Rates

Age	MetLife – Current 2026 Rates				Hartford				Aetna Plan 1				Aetna Plan 2			
	EE only	EE+SP	EE+CH	Family	EE only	EE+SP	EE+CH	Family	EE only	EE+SP	EE+CH	Family	EE only	EE+SP	EE+CH	Family
< 20	\$1.40	\$2.00	\$2.20	\$3.00	\$1.00	\$1.40	\$1.40	\$1.80	\$1.40	\$2.00	\$2.20	\$3.00	\$1.34	\$1.92	\$2.11	\$2.88
20-24	\$1.40	\$2.00	\$2.20	\$3.00	\$1.00	\$1.40	\$1.40	\$1.80	\$1.40	\$2.00	\$2.20	\$3.00	\$1.34	\$1.92	\$2.11	\$2.88
25-29	\$1.60	\$2.40	\$2.40	\$3.20	\$1.20	\$1.80	\$1.60	\$2.20	\$1.60	\$2.40	\$2.40	\$3.20	\$1.54	\$2.31	\$2.31	\$3.07
30-34	\$2.60	\$3.80	\$3.40	\$4.60	\$1.80	\$2.60	\$2.20	\$3.00	\$2.60	\$3.80	\$3.40	\$4.60	\$2.50	\$3.65	\$3.27	\$4.42
35-39	\$4.00	\$6.00	\$5.00	\$7.00	\$2.80	\$4.20	\$3.20	\$4.60	\$4.00	\$6.00	\$5.00	\$7.00	\$3.84	\$5.76	\$4.80	\$6.72
40-44	\$6.60	\$10.00	\$7.60	\$11.00	\$4.60	\$7.00	\$5.00	\$7.40	\$6.60	\$10.00	\$7.60	\$11.00	\$6.34	\$9.60	\$7.30	\$10.57
45-49	\$10.80	\$16.00	\$11.40	\$16.80	\$7.60	\$11.20	\$8.00	\$11.60	\$10.80	\$16.00	\$11.40	\$16.80	\$10.37	\$15.37	\$10.95	\$16.14
50-54	\$16.00	\$24.20	\$16.40	\$24.80	\$11.20	\$16.90	\$11.60	\$17.30	\$16.00	\$24.20	\$16.40	\$24.80	\$15.37	\$23.24	\$15.75	\$23.82
55-59	\$23.00	\$34.80	\$23.20	\$35.40	\$16.20	\$24.50	\$16.60	\$24.90	\$23.00	\$34.80	\$23.20	\$35.40	\$22.09	\$33.43	\$22.28	\$34.00
60-64	\$33.80	\$51.00	\$33.60	\$51.40	\$23.60	\$35.60	\$24.00	\$36.00	\$33.80	\$51.00	\$33.60	\$51.40	\$32.46	\$48.99	\$32.27	\$49.37
65-69	\$51.40	\$78.20	\$50.80	\$78.20	\$36.00	\$54.80	\$36.40	\$55.20	\$51.40	\$78.20	\$50.80	\$78.20	\$49.37	\$75.11	\$48.79	\$75.11
70-74	\$78.60	\$119.00	\$77.40	\$118.40	\$55.00	\$83.30	\$55.40	\$83.70	\$78.60	\$119.00	\$77.40	\$118.40	\$75.50	\$114.30	\$74.34	\$113.72
75-79	\$78.60	\$119.00	\$77.40	\$118.40	\$55.00	\$111.60	\$55.80	\$112.40	\$78.60	\$119.00	\$77.40	\$118.40	\$75.50	\$114.30	\$74.34	\$113.72
80+	\$84.00	\$128.20	\$84.80	\$129.00	\$58.80	\$120.60	\$59.60	\$121.40	\$78.60	\$119.00	\$77.40	\$118.40	\$75.50	\$114.30	\$74.34	\$113.72

Rate Guarantee at least 3 years	5 years	Yes	Yes
Difference from 2026 Rates	-29.9%	0.0%	-4.0%
Rank	1	4	3

Critical Illness - \$20K Benefit Plan (2 of 2)

Attained Age, Monthly Rates

Age	MetLife – Current 2026 Rates				Colonial*				MetLife			
	EE only	EE+SP	EE+CH	Family	EE only	EE+SP	EE+CH	Family	EE only	EE+SP	EE+CH	Family
< 20	\$1.40	\$2.00	\$2.20	\$3.00	\$6.60	\$9.60	\$6.60	\$9.60	\$1.20	\$1.80	\$2.00	\$2.80
20-24	\$1.40	\$2.00	\$2.20	\$3.00	\$6.60	\$9.60	\$6.60	\$9.60	\$1.20	\$1.80	\$2.00	\$2.80
25-29	\$1.60	\$2.40	\$2.40	\$3.20	\$7.40	\$11.00	\$7.40	\$11.00	\$1.40	\$2.20	\$2.20	\$2.80
30-34	\$2.60	\$3.80	\$3.40	\$4.60	\$8.60	\$12.80	\$8.60	\$12.80	\$2.40	\$3.40	\$3.00	\$4.20
35-39	\$4.00	\$6.00	\$5.00	\$7.00	\$12.60	\$18.80	\$12.60	\$18.80	\$3.60	\$5.40	\$4.60	\$6.40
40-44	\$6.60	\$10.00	\$7.60	\$11.00	\$17.00	\$25.40	\$17.00	\$25.40	\$6.00	\$9.00	\$6.80	\$10.00
45-49	\$10.80	\$16.00	\$11.40	\$16.80	\$24.00	\$35.80	\$24.00	\$35.80	\$9.80	\$14.40	\$10.20	\$15.20
50-54	\$16.00	\$24.20	\$16.40	\$24.80	\$31.60	\$47.40	\$31.60	\$47.40	\$14.40	\$21.80	\$14.80	\$22.40
55-59	\$23.00	\$34.80	\$23.20	\$35.40	\$42.80	\$64.00	\$42.80	\$64.00	\$20.80	\$31.40	\$20.80	\$31.80
60-64	\$33.80	\$51.00	\$33.60	\$51.40	\$56.20	\$84.00	\$56.20	\$84.00	\$30.40	\$46.00	\$30.60	\$46.20
65-69	\$51.40	\$78.20	\$50.80	\$78.20	\$67.20	\$100.60	\$67.20	\$100.60	\$46.20	\$70.40	\$46.40	\$70.60
70-74	\$78.60	\$119.00	\$77.40	\$118.40	\$82.00	\$122.80	\$82.00	\$122.80	\$70.80	\$107.20	\$71.00	\$107.40
75-79	\$78.60	\$119.00	\$77.40	\$118.40	N/A	N/A	N/A	N/A	\$70.80	\$107.20	\$71.00	\$107.40
80+	\$84.00	\$128.20	\$84.80	\$129.00	N/A	N/A	N/A	N/A	\$75.60	\$115.40	\$76.40	\$116.20

Rate Guarantee at least 3 years	5 years	Yes
Difference from 2026 Rates	88.1%	-9.8%
Rank	5	2

*Colonial has an age limit of 74 for new enrollees; There are no age limits for employees who are currently enrolled and coverage will continue after age 74. Colonial's Portability is included; Rates increase +15% if Ported

Hospital Indemnity – Low Plan

Monthly Rates

Monthly Premium	MetLife	Hartford	Aetna 1	Aetna 2	Colonial*	MetLife
	Current 2026 Rates	Low Plan	Low Plan	Low Plan	Low Plan	Low Plan
Non-ICU Admission Benefit	\$500	\$500	\$500	\$500	\$500	\$500
Non-ICU Confinement Benefit	\$100	\$100	\$100	\$100	\$100	\$100
EE Only	\$4.61	\$2.77	\$4.61	\$4.59	\$6.08	\$2.75
EE + Spouse	\$9.53	\$5.72	\$9.53	\$9.48	\$13.75	\$5.72
EE + Child(ren)	\$8.79	\$5.27	\$8.79	\$8.75	\$8.69	\$5.27
Family	\$14.34	\$8.60	\$14.34	\$14.27	\$16.36	\$8.60

Rate Guarantee at least 3 years		5 years	Yes	Yes	Yes	5 Years
Percent Difference from 2026 Rates		-40.0%	0.0%	-0.5%	23.2%	-40.1%
Rank		2	4	3	5	1

*Colonial's Hospital Indemnity product is not portable

Hospital Indemnity – High Plan

Monthly Rates

Monthly Premium	MetLife	Hartford	Aetna 1	Aetna 2	Colonial*	MetLife
	Current 2026 Rates	High Plan	High Plan	High Plan	High Plan	High Plan
Non-ICU Admission Benefit	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Non-ICU Confinement Benefit	\$200	\$200	\$200	\$200	\$200	\$200
EE Only	\$9.21	\$5.53	\$9.21	\$9.16	\$9.08	\$5.53
EE + Spouse	\$19.06	\$11.44	\$19.06	\$18.96	\$20.19	\$11.44
EE + Child(ren)	\$17.57	\$10.54	\$17.57	\$17.48	\$12.79	\$10.54
Family	\$28.68	\$17.21	\$28.68	\$28.54	\$23.90	\$17.21

Rate Guarantee at least 3 years		5 years	Yes	Yes	Yes	5 Years
Percent Difference from 2026 Rates		-40.0%	0.0%	-0.5%	-8.5%	-40.0%
Rank		1	4	3	2	1

*Colonial's Hospital Indemnity product is not portable

UTILIZATION SUMMARY

Time Period
2024 & 2025

Plan Year	2024		2025	
EE Participants & Participation %				
Critical Illness	11,919	32.00%	13,632	36.60%
Accident	16,135	43.32%	18,358	49.29%
Hospital Indemnity	11,694	31.39%	13,555	36.39%
Total Eligible Employees	37,248		37,248	

Plan Year	2024		2025	
	Premium	Prem / EE	Premium	Prem / EE
Critical Illness	\$1,563,200	\$10.93	\$1,787,269	\$10.93
Accident	\$673,895	\$3.48	\$784,590	\$3.56
Hospital Indemnity	\$1,541,013	\$10.98	\$1,799,903	\$11.07

Plan Year	2024			2025		
	Claims Paid	Claim Count	Avg/Claim	Claims Paid	Claim Count	Avg/Claim
Critical Illness	\$797,000	61	\$13,066	\$1,054,250	101	\$10,438
Accident	\$288,308	340	\$848	\$451,710	502	\$900
Hospital Indemnity	\$533,800	365	\$1,462	\$735,100	575	\$1,278

Agenda Item #5

May 20, 2026

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

Re: Projection Summary – April 2026

Dear Ms. Flory:

This letter provides a summary of the financial update with data through April of 2026 and the key assumptions included in the projections.

Experience: January 2026 to April 2026

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 first four months of 2026 ended with a loss of \$5.9M compared to the initial budget.

There was a small revenue gain of \$0.7M (0.3%) for the first four months, stemming from an increase in interest and state employer funding. On the expense side, the overall loss was \$6.6M (3.1%). Medical and Rx claims were responsible for nearly equal shares of this amount.

The reserve balance through February closed at \$41.1M versus \$47.0M from the initial projected budget. Below is a breakout of the various components.

January 2026 to April 2026 Financials (in Millions)				
	Budgeted	Actual	Gain/(Loss) \$	Gain/(Loss) %
Program Revenue	\$219.3	\$220.0	\$0.7	0.3%
Medical self-insured claims	\$122.2	\$125.4	\$(3.2)	(2.6)%
Rx self-insured claims	\$41.0	\$44.6	\$(3.6)	(8.8)%
Dental self-insured claims	\$10.3	\$10.3	\$-	0.0%
Health Savings Contributions*	\$16.3	\$16.3	\$-	0.0%
ASO/Premium	\$15.8	\$15.6	\$0.2	1.3%
Contract Fees/Other**	\$2.5	\$2.8	\$(0.3)	(12.0)%
Administrative Fund	\$1.8	\$1.4	\$0.4	22.2%
Program Expenses	\$209.8	\$216.4	\$(6.6)	(3.1)%
Net Income/(Net Expense)	\$9.6	\$3.6	\$(6.0)	
Reserve Balance (All Funds)***	\$47.0	\$41.1	\$(5.9)	

* 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.

Enrollment

The average 2026 enrollment through April decreased by 0.2% from what was projected in the initial budget forecast. The decreased headcount does have a direct correlation to revenue and expenses; however, the net impact to the overall financials is negligible.

Enrollment Monthly Avg.	Projected (Jan-April)	Actual (Jan-April)	Change in #	Change in %
Active & COBRA	39,358	39,284	(74)	-0.2%
Non-Medicare Retiree	523	531	8	1.5%
Medicare Members	7,308	7,286	(22)	-0.3%
Total	47,189	47,101	(88)	-0.2%

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

The table below shows a snapshot of the April 2026 enrollment. This serves as the basis for enrollment assumptions for 2026. April enrollment is 0.4% lower than February enrollment, which was the basis for future enrollment in the prior projection.

Contracts (April-2026)				
	Active	COBRA	Non-Medicare Retiree	Medicare Retiree
Medical				
Plan A	19,802	35	180	
Plan C	16,394	30	361	
Plan J	579	1	2	
Plan N	2,320	3	5	
Medicare				
Aetna (MA)				743
Plan C/C Select (Supp)				5,270
Plan G/G Select (Supp)				945
Plan N (Supp)				303
Medical Total	39,095	69	548	7,261
Contracts (April-2026)				
	Active	COBRA	Non-Medicare Retiree	Medicare Retiree
Dental Total	39,958	87	522	7,750
Vision Total	32,726	71	429	4,705

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 April 30, 2026						
	CY 2025	CY 2026	CY 2027	CY 2028	CY 2029	CY 2030
Program Revenue	\$618.5	\$643.2	\$691.7	\$748.1	\$810.4	\$878.5
<i>Medical self-insured claims</i>	\$384.0	\$413.0	\$445.6	\$460.0	\$486.0	\$512.4
<i>Rx self-Insured claims</i>	\$121.2	\$134.0	\$139.7	\$149.1	\$161.6	\$175.3
<i>Dental self-Insured claims</i>	\$31.1	\$32.3	\$34.2	\$34.5	\$35.5	\$36.6
Health Savings Contributions*	\$34.2	\$33.8	\$33.6	\$33.6	\$33.6	\$33.6
<i>ASO/Premium</i>	\$45.7	\$47.3	\$48.4	\$49.9	\$51.5	\$53.1
<i>Contract Fees/Other**</i>	\$7.5	\$8.1	\$8.0	\$8.0	\$8.1	\$8.1
<i>Administrative Fund</i>	\$5.2	\$5.0	\$5.3	\$5.3	\$5.4	\$5.4
Program Expenses	\$629.0	\$673.4	\$714.8	\$740.4	\$781.7	\$824.5
Net Income/(Net Expense)	\$(10.4)	\$(30.2)	\$(23.1)	\$7.7	\$28.7	\$53.9
Reserve Balance (All Funds)	\$37.5	\$7.2	\$(15.8)	\$(8.1)	\$20.6	\$74.6
* 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.						
*** Total may not fully reconcile due to some intermediate values shown rounded to 1 decimal.						

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

The projected medical costs for future periods are neutral since the prior update due to similar medical claims experience being incorporated into the baseline of our future projections.

Similarly, the projected pharmacy costs for 2026 and future periods are neutral since the prior update due to similar pharmacy claims experience being incorporated into the baseline of our future projections.

Projected dental costs for future periods have slightly increased since the last update.

Then total impact of emerging experience is a \$0.7M increase in the projected reserve balance at the end of CY 2026 from the prior 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. 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 an 8.7% 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 0.1% higher than the calculated amount at the April HCC meeting.

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. Projections under this funding pattern result in negative reserve balances in 2027 and 2028.

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 8.7% 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.

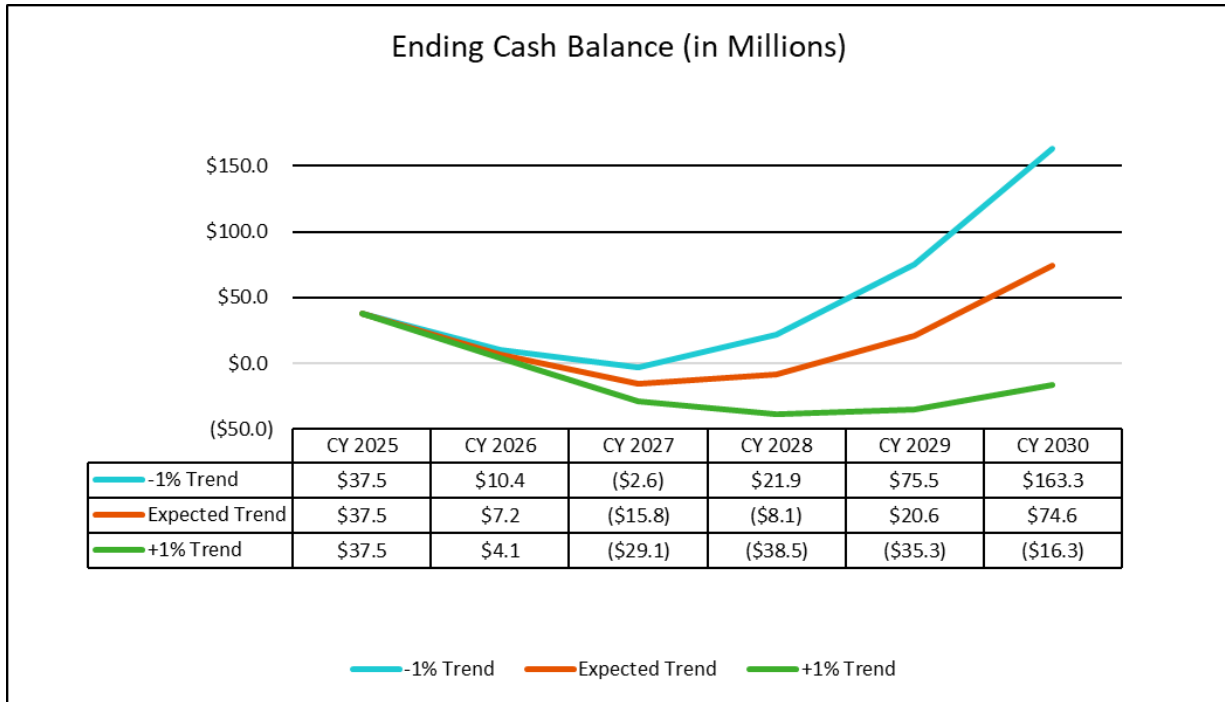
2021 House Bill No. 2218 Target (10% of Three Prior Years Total Plan Expenses) in CY 2025-2030 (in Millions)						
	2025	2026	2027	2028	2029	2030
10% of Prior Total Plan Expenses (3-Year Average)	\$53.8	\$58.3	\$62.9	\$67.2	\$71.0	\$74.6
Reserve Balance (All Funds)	\$37.5	\$7.2	\$(15.8)	\$(8.1)	\$20.6	\$74.6
Fund Balance vs. Target Surplus/(Shortfall)	\$(16.3)	\$(51.1)	\$(78.7)	\$(75.3)	\$(50.4)	\$0.0
Funding Rate Increase						
Employer	7.5%	8.0%	8.7%	8.7%	8.7%	8.7%
Employee	0.0%	2.0%	8.7%	8.7%	8.7%	8.7%

Please see below what the reserve and funding rates would be if the model balanced to \$0 at the end of 2027. Funding may need to be accelerated rather than following the prescribed schedule in the tables, which smooths the increase over multiple years. If employee rates were held constant, employer rates in 2027 would need to increase by 18.1% to avoid a negative balance in 2027.

2021 House Bill No. 2218 Target (10% of Three Prior Years Total Plan Expenses) in CY 2025-2030 (in Millions)- Avoiding Negative Balances						
	2025	2026	2027	2028	2029	2030
10% of Prior Total Plan Expenses (3-Year Average)	\$53.8	\$58.3	\$62.9	\$67.2	\$71.0	\$74.6
Reserve Balance (All Funds)	\$37.5	\$7.2	\$-	\$24.4	\$49.2	\$74.6
Fund Balance vs. Target Surplus/(Shortfall)	\$(16.3)	\$(51.1)	\$(62.9)	\$(42.8)	\$(21.8)	\$0.0
Funding Rate Increase						
Employer	7.5%	8.0%	13.3%	5.5%	5.5%	5.5%
Employee	0.0%	2.0%	13.3%	5.5%	5.5%	5.5%

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 -\$16.4M at the end of CY 2030, assuming the current proposed funding increases of 8.7% remain intact. If this occurred, an additional funding increase of approximately 9.8% 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
8.6%	8.7%	8.8%

Due to the funding rate for 2026 being 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 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, MAAA
Vice President

**Kansas State Employees Health Care Commission
2026 Variance Report -
Budget vs. Actual**

	Jan-2026			Feb-2026			Mar-2026		
	Initial Budget	Actual	Gain/(Loss)	Initial Budget	Actual	Gain/(Loss)	Initial Budget	Actual	Gain/(Loss)
Revenue									
State ER	40,891,607	40,865,183	(26,424)	34,313,383	34,739,327	425,944	37,018,820	37,019,329	509
State EE	6,584,933	6,543,928	(41,005)	6,584,933	6,562,418	(22,516)	7,180,452	7,058,442	(122,010)
Non-State ER	4,532,352	4,568,469	36,117	4,532,352	4,538,387	6,035	4,532,352	4,529,474	(2,878)
Non-State EE	680,081	689,573	9,492	680,081	679,905	(175)	680,081	688,021	7,940
Direct Bill	2,871,399	2,947,475	76,076	2,871,399	2,872,016	617	2,871,399	2,882,400	11,001
COBRA	111,857	89,799	(22,059)	111,857	104,608	(7,249)	111,857	74,690	(37,167)
Voluntary Benefit	364,213	400,270	36,057	364,213	402,399	38,187	364,213	428,639	64,427
Interest/Other	93,815	132,495	38,680	93,815	558,735	464,920	93,815	174,178	80,363
Zinc Rx Settlement / Funding from GBA	-	-	-	-	-	-	-	-	-
Administrative Fund	291,618	294,638	3,020	291,618	294,986	3,368	291,618	292,173	555
Total	56,421,875	56,531,830	109,955	49,843,651	50,752,781	909,130	53,144,607	53,147,346	2,739

Expenses	Please See Notes Section Below								
Medical Claims	37,816,750	36,563,034	1,253,716	25,663,364	24,530,574	1,132,790	27,149,259	37,122,807	(9,973,548)
Rx Claims	10,633,341	6,639,139	3,994,203	9,389,733	21,931,992	(12,542,259)	9,500,629	4,764,605	4,736,024
Dental Claims	3,000,222	2,662,825	337,397	2,404,339	2,550,186	(145,847)	2,435,177	2,484,797	(49,620)
Health Savings ER	6,702,846	6,641,448	61,398	1,672,530	1,576,251	96,279	674,163	856,177	(182,013)
ASO/Premium	3,947,507	3,757,833	189,675	3,947,507	3,822,438	125,069	3,947,507	4,046,500	(98,992)
Voluntary Benefit	364,213	400,270	(36,057)	364,213	205,253	158,960	364,213	625,786	(261,573)
Onsite Clinic (Marathon)	196,529	201,752	(5,222)	196,529	198,544	(2,015)	196,529	207,242	(10,713)
Other Contract Fees/Flex	65,017	74,003	(8,986)	65,017	73,781	(8,764)	65,017	72,982	(7,965)
PCORI	-	-	-	-	-	-	-	-	-
Administrative Fund	439,211	385,497	53,715	439,211	227,137	212,074	439,211	391,627	47,584
Total	63,165,636	57,325,799	5,839,837	44,142,443	55,116,156	(10,973,712)	44,771,706	50,572,523	(5,800,817)

Net Cash Flow	(6,743,761)	(793,969)	5,949,793	5,701,207	(4,363,375)	(10,064,582)	8,372,901	2,574,823	(5,798,077)
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Beginning Balance (Reserve Fund)	32,165,136	32,165,136	-	25,568,968	31,462,025	5,893,058	31,417,768	27,030,802	(4,386,966)
Ending Balance (Reserve Fund)	25,568,968	31,462,025	5,893,058	31,417,768	27,030,802	(4,386,966)	39,938,262	29,705,079	(10,233,183)
Beginning Balance (Administrative Fund)	5,292,508	5,292,508	-	5,147,841	5,201,650	53,809	5,003,174	5,269,498	266,324
Ending Balance (Administrative Fund)	5,147,841	5,201,650	53,809	5,003,174	5,269,498	266,324	4,858,508	5,170,044	311,537
Beginning Balance (Both Funds)	37,457,644	37,457,644	-	30,716,809	36,663,675	5,946,866	36,420,942	32,300,300	(4,120,642)
Ending Balance (Both Funds)	30,716,809	36,663,675	5,946,866	36,420,942	32,300,300	(4,120,642)	44,796,770	34,875,124	(9,921,646)

Enrollment (Subscriber)	Initial	Updated	Difference	Initial	Updated	Difference	Initial	Updated	Difference
Active	39,266	39,266	-	39,266	39,239	(27)	39,266	39,215	(51)
COBRA	92	92	-	92	89	(3)	92	71	(21)
Non-Medicare Retiree	523	523	-	523	523	-	523	529	6
Medicare Retiree	7,308	7,308	-	7,308	7,287	(21)	7,308	7,288	(20)
Total	47,189	47,189	-	47,189	47,138	(51)	47,189	47,103	(86)

Revenue PEPM	1,196	1,198	2	1,056	1,077	20	1,126	1,128	2
Expenses PEPM	1,339	1,215	(124)	935	1,169	234	949	1,074	125

Note: Budgets are set based on the expected number of invoices to be paid during a given month. At times invoices may be paid on a different schedule. There is a mismatch in budgeted and actual payments due to invoice timing for Jan - Mar. Recorded Gains/Losses for these months will be skewed due to this discrepancy. Please use YTD numbers for a complete picture of how the plan is running.

Pharmacy	Budgeted	Actual	Medical	Budgeted	Actual
Jan	2	1	Jan	5	5
Feb	2	3	Feb	4	3
Mar	2	2	Mar	4	5

**Kansas State Employees Health Care Commission
2026 Variance Report -
Budget vs. Actual**

	Apr-2026			May-2026			Jun-2026		
	Initial Budget	Actual	Gain/(Loss)	Initial Budget	Updated Budget	Gain/(Loss)	Initial Budget	Updated Budget	Gain/(Loss)
Revenue									
State ER	43,807,200	43,634,784	(172,416)	37,228,975	36,905,070	(323,906)	31,607,945	31,535,180	(72,765)
State EE	7,180,452	7,059,871	(120,581)	7,180,452	7,181,722	1,270	5,989,415	5,999,749	10,335
Non-State ER	4,532,352	4,489,043	(43,309)	4,532,352	4,459,689	(72,663)	4,532,352	4,459,689	(72,663)
Non-State EE	680,081	682,035	1,954	680,081	669,987	(10,094)	680,081	669,987	(10,094)
Direct Bill	2,871,399	2,871,098	(300)	2,871,399	2,876,856	5,458	2,871,399	2,876,856	5,458
COBRA	111,857	71,433	(40,425)	111,857	82,986	(28,872)	111,857	82,986	(28,872)
Voluntary Benefit	364,213	427,320	63,107	364,213	364,213	-	364,213	364,213	-
Interest/Other	93,815	51,605	(42,210)	93,815	93,815	-	93,815	93,815	-
Zinc Rx Settlement / Funding from GBA	-	-	-	-	-	-	-	-	-
Administrative Fund	291,618	292,461	843	291,618	290,004	(1,614)	291,618	290,004	(1,614)
Total	59,932,986	59,579,651	(353,336)	53,354,762	52,924,342	(428,807)	46,542,695	46,372,480	(170,215)
Expenses									
Medical Claims	31,570,357	27,201,244	4,369,113	36,432,112	37,551,617	(1,119,505)	30,290,492	31,128,389	(837,897)
Rx Claims	11,441,230	11,224,599	216,631	11,714,147	11,930,924	(216,776)	11,869,481	12,089,131	(219,651)
Dental Claims	2,441,183	2,558,244	(117,061)	3,059,004	3,122,663	(63,659)	2,453,239	2,498,982	(45,743)
Health Savings ER	7,207,804	7,239,131	(31,327)	592,274	587,743	4,531	662,891	657,955	4,935
ASO/Premium	3,947,507	4,008,084	(60,577)	4,189,341	4,166,642	22,699	3,947,507	3,924,808	22,699
Voluntary Benefit	364,213	427,320	(63,107)	364,213	364,213	-	364,213	364,213	-
Onsite Clinic (Marathon)	196,529	197,260	(731)	196,529	196,529	-	196,529	196,529	-
Other Contract Fees/Flex	65,017	79,438	(14,422)	65,017	83,350	(18,333)	65,017	83,350	(18,333)
PCORI	-	-	-	-	-	-	-	-	-
Administrative Fund	439,211	436,560	2,652	439,211	439,211	-	439,211	439,211	-
Total	57,673,051	53,371,881	4,301,170	57,051,849	58,442,892	(1,391,043)	50,288,580	51,382,569	(1,093,990)
Net Cash Flow	2,259,935	6,207,770	3,947,835	(3,697,087)	(5,518,550)	(1,819,850)	(3,745,885)	(5,010,090)	(1,264,204)
Beginning Balance (Reserve Fund)	39,938,262	29,705,079	(10,233,183)	42,345,791	36,056,947	(6,288,843)	38,796,297	30,687,604	(8,108,693)
Ending Balance (Reserve Fund)	42,345,791	36,056,947	(6,288,843)	38,796,297	30,687,604	(8,108,693)	35,198,005	25,826,721	(9,371,284)
Beginning Balance (Administrative Fund)	4,858,508	5,170,044	311,537	4,713,841	5,025,946	312,105	4,569,174	4,876,739	307,565
Ending Balance (Administrative Fund)	4,713,841	5,025,946	312,105	4,569,174	4,876,739	307,565	4,424,507	4,727,533	303,025
Beginning Balance (Both Funds)	44,796,770	34,875,124	(9,921,646)	47,059,631	41,082,894	(5,976,738)	43,365,471	35,564,343	(7,801,128)
Ending Balance (Both Funds)	47,059,631	41,082,894	(5,976,738)	43,365,471	35,564,343	(7,801,128)	39,622,512	30,554,253	(9,068,258)
Enrollment (Subscriber)	Initial	Updated	Difference	Initial	Updated	Difference	Initial	Updated	Difference
Active	39,266	39,095	(171)	39,266	39,095	(171)	39,266	39,095	(171)
COBRA	92	69	(23)	92	69	(23)	92	69	(23)
Non-Medicare Retiree	523	548	25	523	548	25	523	548	25
Medicare Retiree	7,308	7,261	(47)	7,308	7,261	(47)	7,308	7,261	(47)
Total	47,189	46,973	(216)	47,189	46,973	(216)	47,189	46,973	(216)
Revenue PEPM	1,270	1,268	(2)	1,131	1,127	(4)	986	987	1
Expenses PEPM	1,222	1,136	(86)	1,209	1,244	35	1,066	1,094	28

Note: Budgets are set based on the expected due to invoice timing for Jan - Mar. Recorded

**Kansas State Employees Health Care Commission
2026 Variance Report -
Budget vs. Actual**

	Jul-2026			Aug-2026			Sep-2026		
	Initial Budget	Updated Budget	Gain/(Loss)	Initial Budget	Updated Budget	Gain/(Loss)	Initial Budget	Updated Budget	Gain/(Loss)
Revenue									
State ER	40,827,826	40,973,893	146,066	34,249,602	34,424,669	175,067	37,165,195	37,111,062	(54,133)
State EE	5,989,415	5,998,178	8,763	5,989,415	5,998,178	8,763	6,584,933	6,589,950	5,017
Non-State ER	4,884,484	4,806,186	(78,297)	4,884,484	4,806,186	(78,297)	4,884,484	4,806,186	(78,297)
Non-State EE	680,081	669,987	(10,094)	680,081	669,987	(10,094)	680,081	669,987	(10,094)
Direct Bill	2,871,399	2,876,856	5,458	2,871,399	2,876,856	5,458	2,871,399	2,876,856	5,458
COBRA	111,857	82,986	(28,872)	111,857	82,986	(28,872)	111,857	82,986	(28,872)
Voluntary Benefit	364,213	364,213	-	364,213	364,213	-	364,213	364,213	-
Interest/Other	93,815	93,815	-	93,815	93,815	-	93,815	93,815	-
Zinc Rx Settlement / Funding from GBA	-	-	-	-	-	-	-	-	-
Administrative Fund	291,618	290,004	(1,614)	291,618	290,004	(1,614)	291,618	290,004	(1,614)
Total	56,114,707	56,156,118	41,411	49,536,483	49,606,895	70,412	53,047,595	52,885,060	(162,535)
Expenses									
Medical Claims	38,982,191	40,066,160	(1,083,969)	32,793,239	33,699,443	(906,204)	32,093,104	32,989,511	(896,407)
Rx Claims	(949,204)	(735,955)	(213,250)	12,181,877	12,407,309	(225,432)	12,288,307	12,515,708	(227,401)
Dental Claims	3,074,112	3,131,432	(57,320)	2,465,355	2,511,324	(45,969)	2,471,435	2,517,517	(46,082)
Health Savings ER	7,095,530	7,062,401	33,129	458,179	454,414	3,764	432,407	428,790	3,617
ASO/Premium	3,947,507	3,924,808	22,699	3,947,507	3,924,808	22,699	3,947,507	3,924,808	22,699
Voluntary Benefit	364,213	364,213	-	364,213	364,213	-	364,213	364,213	-
Onsite Clinic (Marathon)	196,529	196,529	-	196,529	196,529	-	196,529	196,529	-
Other Contract Fees/Flex	65,017	83,350	(18,333)	65,017	83,350	(18,333)	65,017	83,350	(18,333)
PCORI	221,140	221,140	-	-	-	-	-	-	-
Administrative Fund	439,211	439,211	-	439,211	439,211	-	439,211	439,211	-
Total	53,436,245	54,753,289	(1,317,044)	52,911,127	54,080,602	(1,169,475)	52,297,730	53,459,638	(1,161,908)
Net Cash Flow	2,678,462	1,402,829	(1,275,633)	(3,374,644)	(4,473,707)	(1,099,063)	749,865	(574,578)	(1,324,443)
Beginning Balance (Reserve Fund)	35,198,005	25,826,721	(9,371,284)	38,024,060	27,378,757	(10,645,303)	34,797,009	23,054,257	(11,742,753)
Ending Balance (Reserve Fund)	38,024,060	27,378,757	(10,645,303)	34,797,009	23,054,257	(11,742,753)	35,694,467	22,628,885	(13,065,582)
Beginning Balance (Administrative Fund)	4,424,507	4,727,533	303,025	4,274,968	4,578,326	303,357	4,125,429	4,429,119	303,689
Ending Balance (Administrative Fund)	4,274,968	4,578,326	303,357	4,125,429	4,429,119	303,689	3,975,891	4,279,912	304,021
Beginning Balance (Both Funds)	39,622,512	30,554,253	(9,068,258)	42,299,028	31,957,082	(10,341,946)	38,922,439	27,483,376	(11,439,063)
Ending Balance (Both Funds)	42,299,028	31,957,082	(10,341,946)	38,922,439	27,483,376	(11,439,063)	39,670,358	26,908,797	(12,761,560)
Enrollment (Subscriber)									
Active	39,266	39,095	(171)	39,266	39,095	(171)	39,266	39,095	(171)
COBRA	92	69	(23)	92	69	(23)	92	69	(23)
Non-Medicare Retiree	523	548	25	523	548	25	523	548	25
Medicare Retiree	7,308	7,261	(47)	7,308	7,261	(47)	7,308	7,261	(47)
Total	47,189	46,973	(216)	47,189	46,973	(216)	47,189	46,973	(216)
Revenue PEPM	1,189	1,195	6	1,050	1,056	6	1,124	1,126	2
Expenses PEPM	1,132	1,166	33	1,121	1,151	30	1,108	1,138	30

Note: Budgets are set based on the expected due to invoice timing for Jan - Mar. Recorded

**Kansas State Employees Health Care Commission
2026 Variance Report -
Budget vs. Actual**

	Oct-2026			Nov-2026			Dec-2026		
	Initial Budget	Updated Budget	Gain/(Loss)	Initial Budget	Updated Budget	Gain/(Loss)	Initial Budget	Updated Budget	Gain/(Loss)
Revenue									
State ER	43,743,419	43,660,285	(83,134)	37,165,195	37,111,062	(54,133)	37,165,195	37,111,062	(54,133)
State EE	6,584,933	6,589,950	5,017	6,584,933	6,589,950	5,017	6,584,933	6,589,950	5,017
Non-State ER	4,884,484	4,806,186	(78,297)	4,884,484	4,806,186	(78,297)	4,884,484	4,806,186	(78,297)
Non-State EE	680,081	669,987	(10,094)	680,081	669,987	(10,094)	680,081	669,987	(10,094)
Direct Bill	2,871,399	2,876,856	5,458	2,871,399	2,876,856	5,458	2,871,399	2,876,856	5,458
COBRA	111,857	82,986	(28,872)	111,857	82,986	(28,872)	111,857	82,986	(28,872)
Voluntary Benefit	364,213	364,213	-	364,213	364,213	-	364,213	364,213	-
Interest/Other	93,815	93,815	-	93,815	93,815	-	93,815	93,815	-
Zinc Rx Settlement / Funding from GBA	-	-	-	-	-	-	-	-	-
Administrative Fund	291,618	290,004	(1,614)	291,618	290,004	(1,614)	291,618	290,004	(1,614)
Total	59,625,819	59,434,283	(191,536)	53,047,595	52,885,060	(162,535)	53,047,595	52,885,060	(162,535)
Expenses									
Medical Claims	40,071,387	41,180,772	(1,109,386)	35,457,654	36,441,814	(984,160)	33,582,089	34,516,962	(934,872)
Rx Claims	13,392,702	13,640,541	(247,839)	14,045,164	14,305,077	(259,913)	13,058,135	13,299,782	(241,648)
Dental Claims	3,096,913	3,154,658	(57,745)	2,483,640	2,529,950	(46,310)	2,489,766	2,536,190	(46,424)
Health Savings ER	7,162,103	7,128,593	33,510	663,351	658,413	4,938	462,885	459,094	3,791
ASO/Premium	3,947,507	3,924,808	22,699	3,947,507	3,924,808	22,699	3,947,507	3,924,808	22,699
Voluntary Benefit	364,213	364,213	-	364,213	364,213	-	364,213	364,213	-
Onsite Clinic (Marathon)	196,529	196,529	-	196,529	196,529	-	196,529	196,529	-
Other Contract Fees/Flex	65,017	83,350	(18,333)	65,017	83,350	(18,333)	65,017	83,350	(18,333)
PCORI	-	-	-	-	-	-	-	-	-
Administrative Fund	439,211	439,211	-	439,211	439,211	-	439,211	439,211	-
Total	68,735,581	70,112,675	(1,377,094)	57,662,286	58,943,366	(1,281,079)	54,605,352	55,820,139	(1,214,787)
Net Cash Flow	(9,109,762)	(10,678,391)	(1,568,629)	(4,614,692)	(6,058,306)	(1,443,614)	(1,557,757)	(2,935,079)	(1,377,322)
Beginning Balance (Reserve Fund)	35,694,467	22,628,885	(13,065,582)	26,732,298	12,099,701	(14,632,597)	22,265,200	6,190,602	(16,074,598)
Ending Balance (Reserve Fund)	26,732,298	12,099,701	(14,632,597)	22,265,200	6,190,602	(16,074,598)	20,855,036	3,404,730	(17,450,306)
Beginning Balance (Administrative Fund)	3,975,891	4,279,912	304,021	3,826,352	4,130,705	304,353	3,676,813	3,981,498	304,686
Ending Balance (Administrative Fund)	3,826,352	4,130,705	304,353	3,676,813	3,981,498	304,686	3,529,220	3,832,292	303,072
Beginning Balance (Both Funds)	39,670,358	26,908,797	(12,761,560)	30,558,650	16,230,406	(14,328,244)	25,942,013	10,172,100	(15,769,912)
Ending Balance (Both Funds)	30,558,650	16,230,406	(14,328,244)	25,942,013	10,172,100	(15,769,912)	24,384,256	7,237,022	(17,147,234)
Enrollment (Subscriber)	Initial	Updated	Difference	Initial	Updated	Difference	Initial	Updated	Difference
Active	39,266	39,095	(171)	39,266	39,095	(171)	39,266	39,095	(171)
COBRA	92	69	(23)	92	69	(23)	92	69	(23)
Non-Medicare Retiree	523	548	25	523	548	25	523	548	25
Medicare Retiree	7,308	7,261	(47)	7,308	7,261	(47)	7,308	7,261	(47)
Total	47,189	46,973	(216)	47,189	46,973	(216)	47,189	46,973	(216)
Revenue PEPM	1,264	1,265	2	1,124	1,126	2	1,124	1,126	2
Expenses PEPM	1,457	1,493	36	1,222	1,255	33	1,157	1,188	31

Note: Budgets are set based on the expected due to invoice timing for Jan - Mar. Recorded

**Kansas State Employees Health Care Commission
2026 Variance Report -
Budget vs. Actual**

	Jan-2026 - Apr-2026			Jan-Dec 2026			% Gain/(Loss)
	Initial Budget	Updated Budget	Gain/(Loss)	Initial Budget	Actual/Budget	\$ Gain/(Loss)	
Revenue							
State ER	156,031,009	156,258,623	227,614	455,184,364	455,090,907	(93,457)	0.0%
State EE	27,530,771	27,224,659	(306,112)	79,019,202	78,762,287	(256,915)	-0.3%
Non-State ER	18,129,408	18,125,374	(4,034)	56,501,014	55,881,870	(619,144)	-1.1%
Non-State EE	2,720,323	2,739,533	19,210	8,160,969	8,099,430	(61,539)	-0.8%
Direct Bill	11,485,595	11,572,988	87,393	34,456,785	34,587,839	131,054	0.4%
COBRA	447,430	340,529	(106,900)	1,342,290	1,004,417	(337,872)	-25.2%
Voluntary Benefit	1,456,850	1,658,628	201,778	4,370,550	4,572,328	201,778	4.6%
Interest/Other	375,260	917,014	541,754	1,125,780	1,667,534	541,754	48.1%
Zinc Rx Settlement / Funding from GBA	-	-	-	-	-	-	-
Administrative Fund	1,166,472	1,174,259	7,787	3,499,417	3,494,294	(5,123)	-0.1%
Total	219,343,119	220,011,608	668,489	643,660,369	643,160,906	(499,463)	-0.1%
Expenses							
Medical Claims	122,199,730	125,417,659	(3,217,929)	401,901,999	412,992,327	(11,090,329)	-2.8%
Rx Claims	40,964,934	44,560,334	(3,595,401)	128,565,542	134,012,852	(5,447,310)	-4.2%
Dental Claims	10,280,921	10,256,053	24,868	31,874,384	32,258,769	(384,385)	-1.2%
Health Savings ER	16,257,343	16,313,007	(55,664)	33,786,964	33,750,410	36,553	0.1%
ASO/Premium	15,790,028	15,634,854	155,174	47,611,919	47,275,152	336,767	0.7%
Voluntary Benefit	1,456,850	1,658,628	(201,778)	4,370,550	4,572,328	(201,778)	-4.6%
Onsite Clinic (Marathon)	786,118	804,798	(18,680)	2,358,354	2,377,034	(18,680)	-0.8%
Other Contract Fees/Flex	260,067	300,204	(40,137)	780,201	967,005	(186,804)	-23.9%
PCORI	-	-	-	221,140	221,140	-	0.0%
Administrative Fund	1,756,845	1,440,821	316,024	5,270,535	4,954,511	316,024	6.0%
Total	209,752,837	216,386,358	(6,633,522)	656,741,587	673,381,528	(16,639,941)	-2.5%
Net Cash Flow	9,590,282	3,625,250	(5,965,032)	(13,081,218)	(30,220,622)	(17,139,404)	
Beginning Balance (Reserve Fund)	32,165,136	32,165,136	-	32,165,136	32,165,136	-	
Ending Balance (Reserve Fund)	42,345,791	36,056,947	(6,288,843)	20,855,036	3,404,730	(17,450,306)	
Beginning Balance (Administrative Fund)	5,292,508	5,292,508	-	5,292,508	5,292,508	-	
Ending Balance (Administrative Fund)	4,702,135	5,025,946	323,811	3,521,390	3,832,292	310,902	
Beginning Balance (Both Funds)	37,457,644	37,457,644	-	37,457,644	37,457,644	-	
Ending Balance (Both Funds)	47,047,926	41,082,894	(5,965,032)	24,376,426	7,237,022	(17,139,404)	
Enrollment (Subscriber)	Initial	Updated	Difference	Initial	Updated	Difference	% Difference
Active	39,266	39,204	(62)	39,266	39,131	(135)	-0.3%
COBRA	92	80	(12)	92	73	(19)	-20.9%
Non-Medicare Retiree	523	531	8	523	542	19	3.7%
Medicare Retiree	7,308	7,286	(22)	7,308	7,269	(39)	-0.5%
Total	47,189	47,101	(88)	47,189	47,016	(173)	-0.4%
Revenue PEPM	1,162	1,168	6	1,137	1,140	3	0.3%
Expenses PEPM	1,111	1,149	37	1,160	1,194	34	2.9%

Note: Budgets are set based on the expected due to invoice timing for Jan - Mar. Recorder

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

Trend Assumptions	2025	2026	2027	2028	2029	2030
Interest Rate on Fund Balance (Fiscal Year)	4.00%	3.50%	3.25%	3.25%	3.25%	3.25%
Admin/Contract Fee Trend/Vision Trend	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Medical claim trend rate	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%
Prescription drug claim trend rate	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%
Dental claim trend rate	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Medicare Advantage trend rate	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Funding Rate Assumptions						
Medical				Allow Negative Balance		
Minimum Ending Balance						
Employer % Change (eff. July 1)			Calculated	Calculated	Calculated	Calculated
State Employer	7.5%	8.0%	8.7%	8.7%	8.7%	8.7%
			Calculated	Calculated	Calculated	Calculated
Non-State Employer	7.5%	8.0%	8.7%	8.7%	8.7%	8.7%
Employee % Change (eff. Jan 1)			Same BCBS and Aetna Rates		Calculated	
BCBS Employee Rate Change			8.7%	8.7%	8.7%	8.7%
Aetna Employee Rate Change			8.7%	8.7%	8.7%	8.7%
Dental						
Employer contribution % increase (eff. July 1)	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%
Active ee contribution % incr. (eff. Jan 1)	0.0%	3.3%	3.3%	3.3%	3.3%	3.3%
Retirees contribution % increase (eff. Jan 1)	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%
Wellness Contribution Credit \$40 per month	50%	50%	50%	50%	50%	50%
Reserve Targets						
IBNR Claim Reserve (% of claims)	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%
Claim Fluctuation Reserve (% of claims)	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%
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 April 2026 and Enrollment Data Through April 2026
Multi-Year Projection

	2025 Actual	2026 Projected	2027 Projected	2028 Projected	2029 Projected	2030 Projected
Revenue						
State ER	\$ 420,004,463	\$ 455,090,907	\$ 491,585,815	\$ 533,426,455	\$ 578,873,683	\$ 628,240,575
State EE	\$ 76,493,909	\$ 78,762,287	\$ 86,199,838	\$ 93,927,072	\$ 102,313,607	\$ 111,416,516
Non-State ER	\$ 54,751,652	\$ 55,881,870	\$ 60,112,074	\$ 65,196,860	\$ 70,717,989	\$ 76,713,272
Non-State EE	\$ 8,476,914	\$ 8,099,430	\$ 8,762,352	\$ 9,546,569	\$ 10,397,839	\$ 11,321,971
Direct Bill	\$ 33,032,639	\$ 34,587,839	\$ 36,072,093	\$ 37,700,887	\$ 39,413,363	\$ 41,214,555
COBRA	\$ 1,002,518	\$ 1,004,417	\$ 1,077,919	\$ 1,172,846	\$ 1,275,914	\$ 1,180,562
Voluntary Benefit	\$ 4,368,790	\$ 4,572,328	\$ 4,370,550	\$ 4,370,550	\$ 4,370,550	\$ 4,370,550
Interest/Other	\$ 2,297,344	\$ 1,667,534	\$ 110,654	\$ (577,972)	\$ (263,061)	\$ 738,757
Rx Settlement	\$ 14,568,079	\$ -	\$ -	\$ -	\$ -	\$ -
Administrative Fund	\$ 3,527,560	\$ 3,494,294	\$ 3,419,365	\$ 3,357,873	\$ 3,294,815	\$ 3,294,815
Total	\$ 618,523,868	\$ 643,160,906	\$ 691,710,660	\$ 748,121,140	\$ 810,394,699	\$ 878,491,574
Expenses						
Medical Claims	\$ 383,999,872	\$ 412,992,327	\$ 445,624,270	\$ 459,963,002	\$ 486,034,435	\$ 512,407,457
Rx Claims	\$ 121,164,328	\$ 134,012,852	\$ 139,697,761	\$ 149,078,240	\$ 161,553,612	\$ 175,285,669
Dental Claims	\$ 31,101,152	\$ 32,258,769	\$ 34,150,543	\$ 34,515,476	\$ 35,547,544	\$ 36,612,240
Health Savings ER	\$ 34,199,565	\$ 33,750,410	\$ 33,614,381	\$ 33,614,381	\$ 33,614,378	\$ 33,614,378
ASO/Premium	\$ 45,744,529	\$ 47,275,152	\$ 48,430,056	\$ 49,925,099	\$ 51,471,100	\$ 53,069,921
Voluntary Benefit	\$ 4,368,790	\$ 4,572,328	\$ 4,370,550	\$ 4,370,550	\$ 4,370,550	\$ 4,370,550
Marathon (Onsite Clinic)	\$ 2,271,187	\$ 2,377,034	\$ 2,358,354	\$ 2,358,354	\$ 2,405,521	\$ 2,453,631
Other Contract Fees/Flex	\$ 665,130	\$ 967,005	\$ 1,004,601	\$ 1,010,948	\$ 1,031,167	\$ 1,051,790
PCORI	\$ 213,311	\$ 221,140	\$ 229,255	\$ 237,669	\$ 246,391	\$ 255,434
Expenses Cost/(Savings)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Administrative Fund	\$ 5,230,378	\$ 4,954,511	\$ 5,311,418	\$ 5,335,236	\$ 5,376,254	\$ 5,421,225
Total	\$ 628,958,243	\$ 673,381,528	\$ 714,791,189	\$ 740,408,954	\$ 781,650,952	\$ 824,542,295
Net Cash Flow	\$ (10,434,375)	\$ (30,220,622)	\$ (23,080,529)	\$ 7,712,186	\$ 28,743,747	\$ 53,949,279
Beginning Balance (Reserve Fund)	\$ 40,896,693	\$ 32,165,136	\$ 3,404,730	\$ (17,783,746)	\$ (8,094,197)	\$ 22,730,989
Ending Balance (Reserve Fund)	\$ 32,165,136	\$ 3,404,730	\$ (17,783,746)	\$ (8,094,197)	\$ 22,730,989	\$ 78,806,677
Beginning Balance (Administrative Fund)	\$ 6,995,325	\$ 5,292,508	\$ 3,832,292	\$ 1,940,238	\$ (37,125)	\$ (2,118,564)
Ending Balance (Administrative Fund)	\$ 5,292,508	\$ 3,832,292	\$ 1,940,238	\$ (37,125)	\$ (2,118,564)	\$ (4,244,974)
Beginning Balance (Both Funds)	\$ 47,892,018	\$ 37,457,644	\$ 7,237,022	\$ (15,843,508)	\$ (8,131,322)	\$ 20,612,425
Ending Balance (Both Funds)	\$ 37,457,644	\$ 7,237,022	\$ (15,843,508)	\$ (8,131,322)	\$ 20,612,425	\$ 74,561,703
Target based on IBNR and Claims Fluctuation	\$ 69,714,496	\$ 75,304,313	\$ 80,531,435	\$ 83,662,373	\$ 88,807,627	\$ 94,159,698
Target based on HB.2218	\$ 53,835,262	\$ 58,302,144	\$ 62,875,846	\$ 67,237,699	\$ 70,952,722	\$ 74,561,703
Fund Balance vs. Required Minimum Balance			\$ (15,843,508)	\$ (8,131,322)	\$ 20,612,425	\$ 74,561,703
Fund Balance vs. HB.2218 Target Surplus/(Shortfall)	\$ (16,377,618)	\$ (51,065,122)	\$ (78,719,354)	\$ (75,369,021)	\$ (50,340,298)	\$ (0)
Enrollment (Subscriber)						
Active	38,824	39,067	39,095	39,095	39,095	39,095
COBRA	80	97	69	69	69	69
Non-Medicare Retiree	494	515	548	548	548	548
Medicare Retiree	7,463	7,366	7,261	7,261	7,261	7,261
Total	46,861	47,045	46,973	46,973	46,973	46,973
Revenue PEPM	\$ 1,100	\$ 1,139	\$ 1,227	\$ 1,327	\$ 1,438	\$ 1,559
Expenses PEPM	\$ 1,118	\$ 1,193	\$ 1,268	\$ 1,314	\$ 1,387	\$ 1,463

Kansas State Employees Health Care Commission
Financial Data Through April 2026 and Enrollment Data Through April 2026
Itemized Non Claims Expenses Projected by Staff

	2026	2026	2026	2026	2026	2026	2026	2026	2026	2026	2026	2026	2026	2026	2026
	January	February	March	April	May	June	July	August	September	October	November	December	To Date	Projected	
ASO/Premium															
BCBS ASO/Premium	2,893,800	3,033,613	3,032,745	3,030,700									11,990,859	36,293,280	
Aetna Premium (Medicare Retiree)	159,231	158,020	160,077	158,583									635,911	1,909,479	
Aetna ASO	174,853	158,988	158,122	157,372									649,335	1,908,819	
ASO-Delta (Dental)	50,429	50,956	50,893	50,821									203,098	617,016	
ASO-Caremark (Rx)	64,570	169,274	51,671	175,171									460,686	1,712,600	
Premium- Surency (Vision)	382,856	227,334	562,922	403,977									1,577,089	4,792,255	
Premium-Silverscript (Medicare Rx)	15,719	15,816	14,535	15,136									61,206	278,469	
MDX Medical Inc (Transparency Service)	16,375	8,437	15,533	16,326									56,670	100,000	
Total	3,757,833	3,822,438	4,046,500	4,008,084	-	-	-	-	-	-	-	-	15,634,854	47,611,919	
Voluntary Benefit															
Supplemental	400,270	205,253	625,786	427,320									1,658,628	4,370,550	
Total	400,270	205,253	625,786	427,320									1,658,628	4,370,550	
Onsite Clinic															
Marathon	201,752	198,544	207,242	197,260									804,798	2,358,354	
Total	201,752	198,544	207,242	197,260									804,798	2,358,354	
Other Contract Fees/Flex															
Compsych (Employee Assistant Program)	33,157	33,157	33,157	33,157									132,627	387,250	
Itedium (COBRA)	7,949	8,189	8,189	8,189									32,517	92,951	
ITEDIUM (MAP Enrollment)	15,179	18,355	18,233	25,065									76,833	300,000	
Metlife (HRA ASO)	-	-	-	-									-	-	
Metlife (Flex Spending Account)	17,718	14,079	13,403	13,028									58,227	-	
Grand Total	74,003	73,781	72,982	79,438	-	-	-	-	-	-	-	-	300,204	780,201	
Administrative Fund Cost															
Compsych (Employee Assistant Program)	-	-	-	-									-	-	
RX Savings (Transparency Tools)	97,873	97,873	97,873	97,873									391,490	1,150,000	
Gainwell DXC/Artemis Health (Data Warehouse)	3,132	3,132	3,132	3,132									12,528	156,600	
CITI/Sagebrush (SEHP Audit)	-	(162,837)	15,025	15,025									(132,787)	262,006	
Segal (Actuarial Fees)	41,000	41,000	41,000	41,000									164,000	492,000	
Marathon (Wellness)	72,292	72,292	72,292	72,292									289,170	836,222	
Operational Expenses	171,200	175,677	162,305	207,238									716,420	2,373,707	
Total	385,497	227,137	391,627	436,560	-	-	-	-	-	-	-	-	1,440,821	5,270,535	

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

		2027	2028	2029	2030
Baseline Total Costs					
Plan A - 20,017 Contracts					
	Change	PEPM	PEPM	PEPM	PEPM
Increase the Deductible from \$1,000/\$2,000 to \$1,250/\$2,500 (\$250/\$500)	N	\$ (7.79)	\$ (9.18)	\$ (9.75)	\$ (10.38)
Increase the Coinsurance from 20% to 25%	N	\$ (5.86)	\$ (6.90)	\$ (7.33)	\$ (7.80)
Increase the Deductible from \$1,000/\$2,000 to \$1,150/\$2,300 (\$150/\$300)	N	\$ (4.76)	\$ (5.60)	\$ (5.95)	\$ (6.34)
Eliminate the Coinsurance caps for Diabetes and Asthma Generics 10% Coinsurance					
Preferred Brands 20% Coinsurance	N	\$ (4.23)	\$ (4.98)	\$ (5.29)	\$ (5.63)
Increase the OOP max from \$5,250/\$10,500 to \$5,500/\$11,000 (\$250/\$500)	N	\$ (3.04)	\$ (3.58)	\$ (3.81)	\$ (4.05)
Increase the Specialist Copay \$60 to \$70	N	\$ (2.08)	\$ (2.45)	\$ (2.60)	\$ (2.77)
Increase the OOP Max from \$5,250/\$10,500 to \$5,400/\$10,800 (\$150/\$300)	N	\$ (1.42)	\$ (1.67)	\$ (1.78)	\$ (1.89)
Apply Deductible to both Medical and Pharmacy	N	\$ (1.10)	\$ (1.29)	\$ (1.37)	\$ (1.46)
Increase PCP Copay from \$20 to \$30	N	\$ (1.06)	\$ (1.25)	\$ (1.33)	\$ (1.42)
Increase PCP Copay from \$20 to \$25	N	\$ (0.53)	\$ (0.63)	\$ (0.67)	\$ (0.71)
Eliminate the Special Case Pharmacy Tier					
40% Coinsurance to a max of \$100 per 30 day supply	N	\$ (0.42)	\$ (0.50)	\$ (0.53)	\$ (0.56)
Increase the Emergency Room Copay from \$100 to \$125	N	\$ (0.37)	\$ (0.44)	\$ (0.47)	\$ (0.50)
Increase the Telehealth Copay from \$10 to \$15	N	\$ (0.12)	\$ (0.15)	\$ (0.16)	\$ (0.17)
Plan C - 16,785 Contracts					
	Change	PEPM	PEPM	PEPM	PEPM
Increase the member plus coverage tiers Deductibles: from \$3,400/\$5,500 to \$3,500 /\$5,500	N	\$ (0.15)	\$ (0.17)	\$ (0.18)	\$ (0.19)
Increase the member plus coverage tiers Deductibles: from \$3,400/\$5,500 to \$3,500 /\$5,700	N	\$ (0.22)	\$ (0.26)	\$ (0.28)	\$ (0.30)
Increase the OOP Max from \$4,500/\$9,000 to \$4,750/\$9,500 (\$250/\$500)	N	\$ (4.85)	\$ (5.71)	\$ (6.08)	\$ (6.45)
Increase the Coinsurance from 10% to 15%	N	\$ (4.04)	\$ (4.75)	\$ (5.06)	\$ (5.37)
Increase the OOP Max from \$4,500/\$9,000 to \$4,650/\$9,300 (\$150/\$300)	N	\$ (2.98)	\$ (3.51)	\$ (3.74)	\$ (3.97)
Increase the Single only Deductible from \$2,750 to \$2,900 (\$150)	N	\$ (0.27)	\$ (0.32)	\$ (0.34)	\$ (0.36)
Plan N - 2,328 Contracts					
	Change	PEPM	PEPM	PEPM	PEPM
Increase the member plus coverage tiers Deductibles: from \$3,400/\$5,500 to \$3,500 /\$5,500	N	\$ (0.13)	\$ (0.15)	\$ (0.16)	\$ (0.17)
Increase the member plus coverage tiers Deductibles: from \$3,400/\$5,500 to \$3,500 /\$5,700	N	\$ (0.20)	\$ (0.23)	\$ (0.25)	\$ (0.26)
Increase the OOP Max from \$6,650/\$13,300 to \$6,900/\$13,800 (\$250/\$500)	N	\$ (5.34)	\$ (6.28)	\$ (6.69)	\$ (7.10)
Increase the OOP Max from \$6,650/\$13,300 to \$6,800/\$13,600 (\$150/\$300)	N	\$ (4.63)	\$ (5.45)	\$ (5.80)	\$ (6.16)
Increase the Single only Deductible from \$2,750 to \$2,900 (\$150)	N	\$ (0.15)	\$ (0.18)	\$ (0.19)	\$ (0.20)
Plan J - 582 Contracts					
	Change	PEPM	PEPM	PEPM	PEPM
Increase the OOP Max from \$7,350/\$14,700 to \$7,600/\$15,200	N	\$ (2.52)	\$ (2.96)	\$ (3.15)	\$ (3.35)
Increase the OOP Max from \$7,350/\$14,700 to \$7,500/\$15,000	N	\$ (1.49)	\$ (1.75)	\$ (1.86)	\$ (1.98)
Prescription Drug All Plans - 39,712 Contracts					
	Change	PEPM	PEPM	PEPM	PEPM
Increase the Generic Drug Coinsurance from 20% to 25%	N	\$ (0.87)	\$ (1.02)	\$ (1.09)	\$ (1.16)
Increase the Preferred Brand Drugs Coinsurance from 35% to 40%	N	\$ (0.50)	\$ (0.59)	\$ (0.62)	\$ (0.66)
GLP-1 for Weight Loss (Provided by CVS at the request of Segal)					
	Change	PEPM	PEPM	PEPM	PEPM
Terminate Coverage of GLP-1s prescribed for AOM	N	\$ (17.03)	\$ (18.48)	\$ (20.05)	\$ (21.75)
Add a \$200 Copay per 30 day supply of GLP-1s for AOM	N	\$ 2.31	\$ 2.50	\$ 2.72	\$ 2.95
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.	N	\$ 19.20	\$ 20.83	\$ 22.60	\$ 24.52
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	\$ 19.20	\$ 20.83	\$ 22.60	\$ 24.52
HSA/HRA					
	Change	PEPM	PEPM	PEPM	PEPM
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 April 2026 and Enrollment Data Through April 2026
Cost Impact of Plan Changes

		714,791,189.25	740,408,954.22	781,650,952.11	824,542,294.96
		2027	2028	2029	2030
Baseline Total Costs		\$ 714,791,189	\$ 740,408,954	\$ 781,650,952	\$ 824,542,295
Plan A - 20,017 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	\$ (1,872,134)	\$ (2,204,548)	\$ (2,342,876)	\$ (2,492,551)
Increase the Coinsurance from 20% to 25%	N	\$ (1,406,843)	\$ (1,656,640)	\$ (1,760,589)	\$ (1,873,065)
Increase the Deductible from \$1,000/\$2,000 to \$1,150/\$2,300 (\$150/\$300)	N	\$ (1,142,983)	\$ (1,345,930)	\$ (1,430,383)	\$ (1,521,763)
Eliminate the Coinsurance caps for Diabetes and Asthma Generics 10% Coinsurance					
Preferred Brands 20% Coinsurance	N	\$ (1,015,994)	\$ (1,196,393)	\$ (1,271,463)	\$ (1,352,690)
Increase the OOP max from \$5,250/\$10,500 to \$5,500/\$11,000 (\$250/\$500)	N	\$ (730,753)	\$ (860,504)	\$ (914,498)	\$ (972,921)
Increase the Specialist Copay \$60 to \$70	N	\$ (499,796)	\$ (588,539)	\$ (625,468)	\$ (665,426)
Increase the OOP Max from \$5,250/\$10,500 to \$5,400/\$10,800 (\$150/\$300)	N	\$ (340,708)	\$ (401,204)	\$ (426,378)	\$ (453,618)
Apply Deductible to both Medical and Pharmacy	N	\$ (263,785)	\$ (310,622)	\$ (330,113)	\$ (351,202)
Increase PCP Copay from \$20 to \$30	N	\$ (255,289)	\$ (300,617)	\$ (319,480)	\$ (339,890)
Increase PCP Copay from \$20 to \$25	N	\$ (127,692)	\$ (150,364)	\$ (159,799)	\$ (170,008)
Eliminate the Special Case Pharmacy Tier					
40% Coinsurance to a max of \$100 per 30 day supply	N	\$ (101,356)	\$ (119,352)	\$ (126,841)	\$ (134,944)
Increase the Emergency Room Copay from \$100 to \$125	N	\$ (89,777)	\$ (105,718)	\$ (112,351)	\$ (119,529)
Increase the Telehealth Copay from \$10 to \$15	N	\$ (29,846)	\$ (35,146)	\$ (37,351)	\$ (39,737)
Plan C - 16,785 Contracts	Change	Cost/(Savings)	Cost/(Savings)	Cost/(Savings)	Cost/(Savings)
Increase the member plus coverage tiers Deductibles: from \$3,400/\$5,500 to \$3,500 /\$5,500	N	\$ (29,419)	\$ (34,606)	\$ (36,844)	\$ (39,104)
Increase the member plus coverage tiers Deductibles: from \$3,400/\$5,500 to \$3,500 /\$5,700	N	\$ (45,101)	\$ (53,052)	\$ (56,483)	\$ (59,947)
Increase the OOP Max from \$4,500/\$9,000 to \$4,750/\$9,500 (\$250/\$500)	N	\$ (977,471)	\$ (1,149,804)	\$ (1,224,168)	\$ (1,299,248)
Increase the Coinsurance from 10% to 15%	N	\$ (813,030)	\$ (956,371)	\$ (1,018,224)	\$ (1,080,674)
Increase the OOP Max from \$4,500/\$9,000 to \$4,650/\$9,300 (\$150/\$300)	N	\$ (601,144)	\$ (707,128)	\$ (752,862)	\$ (799,036)
Increase the Single only Deductible from \$2,750 to \$2,900 (\$150)	N	\$ (55,268)	\$ (65,012)	\$ (69,217)	\$ (73,462)
Plan N - 2,328 Contracts	Change	Cost/(Savings)	Cost/(Savings)	Cost/(Savings)	Cost/(Savings)
Increase the member plus coverage tiers Deductibles: from \$3,400/\$5,500 to \$3,500 /\$5,500	N	\$ (3,578)	\$ (4,209)	\$ (4,482)	\$ (4,756)
Increase the member plus coverage tiers Deductibles: from \$3,400/\$5,500 to \$3,500 /\$5,700	N	\$ (6,549)	\$ (6,528)	\$ (6,950)	\$ (7,376)
Increase the OOP Max from \$6,650/\$13,300 to \$6,900/\$13,800 (\$250/\$500)	N	\$ (149,218)	\$ (175,536)	\$ (186,887)	\$ (198,347)
Increase the OOP Max from \$6,650/\$13,300 to \$6,800/\$13,600 (\$150/\$300)	N	\$ (129,433)	\$ (152,262)	\$ (162,108)	\$ (172,048)
Increase the Single only Deductible from \$2,750 to \$2,900 (\$150)	N	\$ (4,212)	\$ (4,955)	\$ (5,275)	\$ (5,599)
Plan J - 582 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	\$ (17,589)	\$ (20,692)	\$ (22,030)	\$ (23,381)
Increase the OOP Max from \$7,350/\$14,700 to \$7,500/\$15,000	N	\$ (10,380)	\$ (12,212)	\$ (13,002)	\$ (13,799)
Prescription Drug All Plans - 39,712 Contracts	Change	Cost/(Savings)	Cost/(Savings)	Cost/(Savings)	Cost/(Savings)
Increase the Generic Drug Coinsurance from 20% to 25%	N	\$ (414,398)	\$ (487,714)	\$ (518,795)	\$ (551,263)
Increase the Preferred Brand Drugs Coinsurance from 35% to 40%	N	\$ (237,372)	\$ (279,368)	\$ (297,171)	\$ (315,770)
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	\$ (8,114,792)	\$ (8,804,549)	\$ (9,552,936)	\$ (10,364,936)
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 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.	N	\$ 9,147,603	\$ 9,925,150	\$ 10,768,787	\$ 11,684,134
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	\$ 9,147,603	\$ 9,925,150	\$ 10,768,787	\$ 11,684,134
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		\$ -	\$ -	\$ -	\$ -

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

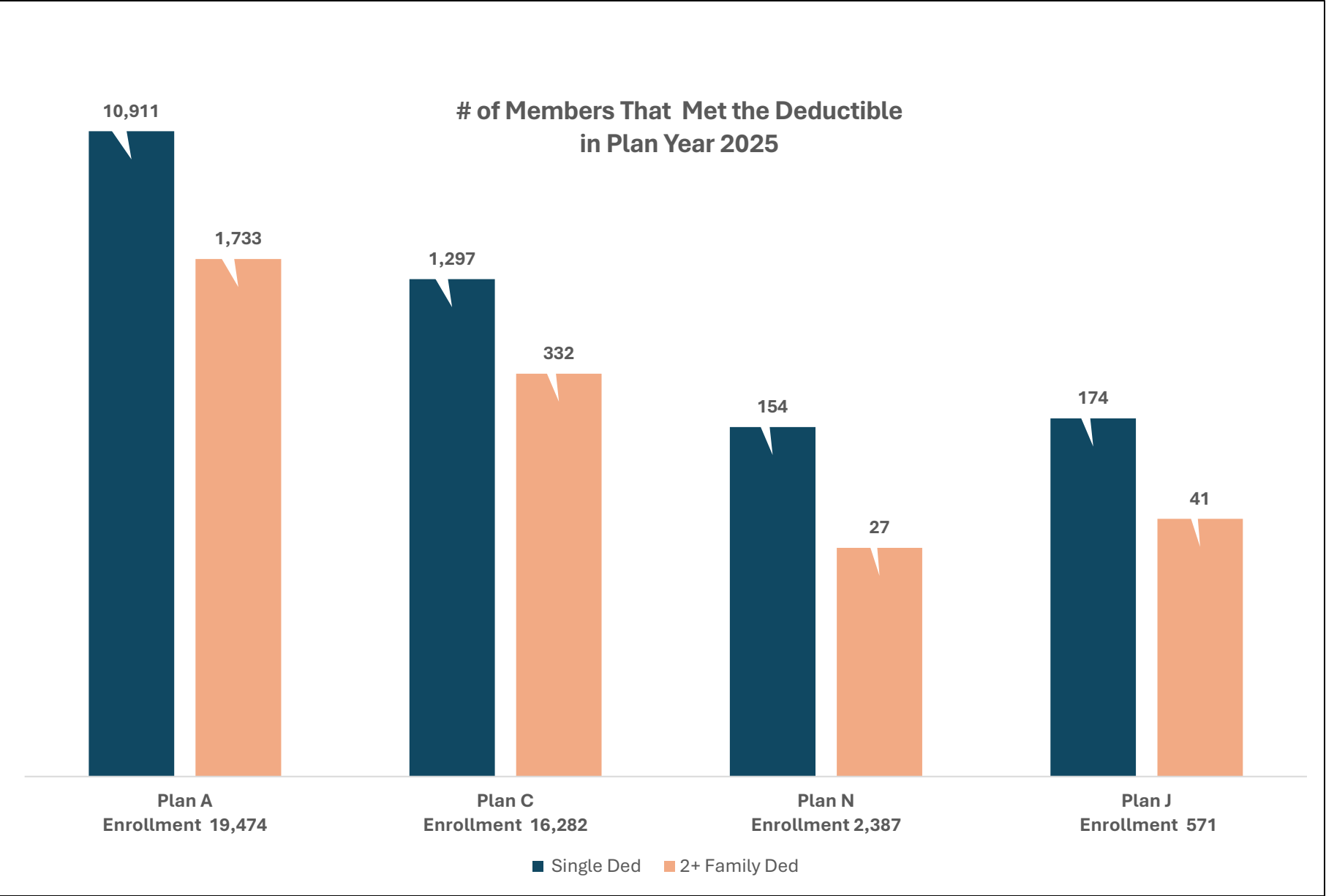
PY 2026

- 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

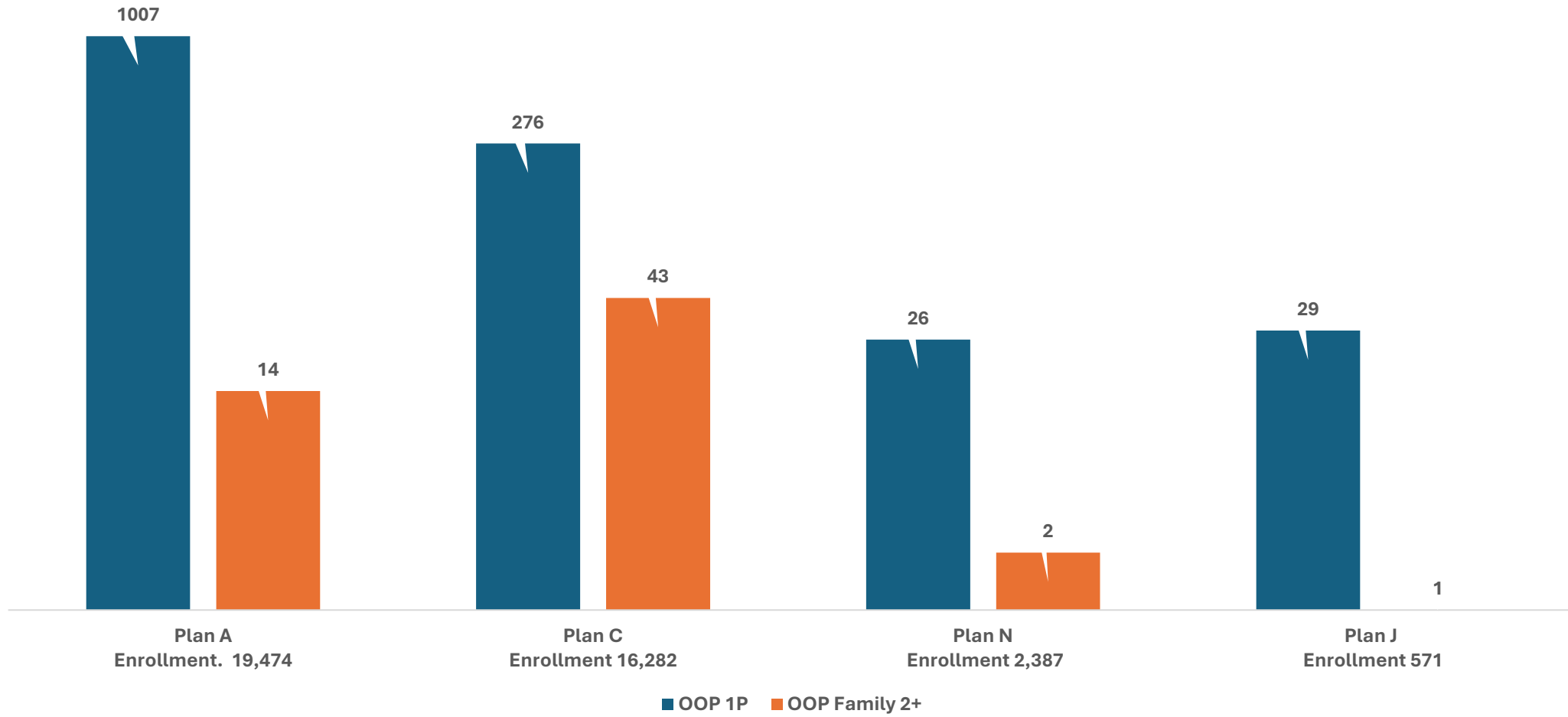
APPENDIX - B

Cost Share Data for

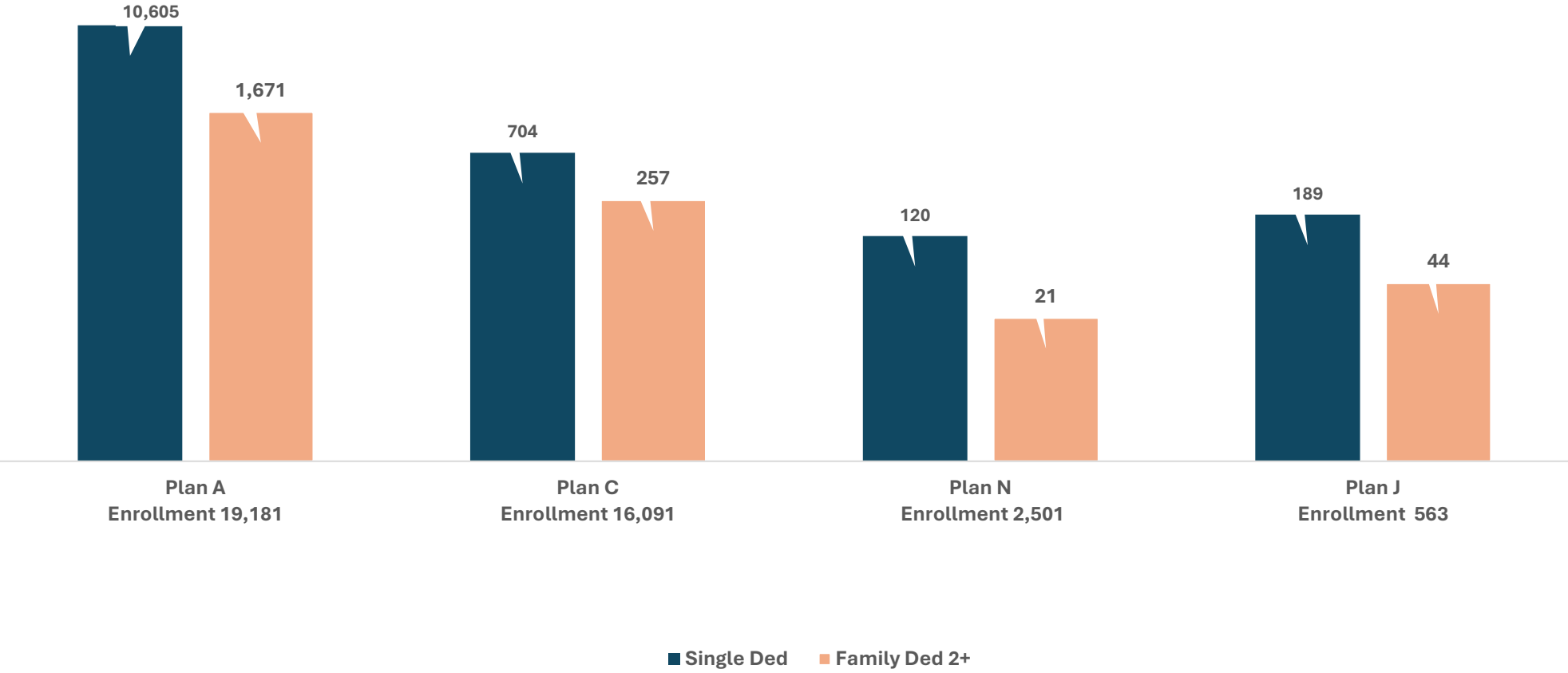
Plan Years 2024 & 2025



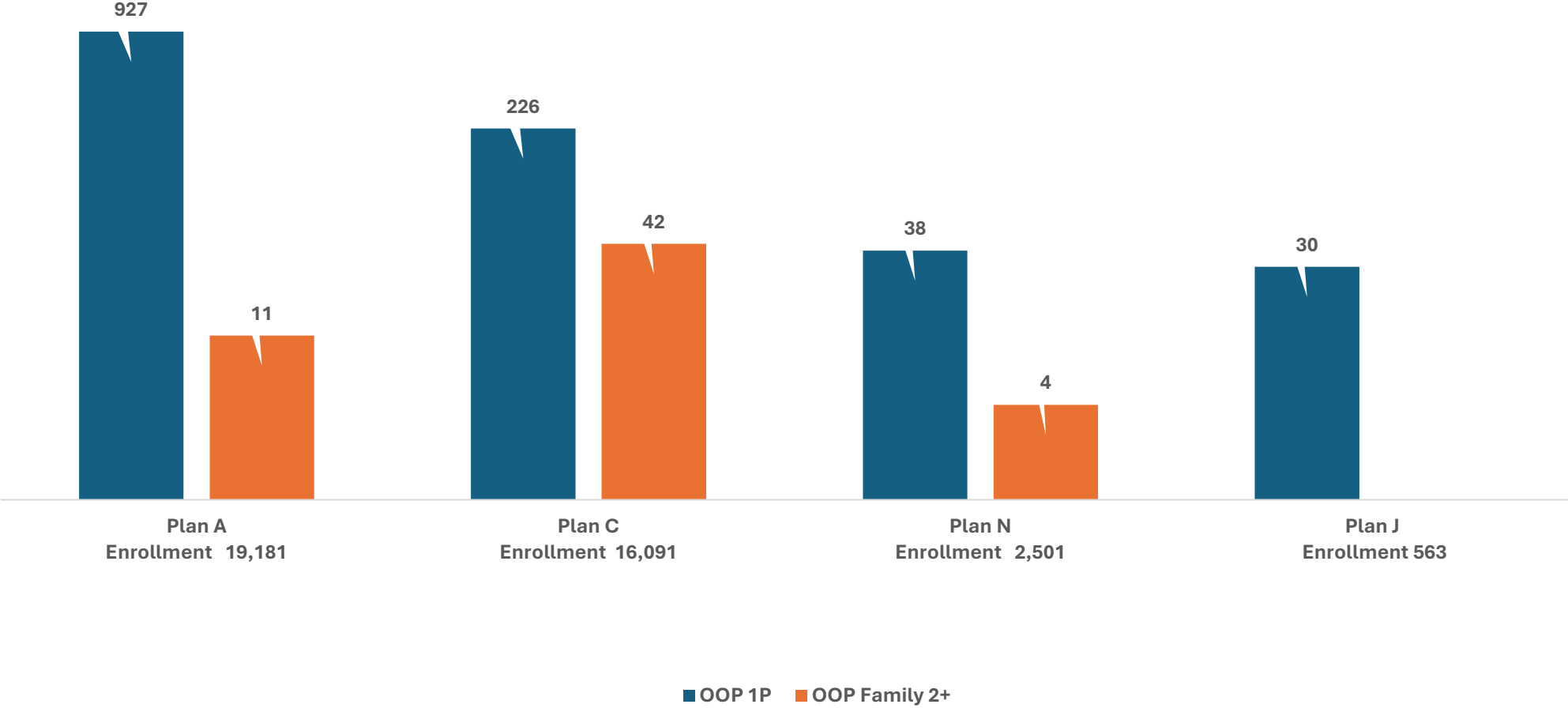
of Members that Met the OOP Max in Plan Year 2025



of Members that Met the Deductible in Plan Year 2024



of Members that Met the OOP Max in Plan Year 2024



APPENDIX - C



Date: May 12, 2026

To: Health Care Commission

From: Michael D. Lundin, President of Employee Advisory Committee

RE: SEHP coverage of GLP-1 class pharmaceuticals for weight management

At the May 12, 2026 meeting of the EAC after a lengthy discussion, a motion stating:

“The EAC to the Kansas HCC supports the coverage of GLP-1 class drugs by the SEHP for the purpose of weight management to the maximum extent possible, with covered plan members being restricted to having a baseline BMI greater than or equal to 35, and have lost at least 5% of baseline bodyweight or the member has continued to maintain their initial 5% weigh loss. The EAC acknowledges the need to constrain costs to the pan and that maintaining expanded support may result in increased cost sharing and premiums for plan members.”

was seconded and passed unanimously.

Thank you,

Michael D. Lundin, Ph.D.