



**December 18, 2025**

**Meeting Materials**

# Agenda Item

# #1

**STATE EMPLOYEES HEALTH CARE COMMISSION**  
**December 18, 2025, 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 **August 20, 2025**
- 2. Membership Administration Portal (MAP)**  
**Eligibility System Contract – Jennifer Flory**
- 3. EAC Appointments – Michael Lundin**

**Discussion Items:**

- 4. Open Enrollment Report – Jennifer Flory**
- 5. Financial Report – Segal**
- 6. December 2026 HCC Meeting Date**
- 7. Next Meeting: February 6, 2026**

**Appendix**

- A – Follow-up items from August meeting
- B – Annual Report
- C – 2026 Contract List

---

The State of Kansas State Employees Health Care Commission (HCC) meeting was called to order on August 20, 2025, at 9:33 a.m. The meeting was conducted in person at the KPERS Board Room in Topeka, Kansas, with a virtual video broadcast available to the public using [YouTube](#) and the SEHP website.

The following members were present:

- Commission Chair Adam Proffitt - present
- Commissioner Cristi Cain – present (virtual)
- Commissioner Steve Dechant – present
- Commissioner Beverly Gossage - present
- Commissioner Anthony Hensley – present (virtual)
- Commissioner William Sutton – present
- Commissioner Vicki Schmidt - present

The following staff members were present:

- Jennifer Flory, SEHP Director
- Cris Loomis, Administrative Director
- Paul Roberts, SEHP Sr. Manager, Health Plan Operations
- Michelle Lopez, SEHP Assistant Manager, Health Plan Operations
- Delos DeCelle, SEHP Program Finance Manager
- Jen Derfler, Data & Finance
- Tracy Diel, Interim Chief Counsel, Department of Administration Chief Counsel's Office
- Patrick Klein, Segal
- Eileen Pincay, Segal (virtual)

Topic	Discussion	Action	Follow-up
Welcome and Roll Call	Commission Chair Adam Proffitt called the meeting to order at 9:33 a.m.	Roll call: <ul style="list-style-type: none"> <li>• Commissioner Cain – here (virtual)</li> <li>• Commissioner Dechant – here</li> <li>• Commissioner Gossage - here</li> <li>• Commissioner Hensley – here (virtual)</li> <li>• Commissioner Sutton - here</li> <li>• Commissioner Schmidt - here</li> </ul>	
Approval of Minutes	Commission Chair Adam Proffitt opened the floor for any comments or edits. No edits were suggested.	Commissioner Schmidt motioned to approve June 3 and June 17, 2025, minutes.  2nd – Commissioner Sutton  The motion was passed.	
1. HealthQuest Health Center/Wellness Contract	Director Jennifer Flory presented the HealthQuest Health Center/Wellness contract bids for consideration.	Commissioner Dechant motioned to award a three-year contract, using the shared model to Marathon Health.  2nd – Commissioner Sutton  Roll call vote: <ul style="list-style-type: none"> <li>• Commissioner Cain – yes</li> <li>• Commissioner Dechant –yes</li> <li>• Commissioner Gossage - abstain</li> <li>• Commissioner Hensley – yes</li> <li>• Commissioner Sutton - yes</li> <li>• Commissioner Schmidt - yes</li> </ul> The motion was passed.	Commissioner Schmidt asked if staff could provide as a follow up the statistics on same day appointments at the onsite clinic.

<p>2. Medicare Advantage Plan and Medicare Part D Rates PY2026</p>	<p>Director Flory presented the Medicare Advantage and Medicare Part D rates for plan year 2026.</p> <p>A robust discussion was had regarding available resources for retirees to help them find plans, both through the State Direct Bill program and private market options.</p>	<p>Commissioner Gossage motioned to add a links for <a href="http://www.medicare.gov">www.medicare.gov</a>, Senior Health Insurance Counseling for Kansas (SHICK) program and a list of licensed certified Medicare agents to the State Employee Health Plan (SEHP) website.</p> <p>2<sup>nd</sup>- Commissioner Schmidt</p> <p>Commissioner Schmidt made a substitute motion to provide as many verified and validated resources as possible.</p> <p>2<sup>nd</sup>- Commissioner Gossage</p> <p>Roll call vote:</p> <ul style="list-style-type: none"> <li>• Commissioner Cain – yes</li> <li>• Commissioner Dechant –yes</li> <li>• Commissioner Gossage - yes</li> <li>• Commissioner Hensley – yes</li> <li>• Commissioner Sutton - yes</li> <li>• Commissioner Schmidt - yes</li> </ul> <p>The motion was passed.</p> <p>Commissioner Schmidt motioned to approve the Medicare Advantage and Medicare Part D rates for plan year 2026.</p> <p>Roll call vote:</p> <ul style="list-style-type: none"> <li>• Commissioner Cain – yes</li> <li>• Commissioner Dechant –yes</li> <li>• Commissioner Gossage - abstain</li> </ul>	<p>The SEHP will add as many verified resources such as links to <a href="http://www.medicare.gov">www.medicare.gov</a> and other verified sources to the SEHP website and Open Enrollment materials for Direct Bill members.</p>
--	--	--	---

		<ul style="list-style-type: none"> <li>• Commissioner Hensley – yes</li> <li>• Commissioner Sutton - yes</li> <li>• Commissioner Schmidt - yes</li> </ul> <p>The motion was passed.</p>	
3. EAC Appointments	Michael Lundin, EAC President, presented the memo to re-appoint four existing members to the EAC for a second term retroactive to 1/1/2025.	<p>Commissioner Hensley motioned to re-appoint the four existing EAC members for a second four-year term starting 1/1/2025.</p> <p>2nd – Commissioner Schmidt</p> <p>Roll call vote:</p> <ul style="list-style-type: none"> <li>• Commissioner Cain – yes</li> <li>• Commissioner Dechant –yes</li> <li>• Commissioner Gossage - yes</li> <li>• Commissioner Hensley – yes</li> <li>• Commissioner Sutton - yes</li> <li>• Commissioner Schmidt - yes</li> </ul> <p>The motion w passed.</p>	
4. Financial Report	Patrick Klein, Segal Consulting, presented a summary of the financial update, including data through the end of July 2025 and the key assumptions included in the projections.		Commissioner Gossage requested the finance report show the Health Savings Account (HSA) and Health Reimbursement Account (HRA) contributions broken out separately.

<p>5. Attorney General's Settlement Information</p>	<p>Tracy Diel, Interim Chief Counsel for the Department of Administration presented a memo on the Attorney General's voluntary compliance settlement with CVS Caremark.</p>		
<p>6. Bid Protest letter</p>	<p>Tracy Diel, Interim Chief Counsel for the Department of Administration introduced the bid protest challenging the contract award for the Pharmacy Benefit Manager Request for Proposal</p>	<p>Commissioner Dechant moved that the open meeting of the State Employees Health Care Commission, be recessed for a closed, executive meeting pursuant to K.S.A. 75-4319(a), for consultation with counsel [[and the Director of the State Employees Benefit Health Plan]] on matters relating to a bid protest received regarding the negotiated procurement of the pharmaceutical benefits manager contract, under the justification listed in K.S.A. 75-4319(b)(2), because the discussion of such matters in an open meeting would waive attorney-client privilege; that the State Employees Health Care Commission resume the open meeting, at 11:40 a.m.; and that this motion, if adopted, be recorded in the minutes and be maintained as a part of the permanent records of the State Employees Health Care Commission.</p> <p>Commissioners attending online will use a separate access link for the executive session and the streamed main meeting will have a placeholder message posted notifying attendees that the Health Care Commission is in executive session.</p>	

	<p>Due to technology issues in bring the online open meeting back in session, the HCC returned at 12:12 p.m. with Commission Chair Proffitt explaining the issues. All health care commissioners that were in public session prior to executive session and in the executive session are now present in the public session again.</p>	<p>Motion amended to begin executive session at 11:25 a.m. and conclude at 11:45 a.m.</p> <p>2<sup>nd</sup> – Commissioner Schmidt</p> <p>Amended motion passed. HCC moved to executive session.</p> <p>Commissioner Dechant moved that the open meeting of the State Employees Health Care Commission be recessed for a closed, executive meeting for consultation with counsel and the Director of the State Employee Health Benefits Plan on matters related to a bid protest received regarding the negotiated procurement of the PBM contract under the justification listed in K.S.A. 75-4319 (b)(2) because discussion of such matters in an open meeting would waive attorney-client privilege; that the State Employees Health Care Commission resume the open meeting at 12:35 p.m.</p> <p>If this motion is adopted, it be recorded in the minutes and be maintained as a part of the permanent records of the Health Care Commission. Commissioners attending online will use a separate access link for the executive session and the streamed main meeting will have a placeholder message posted notifying attendees that the Health Care Commission is in executive session.</p>	
--	---	--	--

	<p>The public meeting resumed at 12:35 p.m.</p>	<p>2<sup>nd</sup> – Commissioner Schmidt</p> <p>Motion passed. HCC moved to executive session.</p> <p>Commissioner Gossage motioned to not accept the bid protest.</p> <p>2<sup>nd</sup> - Commissioner Sutton</p> <p>Roll call vote:</p> <ul style="list-style-type: none"> <li>• Commissioner Cain – yes</li> <li>• Commissioner Dechant –yes</li> <li>• Commissioner Gossage - yes</li> <li>• Commissioner Hensley – yes</li> <li>• Commissioner Sutton - yes</li> <li>• Commissioner Schmidt - yes</li> </ul> <p>The motion passed.</p>	
<p>7. Meeting Dates for 2026</p>	<p>The following dates and times have been set for 2026 to be held in the KPERS conference room:</p> <ul style="list-style-type: none"> <li>• 2/6/2026 at 9:30</li> <li>• 4/15/2026 at 9:30</li> <li>• 6/2/2026 at 9:00</li> <li>• 8/18/2026 at 9:30</li> <li>• December meeting to be determined.</li> </ul>		
<p>Next Meeting of the HCC:</p>	<p>December 18, 2025, at 9:30 a.m. in the KPERS board room.,</p>		

The meeting was adjourned at 12:42

# Agenda Item #2



# Membership Administration Portal (MAP) Eligibility System Contract

December 18, 2025

Health Care Commission Meeting

# Information

- The contract with iTedium provides for services and support of the Membership Administration Portal (MAP). MAP is the system of record for all health plan enrollment data.
- The SEHP owns the dedicated MAP platform. This allows the SEHP, with iTedium's assistance and experience, to customize the platform to meet the needs of the membership and Plan.
- MAP is used to manage the daily enrollment and annual open enrollment for the members, agencies and non state employer groups. MAP produces the daily membership transactional files sent to the SEHP vendors.
- MAP produces the Group Health Insurance (GHI) state and non state employer group payroll deduction files, billing files for direct bill members and the HSA, HRA and FSA contribution files. Annually the system generates Form 1095-C required by federal law.
- MAP maintains the records necessary for COBRA administration and COBRA file transactions.
- Tracks the wellness program member credits earned for the premium incentive discount and awarding of the HSA/HRA contributions.
- iTedium provides the technical support, custom program develop, maintenance and hosting for the system
- iTedium is a Kansas-based company located in Mission, Kansas.

# Some of the Services Included:

Stand alone  
platform for SEHP

Diagnostic  
support

Software updates  
and maintenance

Strategic planning  
& migration  
strategies

Demo system

Reporting

Regular system  
maintenance

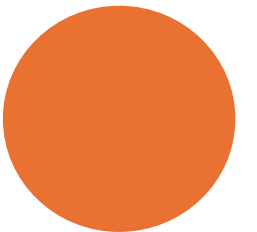
SEHP staff  
training

# Proposed Contract Rates

Plan Year	PEPM Fee	Estimated Monthly Fee*	Estimated Annual Fee
PY 2026	\$0.34	\$18,103	\$217,236
PY 2027	\$0.34	\$18,103	\$217,236
PY 2028	\$0.34	\$18,103	\$217,236

- The Per Employee Per Month (PEPM) rate is unchanged from the current contract

\*Fee Estimated on enrollment of 53,877 includes active and retiree members



# Technical Support Rate

Support rate fee: \$85/hr.

2024 = \$8,100 and 2025 = \$36,000

This rate is utilized for:

- Open Enrollment program changes
- Federal program changes to health plans
- New contracts are awarded to vendors
- State program changes to health plans
- File changes when additional benefits are implemented or removed, or other data reporting information is changed
- Form 1095-C Federal reporting
- Wellness program changes
- HSA/HRA/FSA changes

# Agenda Item #3



To: Health Care Commission

From: Michael D. Lundin

Date: 12/02/2025

RE: EAC Membership Renewal Recommendation and 2026 officers

The EAC recommends renewing the following membership positions on the Employee Advisory Committee (EAC) to the Health Care Commission (HCC) effective 1/1/2026. As per the bylaws of the EAC, the membership subcommittee considered the following:

“The Commission shall strive to balance the Committee in terms of age, gender, geographic location, type of health plan, and State agencies. To diversify the State agencies represented by the actively employed Committee members, the Commission shall strive to appoint at least three (3) members from the Executive Branch, three (3) members from the Board of Regents or the State universities, one (1) member from the Judicial Branch, and one (1) member from the Legislative Branch. If the applicant pool is not sufficiently diverse after reasonable attempts to recruit and fill all open positions for each State agency, the Commission may appoint Committee members from any State agency. Selection shall be made at the last Commission meeting of each year. “

The EAC offers the following recommendations for 7 new members to fill 7 vacated positions along with 1 alternate:

1. Appointment of Anne Zajic- Kansas Department of Commerce
2. Appointment of Brad Droste- KDVS
3. Appointment of Debra Wood- Retired
4. Appointment of Kayla Montgomery- KDADS- Larned State Hospital
5. Appointment of Tallon Berry- KDOC- Winfield Correctional
6. Appointment of Brandee Palmer- Wichita State University
7. Appointment of Heather Shire – University of Kansas
8. Alternate Appointment of Melinda Gaul- KDADS (if needed)

In addition, the EAC recommends the reappointment of the following 3 EAC members to a consecutive term:

1. Reappointment of Drue Campbell – Department of Administration, Executive Branch to a third EAC term
2. Reappointment of Adam Noble – Judicial Administration, Judicial Branch to a second EAC term
3. Reappointment of Katrin Osterhaus – LPA, Legislative Branch to a second EAC term

Respectfully,

Michael D. Lundin, Ph.D., EAC President

# Agenda Item

## #4

# **Open Enrollment Summary**

**For Plan Year 2026**



# Active Employee Enrollment

Plan Year (PY) 2026

# 2026 Enrollment Recap

Active Employees  
All Plans Combined

Plan	PY 2025	PY 2026	
Active Medical	38,135	38,692	↑
Active Dental	38,856	39,528	↑
Active Vision	31,841	32,249	↑
Active Voluntary Accident Insurance	17,465	19,060	↑
Active Voluntary Critical Illness	13,050	14,299	↑
Active Voluntary Hospital Indemnity	13,095	14,423	↑
FSA - Commuter - Mass Transit	77	69	↓
FSA - Commuter - Parking	61	77	↑
FSA – Health Care & Limited Purpose	7,754	8,101	↑
FSA – Dependent Care	1,291	1,326	↑
HSA – Single	7,028	7,121	↑
HSA – Family	10,062	10,215	↑
HRA	1,341	1,330	↓
Dependent Enrollment – Medical Plans	34,997	35,373	↑
# Not Making an Election who were enrolled the previous year <sup>24</sup>	318	347	↑

# Active Employee Open Enrollment Overview

- The Open Enrollment (OE) period was October 1 through October 31
- SEHP staff conducted seven (7) virtual personnel officer training meetings via Teams for representatives from State agencies and Non State Public Employer Groups
- Two Benefit Fairs were held at the State Capitol
- Staff held four (4) live Open Enrollment Webinars
- Staff conducted 44 Open Enrollment meetings in 24 cities
- All employees had access 24/7 to the Open Enrollment presentation video
- Vendor-specific videos & information were available on the SEHP website

# Enrollment Summary

## Active Employee Contracts

- State Employees: 35,503 (89%)
  - Waived Coverage: 4,168 (11%)
- Non State Employees: 3,189 (85%)
  - Waived Coverage 565 (15%)

## Enrollment by Plan

Plan A	19,462
Plan C	16,282
Plan J	568
Plan N	2,380
Total Contracts	38,692

# Contracts by TPA Provider



4,372



**BlueCross  
BlueShield  
of Kansas**

34,320

# Members That Switched TPA Provider

## Moved From:

- Aetna to BCBSKS: 546
- BCBSKS to Aetna: 402

# Enrollment by Plan

## Total Contracts: 38,692

### Plan A: 19,462

- BCBSKS 2025: 17,240
- Aetna 2025: 2,222

### Plan J: 568

- BCBSKS 2025: 449
- Aetna 2025: 119

### Plan C: 16,282

- BCBSKS 2025: 14,631
- Aetna 2025: 1,651

### Plan N: 2,380

- BCBSKS 2025: 2,000
- Aetna 2025: 380

# Enrollment by Coverage Tier

Number of Contracts



Employee Only: 21,240



Employee + Spouse: 4,211



Employee + Child/ren: 8,151



Employee + Family: 5,090

# Dependent Enrollment by Type

## Covered Lives

State Dependents	
Total Enrolled	32,375
Spouses	8,539
Children	23,836

Non State Dependents	
Total Enrolled	2,884
Spouses	759
Children	2,125

Total Dependent Enrollment: 35,259	
Spouses	9,298
Children	25,961

# Enrollment Summary

## Contracts

**Dental: 39,528**

**Prescription Eyewear Insurance:  
32,429**

- Basic Plan: 9,701 (30%)
- Enhanced Plan : 22,728 (70%)

**Voluntary Insurance: 47,782**

- Accident Injury: 19,060
- Critical Illness: 14,299
  - \$10,000 (40%) 5,732
  - \$20,000 (60%) 8,567
- Hospital Indemnity: 14,423
  - \$10,000 (46%) 6,680
  - \$20,000 (54%) 7,743

# Account Based Enrollments

## Health Accounts: 18,666

- HSA: 17,336 (93%)
- HRA: 1,330 (7%)

## Flexible Spending Accounts: 9,573

- Health Care FSA: 6,532
- Limited Purpose: 1,569
- Dependent Care: 1,326
- Commuter 146
  - Parking: 77
  - Mass Transit: 69

# Employees Defaulted to Plan N

- Employees that were enrolled in Plan Year (PY) 2025 for Medical coverage that did not actively enroll during Open Enrollment for coverage in PY 2025 were defaulted to Plan N with a Health Reimbursement Account (HRA).
  - Members were enrolled into the same health care company (Aetna or BCBSKS) and the same coverage level as PY 2025
  - Plan N is the health plan with the lowest member premium and the HRA is employer funded
- Total Members that were defaulted: 347\*
  - State Employees: 307
  - Non State Employees: 40

\* 96 of the 347 were enrolled in Plan N in 2025.

# Direct Bill Open Enrollment

Plan Year 2026

# Direct Bill Non Medicare Medical Enrollment

Non Medicare Enrollment: 499

## Contracts

- Plan A 164
- Plan C 329
- Plan J 1
- Plan N 5

# Direct Bill Medical Enrollment

## Medicare Supplement Insurance: 6,677

	Contracts
• KS Senior Plan C:	5,023
• Senior Plan C Select:	379
• KS Senior Plan G:	745
• KS Senior Plan G HD:	74
• Senior Plan G Select:	149
• KS Senior Plan N:	307

## Medicare Advantage Plans: 749

	Contracts
• Advantra Freedom PPO:	483
• Advantra Elite PPO:	266

# Direct Bill Enrollment Summary

## Contracts

**Dental: 8,216**

**Prescription Eyewear Insurance:  
5,027**

- Basic Plan: 755
- Enhanced Plan : 4,272

# Direct Bill Medicare Part D Enrollment

SilverScript Part D: 2,068

## Contracts

- Premier 1,275
- Economy 793

# Appendix

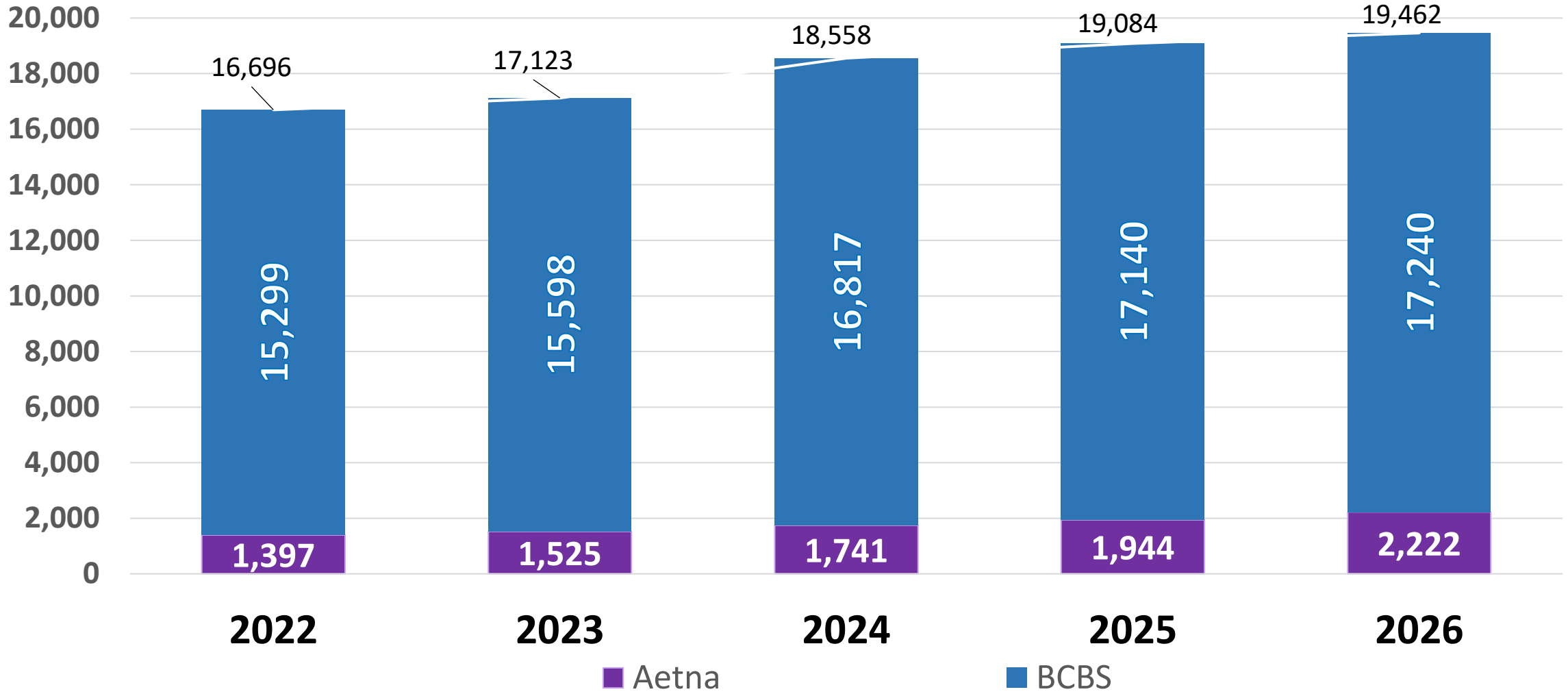
## Content:

- Active Employee Enrollment Comparative Data
- Direct Bill Enrollment Comparative Data
- Definitions

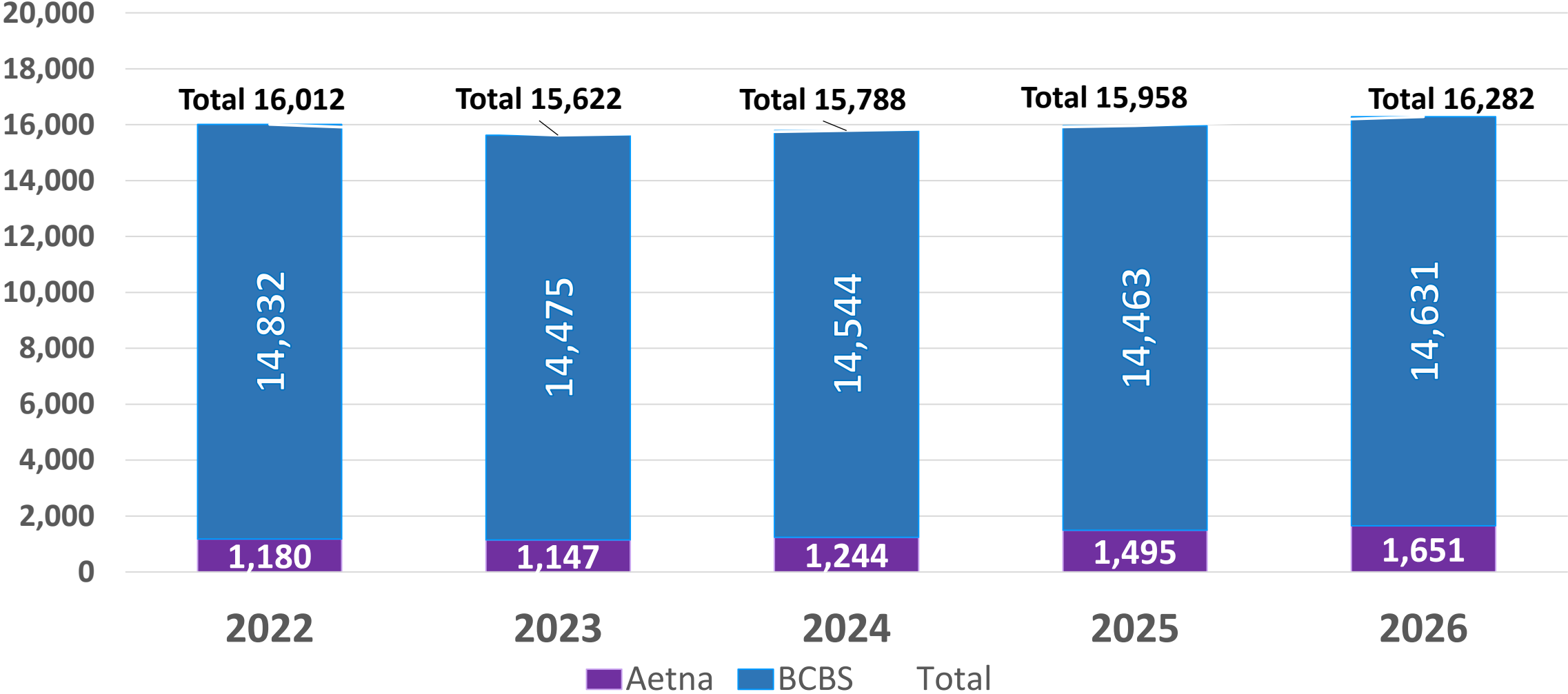
# Active Employee Enrollment

PY 2021-2026

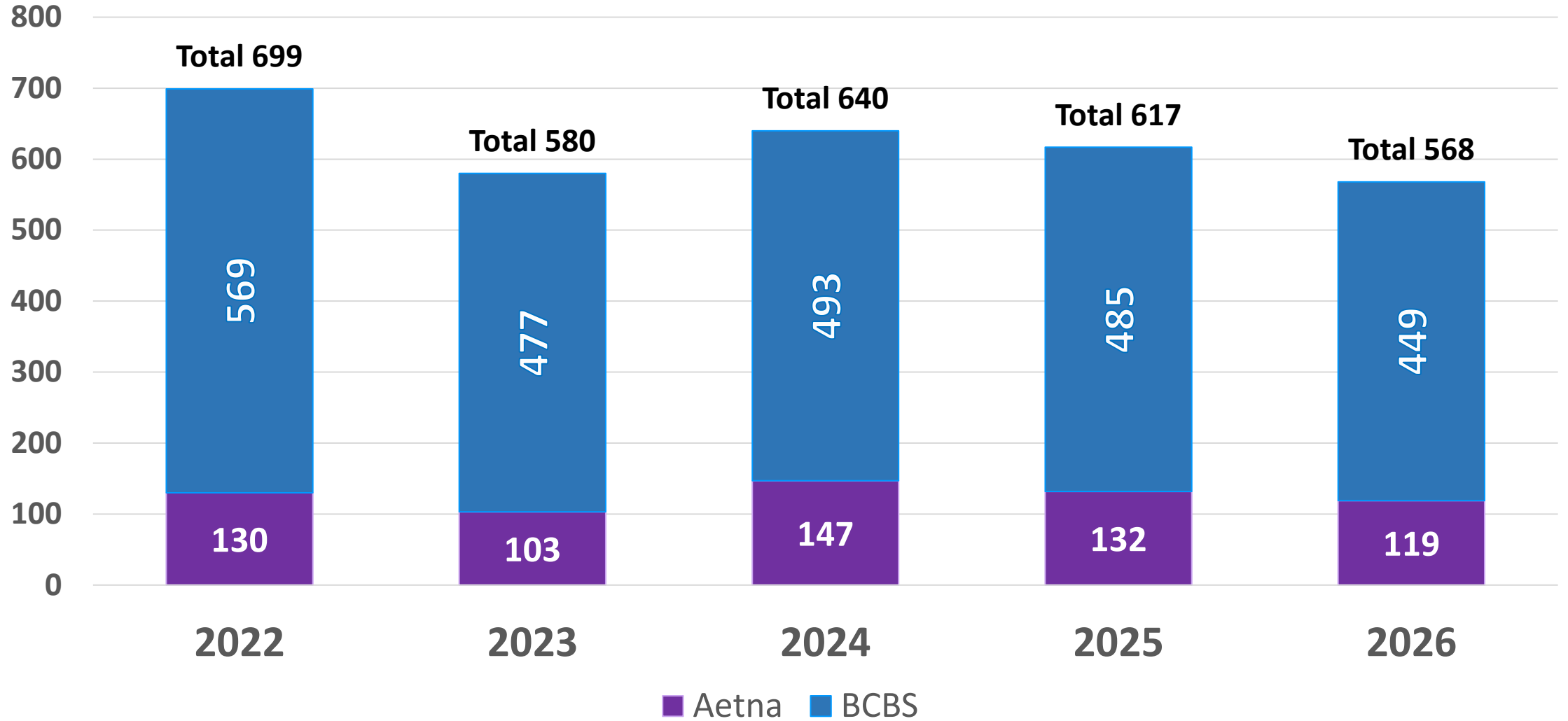
# Plan A Enrollment



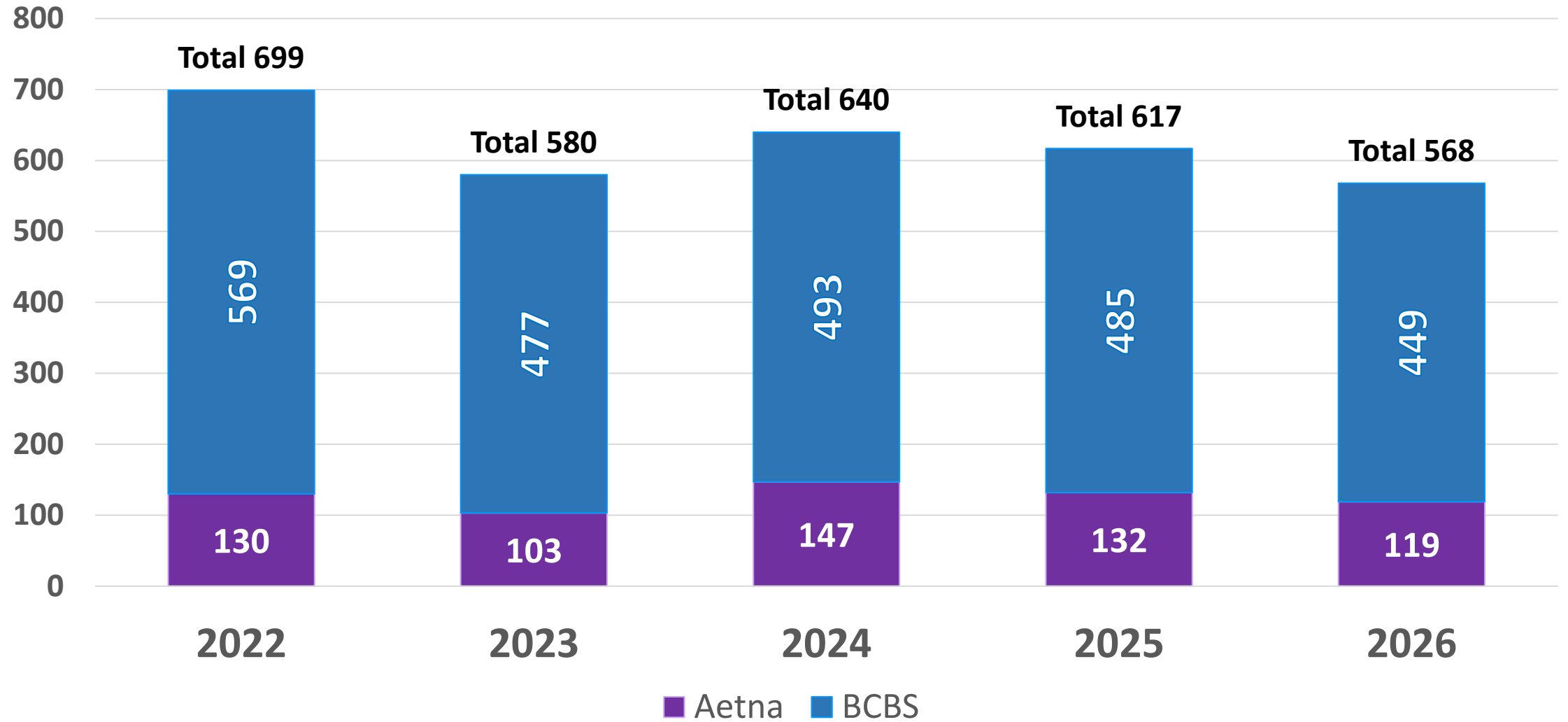
# Plan C Enrollment



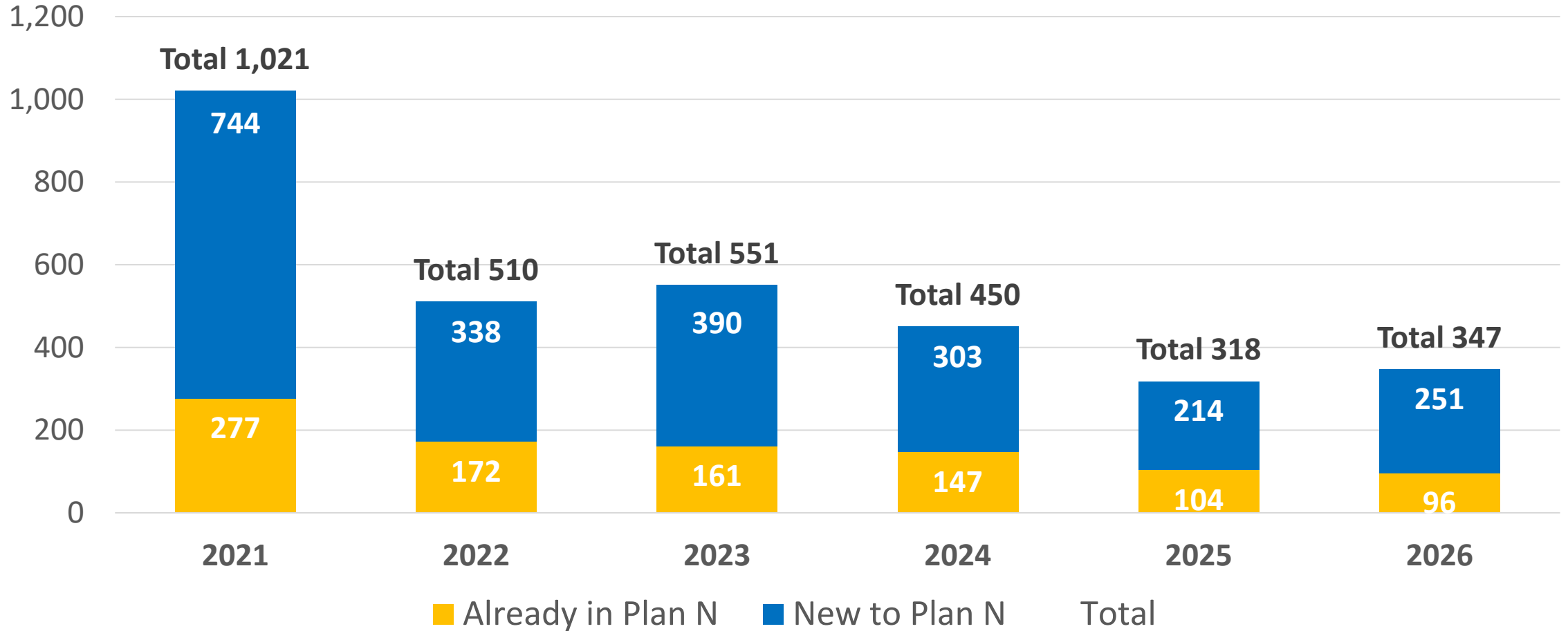
# Plan J Enrollment



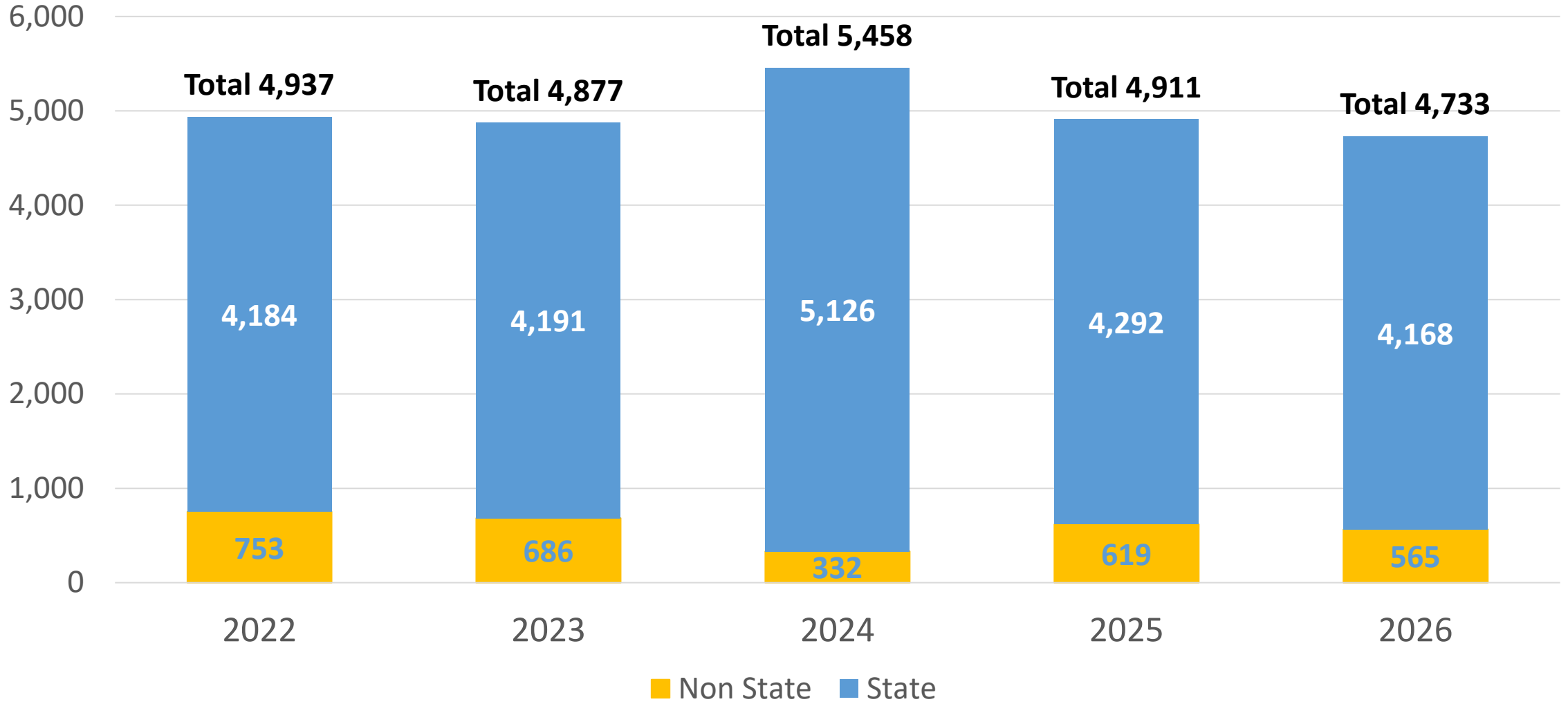
# Plan J Enrollment



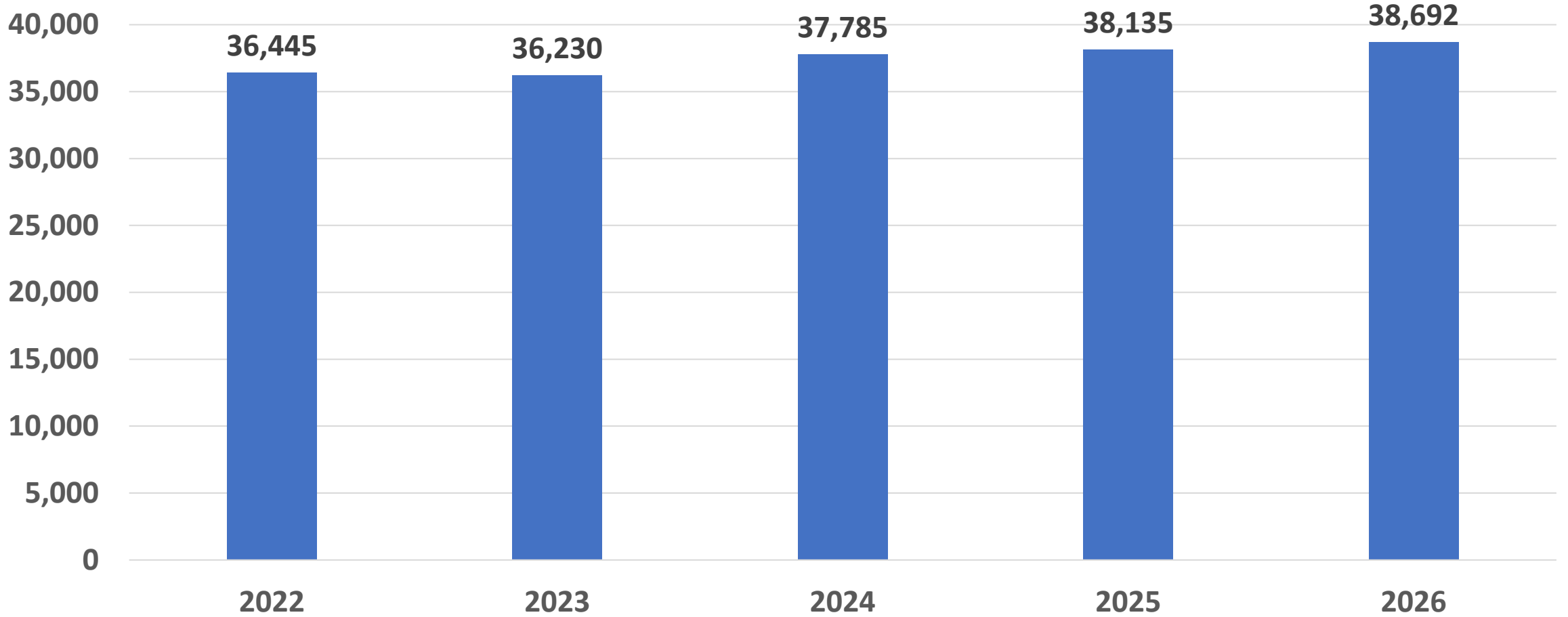
# Did not make an election during Open Enrollment



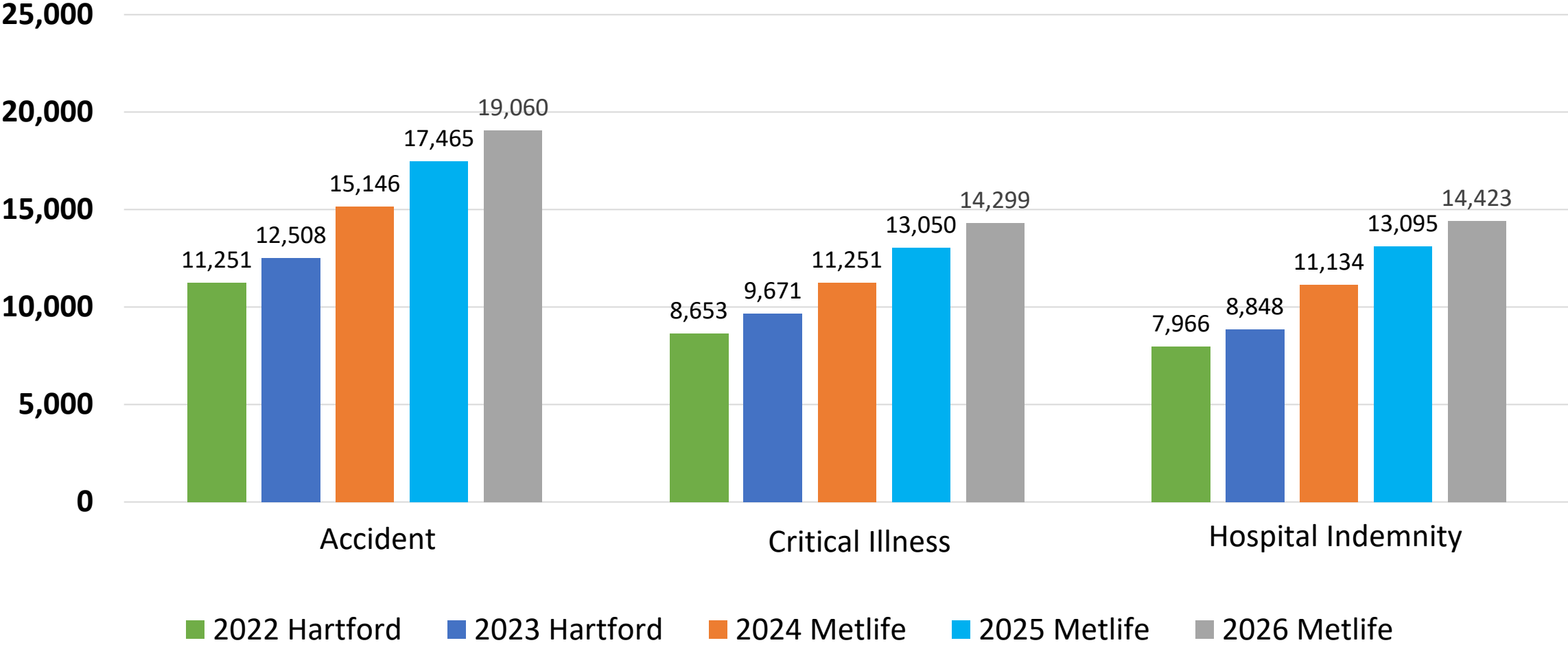
# Waived Medical for Open Enrollment



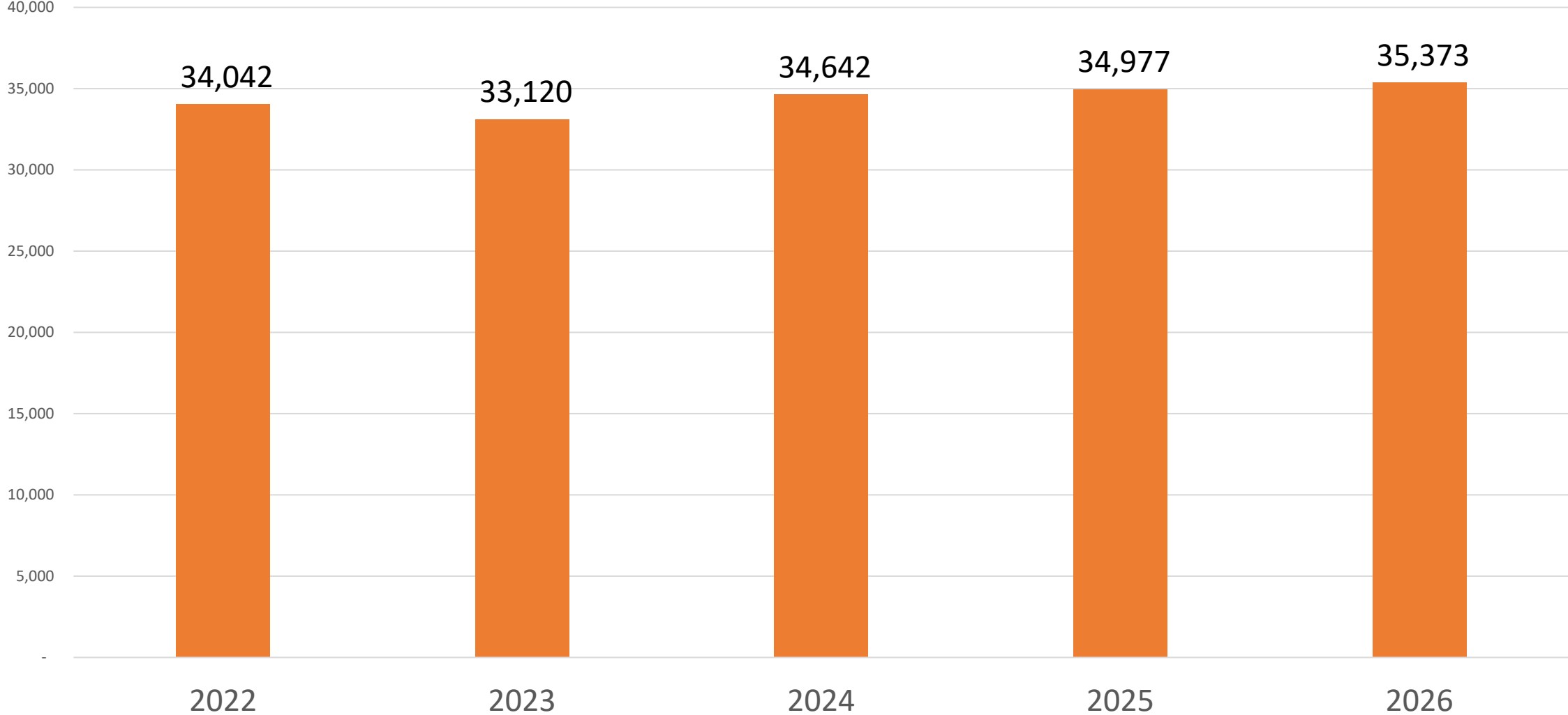
## Total Contract Count by Year



# Voluntary Insurance Enrollment

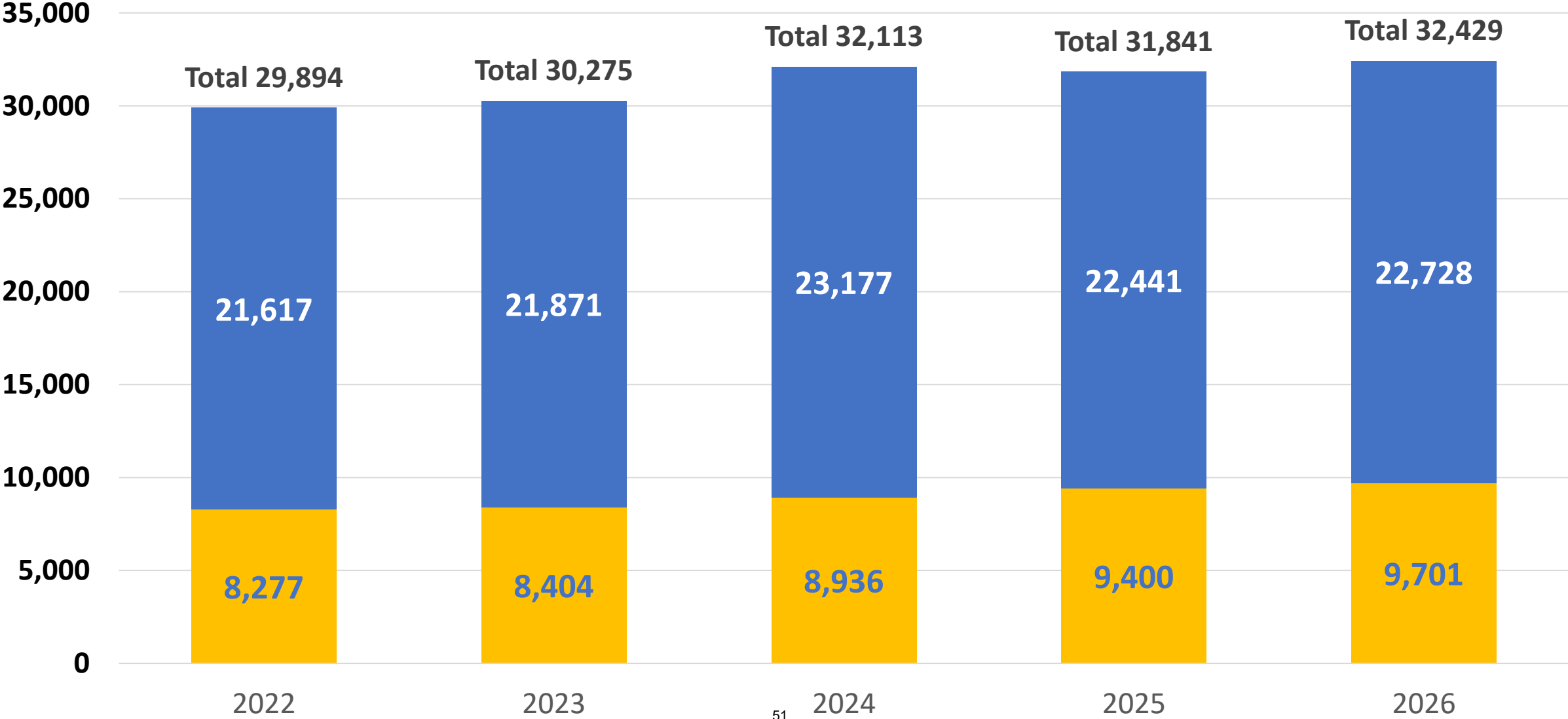


# Dependent Count 2022-2026

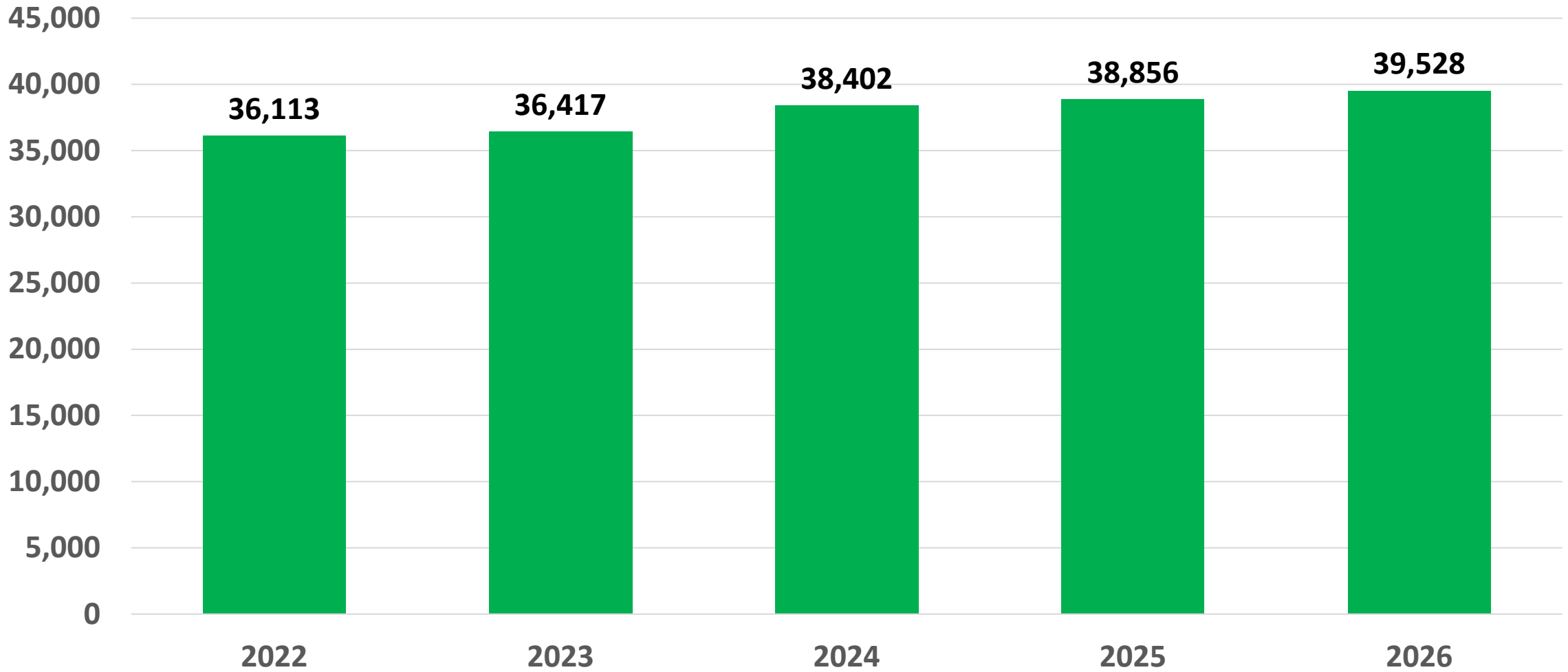


# Prescription Eyewear Coverage Enrolled

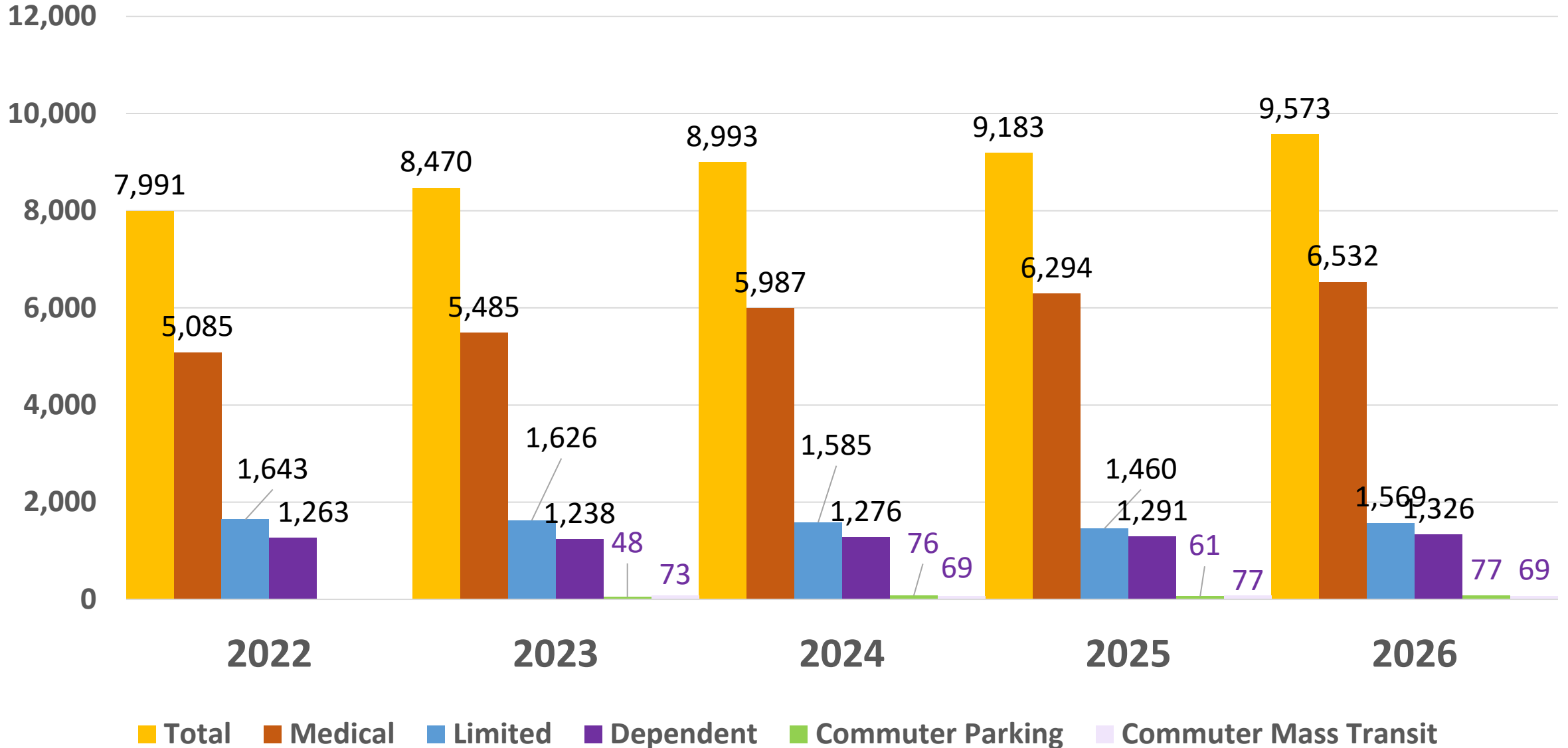
Basic Enhanced



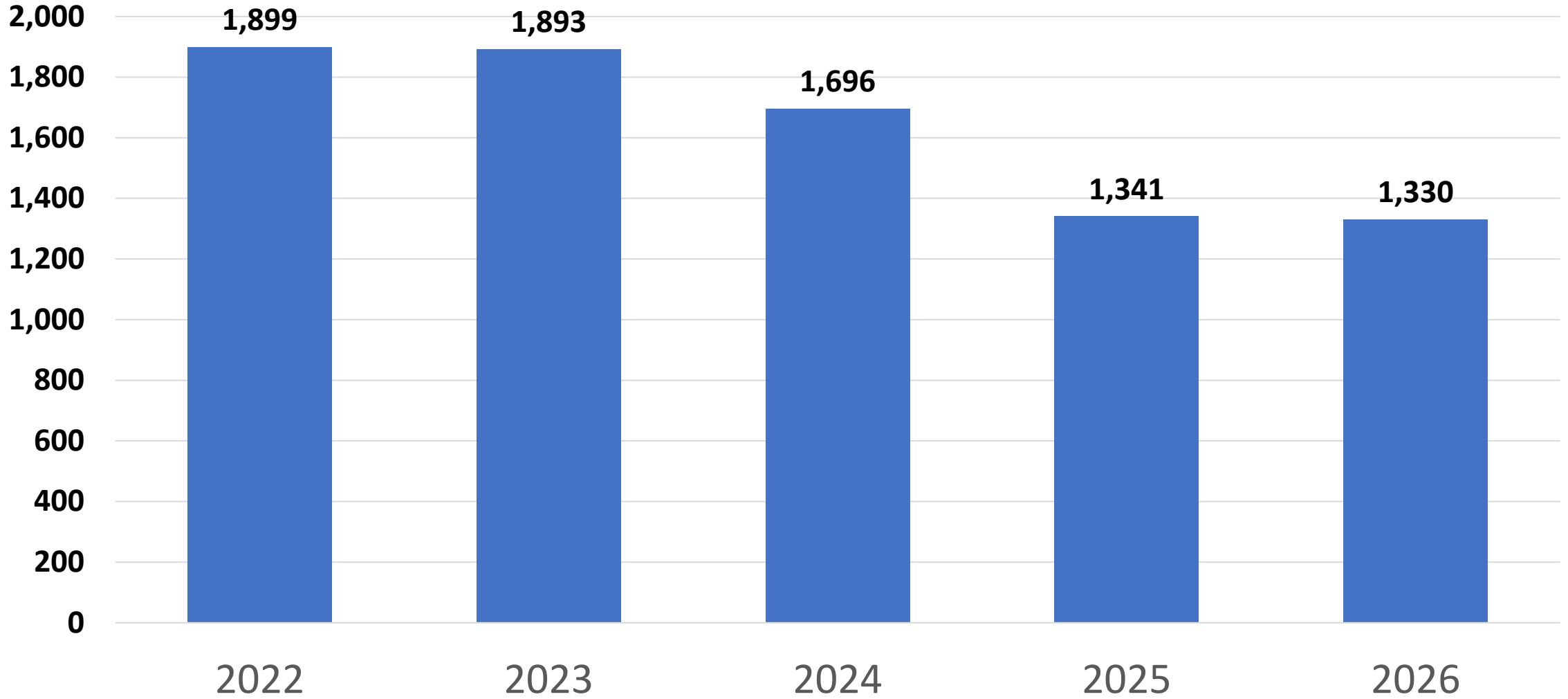
# Dental Enrollment



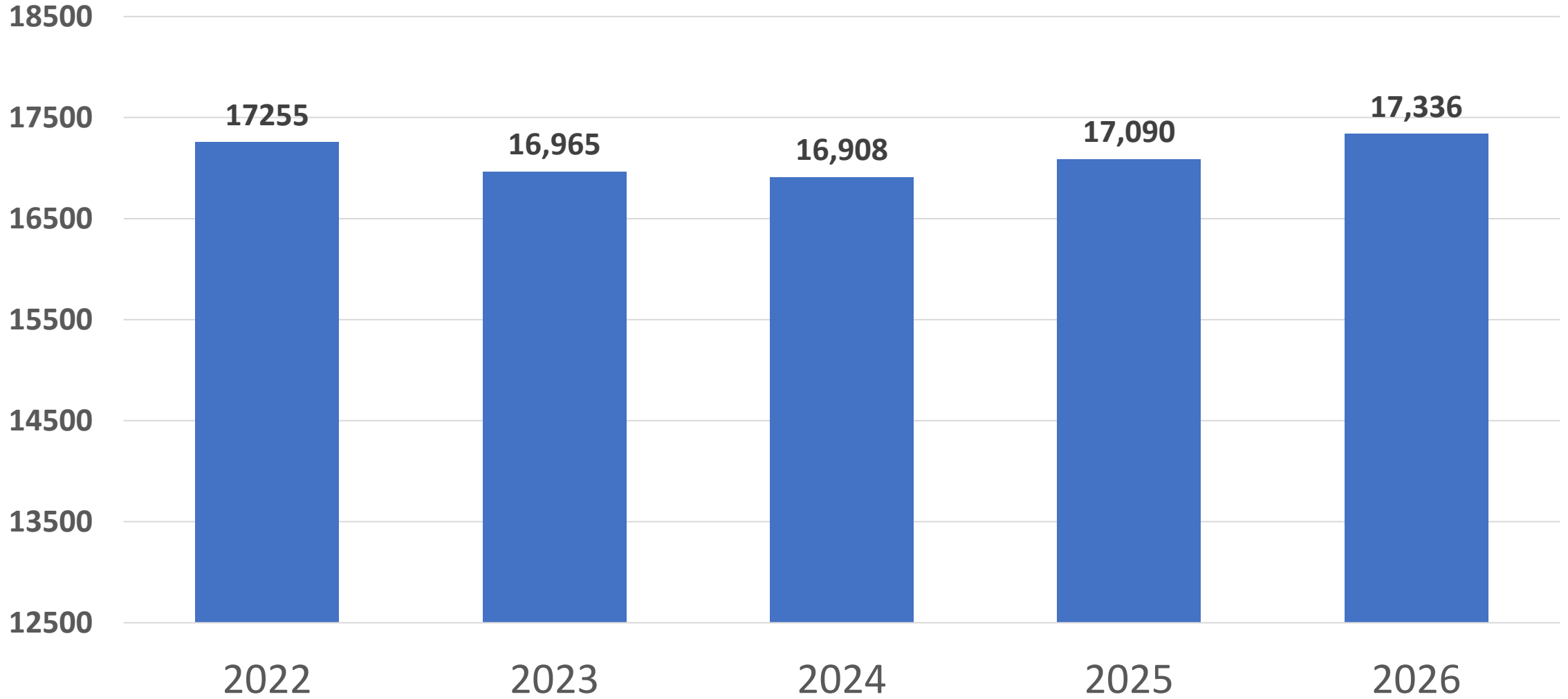
# FSA Enrollment by FSA Type



# HRA Contract Count



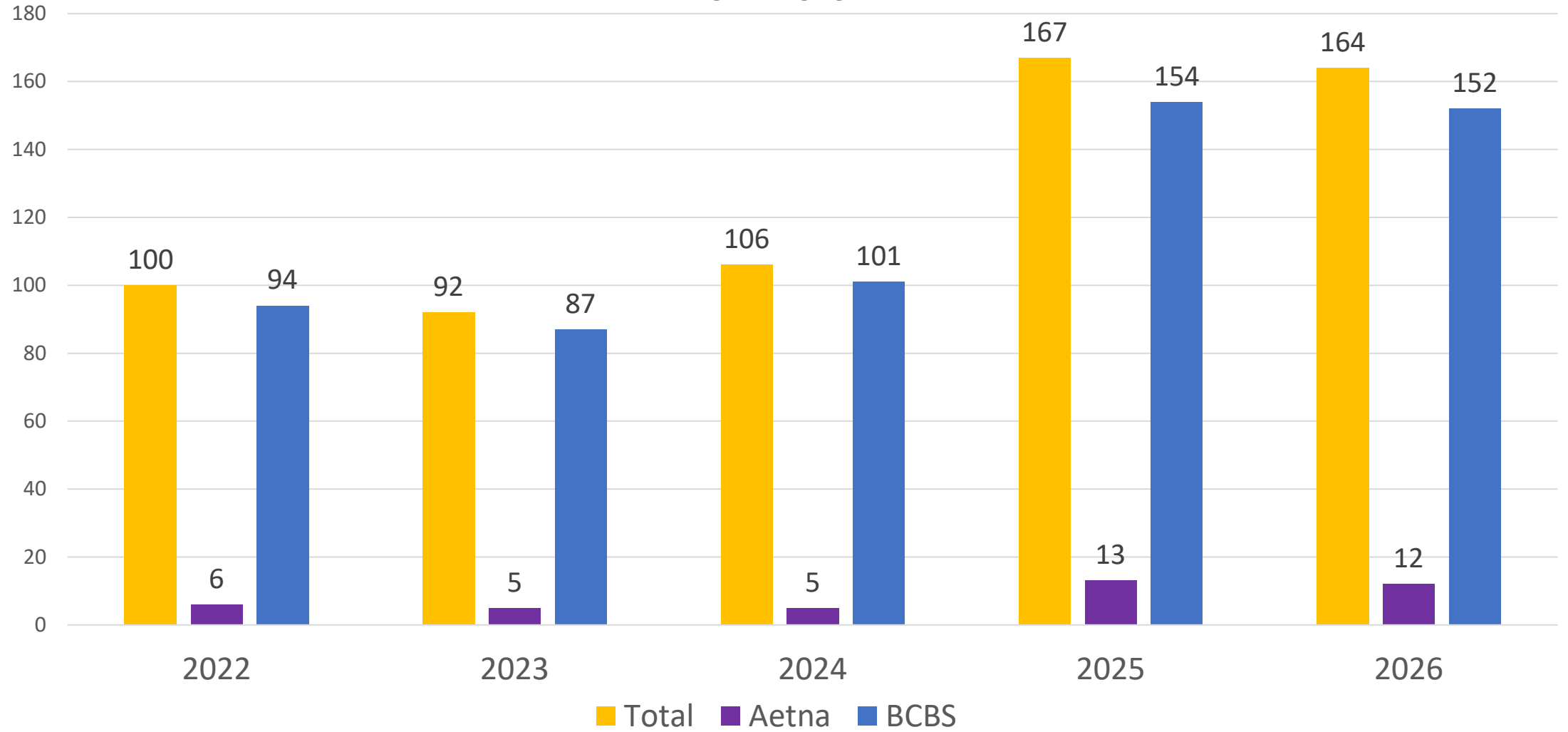
# HSA Contract Count



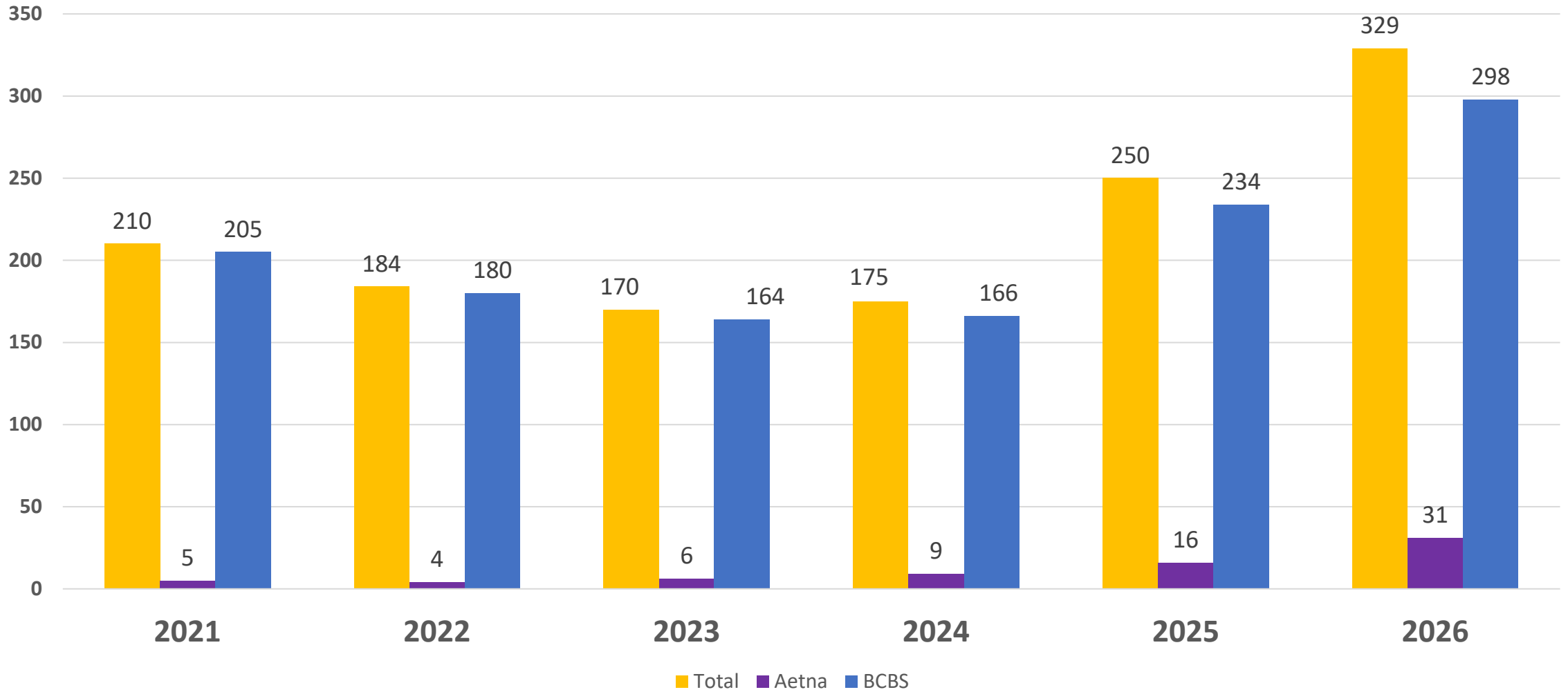
# Direct Bill Open Enrollment

**2022-2026**

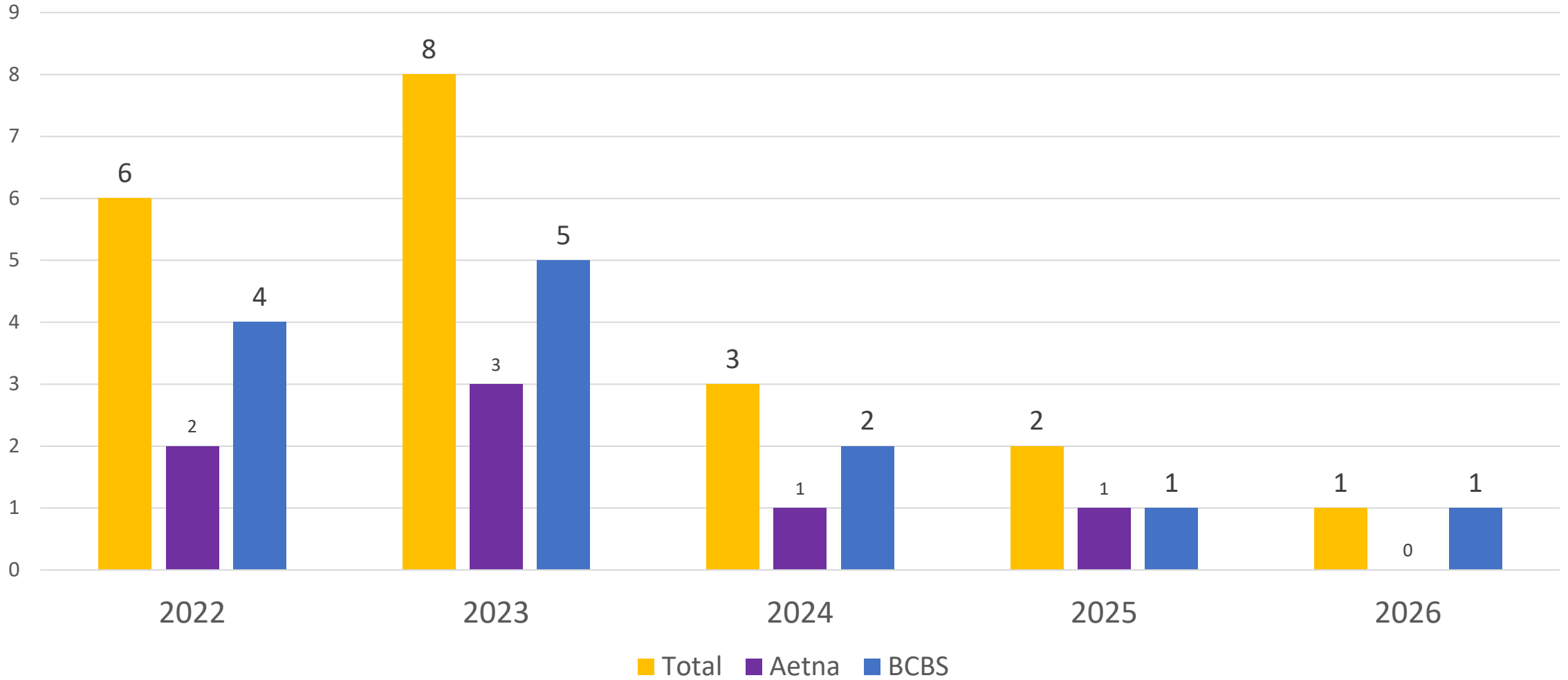
## Direct Bill Non Medicare Plan A Enrollment 2022 -2026



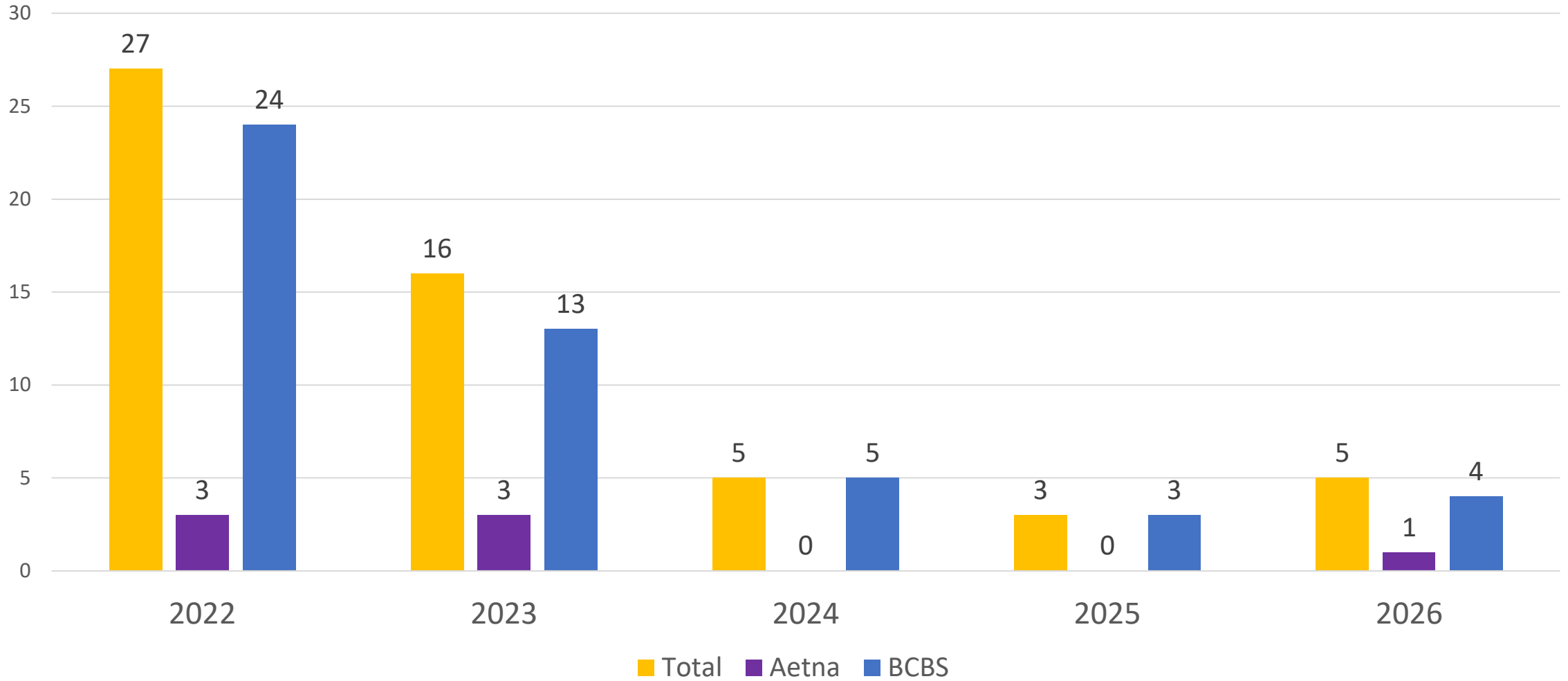
### Direct Bill Non Medicare Plan C Enrollment 2022 to 2026



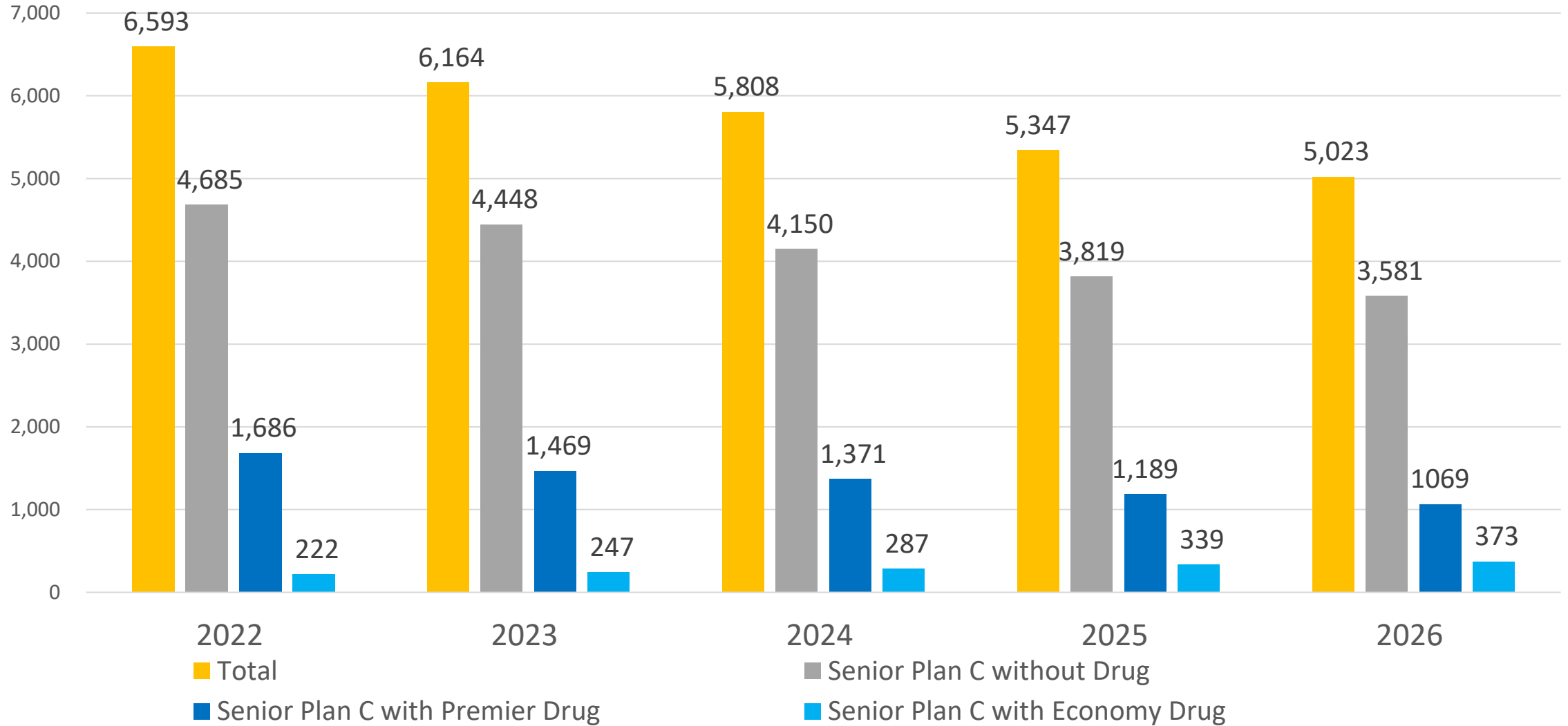
# Direct Bill Non Medicare Plan J Enrollment Years 2022 to 2026



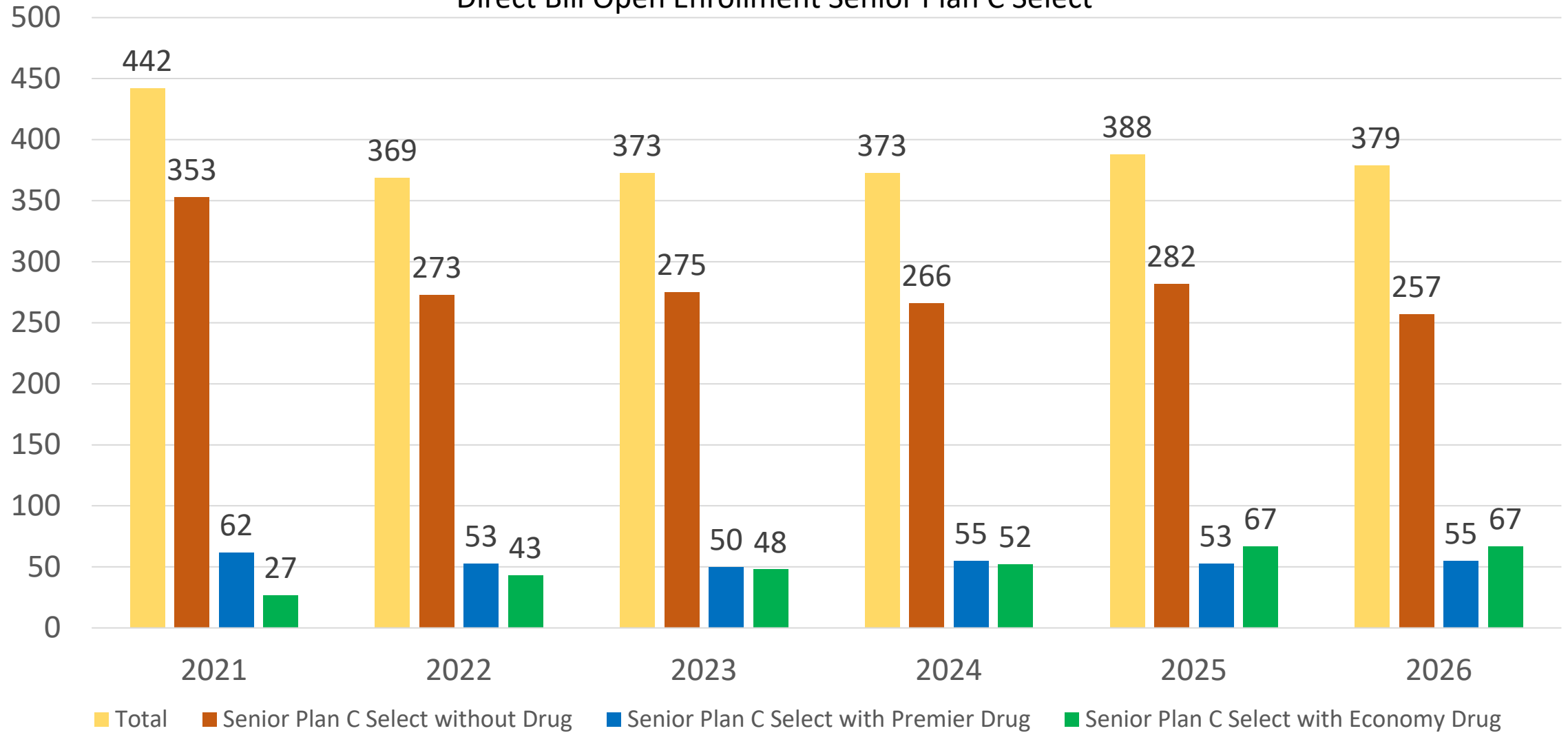
## Direct Bill Plan Non Medicare N Enrollment Years 2022 to 2026



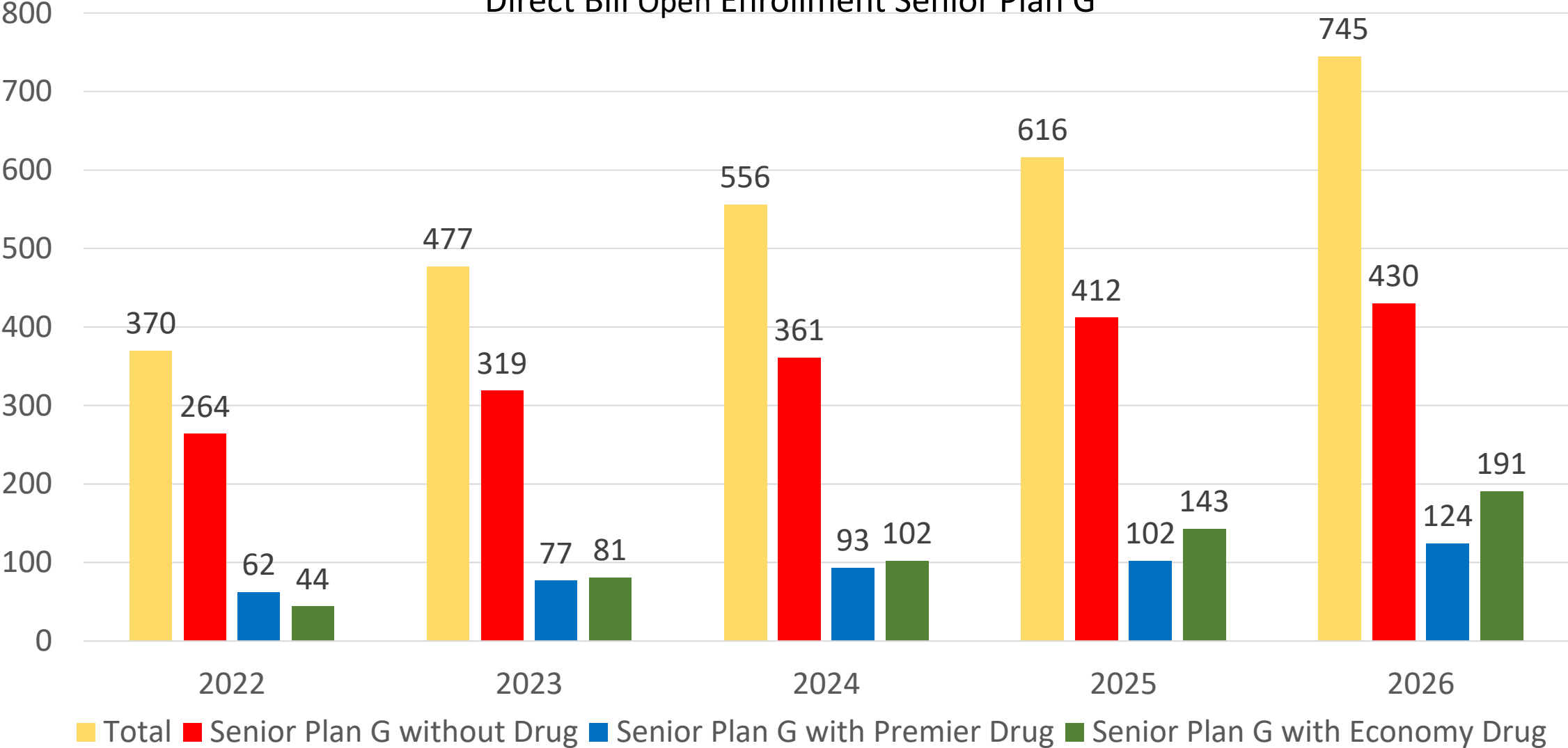
### Direct Bill Open Enrollment Senior Plan C



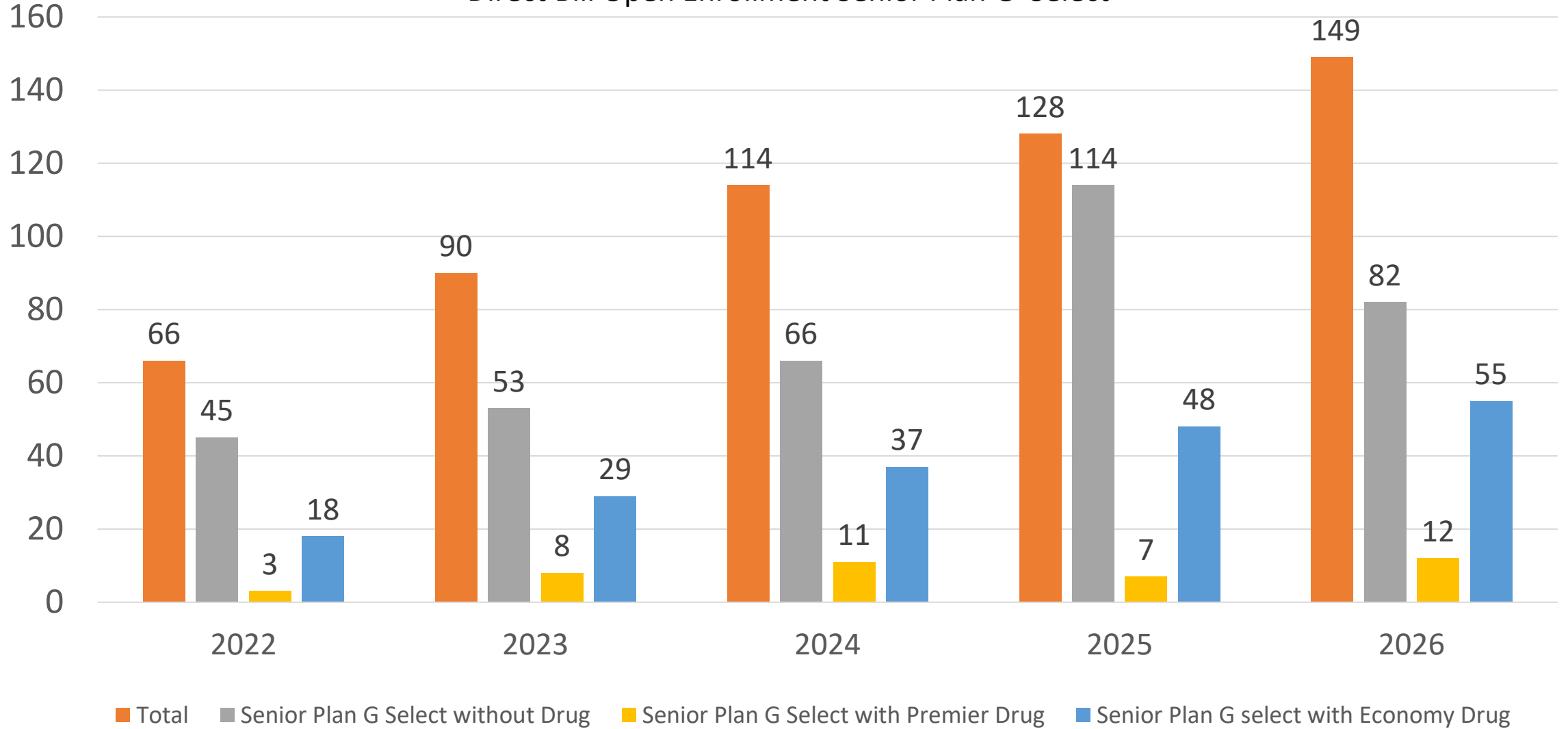
### Direct Bill Open Enrollment Senior Plan C Select



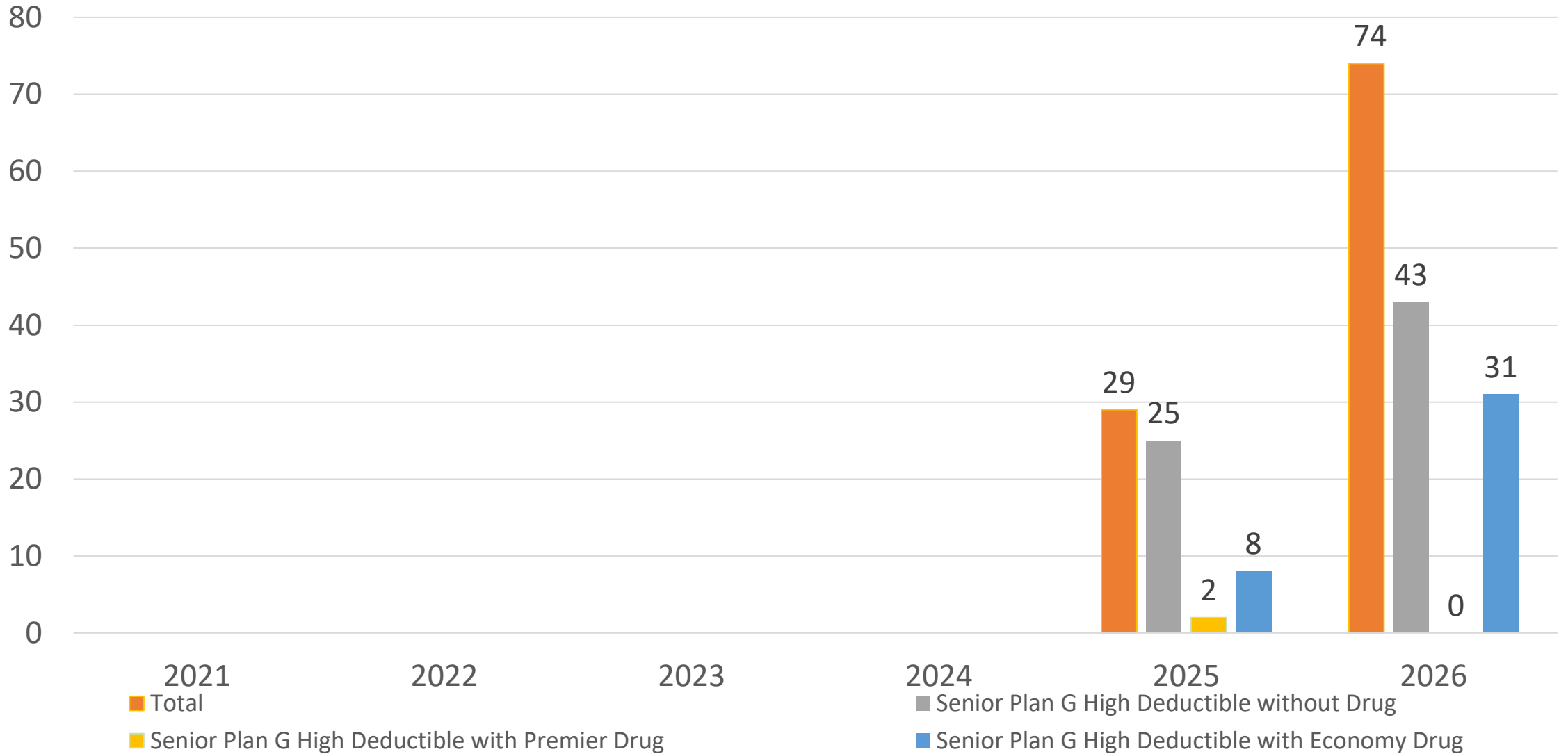
### Direct Bill Open Enrollment Senior Plan G



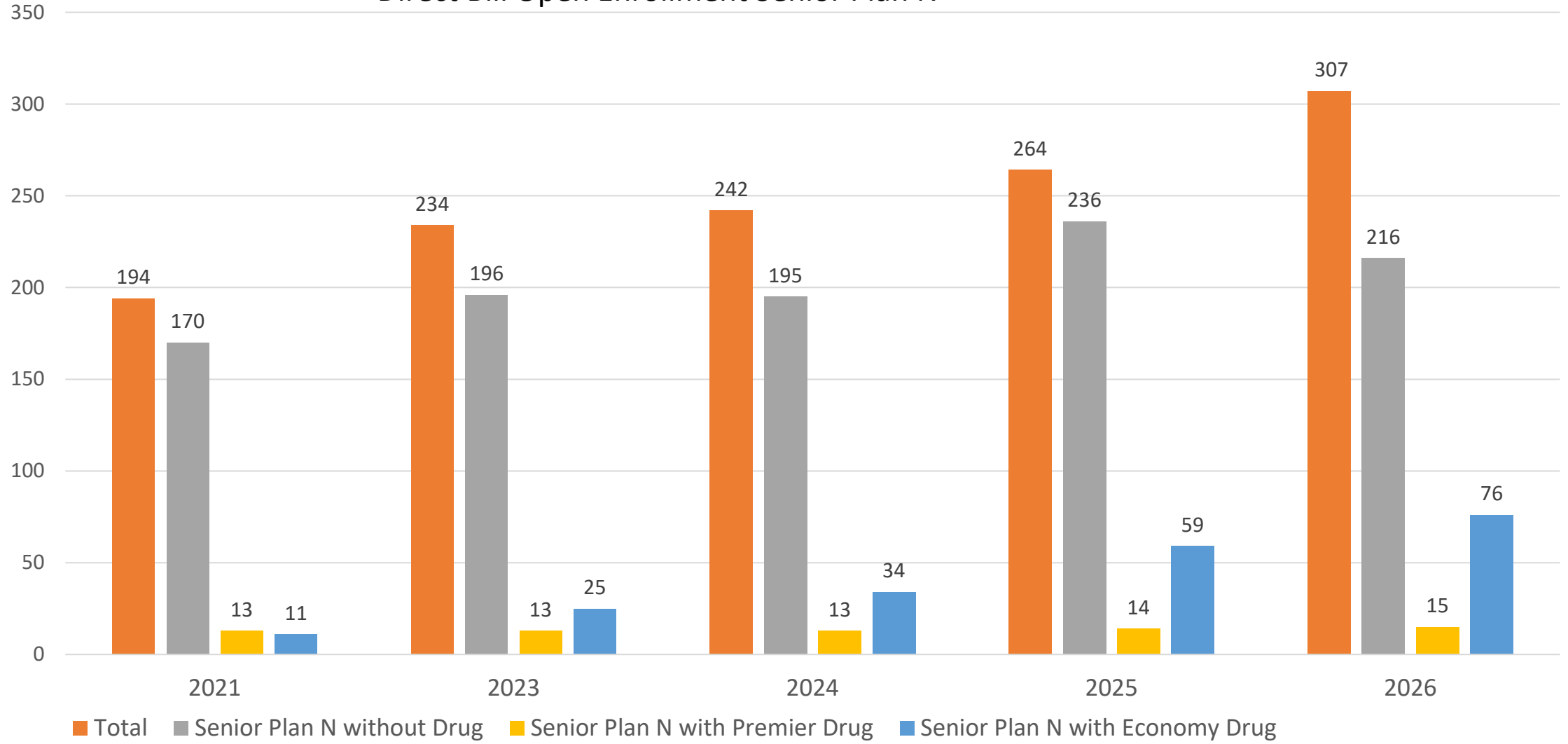
### Direct Bill Open Enrollment Senior Plan G Select



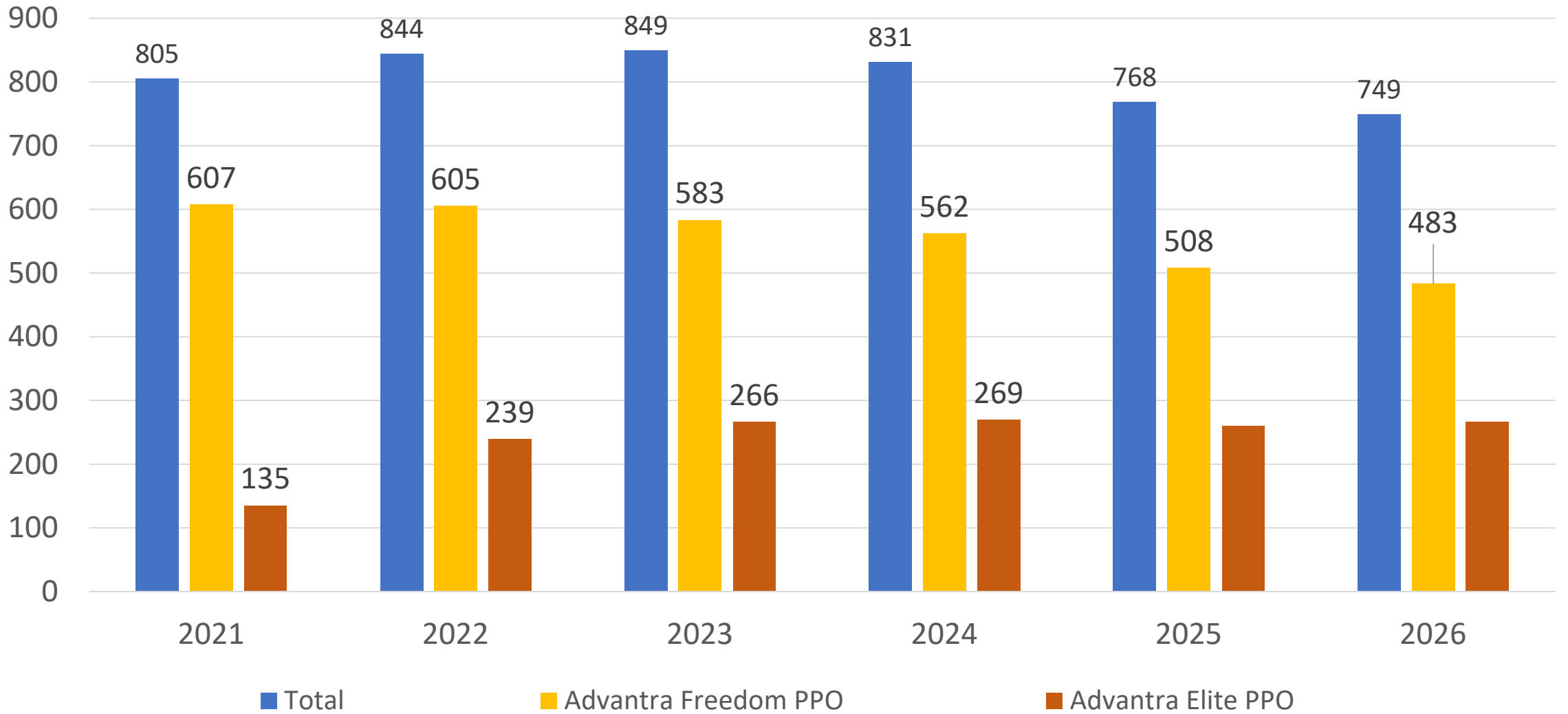
# Direct Bill Open Enrollment Senior Plan G High Deductible



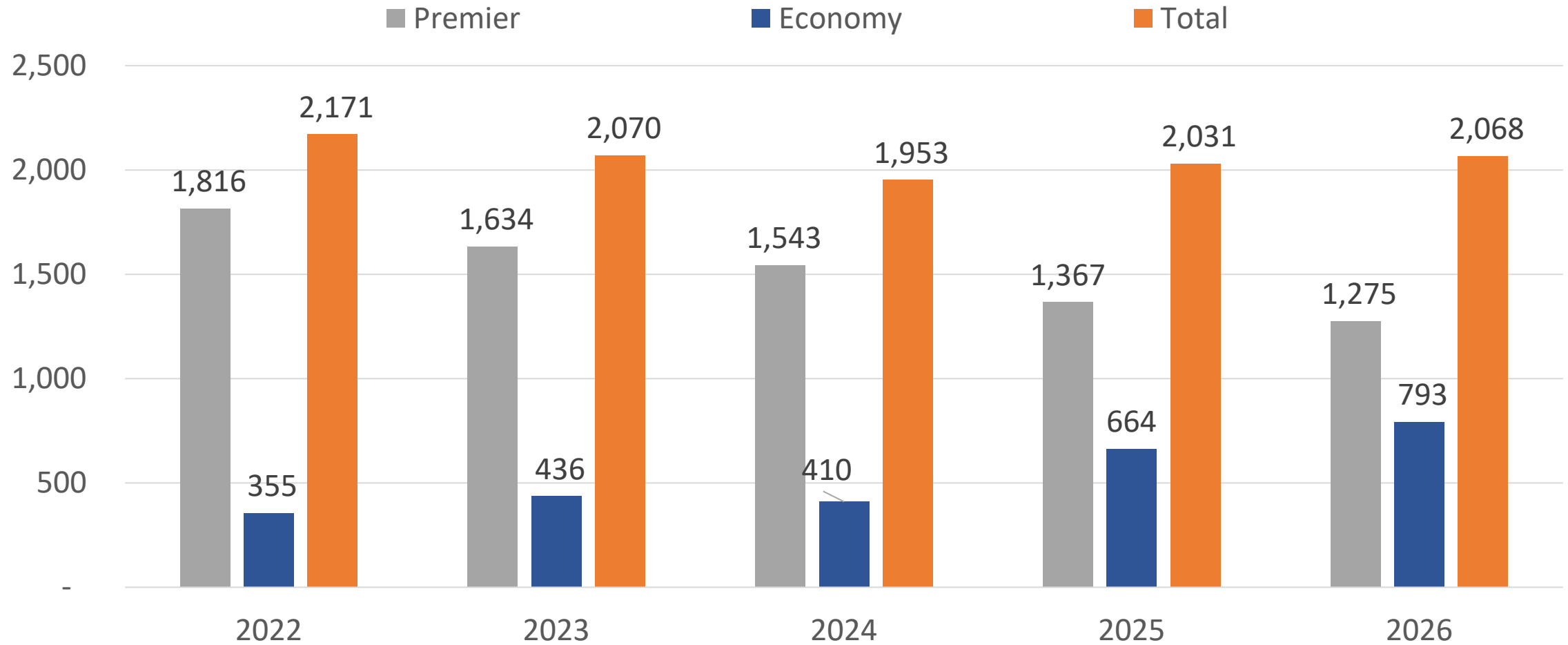
## Direct Bill Open Enrollment Senior Plan N



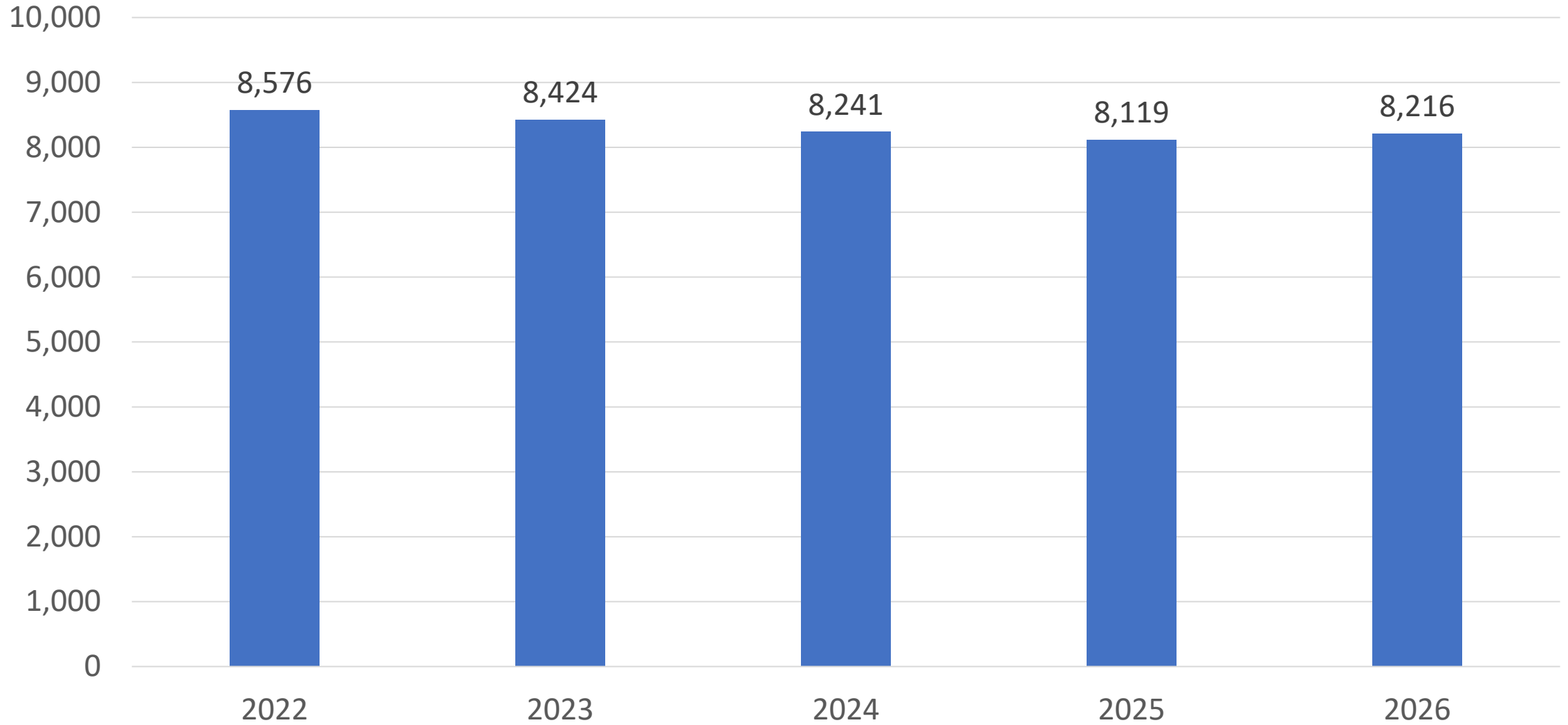
### Medicare Advantage Plans Open Enrollment



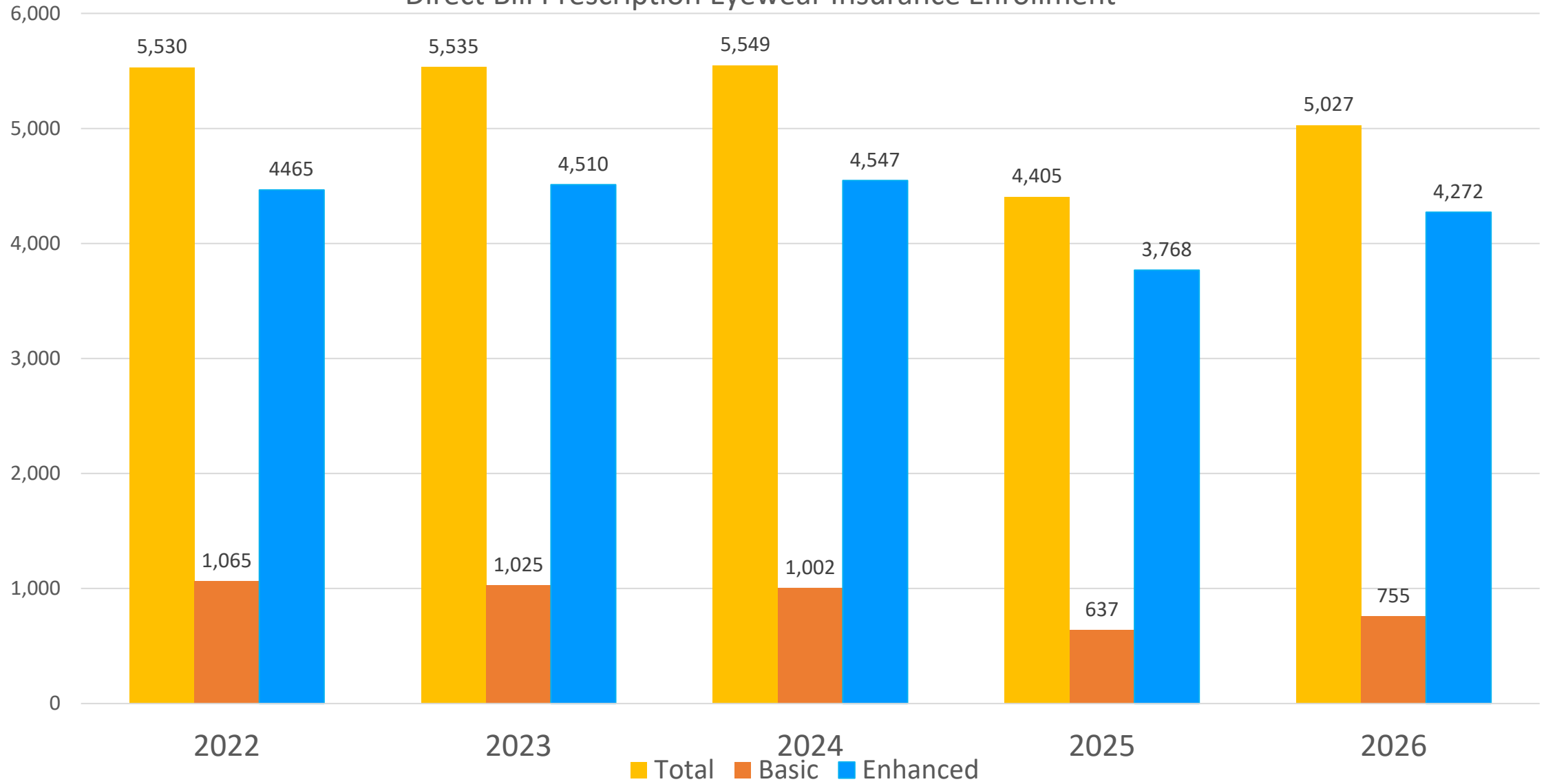
### Direct Bill Part D Contracts by Years



### Direct Bill Dental Open Enrollment for Years 2022-2026



# Direct Bill Prescription Eyewear Insurance Enrollment



# Definitions

- **Voluntary Accident Plan:** Can cover your family for a variety of accidental injuries, including broken bones, concussions, dislocations, and second and third-degree burns. Provides a lump sum payment when a covered person has medical services/treatments related to accidental injuries. These costs may include ambulance transport, certain doctor visits, medical testing or physical therapy.
- **Voluntary Critical Illness Plan:** Covers specific conditions including cancer, heart attack, stroke or Alzheimer's disease. Provides a lump sum payment to you if you are diagnosed with a covered condition, which helps you focus on your recovery instead of your finances. Covers specific conditions including cancer, heart attack, stroke or Alzheimer's disease. Provides a lump sum payment to you if you are diagnosed with a covered condition, which helps you focus on your recovery instead of your finances.
- **Voluntary Hospital Indemnity Plan:** If you experience a covered event and meet the policy and certificate requirements for an inpatient hospital stay, a lump sum payment will be made directly to you. Typically, a flat amount is paid for the day you are admitted to a hospital and a per day amount is paid for each day of a covered hospital stay.

# Definitions

- **Flexible Spending Accounts (FSA):** allows you to set aside funds on a pre-tax basis for any qualified medical, dental, vision, mass transit, parking or daycare expense. There are five accounts available:
  - **Healthcare FSA:** allows reimbursement for qualified medical, dental or vision expenses not covered by insurance. Common expenses for the Healthcare FSA include Co-pays, prescriptions, eyeglasses, dental services, and orthodontics. The plan allows the IRS approved amount of unused Health Care FSA contributions may be carried over to the following calendar year.
  - **Limited Purpose FSA:** allows reimbursement for qualified dental or vision expenses. You are eligible to enroll if you participate in a Health Savings Account (HSA), Plan C or N. Up to \$640 of unused Limited Purpose FSA contributions may be carried over to the following calendar year.
  - **Dependent Care FSA:** allows reimbursement when a dependent under the age of 13 or adult dependent is physically or mentally incapable of self-care. Common Dependent Care costs include daycare centers, before/after school care and adult daycare centers. There is a 75-day grace period, where you can continue to incur expenses up until March 15. The deadline to submit Dependent Care claims against the prior Plan Year balance is April 30. Funds in a Dependent Care FSA do not roll over to the following year.
  - **Mass Transit FSA** allows reimbursement for qualified mass transit tickets or passes, or State of Kansas Vanpools. Unused contributions may be carried over to the following calendar year.
  - **Parking FSA** allows reimbursement for parking associated with your daily commute. Unused contributions may be carried over to the following<sup>72</sup> calendar year.

# Definitions

- **Health Reimbursement Account:** A Health Reimbursement Account (HRA) is a tax-advantaged savings account available to you if you enroll in Plans C, J, N or Q. The State contributes to the HRA account on your behalf. You may use the money in your HRA to pay for eligible health expenses. When you earn HealthQuest rewards, you are eligible to receive contributions in your HRA. The HRA will end if you terminate employment and does not have a rollover provision.
- **Health Savings Account:** A Health Savings Account (HSA) is a tax-advantaged savings account available to you when you enroll in a Qualified High Deductible Health Plans, Plan C or Plan N. Both the State and you contribute to the HSA account. You may use the money in your account to pay for eligible health expenses for you and your tax qualified dependents. Your HSA is your account, and is always portable, even if you retire or stop working for the State of Kansas, or your employer.

# Definitions

- **Medicare Supplement Plan:** Medicare Supplement (Medigap) plans are designed to help pay your share of health-care costs under Medicare Part A and Part B.
- **Medicare Advantage Plan:** Medicare Advantage Plans, sometimes called “Part C” or “MA Plans,” are approved by Medicare. If you join a Medicare Advantage Plan, the plan will provide all of your Medicare Part A (Hospital Insurance) and Medicare Part B (Medical Insurance) coverage.
- **Medicare Part D:** Medicare Part D is the Medicare prescription drug benefit program

# Agenda Item

## #5

December 3, 2025

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

**Re: Projection Summary – October 2025**

Dear Ms. Flory:

This letter provides a summary of the financial update utilizing data through October of 2025 and summarizing the key assumptions utilized in the projection.

**Experience: January 2025 to October 2025**

Segal collected the actual experience and compared it to what was projected in our initial budget. Because the projection is developed monthly, we summarize the emerging experience and analyze the gain/(loss) for the period. The calendar year through October shows a gain of \$13.6M compared to the initial budget. This was driven by an unforeseen Zinc Rx Settlement, which totaled \$14.6M.

Revenue without the Settlement is \$3.8M (0.7%) above budget. Total program expenses are running close to budget – 0.9% loss. Medical claims are running as projected year to date. Pharmacy claims are \$3.6M over budget mostly from increased usage of GLP-1's. Dental claims and Health Savings Contributions have minimal losses.

The reserve balance through October closed at \$46.3M. Below is a breakout of the various components.

January 2025 to October 2025 Financials (in Millions)				
	Budgeted	Actual	Gain/(Loss) \$	Gain/(Loss) %
Program Revenue	\$500.5	\$518.9	\$18.4	3.7%
Medical self-insured claims	\$315.1	\$315.1	\$0.0	0.0%
Rx self-insured claims	\$93.9	\$97.5	\$(3.6)	(3.8)%
Dental self-insured claims	\$25.6	\$26.2	\$(0.6)	(2.3)%
Health Savings Contributions*	\$32.1	\$32.9	\$(0.8)	(2.5)%
ASO/Premium	\$38.6	\$38.1	\$0.5	1.3%
Contract Fees/Other**	\$5.9	\$6.2	\$(0.3)	(5.1)%
Administrative Fund	\$4.5	\$4.4	\$0.1	2.2%
Program Expenses	\$515.7	\$520.4	\$(4.7)	(0.9)%
Net Income/(Net Expense)	\$(15.2)	\$(1.6)	\$13.6	
<b>Reserve Balance (All Funds)***</b>	<b>\$32.7</b>	<b>\$46.3</b>	<b>\$13.6</b>	

\* 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 2025 enrollment through October is flat with a 0.0% change from what was projected in the initial budget forecast.

Enrollment Monthly Avg.	Projected (Jan-Oct)	Actual (Jan-Oct)	Change in #	Change in %
Active & COBRA	38,859	38,854	(5)	0.0%
Non-Medicare Retiree	462	489	28	6.0%
Medicare Members	7,524	7,481	(43)	-0.6%
<b>Total</b>	<b>46,845</b>	<b>46,824</b>	<b>(20)</b>	<b>0.0%</b>

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

The table below shows a snapshot of the October 2025 enrollment. This serves as the basis for enrollment assumptions for 2025. October enrollment is 0.8% higher than June enrollment, which was the basis for future enrollment in the prior projection.

Contracts (October-2025)				
	Active	COBRA	Non-Medicare Retiree	Medicare Retiree
Medical				
Plan A	19,855	56	186	
Plan C	16,141	40	330	
Plan J	607	-	2	
Plan N	2,341	3	7	
Medicare				
Aetna (MA)				763
Plan C/C Select (Supp)				5,508
Plan G/G Select (Supp)				850
Plan N (Supp)				289
Medical Total	38,944	99	525	7,410
Contracts (October-2025)				
	Active	COBRA	Non-Medicare Retiree	Medicare Retiree
Dental Total	39,485	82	460	7,760
Vision Total	32,402	57	372	4,501

## 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 2025, and four (4) additional calendar years.

<b>Financial Projections (in Millions) – as of October 31, 2025</b>						
	<b>CY 2024</b>	<b>CY 2025</b>	<b>CY 2026</b>	<b>CY 2027</b>	<b>CY 2028</b>	<b>CY 2029</b>
<b>Program Revenue</b>	\$565.0	\$617.5	\$639.0	\$686.4	\$737.1	\$792.4
<i>Medical self-insured claims</i>	\$359.6	\$381.3	\$399.6	\$430.9	\$445.9	\$471.2
<i>Rx self-Insured claims</i>	\$108.2	\$123.6	\$127.2	\$135.4	\$144.5	\$156.5
<i>Dental self-Insured claims</i>	\$28.1	\$31.0	\$31.8	\$33.4	\$33.8	\$34.8
Health Savings Contributions*	\$33.5	\$34.0	\$33.1	\$33.1	\$33.1	\$33.1
<i>ASO/Premium</i>	\$42.4	\$45.8	\$46.4	\$47.8	\$49.3	\$50.8
<i>Contract Fees/Other**</i>	\$6.7	\$7.4	\$7.5	\$7.6	\$7.7	\$7.8
<i>Administrative Fund</i>	\$5.4	\$5.3	\$5.1	\$5.2	\$5.2	\$5.3
<b>Program Expenses</b>	\$583.9	\$628.3	\$650.8	\$693.4	\$719.5	\$759.5
<b>Net Income/(Net Expense)</b>	<b>\$(19.0)</b>	<b>\$(10.7)</b>	<b>\$(11.8)</b>	<b>\$(7.1)</b>	<b>\$17.6</b>	<b>\$32.9</b>
<b>Reserve Balance (All Funds)</b>	<b>\$47.9</b>	<b>\$37.2</b>	<b>\$25.3</b>	<b>\$18.3</b>	<b>\$35.9</b>	<b>\$68.8</b>
* 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 – Slight Decrease; Pharmacy – Increase; Dental – Slight Decrease.

The projected medical costs for future periods are slightly lower since the prior update due to lower medical claims experience being incorporated into the baseline of our future projections and by reductions in cost from future plan changes.

On the other hand, the projected pharmacy costs for 2025 and future periods are higher as emerging claims experience is incorporated into the baseline of the projection. This is driven by increased usage in GLP1's. The Total Net Cost for these drugs has totaled \$14.1M year-to-date, which is a \$4.9M increase (52.7%) from the prior year. Please see the chart below that shows breakouts of GLP1's from Jan 1-Sept 30 for 2024 and 2025:

<b>GLP1 Breakdown by Drug for Jan 1 - Sept 30 for 2024 &amp; 2025</b>									
<b>Product/Drug Name</b>	<b>Total Utilizers</b>			<b>Total Prescriptions</b>			<b>Total Net Cost</b>		
	2024	2025	Increase	2024	2025	Increase	2024	2025	Increase
MOUNJARO	1,134	1,822	60.7%	5,880	10,437	77.5%	\$1,754,320	\$3,127,206	78.3%
OZEMPIC	1,505	1,212	-19.5%	7,820	6,713	-14.2%	\$2,532,645	\$2,178,911	-14.0%
WEGOVY	1,425	3,144	120.6%	7,303	12,552	71.9%	\$3,588,536	\$4,952,747	38.0%
ZEPBOUND	921	2,156	134.1%	3,430	10,038	192.7%	\$1,348,397	\$3,830,629	184.1%
<b>Total</b>	<b>4,985</b>	<b>8,334</b>	<b>67.2%</b>	<b>24,433</b>	<b>39,740</b>	<b>62.6%</b>	<b>9,223,899</b>	<b>14,089,493</b>	<b>52.7%</b>

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

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

## Funding and Reserves

The projected funding used in calculating the fund balances below considers the plan offerings and funding rate changes approved at the June 25' HCC meeting. The model assumes a 7.5% employer rate increase and no change on employee and retiree rates for 2025. In 2026, employee and retiree rates are scheduled to increase by 2% and employer rates are scheduled to increase 8%. After these rate actions were applied, the model solved for a 7.8% 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 2029). This is the same as the calculated amount at the August 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. The plan's operating cash flow is likely to be impacted in 2027, at the reserve's lowest point.

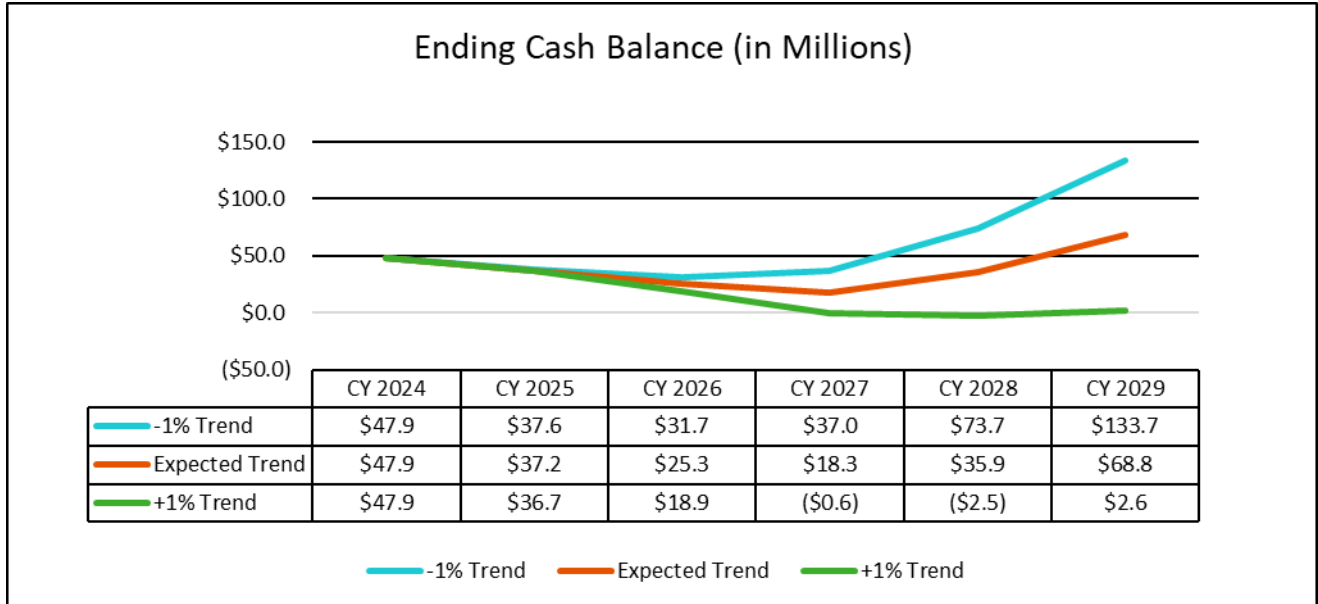
The future funding increases can be found at the bottom of the table. The employee funding is effective January 1<sup>st</sup> each year and the employer funding is effective July 1<sup>st</sup> each year. Thus, the 7.8% increase shown in 2029 represents the employer contribution between 7/1/2029-6/30/2030, 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.

<b>2021 House Bill No. 2218 Target (10% of Three Prior Years Total Plan Expenses) in CY 2024-2029 (in Millions)</b>						
	2024	2025	2026	2027	2028	2029
10% of Prior Total Plan Expenses (3-Year Average)	\$50.9	\$53.8	\$58.3	\$62.1	\$65.8	\$68.8
Reserve Balance (All Funds)	\$47.9	\$37.2	\$25.3	\$18.3	\$35.9	\$68.8
Fund Balance vs. Target Surplus/(Shortfall)	\$(3.0)	\$(16.6)	\$(33.0)	\$(43.8)	\$(29.9)	\$0.0
<b>Funding Rate Increase</b>						
Employer	<b>5.0%</b>	<b>7.5%</b>	<b>8.0%</b>	7.8%	7.8%	7.8%
Employee*	<b>0.0%</b>	<b>0.0%</b>	<b>2.0%</b>	7.8%	7.8%	7.8%

## 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 a reserve. If the trend is 1% higher than the assumptions from 2024-2029, the cash balance will decrease to \$2.6M at the end of CY 2029, assuming the current proposed funding increases of 7.8% remain intact. If this occurred, a funding increase of approximately 10.0% in 2030 & 2031 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 2031. Alternatively, a lower trend of 1% would provide a significant surplus and would allow the Program to potentially lower future rate increases or provide benefit enhancements to balance the target reserve.

2027 - 2029 Funding Rate Sensitivity		
-\$1M	Current	+\$1M
7.6%	7.8%	8.0%

Due to the funding rate for 2025 assumed to be locked at 7.5% for employers and 0.0% for employees and the 2026 funding rates are assumed to be locked at 8.0% for employers and 2.0% for employees, the funding rate is sensitive to any changes in the claims data in the underlying projection. The table above displays the sensitivity of the 2027, 2028, and 2029 funding rates based on a \$1M gain or loss in the budget projections. Note that this gain or loss impacts the current 2025 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 periodically 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 2025+		
	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 \$2.6M 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 2029.

## 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 2025. 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 2025-2029
- Premium Discount: 50% for 2025-2029

## 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 4.00%/3.50%/3.25%/3.00% of the annual cash balance for FY 2025/2026/2027/2028+.
- 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 1<sup>st</sup> to December 31<sup>st</sup>; 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 1<sup>st</sup> to June 30<sup>th</sup>
- **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 a 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.



Kenneth C. Vieira, FSA, FCA, MAAA  
Senior Vice President



Patrick Klein, FSA, MAAA  
Vice President

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

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

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

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

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

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

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

	Oct-2025			Nov-2025			Dec-2025		
	Initial Budget	Actual	Gain/(Loss)	Initial Budget	Updated Budget	Gain/(Loss)	Initial Budget	Updated Budget	Gain/(Loss)
<b>Revenue</b>									
State ER	40,319,472	40,481,202	161,730	33,863,613	33,834,262	(29,351)	33,863,613	33,834,262	(29,351)
State EE	6,352,390	6,423,671	71,280	6,352,390	6,387,929	35,538	6,352,390	6,387,929	35,538
Non-State ER	4,603,639	4,823,059	219,421	4,603,639	4,768,361	164,723	4,603,639	4,768,361	164,723
Non-State EE	685,575	721,406	35,832	685,575	702,557	16,982	685,575	702,557	16,982
Direct Bill	2,760,851	2,748,778	(12,073)	2,760,851	2,764,370	3,519	2,760,851	2,764,370	3,519
COBRA	63,079	104,454	41,375	63,079	109,423	46,344	63,079	109,423	46,344
Voluntary Benefit	319,180	362,178	42,997	319,180	319,180	-	319,180	319,180	-
Interest/Other	127,802	161,079	33,277	127,802	136,322	8,520	127,802	136,322	8,520
Zinc Rx Settlement / Funding from GBA	-	-	-	-	-	-	-	-	-
Administrative Fund	295,583	298,079	2,496	295,583	299,144	3,561	295,583	299,144	3,561
<b>Total</b>	<b>55,527,572</b>	<b>56,123,906</b>	<b>596,335</b>	<b>49,071,713</b>	<b>49,321,548</b>	<b>249,835</b>	<b>49,071,713</b>	<b>49,321,548</b>	<b>249,835</b>
<b>Expenses</b>									
Medical Claims	38,438,890	39,375,096	(936,206)	34,016,213	33,928,140	88,074	32,220,315	32,233,631	(13,316)
Rx Claims	11,910,755	13,790,119	(1,879,364)	12,491,019	13,493,086	(1,002,066)	11,613,208	12,544,854	(931,646)
Dental Claims	2,978,051	2,933,173	44,878	2,388,317	2,399,474	(11,157)	2,394,207	2,410,652	(16,445)
Health Savings ER	7,040,734	7,069,545	(28,812)	663,458	664,571	(1,113)	464,747	467,359	(2,611)
ASO/Premium	3,846,587	3,791,309	55,278	3,846,587	3,814,552	32,035	3,846,587	3,814,552	32,035
Voluntary Benefit	319,180	362,178	(42,997)	319,180	319,180	-	319,180	319,180	-
Onsite Clinic (Marathon)	187,865	193,929	(6,064)	187,865	187,865	-	187,865	187,865	-
Other Contract Fees/Flex	52,527	88,677	(36,149)	52,527	82,386	(29,858)	52,527	82,386	(29,858)
PCORI	-	-	-	-	-	-	-	-	-
Administrative Fund	463,918	481,841	(17,923)	463,918	434,248	29,670	463,918	434,248	29,670
<b>Total</b>	<b>65,238,508</b>	<b>68,085,868</b>	<b>(2,847,360)</b>	<b>54,429,086</b>	<b>55,323,503</b>	<b>(894,417)</b>	<b>51,562,557</b>	<b>52,494,728</b>	<b>(932,171)</b>
<b>Net Cash Flow</b>	<b>(9,710,936)</b>	<b>(11,961,961)</b>	<b>(2,251,025)</b>	<b>(5,357,373)</b>	<b>(6,001,955)</b>	<b>(644,582)</b>	<b>(2,490,844)</b>	<b>(3,173,180)</b>	<b>(682,336)</b>
Beginning Balance (Reserve Fund)	36,272,535	52,568,817	16,296,282	26,751,794	40,790,617	14,038,823	21,584,617	34,923,767	13,339,150
Ending Balance (Reserve Fund)	26,751,794	40,790,617	14,038,823	21,584,617	34,923,767	13,339,150	19,283,969	31,885,691	12,601,722
Beginning Balance (Administrative Fund)	5,342,581	5,723,797	381,216	5,152,385	5,540,036	387,650	4,962,189	5,404,931	442,742
Ending Balance (Administrative Fund)	5,152,385	5,540,036	387,650	4,962,189	5,404,931	442,742	4,771,994	5,269,827	497,833
Beginning Balance (Both Funds)	41,615,116	58,292,614	16,677,498	31,904,180	46,330,653	14,426,473	26,546,807	40,328,698	13,781,891
Ending Balance (Both Funds)	31,904,180	46,330,653	14,426,473	26,546,807	40,328,698	13,781,891	24,055,963	37,155,518	13,099,555
<b>Enrollment (Subscriber)</b>	<b>Initial</b>	<b>Updated</b>	<b>Difference</b>	<b>Initial</b>	<b>Updated</b>	<b>Difference</b>	<b>Initial</b>	<b>Updated</b>	<b>Difference</b>
Active	38,813	38,944	131	38,813	38,944	131	38,813	38,944	131
COBRA	59	99	40	59	99	40	59	99	40
Non-Medicare Retiree	462	525	63	462	525	63	462	525	63
Medicare Retiree	7,518	7,410	(108)	7,518	7,410	(108)	7,518	7,410	(108)
<b>Total</b>	<b>46,852</b>	<b>46,978</b>	<b>126</b>	<b>46,852</b>	<b>46,978</b>	<b>126</b>	<b>46,852</b>	<b>46,978</b>	<b>126</b>
Revenue PEPM	1,185	1,195	10	1,047	1,050	3	1,047	1,050	3
Expenses PEPM	1,392	1,449	57	1,162	1,178	16	1,101	1,117	17

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

	Jan-2025 - Oct-2025			Jan-Dec 2025			
	Initial Budget	Updated Budget	Gain/(Loss)	Initial Budget	Actual/Budget	\$ Gain/(Loss)	% Gain/(Loss)
<b>Revenue</b>							
State ER	349,995,096	351,694,990	1,699,894	417,722,323	419,363,515	1,641,192	0.4%
State EE	63,414,356	63,681,148	266,791	76,119,137	76,457,005	337,868	0.4%
Non-State ER	44,234,814	45,024,046	789,232	53,442,091	54,560,769	1,118,677	2.1%
Non-State EE	6,871,142	7,025,667	154,525	8,242,291	8,430,780	188,489	2.3%
Direct Bill	27,681,512	27,564,745	(116,766)	33,203,213	33,093,485	(109,729)	-0.3%
COBRA	647,948	794,831	146,883	774,107	1,013,677	239,570	30.9%
Voluntary Benefit	3,361,639	3,647,568	285,929	4,000,000	4,285,929	285,929	7.1%
Interest/Other	1,356,263	1,943,175	586,912	1,611,867	2,215,820	603,953	37.5%
Zinc Rx Settlement / Funding from GBA	-	14,568,079	14,568,079	-	14,568,079	14,568,079	
Administrative Fund	2,966,287	2,932,564	(33,723)	3,557,453	3,530,852	(26,601)	-0.7%
<b>Total</b>	<b>500,529,057</b>	<b>518,876,814</b>	<b>18,347,757</b>	<b>598,672,483</b>	<b>617,519,910</b>	<b>18,847,427</b>	<b>3.1%</b>
<b>Expenses</b>							
Medical Claims	315,110,587	315,115,863	(5,276)	381,347,116	381,277,634	69,482	0.0%
Rx Claims	93,904,354	97,532,217	(3,627,863)	118,008,582	123,570,157	(5,561,575)	-4.7%
Dental Claims	25,594,933	26,198,888	(603,955)	30,377,457	31,009,014	(631,557)	-2.1%
Health Savings ER	32,087,963	32,850,812	(762,850)	33,216,168	33,982,742	(766,575)	-2.3%
ASO/Premium	38,553,888	38,146,861	407,027	46,247,063	45,775,966	471,098	1.0%
Voluntary Benefit	3,361,639	3,647,568	(285,929)	4,000,000	4,285,929	(285,929)	-7.1%
Onsite Clinic (Marathon)	1,842,285	1,855,179	(12,894)	2,218,015	2,230,909	(12,894)	-0.6%
Other Contract Fees/Flex	491,923	489,626	2,297	596,978	654,397	(57,419)	-9.6%
PCORI	209,619	213,311	(3,692)	209,619	213,311	(3,692)	-1.8%
Administrative Fund	4,516,669	4,387,854	128,816	5,444,506	5,256,351	188,156	3.5%
<b>Total</b>	<b>515,673,862</b>	<b>520,438,180</b>	<b>(4,764,318)</b>	<b>621,665,504</b>	<b>628,256,411</b>	<b>(6,590,906)</b>	<b>-1.1%</b>
<b>Net Cash Flow</b>	<b>(15,144,805)</b>	<b>(1,561,366)</b>	<b>13,583,439</b>	<b>(22,993,022)</b>	<b>(10,736,501)</b>	<b>12,256,521</b>	
Beginning Balance (Reserve Fund)	40,896,693	40,896,693	-	40,896,693	40,896,693	-	
Ending Balance (Reserve Fund)	27,302,271	40,790,617	13,488,346	19,790,725	31,885,691	12,094,966	
Beginning Balance (Administrative Fund)	6,995,325	6,995,325	-	6,995,325	6,995,325	-	
Ending Balance (Administrative Fund)	5,444,943	5,540,036	95,093	5,108,272	5,269,827	161,555	
Beginning Balance (Both Funds)	47,892,018	47,892,018	-	47,892,018	47,892,018	-	
Ending Balance (Both Funds)	32,747,214	46,330,653	13,583,439	24,898,997	37,155,518	12,256,521	
<b>Enrollment (Subscriber)</b>	<b>Initial</b>	<b>Updated</b>	<b>Difference</b>	<b>Initial</b>	<b>Updated</b>	<b>Difference</b>	<b>% Difference</b>
Active	38,796	38,778	(18)	38,799	38,806	7	0.0%
COBRA	63	76	13	62	80	18	28.2%
Non-Medicare Retiree	462	489	28	462	495	34	7.3%
Medicare Retiree	7,524	7,481	(43)	7,523	7,469	(54)	-0.7%
<b>Total</b>	<b>46,845</b>	<b>46,824</b>	<b>(20)</b>	<b>46,846</b>	<b>46,850</b>	<b>4</b>	<b>0.0%</b>
Revenue PEPM	1,068	1,108	40	1,065	1,098	33	3.1%
Expenses PEPM	1,101	1,111	11	1,106	1,117	12	1.1%

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

<b>Trend Assumptions</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>
Interest Rate on Fund Balance (Fiscal Year)	4.5%	4.00%	3.50%	3.25%	3.00%	3.00%
Admin/Contract Fee Trend/Vision Trend	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%
Prescription drug claim trend rate	6.8%	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%
Medicare Advantage trend rate	7.0%	4.0%	4.0%	4.0%	4.0%	4.0%
<b>Funding Rate Assumptions</b>						
<b>Medical</b>	Target based on 10% of Total Expenses					
Employer % Change (eff. July 1)	Fixed	Fixed	Fixed	Calculated	Calculated	Calculated
State Employer	5.0%	7.5%	8.0%	7.8%	7.8%	7.8%
Non-State Employer	5.0%	7.5%	8.0%	7.8%	7.8%	7.8%
State Employee % Change (eff. Jan 1)	Fixed	Fixed	Fixed	Calculated	Calculated	Calculated
Employee	0.0%	0.0%	2.0%	7.8%	7.8%	7.8%
Employee + Spouse	0.0%	0.0%	2.0%	7.8%	7.8%	7.8%
Employee + Child(ren)	0.0%	0.0%	2.0%	7.8%	7.8%	7.8%
Employee + Family	0.0%	0.0%	2.0%	7.8%	7.8%	7.8%
Non-State Employee % Change (eff. Jan 1)	Fixed	Fixed	Fixed	Calculated	Calculated	Calculated
Employee	0.0%	0.0%	2.0%	7.8%	7.8%	7.8%
Employee + Spouse	0.0%	0.0%	2.0%	7.8%	7.8%	7.8%
Employee + Child(ren)	0.0%	0.0%	2.0%	7.8%	7.8%	7.8%
Employee + Family	0.0%	0.0%	2.0%	7.8%	7.8%	7.8%
Non-Medicare Retiree Contrib % Change (eff. Jan 1)	Fixed	Fixed	Fixed	Calculated	Calculated	Calculated
Employee	0.0%	0.0%	2.0%	7.8%	7.8%	7.8%
Employee + Spouse	0.0%	0.0%	2.0%	7.8%	7.8%	7.8%
Employee + Child(ren)	0.0%	0.0%	2.0%	7.8%	7.8%	7.8%
Employee + Family	0.0%	0.0%	2.0%	7.8%	7.8%	7.8%
<b>Dental</b>						
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%	0.0%	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%
Plan N EE+CH (Now \$1,000)		\$ -	\$ -	\$ -	\$ -	
<b>Wellness Assumptions</b>						
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%
<b>Reserve Targets</b>						
10% of Total Expenses (average of prior 3 years)	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
<b>Additional Cash</b>						
Funding from GBA						
Expense Cost/(Savings)						

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

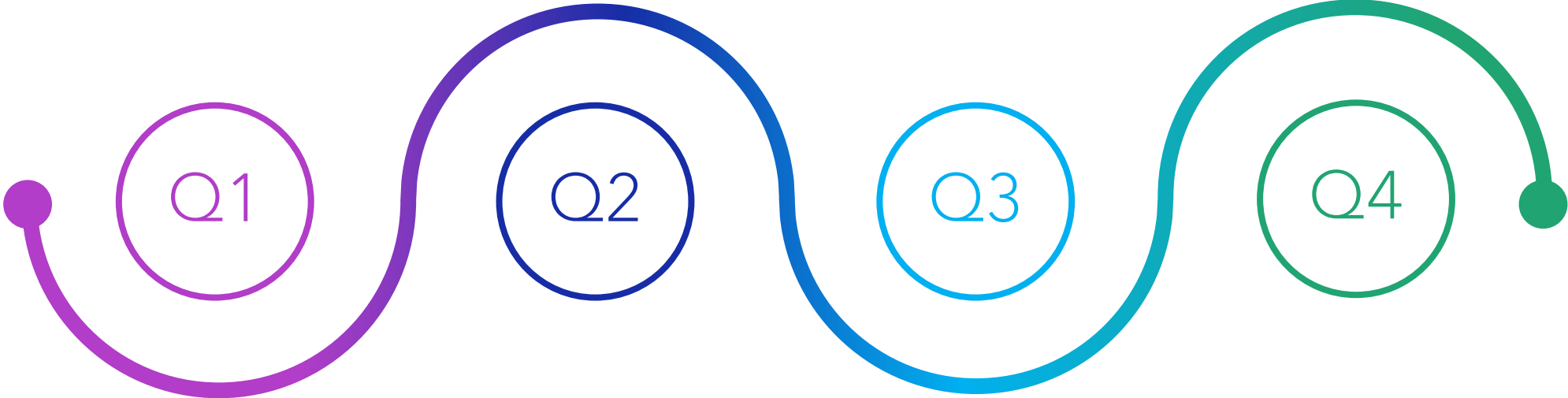
	2024 Actual	2025 Projected	2026 Projected	2027 Projected	2028 Projected	2029 Projected
<b>Revenue</b>						
State ER	\$ 384,229,838	\$ 419,363,515	\$ 448,495,057	\$ 483,100,179	\$ 519,955,142	\$ 559,650,287
State EE	\$ 73,601,308	\$ 76,457,005	\$ 78,345,930	\$ 84,683,360	\$ 91,503,412	\$ 98,843,396
Non-State ER	\$ 53,364,993	\$ 54,560,769	\$ 59,443,127	\$ 64,004,330	\$ 68,860,452	\$ 74,089,060
Non-State EE	\$ 8,933,276	\$ 8,430,780	\$ 8,615,277	\$ 9,310,037	\$ 10,057,817	\$ 10,862,719
Direct Bill	\$ 31,411,607	\$ 33,093,485	\$ 34,200,181	\$ 35,692,320	\$ 37,255,706	\$ 38,894,148
COBRA	\$ 1,367,067	\$ 1,013,677	\$ 1,400,229	\$ 1,513,725	\$ 1,633,636	\$ 1,762,762
Voluntary Benefit	\$ 3,779,506	\$ 4,285,929	\$ 3,950,000	\$ 3,950,000	\$ 3,950,000	\$ 3,950,000
Interest/Other	\$ 4,669,363	\$ 2,215,820	\$ 1,076,142	\$ 678,652	\$ 492,503	\$ 1,076,109
Rx Settlement	\$ -	\$ 14,568,079	\$ -	\$ -	\$ -	\$ -
Administrative Fund	\$ 3,619,205	\$ 3,530,852	\$ 3,487,771	\$ 3,422,889	\$ 3,365,585	\$ 3,309,914
<b>Total</b>	<b>\$ 564,976,162</b>	<b>\$ 617,519,910</b>	<b>\$ 639,013,714</b>	<b>\$ 686,355,491</b>	<b>\$ 737,074,255</b>	<b>\$ 792,438,396</b>
<b>Expenses</b>						
Medical Claims	\$ 359,567,379	\$ 381,277,634	\$ 399,602,293	\$ 430,858,819	\$ 445,884,647	\$ 471,163,266
Rx Claims	\$ 108,228,296	\$ 123,570,157	\$ 127,194,373	\$ 135,377,197	\$ 144,460,745	\$ 156,549,164
Dental Claims	\$ 28,100,916	\$ 31,009,014	\$ 31,840,899	\$ 33,433,945	\$ 33,791,221	\$ 34,801,632
Health Savings ER	\$ 33,521,944	\$ 33,982,742	\$ 33,120,118	\$ 33,120,118	\$ 33,120,118	\$ 33,120,115
ASO/Premium	\$ 42,391,977	\$ 45,775,966	\$ 46,392,564	\$ 47,822,470	\$ 49,301,056	\$ 50,830,100
Voluntary Benefit	\$ 3,779,506	\$ 4,285,929	\$ 3,950,000	\$ 3,950,000	\$ 3,950,000	\$ 3,950,000
Marathon (Onsite Clinic)	\$ 2,222,482	\$ 2,230,909	\$ 2,403,135	\$ 2,451,198	\$ 2,500,222	\$ 2,550,226
Other Contract Fees/Flex	\$ 505,958	\$ 654,397	\$ 970,264	\$ 989,669	\$ 1,009,462	\$ 1,029,651
PCORI	\$ 194,591	\$ 213,311	\$ 221,140	\$ 229,255	\$ 237,669	\$ 246,391
Expenses Cost/(Savings)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Administrative Fund	\$ 5,422,563	\$ 5,256,351	\$ 5,142,400	\$ 5,182,390	\$ 5,226,418	\$ 5,271,895
<b>Total</b>	<b>\$ 583,935,612</b>	<b>\$ 628,256,411</b>	<b>\$ 650,837,185</b>	<b>\$ 693,415,061</b>	<b>\$ 719,481,559</b>	<b>\$ 759,512,442</b>
<b>Net Cash Flow</b>	<b>\$ (18,959,450)</b>	<b>\$ (10,736,501)</b>	<b>\$ (11,823,471)</b>	<b>\$ (7,059,570)</b>	<b>\$ 17,592,696</b>	<b>\$ 32,925,954</b>
<b>Beginning Balance (Reserve Fund)</b>	<b>\$ 58,052,785</b>	<b>\$ 40,896,693</b>	<b>\$ 31,885,691</b>	<b>\$ 21,716,849</b>	<b>\$ 16,416,780</b>	<b>\$ 35,870,309</b>
<b>Ending Balance (Reserve Fund)</b>	<b>\$ 40,896,693</b>	<b>\$ 31,885,691</b>	<b>\$ 21,716,849</b>	<b>\$ 16,416,780</b>	<b>\$ 35,870,309</b>	<b>\$ 70,758,244</b>
<b>Beginning Balance (Administrative Fund)</b>	<b>\$ 8,798,683</b>	<b>\$ 6,995,325</b>	<b>\$ 5,269,827</b>	<b>\$ 3,615,198</b>	<b>\$ 1,855,697</b>	<b>\$ (5,136)</b>
<b>Ending Balance (Administrative Fund)</b>	<b>\$ 6,995,325</b>	<b>\$ 5,269,827</b>	<b>\$ 3,615,198</b>	<b>\$ 1,855,697</b>	<b>\$ (5,136)</b>	<b>\$ (1,967,117)</b>
<b>Beginning Balance (Both Funds)</b>	<b>\$ 66,851,469</b>	<b>\$ 47,892,018</b>	<b>\$ 37,155,518</b>	<b>\$ 25,332,047</b>	<b>\$ 18,272,477</b>	<b>\$ 35,865,173</b>
<b>Ending Balance (Both Funds)</b>	<b>\$ 47,892,018</b>	<b>\$ 37,155,518</b>	<b>\$ 25,332,047</b>	<b>\$ 18,272,477</b>	<b>\$ 35,865,173</b>	<b>\$ 68,791,127</b>
<b>Target based on HB.2218</b>	<b>\$ 50,898,848</b>	<b>\$ 53,835,262</b>	<b>\$ 58,278,750</b>	<b>\$ 62,100,974</b>	<b>\$ 65,750,289</b>	<b>\$ 68,791,127</b>
<b>Fund Balance vs. HB.2218 Target Surplus/(Shortfall)</b>	<b>\$ (3,006,830)</b>	<b>\$ (16,679,744)</b>	<b>\$ (32,946,703)</b>	<b>\$ (43,828,497)</b>	<b>\$ (29,885,116)</b>	<b>\$ (0)</b>
<b>Enrollment (Subscriber)</b>						
Active	38,064	38,806	38,944	38,944	38,944	38,944
COBRA	104	80	99	99	99	99
Non-Medicare Retiree	416	495	525	525	525	525
Medicare Retiree	7,763	7,469	7,410	7,410	7,410	7,410
<b>Total</b>	<b>46,347</b>	<b>46,850</b>	<b>46,978</b>	<b>46,978</b>	<b>46,978</b>	<b>46,978</b>
	46,327					
Revenue PEPM	\$ 1,016	\$ 1,098	\$ 1,134	\$ 1,218	\$ 1,307	\$ 1,406
Expenses PEPM	\$ 1,050	\$ 1,117	\$ 1,155	\$ 1,230	\$ 1,276	\$ 1,347

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

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

# Agenda Item #6

# HCC 2026 MEETING DATES



FEBRUARY

9:30a - 11a

- 2/6 Friday

APRIL

9:30a - 11a

- 4/15 Wednesday

JUNE

9a - 11a

- 6/2 Tuesday

AUGUST

9:30a - 11a

- 8/18 Tuesday

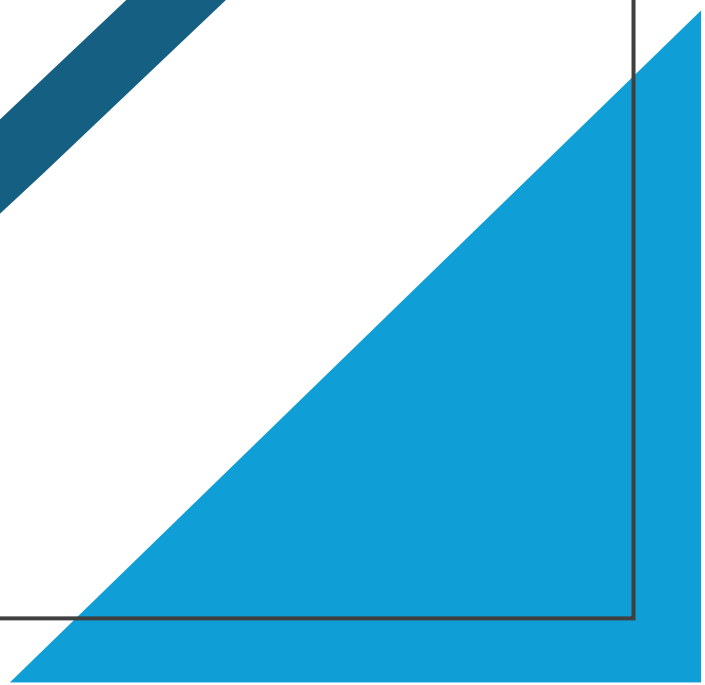
DECEMBER

1:30p - 3:30p

- 12/1 Tuesday
- 12/2 Wednesday
- 12/3 Thursday
- 12/8 Tuesday
- 12/09 Wednesday
- 12/10 Thursday

# APPENDIX - A

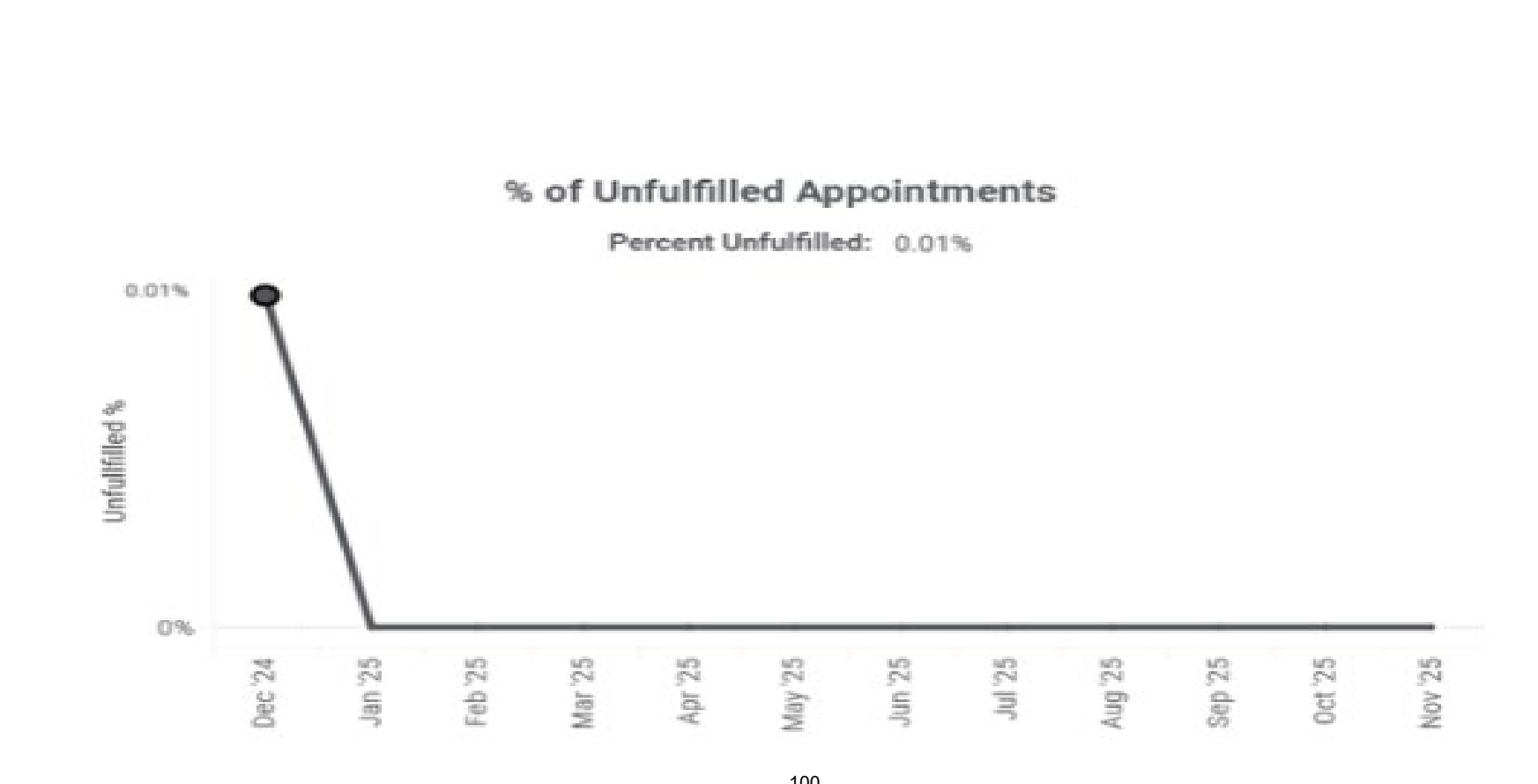
# Follow up Items from the August 20, 2025 HCC Meeting



# Statistics on same day appointments at the onsite HealthQuest clinic

# Same Day Appointment Information

- There were two unfulfilled requests in December 2024 and none since then, which shows strong same-day availability.



Provide a break out in the finance report the Health Savings Account (HSA) & Health Reimbursement Account (HRA) contributions

- This information is now included in the Segal projection model letter provided to the HCC

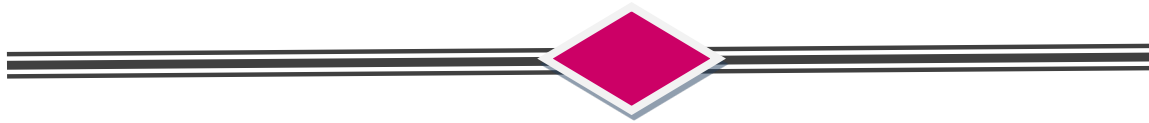
Add verified resources to the SEHP website and for Direct Bill members

- Additional resources were added to the website:
- <https://sehp.healthbenefitsprogram.ks.gov/retiree>

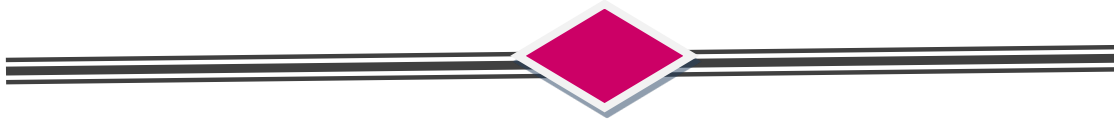
# APPENDIX - B



# STATE EMPLOYEES HEALTH CARE COMMISSION



## ANNUAL REPORT



### PLAN YEAR 2025

<b>Table of Contents</b>
--------------------------

- EXECUTIVE SUMMARY ..... 2**
- BACKGROUND ..... 3**
- SUMMARY OF CHANGES AND OTHER ACTIVITIES IN PLAN YEAR 2025 ..... 4**
  - Health Plan Administration ..... 4
  - Health Plan Changes ..... 4
  - Open Enrollment for Plan Year 2025 ..... 5
  - Non State Public Employers ..... 7
  - Additional Health Plan Offerings ..... 7
  - Re-Contracting for Health Plan Vendors and Services ..... 7
- SUMMARY OF CHANGES FOR PLAN YEAR 2026..... 9**
  - Health Plan Administration ..... 9
  - Health Plan Changes ..... 9
  - Open Enrollment for Plan Year 2026 ..... 10
  - Non State Public Employers ..... 12
- HEALTHQUEST PROGRAM HIGHLIGHTS ..... 13**
  - HealthQuest Health Center ..... 13
  - HealthQuest Wellness Program ..... 13
- Plan Financials ..... 14**
  - Beginning Balance ..... 14
  - Plan Revenues ..... 14
  - Plan Expenses ..... 14
  - Administrative Fund ..... 14
  - Plan Reserves ..... 14
  - Summary ..... 15
  - Table 1: Projection Summary ..... 16
  - Table 1A: Financial Data ..... 18
  - Table 2: Statement of Operations Plan History FY 2013 to FY 2025..... 20
  - Figure 1: History of SEHP Fund Revenue, Plan Expenses and Fund Balance ..... 21
- House Bill 2218 ..... 22**
  - Background ..... 22
  - Actions taken by the HCC related to H.B. 2218 ..... 22
  - Recommendations ..... 24
- EXHIBITS ..... 25**
  - Employee Advisory Committee Member ..... 25
  - 2025 Group Health Insurance Enrollment by Type of Participant ..... 26
  - 2025 Non State Entities Enrollment ..... 28
  - 2025 Comparison of Actual to Projected Health Plan Costs (Unaudited) ..... 29

## EXECUTIVE SUMMARY

- For Plan Year (PY) 2025, with the additional employer and the employee contributions, the opinion of the State Employee Health Plan's (SEHP) actuaries is that the SEHP fund should have sufficient funds to pay the health care expenses for a self funded health plan covering approximately 87,000 lives.
- For PY 2025, employees have had four (4) plan design options from which to choose: Plan A, a traditional Preferred Provider Organization (PPO); Plan C and Plan N, Qualified High Deductible Health Plans (QHDHPs); and Plan J is a PPO designed to meet the requirements for J1 Visa holders. Plan C and Plan N members were eligible to elect a Health Savings Account (HSA) or a Health Reimbursement Account (HRA). Plan J is offered with a Health Reimbursement Account (HRA). All health plan options were administered by both Health Plan vendors: Aetna and Blue Cross Blue Shield of Kansas.
- The PY 2026 Open Enrollment Period was October 1-31, 2025. Staff conducted seven (7) virtual Personnel Officer training meetings via Teams with over 390 attendees from State agencies and Non State Public Employer Groups prior to the start of Open Enrollment. There were two (2) Benefits Fairs held at the State Capitol. The first one was held outdoors and had over 500 in attendance. The second was held on the Rotunda and had over 300 in attendance. At these health fairs, members were able to meet with health plan vendors and staff to ask questions. Staff from the HealthQuest Health Center (HQHC) attended to provide flu shots and schedule appointments. SEHP staff held two (2) live Open Enrollment webinars with attendees. SEHP members had access 24/7 to the Open Enrollment presentation. The website included an interactive decision-making tool called ASK ALEX. ASK ALEX was used by 10,346 unique members during the Open Enrollment period. This is an increase of 593 from last year. The increase is attributable to the benefit changes in Plan A.
- The Health Plan Operations Team conducted in-person meetings and events for the 2025 Open Enrollment season. There were 44 presentations or benefit fairs conducted throughout the state at 31 locations, in 24 cities. These events were attended in total by 2,700 SEHP members. Vendors also attended many of these events and were on hand to answer questions and provide service to SEHP members.
- The HealthQuest Health Center (HQHC), operated by Marathon Health, opened in May 2019 in the Mills Building at 901 S. Kansas Avenue, Topeka, KS. All members covered by the SEHP and over age two (2) are eligible to use the health center services. The HQHC saw continued growth in utilization during PY 2025.

## BACKGROUND

The Kansas State Employees Health Care Commission (HCC) was created by the 1984 Legislature through the enactment of K.S.A. 75-6501 et seq. to “develop and provide for the implementation and administration of a state health care benefits program. . . [It] may provide benefits for persons qualified to participate in the program for hospitalization, medical services, surgical services, nonmedical remedial care and treatment rendered in accordance with a religious method of healing and other health services.” Under K.S.A. 75-6504(b), the HCC is authorized to “negotiate and enter into contracts with qualified insurers, health maintenance organizations and other contracting parties for the purpose of establishing the state health care benefits program.”

Effective July 1, 2021, the HCC is composed of seven (7) members. The Secretary of Administration and the Commissioner of Insurance serve as members of the HCC as mandated by statute, while the Governor appoints (3) three members. K.S.A. 75-6502 requires one of the Governor’s appointees to be a representative of the public, one member to be a current state employee enrolled in the state employee health plan medical plan, and one member to be a retired state employee enrolled in the state employee health plan medical plan. A representative serving on the House Appropriations Committee is appointed by the Speaker of the House to serve and a senator serving on the Senate Ways and Means Committee is appointed by the President of the Senate to serve on the HCC. The HCC met six (6) times during 2025. The 2025 HCC members were:

- **Adam Proffitt**, Chair and Secretary of Administration
- **Cristi Cain**, active state employee
- **Steve Dechant**, retired state employee
- **Anthony Hensley** representative from the public
- **Beverly Gossage**, representative from the Senate Ways and Means Committee
- **William Sutton**, representative from the House Appropriations Committee
- **Vicki Schmidt**, Commissioner of Insurance

The Health Care Commission (HCC) has implemented an Employee Advisory Committee (EAC) as provided by K.S.A.75-6510(b). It is composed of 21 members, 19 of whom are active employees and two who participate through Direct Bill. Members are selected on the basis of geographic location, agency, gender, age, and plan participation to ensure a balanced membership representing a broad range of employee and Direct Bill member interests; there are currently five (5) vacancies. Each member serves a three-year term. (See Exhibit A.) The EAC met four (4) times during 2025.

The State Employee Health Plan staff are part of the Division of State Employee Health Benefits Plan within the Department of Administration. The SEHP is responsible for bringing recommendations to the HCC and carrying out the operations of the SEHP. Segal Consulting provides the actuarial and consulting services for the SEHP.

## 1. SUMMARY OF CHANGES AND OTHER ACTIVITIES IN PLAN YEAR 2025

This section includes a summary of Health Plan offerings approved by the HCC in 2024 for implementation in Plan Year (PY) 2025, which begins January 1, 2025.

### **HEALTH PLAN ADMINISTRATION**

This will be the second year of the HCC's three-year contract with each vendor for Administrative Services Only (ASO) of the self funded medical plans. The following vendors will provide administrative and network services for all four (4) of the active SEHP plan options (A, C, J & N) in 2025:

- Aetna
- Blue Cross Blue Shield of Kansas (BCBSKS)

The ASO for the self funded dental program will be done by Delta Dental of Kansas. This is the first year of their three-year contract to provide dental ASO services.

### **Voluntary Insurance Plan Offerings**

The voluntary plan options are paid for in full by the employee's that elect to enroll in them. This is the first year of the three year contract with Surency to offer voluntary prescription eyewear insurance coverage. The prescription eyewear plan provides benefits for prescription eyewear including eyeglass lenses, frames, and contact lenses. Employees have the option of enrolling in either the basic or enhanced plan options.

This is the first year of the three-year contract with MetLife to offer voluntary insurance plan options for hospital indemnity, accidental injury, and critical injury insurance.

### **HEALTH PLAN CHANGES**

Members will have the choice of four (4) medical plan options for PY 2025: Plans A, C, J and N. The HCC voted to keep the employee contribution rates for all the medical coverage tiers the same for PY 2025. The employer contribution rates will increase effective July 1, 2025, by seven and a half percent (7.5%) for medical coverage.

In June 2024, the HCC voted to modify the benefits retroactive to January 1, 2024, for breast cancer screenings by MRI or ultrasounds when performed by network providers. Plan A members receiving these qualifying breast cancer screenings will have no member cost share. Members on Plans C, J, and N would have no coinsurance on qualifying breast cancer screenings. Coverage for residential treatment facilities was also added retroactive to January 1, 2024.

Starting in PY 2025, the HCC increased coverage for orthodontic benefit from \$1,000 to \$1,500 per member per lifetime and the overall dental maximum increased from \$1,700 to \$2,000 per member per year. To meet the new IRS requirements, members on Plans C and N with dependent coverage will see the first deductible applied increase to \$3,300. The remaining family members would meet the balance of the deductible of \$2,200 for an overall family deductible of \$5,500.

### **Medicare Eligible Direct Bill Plan Changes**

The SEHP offers several standardized Medicare Supplement plan options from Blue Cross Blue Shield of Kansas (BCBSKS). Due to federal law requirements, enrollment in the Medicare Supplement Plan C option or C Select option are only available to Direct Bill members who were Medicare eligible prior to calendar year 2020. All Direct Bill members have the option of electing BCBSKS Medicare Supplement Plan G, Plan G Select, Plan G High Deductible, or Plan N. Medicare eligible Direct Bill members also have two Medicare Advantage plan options. Members have the choice of Aetna Freedom PPO or Aetna Elite PPO Advantage plans.

Members enrolled in the Medicare Supplement plan options through BCBSKS also have the option to enroll in a Medicare Part D prescription drug plan through SilverScript. Updates to the plans for 2025 resulting from the Inflation Reduction Act (IRA) include elimination of the coverage gap and a new out of pocket threshold of \$2,000. SilverScript offers members the choice of two plan design options:

- Premier - the enhanced Part D benefit that has been offered in the past.

- Economy – a competitively priced Part D option

Complete details on all the Medicare plan offerings for Direct Bill members can be found at:

[HTTPS://SEHP.HEALTHBENEFITSPROGRAM.KS.GOV/RETIREE](https://SEHP.HEALTHBENEFITSPROGRAM.KS.GOV/RETIREE)

**OPEN ENROLLMENT FOR PLAN YEAR 2025**

The active employee Open Enrollment period was October 1 to October 31, 2024. Staff conducted 7 virtual personnel officer training meetings via Teams for 370 representatives from State agencies and the Non State Public Employer Groups prior to the start of Open Enrollment. SEHP staff conducted several in-person meetings. Staff held 36 meetings at 28 locations in 23 cities across the state. These meetings were attended by nearly 2,100 members in total. There were two Benefits Fairs held at the State Capitol where members were able to meet with health plan providers and vendors to ask questions. Over 450 members attended the first event held outside the capitol. The second event was held in the Capitol Rotunda and attended by over 350 people. Staff from the HealthQuest Health Center also attended to provide flu shots and schedule appointments. SEHP staff presented two (2) live Open Enrollment Webinars for more than 1,000 attendees. SEHP members had access 24/7 to the on-demand webinar and Open Enrollment presentation and video. In addition, SEHP members have full access on the website to all vendor specific videos and materials.

Email support to SEHP members was available through the Benefits Email Box at [SEHPBenefits@ks.gov](mailto:SEHPBenefits@ks.gov). The Benefits Box can be accessed through the SEHP website, and is available year-round to members and HR staff, enabling them to submit inquiries, questions, or comments. During Open Enrollment, 776 emails were received during this year’s Open Enrollment compared to 899 for the same period in 2023.

This was the sixth year members had access to an interactive decision tool to assist in the determination of enrollment selections for medical, dental, vision, voluntary benefits, and flexible spending account participation. The “ASK ALEX,” tool was accessed by 9,753 unique members during Open Enrollment.

All active employees were required to make enrollment elections during Open Enrollment for health plan coverage. During the OE period, 40,115 State and Non State Public Employer Group employees utilized the online membership system (MAP) to make their elections for Plan Year 2025. A total of 318 employees (275 employees from state agencies and 43 from the Non State Public Employer Group) did not actively engage in the enrollment process and were enrolled in Plan N with an HRA for 2025. There were 104 employees in this group that were already enrolled in Plan N during 2025.

**Final Health Plan enrollment numbers as of November 20, 2024, for State and Non State active employees were as follows:**

Medical Plan Enrollment numbers for State and Non State Public Employer Group Employees

Vendor	Plan A	Plan C	Plan J	Plan N	Waived
Aetna	1,944	1,495	132	352	
BCBSKS	17,140	14,463	485	2,124	
Total	19,084	15,958	617	2,476	

Dental enrollment numbers for the State and Non State Public Employer Group employees:

Vendor	Enrolled	Waived
Delta Dental	38,856	4,190

Flexible Spending Accounts (FSA) for State employee only enrollment numbers:

Vendor	FSA Plan	Enrolled
NueSynergy	Health Care	6,294
	Limited Purpose	1,460
	Dependent Care	1,291
	Commuter Parking	61
	Commuter Mass Transit	77
	<b>Total</b>	<b>9,183</b>

Vision enrollment numbers for State and Non State Public Employer Group employees:

Vendor	Plan	Enrolled	
Surency	Basic Plan	9,400	<b>Waived</b>
	Enhanced Plan	22,441	
	<b>Total</b>	<b>31,841</b>	

Voluntary Benefit Plan enrollment numbers:

Vendor	Plan		\$10,000 Option	\$20,000 Option
MetLife	Accident Insurance	17,465		
	Critical Illness		5,307	7,743
	Hospital Indemnity		6,238	6,857

### Direct Bill

The Direct Bill member Open Enrollment was held from October 16 - November 15, 2024. Those members who elected to make no health plan enrollment changes did not need to take any action, as Direct Bill members were not required to re-enroll. Their current election would roll forward for Plan Year 2024. Direct Bill members during Open Enrollment have the option to use the online MAP Membership system or to contact the Direct Bill Call Center to make any plan changes.

### Plan Year 2025 enrollment numbers for all Direct Bill members as of November 22, 2024:

Non Medicare Medical Enrollment:

Vendor	Plan A	Plan C	Plan J	Plan N
Aetna	13	16	1	0
BCBSKS	154	234	1	3
<b>Total</b>	<b>167</b>	<b>250</b>	<b>2</b>	<b>3</b>

Medicare Supplement Insurance Enrollment:

Vendor	Senior Plan C	Senior Plan C Select	Senior Plan G	Senior Plan G High Deductible	Senior Plan G Select	Senior Plan N
BCBSKS	5,347	388	616	29	128	264

Medicare Part D Prescription Drug Plan Enrollment:

Vendor	Premier	Economy
SilverScript	1,367	664

Medicare Advantage Plan Enrollment:

Vendor	Advantra Freedom PPO	Advantra Elite PPO
Aetna	508	260

Voluntary Insurance Plan Enrollment:

Vendor	Dental	Basic Vision	Enhanced Vision
Delta Dental	8,119		
Surency Vision		637	3,768

## **NON STATE PUBLIC EMPLOYERS**

K.S.A. 75-6506(c) authorizes the Kansas State Employees Health Care Commission to designate by rules and regulations the inclusion of public schools and certain local governmental entities into the SEHP. The following chart shows the enrollment by type of eligible group as of January 1, 2025:

<b>Summary</b>	<b>Number of Groups</b>	<b>Covered Employees</b>
Educational Entities	10	751
Cities	37	195
Counties	11	791
Townships	1	1
Public Hospitals & Community Mental Health Centers	16	1388
Misc. Local Governmental Entities	44	230
<b>Total</b>	<b>119</b>	<b>3356</b>

## **ADDITIONAL HEALTH PLAN OFFERINGS**

### **Preferred Lab Services**

The SEHP has negotiated discount pricing arrangements with three preferred lab vendors. The negotiated discount lab pricing results in a cost savings for the Health Plan and the members. The three preferred lab vendors available to members are: Quest Diagnostics that offers a statewide and nationwide preferred lab network, Stormont Vail Health and the University of Kansas Health System (TUKHS) which offer regional preferred lab networks.

When members on Plan A use a preferred lab vendor for covered lab services, the charges are paid in full by the Plan. For Plans C, J, and N, the benefit works differently due in part to federal guidelines that govern Qualified High Deductible Health Plans (QHDHPs) such as Plans C and N. When Plan C, J, and N members use a preferred lab vendor for covered lab work, they will receive the negotiated discount price for covered lab services while in the deductible phase. Once their deductible has been satisfied, covered lab services provided by a preferred lab vendor are paid in full by the Plan. Using the preferred lab benefit is optional. Members have coverage for covered lab services when provided by other lab providers, subject to applicable plan deductible and coinsurance.

### **Prescription Drug Coverage**

The HCC continued its multi-tiered coinsurance plan design for the prescription drug plan design that encourages and rewards cost-effective consumer purchases. Members pay coinsurance for their prescriptions, and their coinsurance accumulates toward the combined medical and pharmacy out of pocket maximum. Through proactive plan management, and increased consumer awareness, the generic dispensing rate has continued to be above 80%.

### **SmartShopper**

The Sapphire SmartShopper program is available to all active BCBSKS members. For eligible health care services, when a member calls a SmartShopper Personal Assistant or visits the BCBSKS website shops for and then uses one of the lower cost facilities for their care, they will be eligible for a cash reward for shopping. Information on the SmartShopper program can be found at: [https://www.healthbenefitsprogram.ks.gov/docs/default-source/site-documents/sehp/vendor-documents/bcbs/2022/2022-smartshopper.pdf?sfvrsn=66bdef5f\\_2](https://www.healthbenefitsprogram.ks.gov/docs/default-source/site-documents/sehp/vendor-documents/bcbs/2022/2022-smartshopper.pdf?sfvrsn=66bdef5f_2)

### **HealthCare Bluebook**

For members enrolled with Aetna, they have access to HealthCare Bluebook, a similar shopping program to SmartShopper. HealthCare Bluebook allows Aetna members to shop and compare prices for medical services. When the member selects an Aetna network provider designated as a Fair Price provider for their high-quality and affordable medical service, the member is eligible to receive a cash reward for shopping on HealthCare Bluebook.

## **RE-CONTRACTING FOR HEALTH PLAN VENDORS AND SERVICES**

The HCC issued several Request for Proposals (RFPs) during Plan Year 2025.

**Request for Proposal (RFP) number EVT0009985 for the Employee Assistance Program** was released on October 10, 2024, and closed on November 28, 2024. Five (5) bids were received from: Acentra Health, All One Health, Carelon Behavioral Health, ComPsych and Evernorth Health. Four (4) bidders were invited for further negotiations. The HCC voted to award three-year contracts for EAP services to ComPsych.

**Request for Proposal (RFP) number EVT0010054 for Flexible Spending Account (FSA) Administration** was released on December 10, 2024, and closed on January 17, 2025. Six (6) bids were received from: Application Software, Inc. (ASIFlex), Baker Tilly Vantage, Inspira Financial Health, MetLife, NueSynergy and TASC. Four (4) bidders were invited for further negotiations. The HCC voted to award three-year contracts for FSA administration with MetLife.

**Request for Proposal RFP EVT0010130 for a Pharmacy Benefit Manager** was posted on January 24, 2025, and closed on February 27, 2025. Three (3) bids were received from Blue Cross Blue Shield of Kansas (BCBSKS), Caremark and MedImpact. All three (3) companies were invited for further negotiations. The HCC voted to award a three-year contract for Pharmacy Benefit Manager to Caremark.

**Request for Proposal EVT0010331 for administration of the HealthQuest Health Center (HQHC) and Wellness program** was posted on May 7, 2025, and closed on June 10, 2025. Three (3) bids were received from: Health by Design, Marathon Health and Vera Whole Health, Inc. All three (3) vendors were invited for further negotiations. The HCC voted to award a three-year contract for administration of the HQHC and wellness program to Marathon Health.

## 2. SUMMARY OF PLAN YEAR 2026

This section includes a summary of Health Plan offerings approved by the HCC in 2025 for implementation in Plan Year (PY) 2026, which begins January 1, 2026.

### **HEALTH PLAN ADMINISTRATION**

This will be the third year of the HCC's three-year contract with each vendor for Administrative Services Only (ASO) of the self funded medical plans. The following vendors will provide administrative and network services for all four (4) of the active SEHP plan options (A, C, J & N) in 2026:

- Aetna
- Blue Cross Blue Shield of Kansas (BCBSKS)

The ASO for the self funded dental program will be done by Delta Dental of Kansas. This is the second year of their three-year contract to provide dental ASO services.

### **Voluntary Insurance Plan Offerings**

The voluntary plan options are paid for in full by the employees that elect to enroll in them. This is the second year of the three (3) year contract with Surency to offer voluntary prescription eyewear insurance coverage. The prescription eyewear plan provides benefits for prescription eyewear including eyeglass lenses, frames, and contact lenses. Employees have the option of enrolling in either the basic or enhanced plan options.

This is the third year of the three (3) year contract with MetLife to offer voluntary insurance plan options for hospital indemnity, accidental injury, and critical injury insurance.

### **HEALTH PLAN CHANGES**

Members will have the choice of four (4) medical plan options for PY 2026: Plans A, C, J and N. The HCC voted to increase the employee contribution rates for all the medical coverage tiers by two (2) percent for PY 2026. The employer contribution rates will increase effective July 1, 2026, by eight percent (8%) for medical coverage. Dependent dental rates will increase by three point three percent (3.3%). Member only dental rates remain covered in full by the employer.

Starting in PY 2026, the HCC increased the deductible for Plan A by \$200 for single, and \$400 for family coverage resulting in new deductible amounts of \$1,000 for single, and \$2,000 for member plus dependents coverage. The Plan A copay for specialist office visit copay will increase from \$40 to \$60 per visit. To meet the new IRS requirements, members on Plans C and N with dependent coverage will see the first deductible applied increase to \$3,400. The remaining family members would meet the balance of the deductible of \$2,100 for an overall family deductible of \$5,500.

The HCC voted to modify the prior authorization (PA) requirement for coverage of GLP-1s when prescribed as anti-obesity medications (AOM). Starting in 2026, GLP-1s for AOM use require a documented body mass index (BMI) of 35 or higher. This BMI requirement is consistent with the BMI required for coverage of bariatric surgery under the SEHP.

### **Medicare Eligible Direct Bill Plan Changes**

The SEHP offers several standardized Medicare Supplement plan options from Blue Cross Blue Shield of Kansas (BCBSKS). Due to federal law requirements, enrollment in the Medicare Supplement Plan C option or C Select option are only available to Direct Bill members who were Medicare eligible prior to calendar year 2020. All Direct Bill members have the option of electing BCBSKS Medicare Supplement Plan G, Plan G Select, Plan G High Deductible, or Plan N. Medicare eligible Direct Bill members also have two Medicare Advantage plan options. Members have the choice of Aetna Freedom PPO or Aetna Elite PPO Advantage plans.

Members enrolled in the Medicare Supplement plan options through BCBSKS also have the option to enroll in a Medicare Part D prescription drug plan through SilverScript. SilverScript offers members the choice of two plan design options:

- Premier - the enhanced Part D benefit that has been offered in the past.
- Economy – a competitively priced Part D option

Complete details on all the Medicare plan offerings for Direct Bill members can be found at:  
[HTTPS://SEHP.HEALTHBENEFITSPROGRAM.KS.GOV/RETIREE](https://SEHP.HEALTHBENEFITSPROGRAM.KS.GOV/RETIREE)

**OPEN ENROLLMENT FOR PLAN YEAR 2026**

The active employee Open Enrollment period was October 1 to October 31, 2025. Staff conducted 7 virtual personnel officer training meetings via Teams for 390 representatives from State agencies and Non State Public Employer Groups prior to the start of Open Enrollment. SEHP staff conducted several in-person meetings. Staff held 44 meetings at 31 locations in 24 cities across the state. These meetings were attended by nearly 2,700 members in total. There were two Benefits Fairs held at the State Capitol where members were able to meet with health plan providers and vendors to ask questions. Over 500 members attended the first event held outside the capitol. The second event was held in the Capitol Rotunda and attended by over 350 people. Staff from the HealthQuest Health Center also attended to provide flu shots and schedule appointments. SEHP staff presented 4 live Open Enrollment Webinars for more than 800 attendees. SEHP members had access 24/7 to the on-demand webinar and Open Enrollment presentation and video. In addition, SEHP members have full access to all vendor specific videos and materials on the website.

Email support to SEHP members was available through the Benefits Email Box at [SEHPBenefits@ks.gov](mailto:SEHPBenefits@ks.gov). The Benefits Box can be accessed through the SEHP website, and is available year-round to members and HR staff, enabling them to submit inquiries, questions, or comments. During Open Enrollment, 919 emails were received during this year’s Open Enrollment compared to 776 for the same period in 2024. The increase is attributable to the benefit changes for 2026, particularly on Plan A.

This was the sixth year members had access to an interactive decision tool to assist in the determination of enrollment selections for medical, dental, vision, voluntary benefits, and flexible spending account participation. The “ASK ALEX,” tool was accessed by 10,346 unique members during Open Enrollment.

All active employees were required to make enrollment elections during Open Enrollment for health plan coverage. During the OE period, 38,692 State and Non State Public Employer Group employees utilized the online membership system (MAP) to make their elections for Plan Year 2026. A total of 530 employees (478 employees from state agencies and 52 from the Non State Public Employer Group) did not actively engage in the enrollment process and were enrolled in Plan N with an HRA for 2026. There were 96 employees in this group that were already enrolled in Plan N during 2025.

**Final Health Plan enrollment numbers as of November 28, 2025, for State and Non State active employees were as follows:**

Medical Plan Enrollment numbers for State and Non State Public Employer Group Employees

Vendor	Plan A	Plan C	Plan J	Plan N	Waived
Aetna	2,222	1,651	119	380	
BCBSKS	17,240	14,631	449	2,000	
Total	19,462	16,282	568	2,380	

Dental enrollment numbers for the State and Non State Public Employer Group employees:

Vendor	Enrolled	Waived
Delta Dental	39,528	3,897

Flexible Spending Accounts (FSA) for State employee only enrollment numbers:

Vendor	FSA Plan	Enrolled
MetLife	Health Care	6,532
	Limited Purpose	1,569
	Dependent Care	1,326
	Commuter Parking	77
	Commuter Mass Transit	69
	<b>Total: Unique Employees</b>	<b>9,026</b>

Vision enrollment numbers for State and Non State Public Employer Group employees:

Vendor	Plan	Enrolled	Waived
Surency	Basic Plan	9,701	
	Enhanced Plan	22,728	
	<b>Total</b>	<b>32,429</b>	<b>10,996</b>

Voluntary Benefit Plan enrollment numbers:

Vendor	Plan		\$10,000 Option	\$20,000 Option
MetLife	Accident Insurance		19,060	
	Critical Illness		5,732	8,567
	Hospital Indemnity		6,680	7,743

**Direct Bill**

The Direct Bill member Open Enrollment was held from October 15 - November 16, 2025. Those

members who elected to make no health plan enrollment changes did not need to take any action, as Direct Bill members were not required to re-enroll. Their current election would roll forward for Plan Year 2026. Direct Bill members during Open Enrollment have the option to use the online MAP Membership system or to contact the Direct Bill Call Center to make any plan changes.

**Plan Year 2026 enrollment numbers for all Direct Bill members as of November 28, 2025:**

Non Medicare Medical Enrollment:

Vendor	Plan A	Plan C	Plan J	Plan N
Aetna	12	31	0	1
BCBSKS	152	298	1	4
<b>Total</b>	<b>164</b>	<b>329</b>	<b>1</b>	<b>5</b>

Medicare Supplement Insurance Enrollment:

Vendor	Senior Plan C	Senior Plan C Select	Senior Plan G	Senior Plan G High Deductible	Senior Plan G Select	Senior Plan N
BCBSKS	5,023	379	745	74	149	307

Medicare Part D Prescription Drug Plan Enrollment:

Vendor	Premier	Economy
SilverScript	1275	793

Medicare Advantage Plan Enrollment:

Vendor	Advantra Freedom PPO	Advantra Elite PPO
Aetna	483	266

Voluntary Insurance Plan Enrollment:

Vendor	Dental	Basic Vision	Enhanced Vision
Delta Dental	8,216		
Surency Vision		755	4,272

**NON STATE PUBLIC EMPLOYERS**

K.S.A. 75-6506(c) authorizes the Kansas State Employees Health Care Commission to designate by rules and regulations the inclusion of public schools and certain local governmental entities into the SEHP. The following chart shows the enrollment by type of eligible group as of January 1, 2026:

<b>Summary</b>	<b>Number of Groups</b>	<b>Covered Employees</b>
Educational Entities	9	746
Cities	36	173
Counties	8	810
Townships	1	1
Public Hospitals & Community Mental Health Centers	14	1,230
Misc. Local Governmental Entities	46	229
<b>Total</b>	<b>114</b>	<b>3,189</b>

### 3. HEATHQUEST HEALTH CENTER AND WELLNESS PROGRAM HIGHLIGHTS

#### HEALTHQUEST HEALTH CENTER (HQHC)

The HealthQuest Health Center (HQHC) is in the Mills Building at 901 S. Kansas Ave., Topeka, KS. The clinic opened in May 2019. Marathon Health has staffed the clinic with a physician, two nurse practitioners, a mental health provider, a health coach and three medical assistants. The SEHP utilized its preferred lab agreement with Stormont Vail Health to provide for the third-party lab services to the HQHC. Expanded telehealth services through the Anywhere program was launched in 2023 to provide greater access to both healthcare and mental health care services to members statewide. State employees who have visited the HQ Health Center have consistently provided positive feedback regarding their experience at the health center and appreciation for professionalism of the staff, quality of the care provided and convenience of the health center location. Survey results show a 97.4% satisfied or very satisfied rating of the clinic by utilizing members. More information about the health center is available at [HealthQuest | State Employee Health Plan \(ks.gov\)](#)

#### WELLNESS PROGRAM

The HealthQuest (HQ) wellness program offers education and resources, promotes a healthier workforce, and helps decrease overall Plan healthcare costs. The HCC discussion on the HealthQuest program focused on ideas to change the HQ Rewards program. As a result, a combined RFP for the operation of the HQ health center and wellness program was issued. The HCC awarded the three year contract to Marathon Health to continue the operation of both programs starting January 1, 2026. Members have a convenient portal to access both the HQ health center and the wellness program.

The focus of the HealthQuest Rewards program is to promote preventive healthcare services, and health education activities, and providing a simpler member experience. Credits for receiving preventive care services are automatically awarded to members after the claim for service has been processed by the SEHP health plan vendors. The vendors send a file to Marathon to post the credits in the member's HQ account.

#### **Review of the PY 2025 HQ Wellness Rewards Program Through November 20, 2025:**

- 35,241 SEHP members are eligible to access HealthQuest wellness program.
- 34,581 employees earned at least one credit for completing a wellness activity.
- 22,718 participants have earned a premium incentive discount for Plan Year 2025.
  - 7,329 Plan A employees completed 40 credits to earn the full HQ premium incentive discount.
  - 5,796 Plan A employees completed 20 credits but less than 40 to earn the partial HQ premium incentive discount.
  - 9,593 Plan C, J, or N employees completed 40 credits to earn the full HQ premium incentive discount.

Since PY 2013, the HQ Rewards Program has been an integral part of the SEHP, with high participation, even though a member's participation is completely voluntary. More information about the wellness program and HQ Rewards can be found on the website at [HealthQuest | State Employee Health Plan \(ks.gov\)](#).

## 4. PLAN FINANCIALS

During 2025, the HCC continued to receive financial reports that summarized plan revenues, expenditures, and both current and projected balances of SEHP funds. The HCC focuses on these reports in an ongoing attempt to maintain a healthy reserve balance. Under the guidance of SEHP staff and Segal Actuarial Consultants, in December 2021, the Health Care Commission elected to move to the current year plus four years to align with the House Bill 2218. This section summarizes the financial status of the SEHP, including a discussion of funding balances, revenue, and expenses.

### BEGINNING BALANCE

The beginning balance shown in **Table 1** and **Table 1A** indicates the total amount of cash in the various funds available to the SEHP. Table 1 and Table 1 A are the SEHP statement of the current year plus four future years that was reviewed and on December 18, 2025, by the HCC. Funds available to the SEHP are referred to as the beginning/ending “**Balance.**” The beginning balance denotes the funds available at the beginning of each year which includes monies remaining from payroll collections (employees and state agencies), Direct Bill contributions from retirees, COBRA contributions, and Non State Public Employer contributions once all expenses have been paid from the previous plan year. The reserve funds are managed by the Kansas Pooled Money Investment Board. It is estimated that the interest earned on the fund will be 4.0% for FY 2025, 3.50% for FY 2026, and 3.25% for FY 2027.

### PLAN REVENUES

Plan revenues are the sums received from contributions made by State agencies, Non State Public Employers, employees, and Direct Bill members, plus interest earned by the Plan. The historical chart (**Figure 1**) based upon fiscal years running from July 1 to June 30 shows experience with fund balances, revenues, and expenses. (**Table 1A**). Projected balances, revenues, and expenses are based upon plan years running from January 1 to December 31.

The “**Total Revenues**” amount on **Table 1A** for PY 2025 is based upon the contributions made by State agencies, Non State public employers, and employees. The State agency and Non State public employer contributions are adjusted on the first of July each year. The employee contributions are adjusted January 1 of each year. The projections shown in **Table 1** and **Table 1A** incorporate the estimated impacts of contribution rates in effect for PY 2025, as described above.

### PLAN EXPENSES

Plan expenses are payments for medical, dental, and drug claims, plus related contract administration fees that are paid by the Plan. The historical plan expenses (**Table 2**) represent actual experience on a fiscal year basis, whereas projected plan expenses (**Table 1A**) are estimates reflecting a long-term managed health care cost trend. The total annualized cost of the SEHP for PY 2025 is estimated to be approximately \$628,256,411 per Table 1A. Experience and future projections for plan contributions, expenses, ending reserve balance, and target reserve are represented in the Projected Reserve Balance (**Table 1A**) that is calculated on the health plan year, which is January 1 through December 31.

### ADMINISTRATIVE FUND

The Administrative Fund covers the cost to administer the program, including employee salaries, consulting fees, and other expenses. In 2024, additional contracts were added to be paid by the fund.

### PLAN RESERVES

The HCC’s funding objective in managing the SEHP over the long term is to have a target reserve equal to 10 percent of average plan expenses for the three preceding plan years. The target reserve is adjusted for health cost trends over time. **Table 1A** shows the projected target reserve for each year based upon a function of Plan Contributions, Plan Expenses, and health care cost trend. The estimated target reserve for health claims in PY 2025 was \$53.8 million (**Table 1A**). Target reserves are projected to rise over time based upon health cost trends.

**Table 2** shows SEHP balances, revenues, and expenditures from state Fiscal Year (FY) 2013 through (FY) 2025. These reserves reflect actual historical experience as reported in the Statewide Cost Allocation Plan documents for each state fiscal year and the single state financial audit reports for those years. **Figure 1** shows SEHP balances, revenues, and expenditures from state Plan Year (PY) 2013

through (PY) 2025. In PY 2009, legislative action resulted in state agencies not contributing the employer contribution for seven pay periods in FY 2009, resulting in a \$64 million decrease in the fund balance. In FY 2010, legislative action reduced the fund by \$9.675 million per S.B. 572. In FY 2015, the HCC voted to reduce the State of Kansas employer contribution by 8.5% based on an actuarial analysis to begin the reduction of the current fund balance to meet the target reserve balance. In FY 2016, the HCC voted to hold the State of Kansas employer contribution flat to continue the fund balance reduction towards the target reserve. FY 2023, the State of Kansas contributed a one time \$10.0 million into the fund. For FY 2025, the HCC voted for a 7.5% State of Kansas employer contribution increase to maintain the financial stability of the Health Plan.

#### **SUMMARY**

In Plan Year 2025, health care costs are approximately within 1% of the projected. Based upon the plan changes implemented by the Health Care Commission (HCC) for PY 2025, including the additional employer and employee contributions, the opinion of the State Employee Health Plan (SEHP) actuaries is that the SEHP should have sufficient funds to pay the health care expenses for a self-funded plan covering approximately 87,000 lives.

**Table 1**  
**Kansas State Employees Health Care Commission**  
**Multi-Year Projection**  
**Assumption Summary**

Trend Assumptions	2024	2025	2026	2027	2028	2029
Interest Rate on Fund Balance (Fiscal Year)	4.5%	4.00%	3.50%	3.25%	3.00%	3.00%
Admin/Contract Fee Trend/Vision Trend	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%
Prescription drug claim trend rate	6.8%	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%
Medicare Advantage trend rate	7.0%	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
State Employer	5.0%	7.5%	8.0%	7.8%	7.8%	7.8%
	Fixed	Fixed	Fixed	Calculated	Calculated	Calculated
Non-State Employer	5.0%	7.5%	8.0%	7.8%	7.8%	7.8%
State Employee % Change (eff. Jan 1)	Fixed	Fixed	Fixed	Calculated	Calculated	Calculated
Employee	0.0%	0.0%	2.0%	7.8%	7.8%	7.8%
Employee + Spouse	0.0%	0.0%	2.0%	7.8%	7.8%	7.8%
Employee + Child(ren)	0.0%	0.0%	2.0%	7.8%	7.8%	7.8%
Employee + Family	0.0%	0.0%	2.0%	7.8%	7.8%	7.8%
Non-State Employee % Change (eff. Jan 1)	Fixed	Fixed	Fixed	Calculated	Calculated	Calculated
Employee	0.0%	0.0%	2.0%	7.8%	7.8%	7.8%
Employee + Spouse	0.0%	0.0%	2.0%	7.8%	7.8%	7.8%
Employee + Child(ren)	0.0%	0.0%	2.0%	7.8%	7.8%	7.8%
Employee + Family	0.0%	0.0%	2.0%	7.8%	7.8%	7.8%
Non-Medicare Retiree Contrib % Change (eff. Jan 1)	Fixed	Fixed	Fixed	Calculated	Calculated	Calculated
Employee	0.0%	0.0%	2.0%	7.8%	7.8%	7.8%

Employee + Spouse	0.0%	0.0%	2.0%	7.8%	7.8%	7.8%
Employee + Child(ren)	0.0%	0.0%	2.0%	7.8%	7.8%	7.8%
Employee + Family	0.0%	0.0%	2.0%	7.8%	7.8%	7.8%
<b>Dental</b>						
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%	0.0%	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%
Plan N EE+CH (Now \$1,000)		\$ -	\$ -	\$ -	\$ -	
<b>Wellness Assumptions</b>						
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%
<b>Reserve Targets</b>						
10% of Total Expenses (average of prior 3 years)	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%

**Table 1A**  
**Kansas State Employees Health Care Commission**  
**Financial Data Through October 2025 and Enrollment Data Through October 2025**  
**Multi-Year Projection**

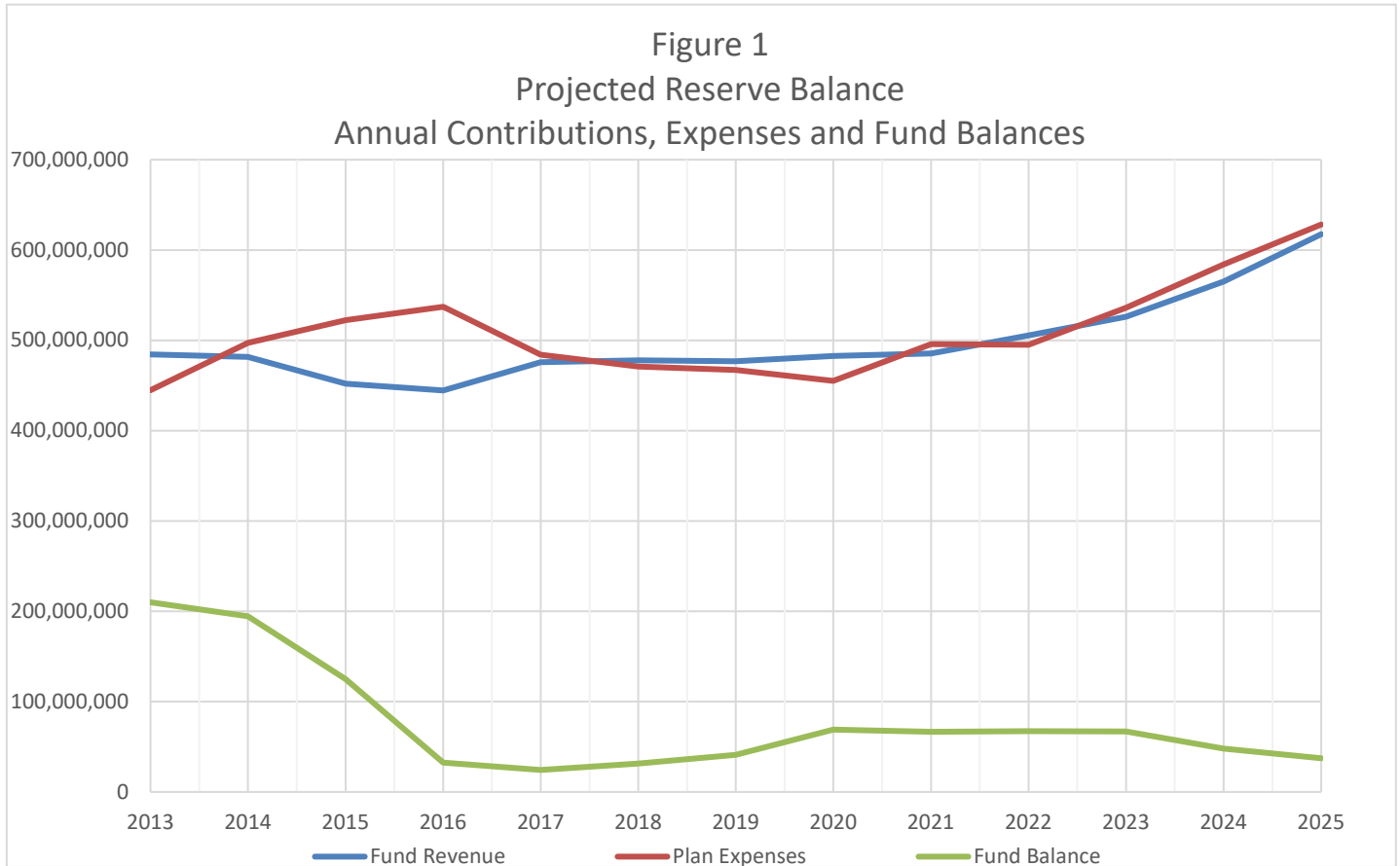
	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Projected	2026 Projected	2027 Projected	2028 Projected	2029 Projected
<b>Revenue</b>									
State ER	\$ 304,538,417	\$ 315,610,869	\$ 347,518,775	\$ 384,229,838	\$ 419,363,515	\$ 448,495,057	\$ 483,100,179	\$ 519,955,142	\$ 559,650,287
State EE	\$ 75,176,025	\$ 74,818,934	\$ 72,488,750	\$ 73,601,308	\$ 76,457,005	\$ 78,345,930	\$ 84,683,360	\$ 91,503,412	\$ 98,843,396
Non-State ER	\$ 49,941,973	\$ 50,697,278	\$ 51,065,094	\$ 53,364,993	\$ 54,560,769	\$ 59,443,127	\$ 64,004,330	\$ 68,860,452	\$ 74,089,060
Non-State EE	\$ 11,691,225	\$ 10,582,405	\$ 9,326,599	\$ 8,933,276	\$ 8,430,780	\$ 8,615,277	\$ 9,310,037	\$ 10,057,817	\$ 10,862,719
Direct Bill	\$ 32,549,251	\$ 31,722,593	\$ 31,628,847	\$ 31,411,607	\$ 33,093,485	\$ 34,200,181	\$ 35,692,320	\$ 37,255,706	\$ 38,894,148
COBRA	\$ 3,955,150	\$ 3,332,046	\$ 2,843,748	\$ 1,367,067	\$ 1,013,677	\$ 1,400,229	\$ 1,513,725	\$ 1,633,636	\$ 1,762,762
Voluntary Benefit	\$ 3,895,832	\$ 4,355,962	\$ 4,775,089	\$ 3,779,506	\$ 4,285,929	\$ 3,950,000	\$ 3,950,000	\$ 3,950,000	\$ 3,950,000
Interest/Other	\$ 598,731	\$ 1,028,569	\$ 2,927,405	\$ 4,669,363	\$ 2,215,820	\$ 1,076,142	\$ 678,652	\$ 492,503	\$ 1,076,109
Rx Settlement		\$ 10,000,000	\$ -	\$ -	\$ 14,568,079	\$ -	\$ -	\$ -	\$ -
Administrative Fund	\$ 3,232,977	\$ 3,219,658	\$ 3,558,280	\$ 3,619,205	\$ 3,530,852	\$ 3,487,771	\$ 3,422,889	\$ 3,365,585	\$ 3,309,914
<b>Total</b>	<b>\$ 485,579,581</b>	<b>\$ 505,368,314</b>	<b>\$ 526,132,585</b>	<b>\$ 564,976,162</b>	<b>\$ 617,519,910</b>	<b>\$ 639,013,714</b>	<b>\$ 686,355,491</b>	<b>\$ 737,074,255</b>	<b>\$ 792,438,396</b>
<b>Expenses</b>									
Medical Claims	\$ 298,562,438	\$ 286,975,142	\$ 323,022,328	\$ 359,567,379	\$ 381,277,634	\$ 399,602,293	\$ 430,858,819	\$ 445,884,647	\$ 471,163,266
Rx Claims	\$ 82,386,923	\$ 96,146,749	\$ 98,376,519	\$ 108,228,296	\$ 123,570,157	\$ 127,194,373	\$ 135,377,197	\$ 144,460,745	\$ 156,549,164
Dental Claims	\$ 26,511,170	\$ 26,045,078	\$ 27,375,501	\$ 28,100,916	\$ 31,009,014	\$ 31,840,899	\$ 33,433,945	\$ 33,791,221	\$ 34,801,632
Health Savings ER	\$ 30,149,259	\$ 30,821,351	\$ 33,183,079	\$ 33,521,944	\$ 33,982,742	\$ 33,120,118	\$ 33,120,118	\$ 33,120,118	\$ 33,120,115
ASO/Premium	\$ 43,200,165	\$ 40,074,531	\$ 41,104,526	\$ 42,391,977	\$ 45,775,966	\$ 46,392,564	\$ 47,822,470	\$ 49,301,056	\$ 50,830,100
Voluntary Benefit	\$ 3,895,832	\$ 4,355,962	\$ 4,774,098	\$ 3,779,506	\$ 4,285,929	\$ 3,950,000	\$ 3,950,000	\$ 3,950,000	\$ 3,950,000
Marathon (Onsite Clinic)	\$ 2,093,084	\$ 2,206,240	\$ 2,166,979	\$ 2,222,482	\$ 2,230,909	\$ 2,403,135	\$ 2,451,198	\$ 2,500,222	\$ 2,550,226
Other Contract Fees/Flex	\$ 6,639,683	\$ 5,775,201	\$ 1,681,072	\$ 505,958	\$ 654,397	\$ 970,264	\$ 989,669	\$ 1,009,462	\$ 1,029,651
PCORI	\$ 164,593	\$ 170,634	\$ 179,817	\$ 194,591	\$ 213,311	\$ 221,140	\$ 229,255	\$ 237,669	\$ 246,391
Expenses Cost/(Savings)					\$ -	\$ -	\$ -	\$ -	\$ -

Administrative Fund	\$ 2,240,067	\$ 2,380,884	\$ 4,306,548	\$ 5,422,563	\$ 5,256,351	\$ 5,142,400	\$ 5,182,390	\$ 5,226,418	\$ 5,271,895
<b>Total</b>	\$ 495,843,214	\$ 494,951,771	\$ 536,170,468	\$ 583,935,612	\$ 628,256,411	\$ 650,837,185	\$ 693,415,061	\$ 719,481,559	\$ 759,512,442
<b>Net Cash Flow</b>	\$ (10,263,633)	\$ 10,416,543	\$ (10,037,882)	\$ (18,959,450)	\$ (10,736,501)	\$ (11,823,471)	\$ (7,059,570)	\$ 17,592,696	\$ 32,925,954
<b>Beginning Balance (Reserve Fund)</b>	\$ 69,021,173	\$ 57,764,630	\$ 67,342,399	\$ 58,052,785	\$ 40,896,693	\$ 31,885,691	\$ 21,716,849	\$ 16,416,780	\$ 35,870,309
<b>Ending Balance (Reserve Fund)</b>	\$ 57,764,630	\$ 67,342,399	\$ 58,052,785	\$ 40,896,693	\$ 31,885,691	\$ 21,716,849	\$ 16,416,780	\$ 35,870,309	\$ 70,758,244
<b>Beginning Balance (Administrative Fund)</b>	\$ 7,715,268	\$ 8,708,178	\$ 9,546,952	\$ 8,798,683	\$ 6,995,325	\$ 5,269,827	\$ 3,615,198	\$ 1,855,697	\$ (5,136)
<b>Ending Balance (Administrative Fund)</b>	\$ 8,708,178	\$ 9,546,952	\$ 8,798,683	\$ 6,995,325	\$ 5,269,827	\$ 3,615,198	\$ 1,855,697	\$ (5,136)	\$ (1,967,117)
<b>Beginning Balance (Both Funds)</b>	\$ 76,736,441	\$ 66,472,808	\$ 76,889,351	\$ 66,851,469	\$ 47,892,018	\$ 37,155,518	\$ 25,332,047	\$ 18,272,477	\$ 35,865,173
<b>Ending Balance (Both Funds)</b>	\$ 66,472,808	\$ 76,889,351	\$ 66,851,469	\$ 47,892,018	\$ 37,155,518	\$ 25,332,047	\$ 18,272,477	\$ 35,865,173	\$ 68,791,127
<b>Target based on HB.2218</b>	\$ 46,667,920	\$ 47,417,482	\$ 48,266,358	\$ 50,898,848	\$ 53,835,262	\$ 58,278,750	\$ 62,100,974	\$ 65,750,289	\$ 68,791,127
<b>Fund Balance vs. HB.2218 Target Surplus/(Shortfall)</b>	\$ 19,804,888	\$ 29,471,869	\$ 18,585,111	\$ (3,006,830)	\$ (16,679,744)	\$ (32,946,703)	\$ (43,828,497)	\$ (29,885,116)	\$ (0)
<b>Enrollment (Subscriber)</b>									
Active	36,480	35,965	36,901	38,064	38,806	38,944	38,944	38,944	38,944
COBRA	403	314	258	104	80	99	99	99	99
Non-Medicare Retiree	374	313	281	416	495	525	525	525	525
Medicare Retiree	8,602	8,318	8,054	7,763	7,469	7,410	7,410	7,410	7,410
<b>Total</b>	45,859	44,910	45,494	46,347	46,850	46,978	46,978	46,978	46,978
Revenue PEPM	\$ 882	\$ 938	\$ 964	\$ 1,016	\$ 1,098	\$ 1,134	\$ 1,218	\$ 1,307	\$ 1,406
Expenses PEPM	\$ 901	\$ 918	\$ 982	\$ 1,050	\$ 1,117	\$ 1,155	\$ 1,230	\$ 1,276	\$ 1,347

**Table 2**  
**State Employees' Health Benefit Program**  
Statement of Operations History  
Fiscal Years 2013 - 2025

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>BEGIN FUND BALANCES:</b>													
Reserve Fund	143,956,304.14	194,050,142	221,414,299	177,004,733	95,095,498	40,824,648	30,658,118	50,274,862	69,351,319	82,223,798	66,635,912	78,067,980	72,676,950
Non-State	662,532.53	1,626,615	1,506,027	1,395,728	1,284,672	1,184,440	1,087,317	985,171	1,881,031	1,768,218	1,696,968	1,741,142	0
Direct Bill	0.00	0	0	0	0	0	0	0	0	0	0	0	0
Flex Spending	3,802,352.61	4,279,052	4,662,858	4,553,606	4,298,098	877,552	458,729	152,403	305,902	406,754	168,215	41,591	39,747
Cafeteria	5,643,695.90	6,201,864	5,519,716	4,925,154	2,560,900	2,610,924	3,696,804	4,671,078	5,641,262	6,108,569	6,465,255	6,807,096	6,853,756
Wellness	1,141,168.12	1,335,337	1,114,201	918,751	983,264	793,474	1,050,092	1,553,957	1,879,158	2,121,333	2,561,665	2,802,507	1,188,026
Other/HSAct	53.13	31,270	140,446	148,212	2,973	0	122,174	2,911,098	3,587,242	1,602,851	2,016,723	895,991	671,258
	<b>155,206,106.43</b>	<b>207,524,279</b>	<b>234,357,546</b>	<b>188,946,184</b>	<b>104,225,405</b>	<b>46,291,037</b>	<b>37,073,236</b>	<b>60,548,569</b>	<b>82,645,916</b>	<b>94,231,522</b>	<b>79,544,738</b>	<b>90,356,308</b>	<b>81,429,736</b>
<b>REVENUES:</b>													
State ER/HSAct	300,747,872.76	292,977,588	292,188,920	264,252,536	260,141,041	264,220,951	282,599,775	311,847,669	329,554,096	303,902,382	326,272,318	369,514,259	401,550,103
State EE	63,655,929.05	59,483,669	53,425,866	54,829,594	70,348,595	81,560,835	85,773,355	84,988,516	80,426,387	106,786,461	106,402,685	107,811,472	112,022,051
Non-State/HSAct	87,369,910.02	85,644,215	81,960,662	78,052,467	83,769,676	89,534,881	75,229,221	75,167,598	59,436,441	62,370,388	60,635,678	64,222,964	63,687,919
Direct Bill	46,587,130.00	47,547,542	43,357,448	42,279,060	39,880,647	39,806,547	37,346,342	33,035,170	36,347,629	35,901,784	34,634,962	33,546,186	33,313,336
Flex	15,718,084.81	13,452,131	11,895,995	11,208,764	11,210,064	11,882,105	12,199,936	12,901,609	12,148,933	12,351,256	12,177,343	12,853,760	13,462,120
Cafeteria	1,997,627.75	1,099,707	1,134,845	1,165,874	1,990,509	3,162,329	2,892,133	2,798,624	2,630,327	2,570,361	2,690,431	2,897,658	2,877,224
Wellness	725,040.58	501,354	720,304	708,003	712,665	611,648	679,776	669,105	632,114	619,898	690,901	734,828	690,565
Other/Clinic	303,586.94	816,764	1,293,043	2,602,538	7,051,193	1,493,175	10,658,897	5,060,457	3,826,986	2,537,986	13,168,840	4,762,284	2,590,358
	<b>517,105,181.91</b>	<b>501,522,970</b>	<b>485,977,083</b>	<b>455,098,836</b>	<b>475,104,389</b>	<b>492,272,472</b>	<b>507,379,436</b>	<b>526,468,748</b>	<b>525,002,912</b>	<b>527,040,518</b>	<b>556,673,158</b>	<b>596,343,412</b>	<b>630,193,676</b>
<b>EXPENSES:</b>													
Claims	401,653,681.49	412,354,762	466,579,706	475,069,537	466,279,387	434,543,880	419,316,654	435,641,767	444,857,911	473,209,506	479,220,261	534,091,983	567,837,695
Other	5,182,884.47	5,063,766	7,444,944	6,465,302	6,692,311	10,350,174	7,640,095	7,133,794	6,248,260	8,678,863	8,806,537	8,568,109	8,076,509
ASO/Premiums	40,738,725.97	41,698,504	42,713,386	42,646,887	42,593,509	41,863,814	41,408,133	44,603,610	45,360,118	42,607,924	40,527,399	42,149,691	44,382,817
Flex	14,864,870.98	12,718,412	11,754,565	11,193,403	11,199,055	11,877,934	12,194,820	12,447,903	11,754,817	12,590,069	12,305,981	13,049,461	13,668,947
Admin/Clinic	2,346,846.61	2,854,258	2,895,843	4,444,486	6,274,496	2,854,471	3,344,399	4,544,329	5,196,199	4,640,940	5,001,410	7,410,740	7,599,419
	<b>464,787,009.52</b>	<b>474,689,702</b>	<b>531,388,445</b>	<b>539,819,614</b>	<b>533,038,758</b>	<b>501,490,273</b>	<b>483,904,102</b>	<b>504,371,402</b>	<b>513,417,305</b>	<b>541,727,302</b>	<b>545,861,588</b>	<b>605,269,984</b>	<b>641,565,387</b>
<b>END FUND BALANCES:</b>													
Reserve Fund	194,050,142.01	221,414,299	177,004,733	95,095,498	40,824,648	30,658,118	50,274,862	69,351,319	82,223,798	66,635,912	78,067,980	72,676,950	63,147,816
Non-State	1,626,614.66	1,506,027	1,395,728	1,284,672	1,184,440	1,087,317	985,171	1,881,031	1,768,218	1,696,968	1,741,142	0	0
Direct Bill	0.00	0	0	0	0	0	0	0	0	0	0	0	395,923
Flex Spending	4,279,051.64	4,662,858	4,553,606	4,298,098	877,552	458,729	152,403	305,902	406,754	168,215	41,591	39,747	5,538,448
Cafeteria	6,201,863.80	5,519,716	4,925,154	2,560,900	2,610,924	3,696,804	4,671,078	5,641,262	6,108,569	6,465,255	6,807,096	6,853,756	649,192
Wellness	1,335,336.74	1,114,201	918,751	983,264	793,474	1,050,092	1,553,957	1,879,158	2,121,333	2,561,665	2,802,507	1,188,026	225,149
Other/HSAct/Clinic	31,269.97	140,446	148,212	2,973	0	122,174	2,911,098	3,587,242	1,602,851	2,016,723	895,991	671,258	101,496
	<b>207,524,278.82</b>	<b>234,357,546</b>	<b>188,946,184</b>	<b>104,225,405</b>	<b>46,291,037</b>	<b>37,073,236</b>	<b>60,548,569</b>	<b>82,645,916</b>	<b>94,231,522</b>	<b>79,544,738</b>	<b>90,356,308</b>	<b>81,429,736</b>	<b>70,058,025</b>

**Figure 1 History of SEHP Fund Revenue, Plan Expenses, and Fund Balance**



**Notes:**

1. HB 2218 requires the commission to provide recommendations for reducing reserves by minimizing increases to employee contributions or cost-sharing requirements if the plan reserves exceed 10% of the average plan expenses for the preceding three plan years. Further details of the bill can be found in the attached exhibit.
2. In PY 2022, The HCC added the Administrative Fund with the Medical Fund for reporting purposes to manage the fund balance in total.
3. In PY 2022, the State made a one time contribution of \$10M to the fund.

## 5. HOUSE BILL 2218

### **Background**

House Bill (H.B.) 2218, passed during the 2021 Legislative session, amended K.S.A. 75-6509 and required the HCC to report on *“the current and projected reserve balance, including as a percentage of total plan expenses. For any reserve balance over 10% of the average plan expenses for the immediately preceding three plan years, the commission shall provide recommendations for reducing reserves by minimizing increases to employee contributions or cost-sharing requirements.”*

### **Actions taken by the HCC related to H.B. 2218**

Since PY 2020. The HCC has made changes to the SEHP to address member cost share and rates as specified in Sec. 3 of K.S.A. 75-6509. The following is a summary of the changes:

#### **Changes for PY 2020:**

- Elected to keep the annual premium for the employee and employee plus child(ren) coverage tiers flat (0%) effective January 1, 2020
- Reduced the annual premium for the employee plus spouse and employee family coverage tiers by (-6%) effective January 1, 2020
- Increased the annual employer contribution by (4.5%) effective July 1, 2020
- Reduced the coinsurance for Plan C to 10%

#### **Changes for PY 2021:**

- Elected to keep the annual premium for the employee and employee plus child(ren) coverage tiers flat (0%) effective January 1, 2021
- Reduced the annual premium for the employee plus spouse and employee family coverage tiers by (-2%) effective January 1, 2021
- Increased the annual employer contribution by (3%) effective July 1, 2021
- Eliminated the third-tier deductible for Plan A

#### **Changes for PY 2022:**

- Elected to keep the annual premium for the employee and employee plus child(ren) coverage tiers flat (0%) effective January 1, 2022
- Reduced the annual premium for the employee plus spouse and employee family coverage tiers by (-2%) effective January 1, 2022
- Increased the annual employer contribution by (5%) effective July 1, 2022
- **Changes for Plan A:**
  - Reduced the deductible on Plan A for single coverage by \$100 and family coverage by \$200
  - Reduced the copay for a primary care office visit by \$10
  - Reduced the annual out of pocket maximum for single coverage by \$1,000 and family coverage by \$2,000
  - Reduced the coinsurance for preferred brand name drugs by 5%
  - Reduced the coinsurance for Non Preferred brand name drugs by 5%
- **Changes for Plan C**
  - Reduced the annual out of pocket maximum for single coverage by \$1,000 and family coverage by \$2,000
  - Reduced the coinsurance for Preferred brand name drugs by 5%
  - Reduced the coinsurance for Non Preferred brand name drugs by 5%
- **Changes for Plan J**
  - Reduced the coinsurance for Preferred brand name drugs by 5%
  - Reduced the coinsurance for Non Preferred brand name drugs by 5%
- **Changes for Plan N**
  - Reduced the coinsurance for Preferred brand name drugs by 5%
  - Reduced the coinsurance for Non Preferred brand name drugs by 5%

#### Changes for PY 2023:

- Elected to keep the annual premium for the employee & and employee plus child(ren) coverage tiers flat (0%) effective January 1, 2023.
- The cost of employee only coverage for dental will be reduced to \$0 and the cost of employee plus dependent dental coverage will decrease by \$13.38 per month.
- **Changes to Plan A**
  - The Plan A deductible decreased to \$800 for single and \$1,600 for family coverage and
  - The Plan A office visit copay was reduced to \$20 for primary care providers and \$40 for specialists.

#### Changes for PY 2024:

- Elected to keep the annual premium for the employee & and employee plus child(ren) coverage tiers flat (0%) effective January 1, 2024.
- Increased the annual employer contribution by (5%) effective July 1, 2024
- **Changes to Plans C & N**
  - To meet new IRS requirements for Qualified High Deductible Health Plans, members with dependent coverage will see the First Deductible increase to \$3,200. The remaining family members would meet the balance of the Deductible of \$2,300 for an overall Deductible of \$5,500.
- **Changes to All Plans**
  - For specialty medications PrudentRx will be offered to members using Specialty Medications. The PrudentRx program provides members with the opportunity to get their Specialty Medications through CVS/Caremark at no cost to members on Plan A, and no coinsurance expense to members after the deductible for those enrolled on Plans C, J, and N.
  - Hearing aid coverage for medically necessary hearing aid(s) and the associated hearing aid professional services to be included with the medical plan benefits.
  - Added coverage for residential treatment centers as an eligible service provider.
  - Enhanced coverage for ultrasound and MRIs for breast cancer screening.

#### Changes for PY 2025:

- Elected to keep the annual premium for the employee & and employee plus child(ren) coverage tiers flat (0%) effective January 1, 2025.
- Increased the annual employer contribution by (7.5%) effective July 1, 2025
- **Changes to Plans C & N**
  - To meet new IRS requirements for Qualified High Deductible Health Plans, members with dependent coverage will see the First Deductible increase to \$3,300. The remaining family members would meet the balance of the Deductible of \$2,200 for an overall Deductible of \$5,500.
- **Changes to All Plans**
  - New orthodontic lifetime maximum will increase from \$1,000 to \$1,500.
  - Annual dental maximum benefit will increase to \$2,000 per year.

H.B. 2218 also requires the HCC to include a report on the projected reserve balance which is outlined below:

***“For any reserve balance over 10% of the average plan expenses for the immediately preceding three plan years, the commission shall provide recommendations for reducing reserves by minimizing increases to employee contributions or cost-sharing.”***

The chart illustrates the total plan expenses for PY 2022, 2023, and 2024 (the previous three years) and the projected fund balance for the plan year ending December 2025. The analysis compares the projected ending balance for 2025 to the 10% average of the total plan expenses for the preceding three plan years.

<b>PY 2022 Plan Expenses</b>	<b>PY 2023 Plan Expenses</b>	<b>PY 2024 Plan Expenses</b>	<b>3 Year Total</b>	<b>Avg Exp over preceding 3 years</b>
\$494,951,771	\$536,170,468	\$583,935,612	\$1,615,057,851	\$538,352,617
<b>2025 Current Projected Ending Reserve Balance (Both Funds)</b>	<b>HB 2218 Reserve Calculation Amount based on a 10% Avg of the Plan Expenses</b>	<b>Calculation:</b> <b>\$37,155,518 - \$53,835,262 =</b> <b>\$-16,679,744</b>		
\$37,155,518	\$53,835,262			

**Recommendations:**

Based on the above calculation, as of December 2025, the plan assets are less than the 10% of the average of the total plan expenses for the previous 3 years of \$1,615,057,851. The HCC will continue to evaluate ways to manage the plan reserves by evaluating employee premiums and cost sharing for the covered benefits provided by the plan such as deductibles, copayments, coinsurance, and all other benefits available to the members. These types of evaluations have occurred since PY 2020. The Commission will continue to balance the long-term financial solvency of the health plan with any proposed plan design changes.

## Exhibit A

### 2025 Employee Advisory Committee

**Drue Campbell**

Dept. of Administration

**Katrin Osterhaus**

Legislative Post Audit

**Joseph Coburn**

Kansas University

**Wade Schneider**

Kansas Racing and Gaming

**Keith Fitzsimmons**

Retiree

**Steven Grieb**

Retiree

**Tressie Lewis**

Kansas Dept of Aging

**Lori Scott Dreiling**

Pitt State University

**Michelle Huntsman**

Department of Administration

**Melissa Crawford**

Department of Children & Families

**Michael Lundin**

Kansas University

**Adam Noble**

Judicial Branch

**Mike Mercer**

Emporia State University

**Robert Vieyra**

Corrections

**Sarah Miles**

Kansas Bureau of Investigation

**Warren Wiebe**

Board of Healing Arts

**STATE OF KANSAS**

**2025 GROUP HEALTH INSURANCE ENROLLMENT  
BY TYPE OF PARTICIPANT**

<b>Grand Total Covered Lives (State &amp; Non-State Active, Direct Bill, &amp; COBRA)</b>				
<u>Type of Participant</u>	<u>Jan-25</u>	<u>Apr-25</u>	<u>Jul-25</u>	<u>Oct-25</u>
Active State Employees	35,385	35,487	35,202	35,461
Active State EE Dependents	32,448	32,503	32,328	32,528
<b>Total Covered Lives</b>	<b>67,833</b>	<b>67,990</b>	<b>67,530</b>	<b>67,989</b>
Direct Bill State Retirees	7,933	7,934	7,906	7,897
Direct Bill State Ret Dependents	105	134	124	125
<b>Total Covered Lives</b>	<b>8,038</b>	<b>8,068</b>	<b>8,030</b>	<b>8,022</b>
COBRA State Participants	76	51	69	94
COBRA State Dependents	62	32	52	84
<b>Total Covered Lives</b>	<b>138</b>	<b>83</b>	<b>121</b>	<b>178</b>
Active Educational Employees	752	756	827	848
Active Educational EE Dependents	747	742	779	793
<b>Total Covered Lives</b>	<b>1,499</b>	<b>1,498</b>	<b>1,606</b>	<b>1,641</b>
Direct Bill Educational Retirees	26	24	25	25
Direct Bill Educational Ret Dependents	2	2	1	1
<b>Total Covered Lives</b>	<b>28</b>	<b>26</b>	<b>26</b>	<b>26</b>
COBRA Educational Participants	2	1		2
COBRA Educational Dependents				
<b>Total Covered Lives</b>	<b>2</b>	<b>1</b>	<b>0</b>	<b>2</b>
Active City/County/Township Employees	988	995	994	993
Active City/County/Township EE Dependents	947	946	938	928
<b>Total Covered Lives</b>	<b>1,935</b>	<b>1,941</b>	<b>1,932</b>	<b>1,921</b>
Direct Bill City/County/Township Retirees	62	63	62	62
Direct Bill City/County/Township Ret Deps	2	2	1	
<b>Total Covered Lives</b>	<b>64</b>	<b>65</b>	<b>63</b>	<b>62</b>
COBRA City/County/Township Participants	1	1	1	1
COBRA City/County/Township Dependents				

<b>Total Covered Lives</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
Active Hospital or Mental Hlth Center Employees	1,423	1,425	1,448	1,475
Active Hospital or Mental Hlth Center EE Dependents	1,254	1,266	1,278	1,295
<b>Total Covered Lives</b>	<b>2,677</b>	<b>2,691</b>	<b>2,726</b>	<b>2,770</b>
Direct Bill Hospital or Mental Hlth Center Retirees	14	16	17	18
Direct Bill Hospital or Mental Hlth Center Ret Deps				
<b>Total Covered Lives</b>	<b>14</b>	<b>16</b>	<b>17</b>	<b>18</b>
COBRA Hospital or Mental Hlth Center Participants	3	3	2	3
COBRA Hospital or Mental Hlth Center Dependents	5	3	3	
<b>Total Covered Lives</b>	<b>8</b>	<b>6</b>	<b>5</b>	<b>3</b>
Active All Other Non-State Employees	229	227	227	232
Active All Other Non-State EE Dependents	181	181	173	183
<b>Total Covered Lives</b>	<b>410</b>	<b>408</b>	<b>400</b>	<b>415</b>
Direct Bill All Other Non-State Retirees	19	18	18	18
Direct Bill All Other Non-State Ret Deps	1			
<b>Total Covered Lives</b>	<b>20</b>	<b>18</b>	<b>18</b>	<b>18</b>
COBRA All Other Non-State Participants				
COBRA All Other Non-State Dependents				
<b>Total Covered Lives</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Total Contracts	<b>46,913</b>	<b>47,001</b>	<b>46,798</b>	<b>47,129</b>
<b>Total Covered Lives</b>	<b>82,667</b>	<b>82,812</b>	<b>82,475</b>	<b>83,066</b>

<b>Exhibit C</b>		
<b>2025 New Non State Public Employer Groups</b>		
<b>Start Date</b>	<b>Group Name</b>	<b>Type</b>
07/01	Pratt Community College – 124 employees	Education
08/01	Elk Co. Conservation District – 1 employee	Other
12/01	Leavenworth Public Library – 19 employees	Other

**Exhibit D**  
**Kansas State Employees Health Care Commission**  
**Plan Year 2025 Estimated Annualized Costs (Unaudited)**

	<u><b>Annualized</b></u>
1 <b>Projected Total Cost<sup>1</sup></b>	<b>\$628,256,411</b>
2     2025 Estimated breakdown of Cost <sup>1</sup>	
Medical Claims	\$381,277,634
Rx Claims	\$123,570,157
Delta Dental of Kansas	\$31,009,014
Health Savings/Health Reimbursement	\$33,398,742
ASO Premiums	\$45,775,966
Voluntary Benefits	\$4,285,929
Other Contracts fees /Flex	\$654,397
Affordable Care Act Fees	\$213,311
Onsite Clinic	\$2,230,909
Administrative Fund fees	\$5,256,351
<b>TOTAL</b>	<b>\$628,256,411</b>
3     State and Non State Employee, COBRA, Direct Bill Contribution, Administrative Contributions, Voluntary Benefits plus Interest Earned	<b>\$126,511,617</b>
4     State of Kansas and Non State Employer Contributions	
a.     Projected <sup>1</sup>	<b>\$493,099,356</b>

1. The financial information is using the financial statements presented to the HCC at the December 2025 meeting

# APPENDIX - C

SEHP CONTRACTS - PY 2026 PROJECTION									
Contract Type	Vendor	Type	Contract Description	Original Contract Term (PY)	Open Enrollment Time Sensitive	PY 2026 Employer Cost Projection	PY 2026 Employee Cost Projection for Pass through Premium Collections	PY 2026 Retiree Cost Projection for Pass through Premium Collections	PY 2026 Total Cost Projection
<b>Medical Plan</b>									
Medical Plan	BCBS of KS	Medical Plan Administrator	Medical Plan - ASO	2024-2026	Y	\$ 12,613,300			\$ 12,613,300
Medical Plan	BCBS of KS	Medicare Supplement Insurance	Fully Insured Plans	2025-2027	Y			\$ 23,285,210	\$ 23,285,210
Medical Plan	Aetna	Medical Plan Administrator	Medical Plan - ASO	2024-2026	Y	\$ 1,811,000			\$ 1,811,000
Medical Plan	Aetna Advantage	Medicare Advantage Insurance	Fully Insured Plans	2025-2027	Y			\$ 2,441,939	\$ 2,441,939
<b>Dental Plan</b>									
Dental Plan	Delta Dental Plan of KS	Dental Plan Administrator	Dental Plan	2025-2027	Y	\$ 587,000			\$ 587,000
<b>Voluntary Benefits</b>									
Prescription Eyewear Coverage	Surency	Prescription Eyewear Insurance	Fully Insured Plans	2025-2027	Y		\$ 3,935,525	\$ 463,300	\$ 4,398,825
<b>Prescription Drug</b>									
Prescription Drug	CVS Caremark	Prescription Drug Benefits	Pharmacy Benefit Management (PBM) Services	2026-2028	Y	\$ 1,712,600			\$ 1,712,600
Prescription Drug	SilverScript	Medicare Part D Drug Plan	Part D Pharmacy Coverage - Fully Insured	2024-2026	Y				\$ -
<b>Lab Services</b>									
Preferred Lab Services	Quest Diagnostics	Preferred Provider Network for Lab Services	Lab services	2025-2027	Y				
Preferred Lab Services	Stormont-Vail	Preferred Provider Network for Lab Services	Lab services	2025-2027	Y				
Preferred Lab Services	The University of Kansas Health System	Preferred Provider Network for Lab Services	Lab services	2025-2027	Y				
<b>Voluntary Benefits</b>									
Voluntary Benefits	Metlife	Voluntary Benefit Insurance	Provides Voluntary Accident, Critical Illness and Hospital Indemnity Insurance	2024-2026	Y		\$ 4,370,550		\$ 4,370,550
<b>Health Savings Account (HSA) &amp; Health Reimbursement Accounts (HRA)</b>									
HSA & HRA	Metlife	Health Savings Accounts	Provides third-party administration for the State of Kansas HSA & HRA	2025-2027	Y				
		Health Reimbursement Accounts				\$ -			\$ -
<b>Flexible Spending Accounts</b>									
Flexible Spending Accounts	Metlife	Cafeteria Plan/Flexible Spending Accounts	Provides third-party administration for the State of Kansas Flexible Spending Accounts	2026-2028	Y	\$ -			\$ -
<b>COBRA Administration</b>									
COBRA Administration	iTedium	COBRA admin.	Provides COBRA administration and billing services	2025-2027	Y	\$ 92,951			\$ 92,951
<b>Actuarial and Consulting Services</b>									
Actuarial and Consulting Services	Segal	Consulting and Actuarial Services	Provides consulting and actuarial services to the SEHP and HCC	2025-2027		\$ 492,000			\$ 492,000
<b>Transparency Tool</b>									
Transparency Tool	Rx Savings Solutions	Pharmacy Transparency Tools	Online Drug Transparency Tool, Text & Telephonic Customer Support Services	2024-2026		\$ 1,150,000			\$ 1,150,000
<b>Audit Services</b>									
Audit	Sagebrush	SEHP Audit	Provides audit services of SEHP vendors and services	2024-2027		\$ 262,006			\$ 262,006
<b>Data Administration</b>									
Data Administration	iTEDIUM	ITS Web Hosting Enrollment	Year-round enrollment and health plan changes for State Employees, Non State Employees and Direct Bill Members	2026-2028	Y	\$ 300,000			\$ 300,000
Data Administration	Artemis	Data Warehouse	User licenses, user training, and data extract and analysis for SEHB	2025-2029		\$ 156,600			\$ 156,600
<b>Employee Assistance Program</b>									
EAP	ComPsych	Employee Assistance Program	Service include no cost counseling up to 8 sessions, telephonic support for legal, financial and family support and online resource center	2026-2028	Y	\$ 387,250			\$ 387,250
<b>Onsite Medical Center/Wellness</b>									
Onsite Medical Center/Wellness	Marathon Health	Onsite employee health center	Provides medical care, lab services and immunizations, mental health & coaching services for employees and their covered dependents on the SEHP. Provides the wellness program	2026-2028		\$ 3,194,575			\$ 3,194,575