



June 3, 2025

Meeting Materials

STATE EMPLOYEES HEALTH CARE COMMISSION
June 3, 2025, 9:00 am

MEETING AGENDA

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

Welcome and Introductions by Secretary Proffitt

Action Items:

- 1. Approval of Minutes [Action Item] - Secretary Proffitt**
From May 6, 2025
- 2. Pharmacy Benefit Manager Contract [Action Item] – Jennifer Flory**
- 3. Medicare Supplement Rates [Action Item] – Jennifer Flory**
- 4. Plan Design and Rates for PY 2026 – Secretary Proffitt**

Discussion Items:

- 5. Financial Report – Segal**
- 6. Next Meeting: August 20th**

Appendix

- A – Review of past HCC plan design & rate decisions
- B – 2025 Active Employee Plan Summary
- C – Active Employee Enrolments Plan Years (PY) 2021-2025
- D – Percentage of Employee Rate Changes 2014 to present
- E – EAC Meeting Memo
- F – Follow-up items from May 6th meeting

Agenda Item #1

The State of Kansas State Employees Health Care Commission (HCC) meeting was called to order on May 6, 2025, at 1:30 p.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
- 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
- Mike Michael, SEHP Deputy Director
- Cris Loomis, Administrative Director
- Pete Nagurny, SEHP Sr. Manager, Data & Finance
- Paul Roberts, SEHP Sr. Manager, Health Plan Operations
- Delos DeCelle, SEHP Program Finance Manager
- Pat Doran, Department of Administration, Chief Counsel - virtual
- Tracy Diel, Department of Administration, Chief Counsel's Office
- Patrick Klein, Segal Consulting

Topic	Discussion	Action	Follow-up
Welcome and Roll Call	Commission Chair Adam Proffitt called the meeting to order at 1:33 pm.		
1. Approval of Minutes	<p>Commission Chair Adam Proffitt opened the floor for any comments or edits. No edits were suggested.</p> <p>The Commission Chair acknowledged Public Service Recognition Week and thanked staff for their efforts and for everything they are doing for the State of Kansas.</p>	<p>Commissioner Sutton motioned to approve the February 21, 2025, minutes.</p> <p>2nd – Commissioner Dechant</p> <p>The motion was passed.</p>	
2. Flexible Spending Account contract	Director Jennifer Flory presented the Flexible Spending Account (FSA) contract bids for consideration.	<p>Commissioner Gossage motioned to award a three year contract to MetLife.</p> <p>2nd – Commissioner Dechant</p> <p>Roll call vote:</p> <ul style="list-style-type: none"> • Commissioner Cain - aye • Commissioner Dechant – aye • Commissioner Gossage -aye • Commissioner Hensley – aye • Commissioner Sutton -aye • Commissioner Schmidt -aye <p>The motion was passed.</p>	
3. Medicare Supplement Rates	Director Flory presented the 2026 Medicare Supplemental Rates.	Commissioner Gossage motioned to table the 2026 Medicare Supplemental Rates discussion to the June 2026 meeting and give the Department of Insurance the opportunity	

		<p>to review the rates and have the rates filed as soon as possible. Commissioner Gossage motioned to table the 2026 Medicare Supplemental Rates discussion to the June 2026 meeting and give the Department of Insurance the opportunity to review the rates, and requested that the rates be filed immediately with the Department of Insurance.</p> <p>2nd – Commissioner Sutton</p> <p>Roll call vote:</p> <ul style="list-style-type: none"> • Commissioner Cain - aye • Commissioner Dechant – aye • Commissioner Gossage -aye • Commissioner Hensley – aye • Commissioner Sutton -aye • Commissioner Schmidt -aye <p>The motion was passed.</p>	<p>The commission would like to see the experience for each of the Medicare Supplement plans broken out individually. Commissioner Schmidt requested that Blue Cross Blue Shield provide the actual soundness for each plan independently in their filing.</p>
<p>4. Financial Report</p>	<p>Patrick Klein, Segal Consulting, presented a summary of the financial update, including data through the end of April 2025 and the key assumptions included in the projections.</p>		<ul style="list-style-type: none"> • Commissioner Gossage wants a breakout of the “Contract Fees/Other**” line item on the Financial Projections (in Millions) chart on page 23 of the May HCC meeting booklet.

			<ul style="list-style-type: none"> • Commissioner Schmidt would like a report on GLP-1s who have switched from Plan C to Plan A, and a cost breakdown. • Commissioner Gossage would like a breakdown between the plan values on the bottom of page 27 of the May HCC meeting booklet, distinguishing between HRA and HSA, and a report on the number of people who have accepted the HSA model compared to the HRA model.
5. Review the Modeling tool for Plan Design Changes for Plan Year 2026	A preliminary review of the modeling tool for Plan Year (PY) 2026 was reviewed by the Commission.	Suggestions for design changes for PY 2026 are due to Director Flory by May 20, 2025.	Information on the cost of care for members pre and post bariatric.
Next Meeting:	June 3, 2025, at 9:30 a.m. in the KPERS conference room, first floor.		
The meeting was adjourned at 3:10 pm			

Agenda Item #2



Kansas State Employee Health Plan

Pharmacy Benefit Management Services Request for Proposal

Proposal Evaluation and Summary

June 3, 2025/ Eileen Pincay

| Agenda

Executive Summary

Executive Summary

- Kansas State Employee Health Plan (the SEHP) solicited proposals for pharmacy benefit manager (PBM) services via a Request for Proposal (RFP).
- The objectives of the bid include maximizing the SEHP's purchasing power by securing market-competitive financial terms while maintaining comprehensive and flexible PBM programs in addition to providing excellent member service and high-quality benefits for the SEHP's eligible employees and their dependents.
- Currently, CVS Health/CVS Caremark (Caremark) administers the SEHP's commercial prescription drug benefits under a transparent pricing arrangement with 100% pass through of rebates; the majority of rebates are applied at the pharmacy point of sale (POS). A PBM market check was performed in 2024 and the current contract expires on December 31, 2025.
- The following presentation is a technical overview of the proposals received from the following bidders:
 - **Blue Cross Blue Shield of Kansas (BCBSKS)**
 - BCBSKS is licensed in Kansas as an insurance company and Third Party Administrator
 - **CVS Caremark (Caremark)**
 - Incumbent; CVS Caremark is a Kansas licensed Pharmacy Benefit Manager
 - **MedImpact Healthcare Systems, Inc. (MedImpact)**
 - MedImpact is a Kansas licensed Pharmacy Benefit Manager
- All bidders agreed to the minimum bid requirements

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

Bidder Outsourcing

Subcontractors	BCBSKS	Caremark (Incumbent)	MedImpact
PBM Subcontractor	BCBSKS is licensed as an insurer & TPA in Kansas and is utilizing their contract with PBM Prime Therapeutics for this bid	Caremark owned	MedImpact owned
GPO* Subcontractor	Prime uses GPO (Ascent Health Services) to manage rebates on behalf of BCBSKS and their clients.	Caremark owned (Zinc Health LLC)	MedImpact owned (Prescient Holding Group LLC)
Mail Order Subcontractor	Express Scripts Mail Pharmacy	Caremark owned	Birdi, Inc
Specialty Pharmacy Subcontractor(s)	Accredo	Caremark owned	MedImpact Direct Specialty utilizes a limited network of preferred pharmacies including: Biologics Specialty, Pharmacy Credena Health, CVS Specialty, Specialty by Birdi

*GPO – Group Purchasing Organization: GPOs negotiate contracts directly with drug manufacturers and supplies using their collective purchasing power of their members and plans to secure the best terms

| Financial Analysis

Financial Projection Methodology

Overall Methodology

- Actual SEHP claims data was used for the period October 1, 2023 through September 30, 2024
- Our modeling accounted for each bidder's unique pricing components:
 - Specialty Drug Lists
 - Pricing Exclusions
 - Limited Distribution Drug criteria
 - Brand / Generic Drug criteria
- The summarized data was trended to the three year period of January 1, 2026 through December 31, 2028
 - Our trending was consistent for each PBM and accounted for
 - Average Wholesale Price increases
 - Increased utilization
 - Brand to generic shifting
- Each bidder's terms were applied to their respective final trended data
- Projection does not include optional vendor services and ad-hoc fees as shown on Clinical Programs slide.

Financial Projection Assumptions

Note: All financial projections in deck are based on the following assumptions

- Experience Period: Projections are based on the 10/1/2023 – 9/30/2024 claims experience provided by Caremark trended to the three-year projection period and 74,666 membership as of March 2025. The 2025 guaranteed pricing, including minimum guaranteed rebates, from the current contract was used for all projected years of the “Incumbent” baseline.
- Annual Trend Applied: 2% non-specialty utilization trend, 6.0% specialty utilization trend, 5.0% non-specialty brand cost, 0.5% non-specialty generic cost, and 5.0% specialty brand cost, 1.5% specialty generic cost.
- These projections do not include the estimated value of any guaranteed generic dispensing rates, clinical program costs or implementation credit allowances, if applicable.
- Each bidder proposed specialty lists and drug pricing exclusions that were accounted for individually for each bidder in the total financial analysis.
- Member cost share was based on the current plan designs and current lives.
- Exclusive specialty network arrangement in place under the current contract and all bids.
- Claims data for AMP Cap drugs and biosimilars have been modified based on market trend changes and bidder responses.
- Caremark and MedImpact confirmed Biosimilars are rebate eligible regardless of Brand/Generic designation. BCBS KS confirmed Biosimilars will be paid on "per brand Rx" basis.

Financial Analysis – Overall Cost Comparison: Year 1 Totals - BAFO

Proposed Terms

	Current Contract Baseline	BCBSKS	Caremark Option 1	Caremark Option 2	MedImpact
Gross Prescription Drug Spend	\$156,019,700	\$147,215,400	\$145,428,900	\$145,428,900	\$163,697,500
Admin Fees (+)	\$1,325,300	\$2,993,300	\$1,325,300	\$1,325,300	\$1,030,600
Member Cost Share (-)	\$26,205,700	\$24,726,900	\$24,426,800	\$24,426,800	\$27,495,300
Rebates (-) *	\$3,353,700	\$3,728,500	\$3,887,700	\$3,887,700	\$3,148,300
Performance Credit (-)		\$0	\$1,500,000	\$1,500,000	\$0
Total Net Cost	\$127,785,500	\$121,753,300	\$116,939,700	\$116,939,700	\$134,084,400
Projected Improvements over Baseline		\$6,032,200	\$10,845,900	\$10,845,900	(\$6,298,900)
% of Projected Improvements over Baseline		4.72%	8.49%	8.49%	-4.93%
<i>POS Rebates Fees (PBM Funds SEHP and Member rebates)</i>	\$422,600	\$0	\$537,900	\$0 <i>Funds Member rebates only</i>	\$0

* 95% rebates applied at POS

Financial Analysis – Overall Cost Comparison: 3 Year Totals - BAFO

Proposed Terms

	Current Contract Baseline	BCBSKS	Caremark Option 1	Caremark Option 2	MedImpact
Gross Prescription Drug Spend	\$514,402,100	\$466,759,600	\$466,214,900	\$466,214,900	\$526,571,100
Admin Fees (+)	\$4,058,400	\$9,164,500	\$4,362,900	\$4,362,900	\$3,155,700
Member Cost Share (-)	\$86,401,100	\$78,398,800	\$78,307,400	\$78,307,400	\$88,445,000
Rebates (-) *	\$10,304,400	\$12,408,500	\$12,721,400	\$12,721,400	\$10,383,700
Performance Credit (-)		\$0	\$4,500,000	\$4,500,000	\$0
Total Net Cost	\$421,755,000	\$385,116,800	\$375,049,000	\$375,049,000	\$430,898,100
Projected Improvements over Baseline		\$36,638,200	\$46,706,000	\$46,706,000	(\$9,143,100)
% of Projected Improvements over Baseline		8.69%	11.07%	11.07%	-2.17%
<i>POS Rebates Fees (PBM Funds SEHP and Member rebates)</i>	\$1,281,500	\$0	\$1,631,000	\$0 <i>Funds Member rebates only</i>	\$0

* 95% rebates applied at POS

Financial Analysis – Discount & Dispensing Fee Exclusions

Drug Category	BCBSKS	Caremark (Incumbent)	MedImpact
Compounds	X	X	X
340b Pharmacy Claims	X	X	X
Out of Network Claims	X		X
Member/Paper Submitted Claims	X	X	X
Secondary Payor Claims (COB or Subrogation)	X	X	X
Vaccines and Vaccine administration claims		X	X
OTCs			X
Test Strips			
Long Term Care	X		
Home Infusion	X		
Indian Health Services and Tribal Claims	X		
Limited Distribution Drugs			
VA Claims (Department of Veteran Affairs)	X		X
Client Contracted Pharmacies			X
Client Owned Pharmacies			
Biosimilar			X
Claims with State-determined Rates			X
Drugs Not Approved by the FDA			X
Usual & Customary	X	X	X
Government Required Amounts		X	
COVID Testing-related claims	X	X	X
Claims not on formulary/ subject to grandfathering	X		
US territory (TER) pharmacy	X		

Notes

- All financial projections are based on the exclusions above (and may also include some additional exclusions not listed). There may be some exclusions that are not accounted for in financials due to lack of data in the claims feed.
- Each bidding PBM provided separate lists of categories of drugs which they exclude from pricing guarantees.
- We identified these categories of drugs within the claims data for each bidding PBM and applied guaranteed discounts or pass-through rates based on each bidding PBM's specific criteria.
- Medimpact notes that pricing assumes no more than 5% of claims filled in MA, HI, AK and PR.

Financial Analysis – Rebate Exclusions

Drug Category	BCBSKS	Caremark	MedImpact
Compounds	X	X	X
340b Pharmacy Claims	X	X	X
Out of Network Claims	X		X
Member/Paper Submitted Claims	X	X	X
Secondary Payor Claims (COB or Subrogation)	X	X	X
Vaccines	X	X	X
OTC			X
Non-Drug Claims (except diabetic test strips)			X
Long Term Care	X		X
Home Infusion	X		X
Indian Health Services and Tribal Claims	X		X
Claims Approved by Formulary Exception	X	X	
Limited Distribution Drugs			
VA Claims or claims eligible for federal supply prices	X		X
Biosimilar			
100% Member Paid Claims (cash card)			X
Repackaged NDC			
Brand Thyroid Agents			X
COVID Treatment/ Testing-Related Claims	X	X	X
Claims not on formulary/ subject to grandfathering	X		
US territory (TER) pharmacy	X		

Notes

- All financial projections are based on the exclusions above (and may also include some additional exclusions not listed). There may be some exclusions that are not accounted for in financials due to lack of data in the claims feed.
- Each bidding PBM provided separate lists of categories of drugs which they exclude from pricing guarantees.
- We identified these categories of drugs within the claims data for each bidding PBM and applied guaranteed rebates guarantees based on each bidding PBM's specific criteria.

Financial Analysis

Implementation and Audit Allowances

PBM	BCBSKS	Caremark (Incumbent)	MedImpact
Implementation Credit	\$552,418	N/A	\$6 per member (\$447,996)
Implementation Audit	Included in Implementation Credit	N/A	\$50,000
Pharmacy Management Fund	\$26,296 per year		\$5 per member per year (\$1,119,990 over 3 years)
Clinical Allowance	Included in Pharmacy Management Fund	\$35,000 per year	
Developmental Pool		\$45,000 per year	\$100,000 per year
Administrative Allowance		\$200,000 per year	
Can Roll-Over Unused Allowances to Next Contract Year	Yes	Yes	No
TOTAL over 3 Year Contract for <u>Implementation</u> Allowances	\$552,418	N/A	\$497,996 (\$6/member + \$50,000)
TOTAL over 3 Year Contract for <u>Non-Implementation</u> Allowances	\$78,888	\$840,000	\$1,419,990

Notes:

1. All calculations are based on the total of 74,666 covered lives including dependents (members).

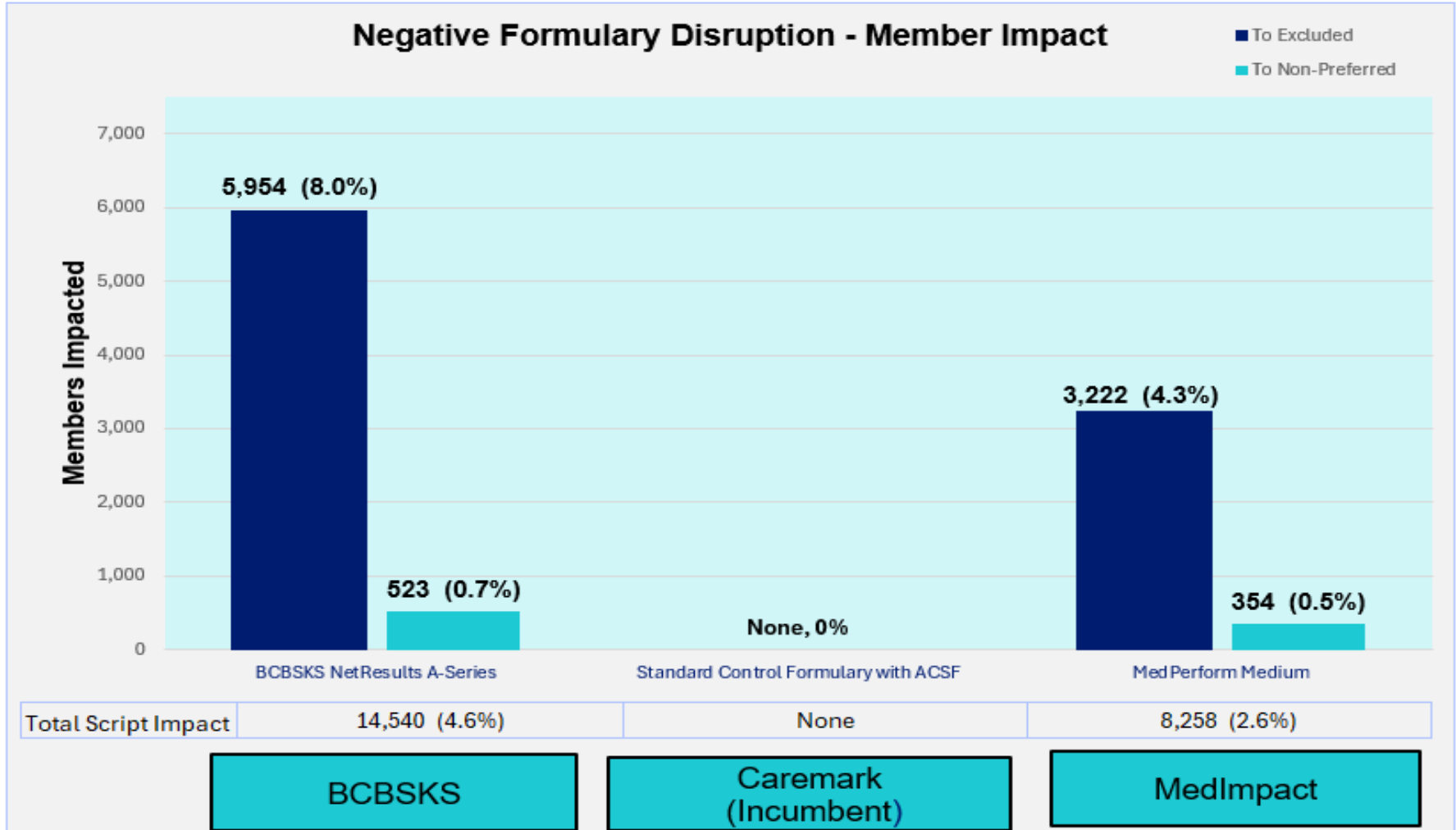
| Disruption Analysis

Formulary Disruption

- A formulary is a list of covered and preferred drugs, which differs for each PBM.
- Under the SEHP plan design, preferred drugs have a lower copay than non preferred drugs.
- Most formularies also have a list of drugs that are excluded from coverage.
- Member disruption would take place for those drugs that are currently preferred which would become either non preferred or excluded under a new formulary. Disruption could also apply to non preferred drugs that would become excluded under a new formulary.
- Disruption can be mitigated based on advanced member notification of formulary change.
- The proposed standard formularies are as follows:
 - Caremark – Standard Control Formulary with ACSF
 - BCBSKS – BCBSKS NetResults A-Series
 - MedImpact – MedPerform Medium Formulary
- Disruption analyses results are shown on the following slides. Actual disruption will vary based on future utilization and potential future formulary changes

Formulary Disruption

Negative Formulary Disruption

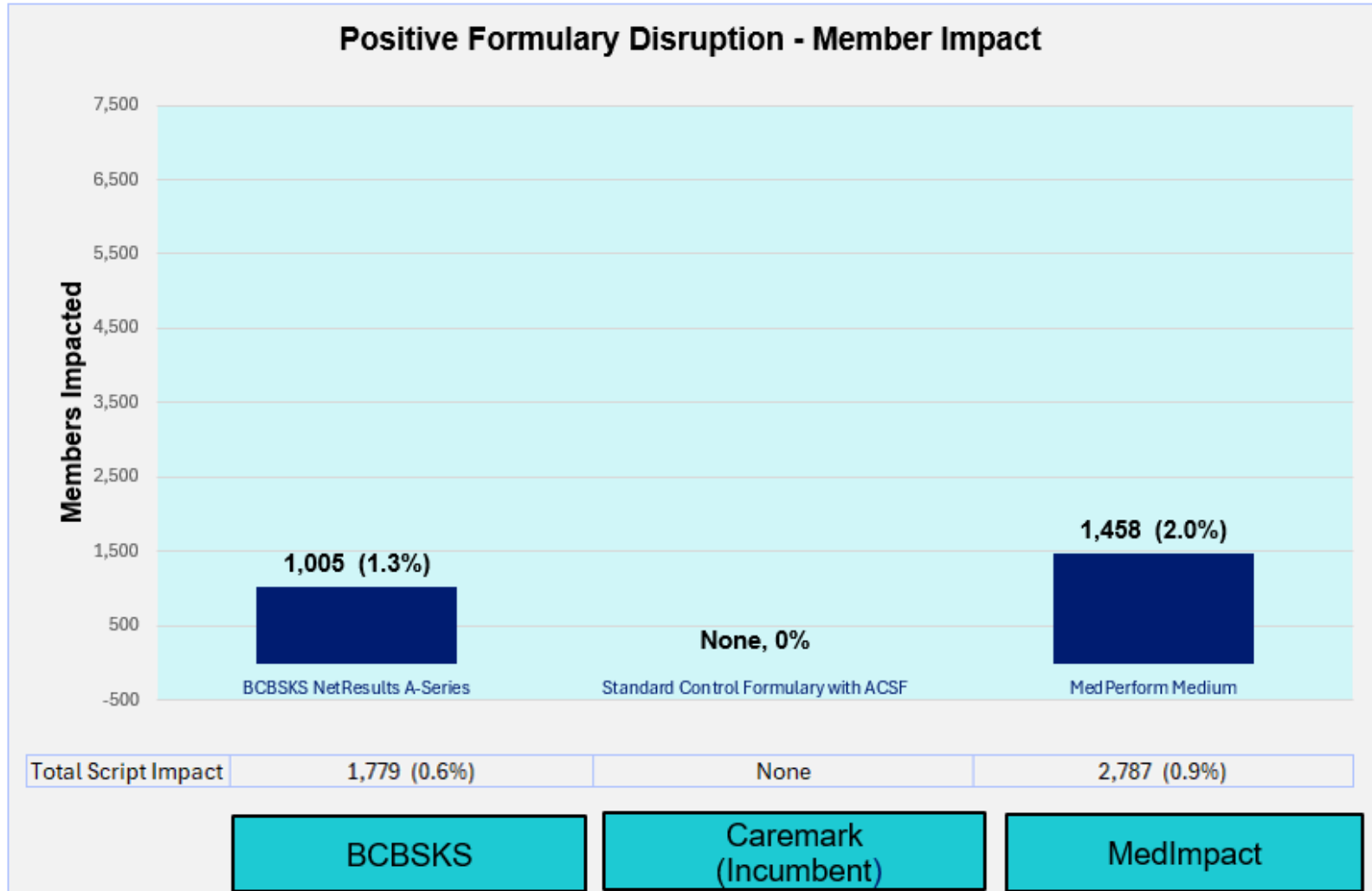


Notes:

1. Impacted Member and Script Counts were provided by the bidders. Member impact numbers may count members who are utilizing multiple impacted drugs more than once, which overstates the member disruption.
2. Disruption results shown above are based on standard formularies provided by the bidders

Formulary Disruption

Positive Formulary Disruption



Notes:

1. Impacted Member and Script Counts were provided by the bidders. Member impact numbers may count members who are utilizing multiple impacted drugs more than once, which overstates the member disruption.
2. Disruption results shown above are based on standard formularies provided by the bidders.

Formulary Disruption

Formulary Disruption – Top 10 Excluded Drugs

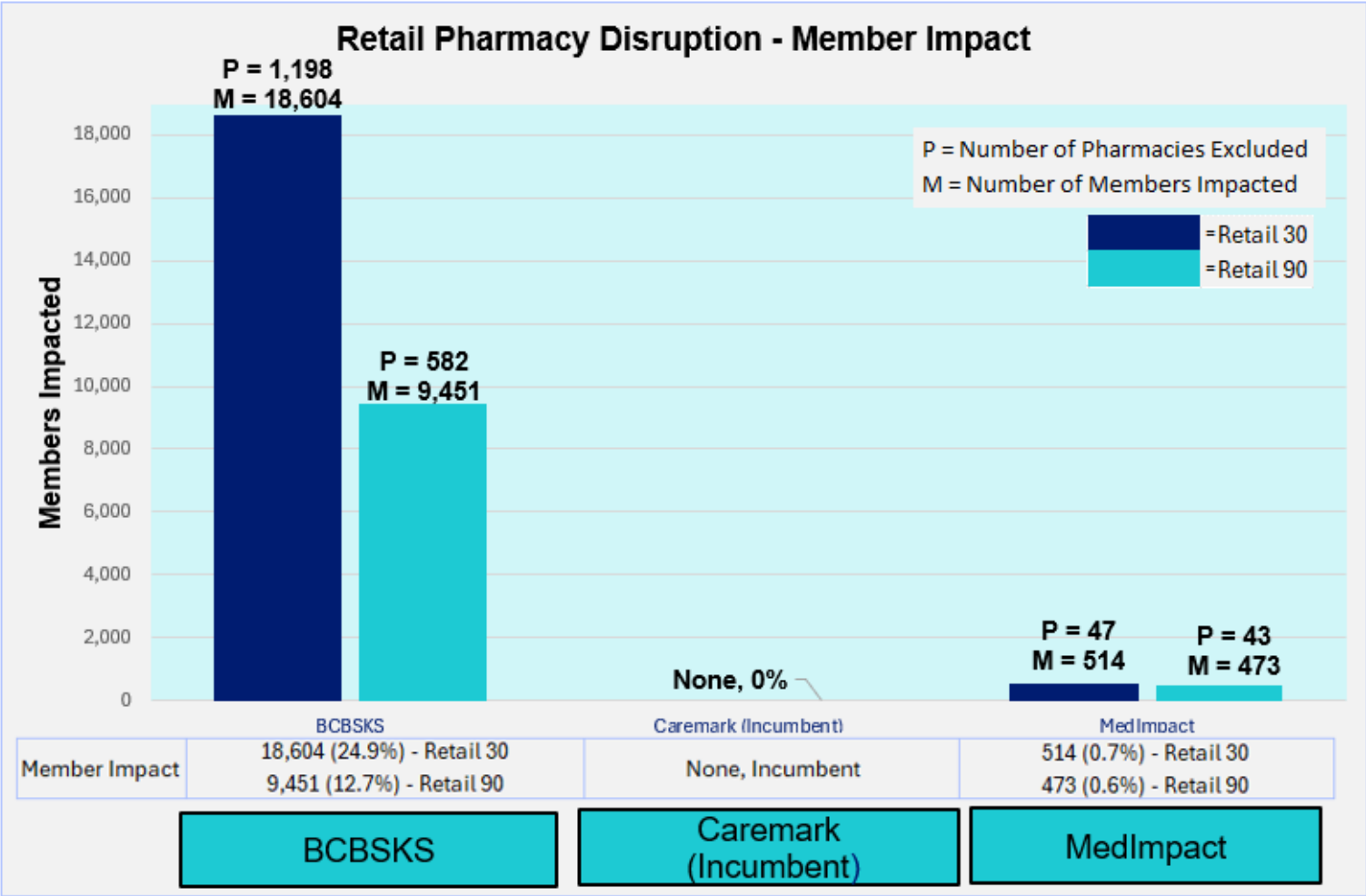
BCBSKS				Medimpact			
% Impacted Members	% of Scripts Impacted	Excluded Drug	Preferred Alternatives	% Impacted Members	% of Scripts Impacted	Excluded Drug	Preferred Alternatives
1.00%	0.22%	FAMOTIDINE	Pantoprazole, Other Formulations of Famotidine	1.09%	0.36%	SYNTHROID	Euthyrox, Levothyroxine, Liothyronine
0.76%	0.22%	LANTUS SOLOSTAR	Humulin	0.68%	0.08%	SYMBICORT	Advair Hfa, Breo Ellipta, Combivent Respimat
0.63%	0.12%	PULMICORT FLEXHALER	Asmanex and Other Inhalers	0.74%	0.16%	VYVANSE	Lisdexamfetamine Dimesylate
0.62%	0.07%	EPINEPHRINE	Other Formulations of Epinephrine	0.73%	0.21%	NOVOLOG FLEXPEN	Humalog, Humulin
0.57%	0.16%	ESOMEPRAZOLE MAGNESIUM	Pantoprazole	0.70%	0.12%	PULMICORT FLEXHALER	Arnuity Ellipta, Budesonide, Fluticasone Propionate
0.48%	0.13%	VYVANSE	Lisdexamfetamine Dimesylate	0.63%	0.14%	LANTUS SOLOSTAR	Humalog, Humulin
0.36%	0.07%	ACCU-CHEK GUIDE TEST STRIPS	Contour	0.55%	0.11%	ACCU-CHEK GUIDE TEST	Freestyle, OneTouch
0.35%	0.08%	LANSOPRAZOLE	Pantoprazole	0.50%	0.06%	ADVAIR DISKUS	Advair Hfa, Breo Ellipta, Combivent Respimat
0.35%	0.05%	MECLIZINE HYDROCHLORIDE	Promethazine, Hydroxyzine, Scopolamine	0.39%	0.17%	NOVOLOG	Humalog, Humulin
0.33%	0.09%	LEVOCETIRIZINE DIHYDROCHLORIDE	OTC products Available	0.37%	0.10%	NUVARING	Annovera, Eluryng, Enilloring, Haloette

Notes:

1. % of impacted members is based on impacted member counts provided by each bidder and the total member count of 74,666 as of September 2024 reflected in the data provided to the bidders.
2. % of impacted scripts is based on impacted script counts provided by each bidder and the total script count of 937,651 reflected in the data from the period October 2023 through September 2024 provided to the bidders.
3. Excluded drugs and preferred alternatives were provided by each bidder.
4. Disruption not provided for Caremark due to incumbent status.

Network Disruption

Network to Non-Network



- Notes:**
1. Disruption analyses provided by bidders. Segal has not verified the above results. Actual disruption will vary based on future utilization and potential future network changes.
 2. Pharmacy Excluded and Member Impacted counts shown by retail 30 and retail 90 are not additive as most pharmacies process both retail 30 and retail 90 claims and the same member may be impacted under both retail 30 and retail 90 by exclusion of the same pharmacy.
 3. % of impacted members is based on impacted member counts provided by each bidder and the total member count of 74,666 as of September 2024 reflected in the data provided to the bidders.
 4. Additional notes and details can be found on the following slides.

Retail Network Disruption Analysis – Retail 30

- Network disruption based on **self-reported information from bidders and includes Retail 30 pharmacies**
- Disruption based on claims paid during 10/1/2023 through 9/30/2024.
- Pharmacy impact is based on 3,943 utilized pharmacies. Member impact calculations are based on 74,666 members.

Negative Impact (Non-Participating Retail Pharmacies but eligible to solicit)

Positive/Neutral Impact (Participating Retail Pharmacies)

PBM	Pharmacy Impact	% Pharmacy Impact	Member Impact	% Member Impact	Rx Count	List of Top Pharmacy Exclusions (Members)	# Pharmacies	# Distinct Patients
BCBSKS <i>Broad Network</i>	1,198	30.4%	18,604	24.9%	110,742	CVS Pharmacy	2,745	71,777
Caremark (Incumbent)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
MedImpact <i>Broad Network</i>	47	1.2%	514	0.7%	6,730	The Medicine Shoppe Pharmacy	3,819	59,551

Network Disruption

Top 5 Excluded Retail 30 Pharmacies

Bidder	Pharmacy; City, State	# of Members	% Members Affected	# of Scripts	% Scripts
BCBSKS	CVS PHARMACIES (All Locations)	15,918	21.32%	90,568	9.66%
	TRUEPILL (Hayward, CA)	70	0.09%	340	0.04%
	CAREPOINT PHARMACY (Schaumburg, IL)	49	0.07%	146	0.02%
	OSWEGO DRUG STORE (Oswego, KS)	31	0.04%	212	0.02%
	PROPEL PHARMACY (Cicero, NY)	16	0.02%	167	0.02%
Caremark	As the incumbent, Caremark disruption should already have occurred.				
MedImpact	THE MEDICINE SHOPPE PHARMACY (Chanute, KS)	119	0.16%	1,686	0.18%
	EUREKA PHARMACY (Eureka, KS)	83	0.11%	1,515	0.16%
	ONAGA PHARMACY (Onaga, KS)	140	0.19%	1,492	0.16%
	KRIEN PHARMACY INC (St Francis, KS)	46	0.06%	1,092	0.12%
	D&B PHARMACY / MILLIGAN PHARMACY (Ashland, KS)	23	0.03%	445	0.05%

Notes:

1. Disruption analyses provided by bidders. Segal has not verified the above results. Actual disruption will vary based on future utilization and potential future network changes.
2. % of impacted members is based on impacted member counts provided by each bidder and the total member count of 74,666 as of September 2024 reflected in the data provided to the bidders.
3. % of impacted scripts is based on impacted script counts provided by each bidder and the total script count of 937,651 reflected in the data from the period October 2023 through September 2024 provided to the bidders.
4. For BCBSKS, rolled up all CVS pharmacies into one line item since CVS pharmacy was the top 5 pharmacies with highest member impact.

Retail Network Disruption Analysis – Retail 90

- Network disruption based on **self-reported information from bidders and includes Retail 90 network pharmacies**
- Disruption based on claims paid during 10/1/2023 through 9/30/2024.
- Pharmacy impact is based on 1,919 utilized pharmacies. Member impact calculations are based on 74,666 members

Negative Impact (Non-Participating Retail Pharmacies but eligible to solicit)

Positive/Neutral Impact (Participating Retail Pharmacies)

PBM	Pharmacy Impact	% Pharmacy Impact	Member Impact	% Member Impact	Rx Count	List Top Pharmacy Exclusion (Members)	# Pharmacies	# Distinct Patients
BCBSKS <i>Broad Network</i>	582	30.3%	9,451	12.7%	58,221	CVS Pharmacy	1,337	27,657
Caremark (Incumbent)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
MedImpact <i>Broad Network</i>	43	2.2%	473	0.6%	2,662	Onaga Pharmacy	1,821	29,930

Network Disruption

Top 5 Excluded Retail 90 Pharmacies

Bidder	Pharmacy; City, State	# of Members	% Members Affected	# of Scripts	% Scripts
BCBSKS	CVS PHARMACIES (ALL LOCATIONS)	6,742	9.03%	40,910	4.36%
	AUBURN PHARMACY #170 (Osage City, KS)	122	0.16%	1,085	0.12%
	TRUEPILL (Hayward, CA)	57	0.08%	172	0.02%
	VALLEY FALLS PHARMACY (Valley Falls, KS)	42	0.06%	309	0.03%
	CAREPOINT PHARMACY (Shaumburg, IL)	41	0.05%	86	0.01%
Caremark	As the incumbent, Caremark disruption should already have occurred.				
MedImpact	ONAGA PHARMACY (Onaga, KS)	58	0.07%	381	0.04%
	THE MEDICINE SHOPPE PHARMACY (Chanute, KS)	52	0.07%	252	0.03%
	D. C. DRUG (Troy, KS)	32	0.04%	213	0.02%
	CURRIER DRUG (Atwood, KS)	29	0.04%	188	0.02%
	CALDWELL PHARMACY (Caldwell, KS)	31	0.04%	183	0.02%

Notes:

1. Disruption analyses provided by bidders. Segal has not verified the above results. Actual disruption will vary based on future utilization and potential future network changes.
2. % of impacted members is based on impacted member counts provided by each bidder and the total member count of 74,666 as of September 2024 reflected in the data provided to the bidders.
3. % of impacted scripts is based on impacted script counts provided by each bidder and the total script count of 937,651 reflected in the data from the period October 2023 through September 2024 provided to the bidders.
4. All bidders excluded incumbent CVS mail order facilities from the above analysis as each bidder will provide their own mail order facilities.
5. For BCBSKS, rolled up all CVS pharmacies into one line item since CVS pharmacy was the top 5 pharmacies with highest member impact.

| Clinical Programs

Clinical Programs and Other Fees

Offered Clinical Program	BCBSKS	Caremark (Incumbent)	MedImpact
Drug Savings Review	Included	\$0.30 PMPM	Not Available
Prior Authorization (PA)	Included	\$45 per review	\$0.59 PMPM
Step Therapy	Included	Included	Included
Drug Quantity	Included	Included	Included
First Level Appeal	Included	\$100	\$100 per administrative appeal \$225 per first level clinical appeal
External Review	Not Provided	Urgent appeals processing \$600 per review	\$350
Retrospective Drug Utilization Program	Included	Included	\$0.02 PMPM
Utilization Management for Specialty Drugs	Included	Included	Included
Site of Care	Offered (pricing not available)	\$0.01 PMPM	Offered (pricing not available)
Drug Benefit Alignment	Offered (pricing not available)	Offered (pricing not available)	Offered (pricing not available)
Compound Drug Strategies	Included	Included	Included
Opioid Management Solutions	Included	Included	\$0.20 PMPM
Fraud, Waste, and Abuse Program	Included	Included	\$0.05 per claim
e-Prescribing Fees	Included	Included	\$0.10 per transaction
Shipping and Handling of Temperature Sensitive Products	Included	Included	Included
Vaccine Program	Offered: Admin fees waived in network	\$0.05 PMPM	\$3 per vaccine claim

Clinical Programs Comparison

Current Program Options	BCBSKS (Cover Weight Loss)	BCBSKS (Exclude Weight Loss)	Caremark (Incumbent)	MedImpact
Administrative Fees	Yr 1: \$3.73/Rx Yr 2: \$3.73/Rx Yr 3: \$3.73/Rx	Yr 1: \$3.62/Rx Yr 2: \$3.62/Rx Yr 3: \$3.62/Rx	Yr 1: \$1.45/Rx Yr 2: \$1.55/Rx Yr 3: \$1.65/Rx	Yr 1: \$1.05/Rx Yr 2: \$1.05/Rx Yr 3: \$1.05/Rx
Copay Assistance Program	Flex Access: Copay Assistance Program: \$3.20 PEPM		25% of Savings	20% of Savings
Prior Authorization and Appeals	Included		\$45 per PA 1 st level: \$100 2 nd level: \$500 Urgent: \$600	\$0.59 PMPM as part of clinical trend management package which includes PA, QL, ST \$90 - Clinical Physician Review \$180 per specialty match physician review \$100 per State specified licensed physician review \$425 per peer to peer physician \$375 per custom PA guideline
Step Therapy	Included		Included; \$45 per PA for clinical review, if needed	Included in PA program above
Quantity Limits	Included		Included; \$45 per PA for clinical review, if needed	Included in PA program above

Summary

- Caremark and BCBSKS offered the most competitive bids.
- Both Caremark and BCBSKS are capable to provide the services requested in the RFP.

Agenda Item #3

Hold for Medicare Supplement Insurance Rates

Agenda Item #5

April 18, 2025

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

Re: Projection Summary – March 2025

Dear Ms. Flory:

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

Experience: January 2025 to March 2025

Segal calculated the initial budget with available data through March 2025. Therefore, the 2025 YTD actuals match the initial budget numbers.

The reserve balance through March closed at \$56.3M. Below is a breakout of the various components.

January 2025 to March 2025 Financials (in Millions)				
	Budgeted	Actual	Gain/(Loss) \$	Gain/(Loss) %
Program Revenue	\$149.1	\$149.1	\$0.0	0.0%
Medical self-insured claims	\$82.3	\$82.3	\$0.0	0.0%
Rx self-insured claims	\$27.8	\$27.8	\$0.0	0.0%
Dental self-insured claims	\$7.3	\$7.3	\$0.0	0.0%
Health Savings Contributions*	\$8.8	\$8.8	\$0.0	0.0%
ASO/Premium	\$11.4	\$11.4	\$0.0	0.0%
Contract Fees/Other**	\$1.8	\$1.8	\$0.0	0.0%
Administrative Fund	\$1.3	\$1.3	\$0.0	0.0%
Program Expenses	\$140.7	\$140.7	\$0.0	0.0%
Net Income/(Net Expense)	\$8.4	\$8.4	\$0.0	
Reserve Balance (All Funds)***	\$56.3	\$56.3	\$0.0	

* Includes Health Savings and Health Reimbursement Contributions
** Includes Contract Fees, Voluntary Benefit, Onsite Clinic, Wellness Program, EAP, MAP, Transparent Tools, Data Warehouse, HRA ASO, Non-State Administrative Expenses, Flex and PCORI. 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.

As we have done in prior years, once we collect more experience, we will highlight the variances above and provide an explanation of the emerging Gain/(Loss) on the projection.

Enrollment

Enrollment is based on actual data through March and projected with the latest enrollment data, March 2025. Therefore, the projected enrollment for the experience period matches the actual enrollment through March. This will be updated in future reports.

Enrollment Monthly Avg.	Projected (Jan-March)	Actual (Jan-March)	Change in #	Change in %
Active & COBRA	38,829	38,829	-	0.0%
Non-Medicare Retiree	461	461	-	0.0%
Medicare Members	7,537	7,537	-	0.0%
Total	46,827	46,827	-	0.0%

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

The table below shows a snapshot of the March 2025 enrollment. This serves as the basis for enrollment assumptions for 2025.

Contracts (March-2025)				
	Active	COBRA	Non-Medicare Retiree	Medicare Retiree
Medical				
Plan A	19,579	32	177	
Plan C	16,202	23	278	
Plan J	628	1	3	
Plan N	2,404	3	4	
Medicare				
Aetna (MA)				766
Plan C/C Select (Supp)				5,707
Plan G/G Select (Supp)				780
Plan N (Supp)				265
Medical Total	38,813	59	462	7,518
Contracts (March-2025)				
	Active	COBRA	Non-Medicare Retiree	Medicare Retiree
Dental Total	39,570	84	450	7,760
Vision Total	32,474	43	373	4,434

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.

Financial Projections (in Millions) – as of March 31, 2025						
	CY 2024	CY 2025	CY 2026	CY 2027	CY 2028	CY 2029
Program Revenue	\$565.0	\$598.7	\$638.6	\$689.3	\$744.4	\$804.8
<i>Medical self-insured claims</i>	\$359.6	\$381.3	\$401.0	\$432.7	\$447.8	\$473.2
<i>Rx self-Insured claims</i>	\$108.2	\$118.0	\$125.3	\$135.2	\$145.9	\$158.3
<i>Dental self-Insured claims</i>	\$28.1	\$30.4	\$31.6	\$33.2	\$33.6	\$34.6
Health Savings Contributions*	\$33.5	\$33.2	\$33.3	\$33.3	\$33.3	\$33.3
<i>ASO/Premium</i>	\$42.4	\$46.2	\$46.8	\$48.3	\$49.8	\$51.3
<i>Contract Fees/Other**</i>	\$6.7	\$7.0	\$7.2	\$7.2	\$7.3	\$7.4
<i>Administrative Fund</i>	\$5.4	\$5.4	\$5.5	\$5.5	\$5.6	\$5.7
Program Expenses	\$583.9	\$621.7	\$650.7	\$695.5	\$723.2	\$763.6
Net Income/(Net Expense)	\$(19.0)	\$(23.0)	\$(12.1)	\$(6.2)	\$21.2	\$41.2
Reserve Balance (All Funds)	\$47.9	\$24.9	\$12.8	\$6.6	\$27.8	\$69.0
* Includes Health Savings and Health Reimbursement Contributions						
** Includes Contract Fees, Voluntary Benefit, Onsite Clinic, Wellness Program, EAP, MAP, Transparent Tools, Data Warehouse, HRA ASO, Non-State Administrative Expenses, Flex and PCORI.						
*** Total may not fully reconcile due to some intermediate values shown rounded to 1 decimal.						

The 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 – Neutral.

The projected medical costs for future periods have decreased since the prior update due to lower medical claims experience being incorporated into the baseline of our future projections.

Inversely, the projected pharmacy costs for 2025 and future periods have increased since the prior update due to pharmacy claims from January to March exceeding projections.

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

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

Funding and Reserves

The projected funding used in calculating the fund balances below considers the plan offerings and funding rate changes approved at the June 24' 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 4%. After these rate actions were selected, the model solved for an 8.4% 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 0.1% higher than the calculated amount at the February 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.

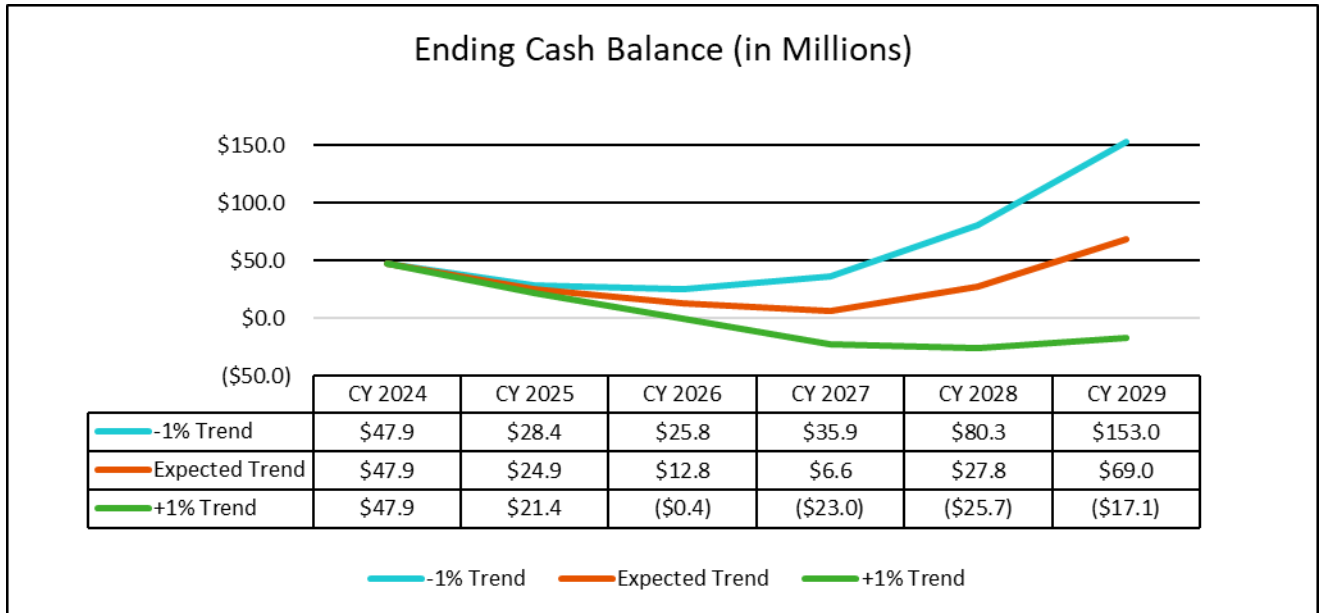
The future funding increases can be found at the bottom of the table. The employee funding is effective January 1st each year and the employer funding is effective July 1st each year. Thus, the 8.4% increase shown in 2029 represents the employer contribution between 7/1/2029-6/30/2030, while the employee funding would be 1/1/2029-12/31/2029.

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

2021 House Bill No. 2218 Target (10% of Three Prior Years Total Plan Expenses) in CY 2024-2029 (in Millions)						
	2024	2025	2026	2027	2028	2029
10% of Prior Total Plan Expenses (3-Year Average)	\$50.9	\$53.8	\$58.1	\$61.9	\$65.6	\$69.0
Reserve Balance (All Funds)	\$47.9	\$24.9	\$12.8	\$6.6	\$27.8	\$69.0
Fund Balance vs. Target Surplus/(Shortfall)	\$(3.0)	\$(28.9)	\$(45.3)	\$(55.3)	\$(37.8)	\$0.0
Funding Rate Increase						
Employer	5.0%	7.5%	8.4%	8.4%	8.4%	8.4%
Employee*	0.0%	0.0%	4.0%	8.4%	8.4%	8.4%

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 trend is 1% higher than the assumptions from 2024-2029, the cash balance will decrease to -\$17.1M at the end of CY 2029, assuming the current proposed funding increases of 8.4% remain intact. If this occurred, a funding increase of approximately 10.4% 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 to the target reserve.

2027 - 2029 Funding Rate Sensitivity		
-\$1M	Current	+\$1M
8.3%	8.4%	8.5%

Due to the funding rate for 2025 assumed to be locked at 7.5% for employers and 0.0% for employees and the 2026 employee rate locked for 4.0%, the 2027, 2028, and 2029 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 annually and reviewed with the Program. Current trend assumptions are as follows:

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

HSA/HRA Funding

HSA/HRA amount are funded by employer contributions:

	CY 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 \$2.7M per month were estimated based on specific membership data.

Adjustments from RFPs

The PBM RFP contract was put in place for 2023, assumed savings of \$30.9M for years 2025+. Note that savings are cumulative and are inclusive of prior year savings.

Funding Rates

The funding rates and member contributions for 2025 were approved by the HCC in June 2024. The member contributions for 2026 were also tentatively approved at this meeting too. 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 2024 HCC meeting, Plan C and N were amended to meet new HDHP limits for 2025. Non-Single tier deductible for employee was changed from \$3,200 to \$3,300 based on new IRS requirement in 2025. The Actuarial Value of the plans for 2025 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%

Contract Fees

The Program provided fees for each contract fees that are consistent with their budgets. Segal received contract fees Calendar Year 2025 from the Program.

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 3.75%/3.00%/2.75% of the annual cash balance for FY 2025/2026/2027+.
- Coverage Tier Factor: A refreshed analysis was done using emerging claims and results are shown below. This is updated from the last projection. 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
 - The previous tier factors for Medical and Rx were: 1.00/2.94/1.57/2.53 for Employee Only/Employee + Spouse/Employee + Child(ren)/Employee + Family
 - The previous tier factors for Dental were: 1.00/2.03/2.53/3.89 for Employee Only/Employee + Spouse/Employee + Child(ren)/Employee + Family

Report Terms and Acronyms

- **Administrative Fund-Expenses for administration of SEHP are paid from this fund**

Fees SEHP pays for administrating the employee benefit plan in which only purchasing administrative services are required from the insurer.

- **APR – Annual Percentage Rate**

- **ASO- Administrative Services Only**

- -Arrangement with insurer for a plan that funds its own employee benefit plan and only purchases administrative services from the insurer.

- **BCBS – Blue Cross Blue Shield**

- **COBRA- Consolidated Omnibus Budget Reconciliation Act**

-The Consolidated Omnibus Budget Reconciliation Act (COBRA) gives workers and their families who lose their health benefits the right to choose to continue group health benefits provided by their group health plan for limited periods of time under certain circumstances such as voluntary or involuntary job loss, reduction in the hours worked, transition between jobs, death, divorce, and other life events. Qualified individuals may be required to pay the entire premium for coverage up to 102% of the cost to the plan.

- **CY- Calendar Year**

-January 1st to December 31st; same as Plan Year for Health Benefits

- **EAC-Employee Advisory Committee**

- **EAP – Employee Assistance Program**

- **EE- Employee**

- **EC – Employee Children**

- **EF – Employee Family**

- **ES – Employee Spouse**

- **ER- Employer**

- **FDIC – Federal Deposit Insurance Corporation**

- **FT – Full Time**

- **FY-Fiscal Year**

-Specific to the Kansas, July 1st to June 30th

- **FSA- Flexible Spending Account**

-Employer owned spending account for employees qualified Health care and Dependent care expenses funded by before tax payroll deductions

- **HCC- Health Care Commission.**

- **HKF – Healthy Kids Fulltime**

- **HKP – Healthy Kids Part Time**

- **HRA- Health Reimbursement Account**

-Employer funded plan where employees are reimbursed tax-free for qualified medical expenses up to a certain dollar amount per year

- **HSA- Health Savings Account**

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

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

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

- **MA- *Medicare Advantage***

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

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

- **MS-*Medicare Supplemental***

-Medicare Supplement (Medigap) plan

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

- **OOP – *Out of Pocket***

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

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

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

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

- **PT – *Part Time***

- **QTR - *Quarterly***

- **Rx - *Pharmacy***


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

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

Certification

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

By signing below, I certify that I am a qualified actuary by education and experience to evaluate health reserves and funding practices. I am 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 March
Budget vs. Actual**

	Jan-2025			Feb-2025			Mar-2025		
	Initial Budget	Actual	Gain/(Loss)	Initial Budget	Actual	Gain/(Loss)	Initial Budget	Actual	Gain/(Loss)
Revenue									
State ER	37,823,396	37,823,396	-	31,707,875	31,707,875	-	33,963,290	33,963,290	-
State EE	6,368,295	6,368,295	-	6,305,842	6,305,842	-	6,860,459	6,860,459	-
Non-State ER	4,303,942	4,303,942	-	4,303,740	4,303,740	-	4,340,282	4,340,282	-
Non-State EE	691,481	691,481	-	694,397	694,397	-	686,241	686,241	-
Direct Bill	2,853,410	2,853,410	-	2,755,862	2,755,862	-	2,746,284	2,746,284	-
COBRA	81,954	81,954	-	65,897	65,897	-	58,541	58,541	-
Voluntary Benefit	366,319	366,319	-	366,579	366,579	-	394,477	394,477	-
Interest/Other	163,433	163,433	-	165,821	165,821	-	132,394	132,394	-
Funding from GBA	-	-	-	-	-	-	-	-	-
Administrative Fund	300,389	300,389	-	299,635	299,635	-	297,182	297,182	-
Total	52,952,619	52,952,619	-	46,665,647	46,665,647	-	49,479,150	49,479,150	-
Expenses									
Medical Claims	31,455,489	31,455,489	-	23,378,180	23,378,180	-	27,503,733	27,503,733	-
Rx Claims	10,385,277	10,385,277	-	8,391,483	8,391,483	-	9,056,669	9,056,669	-
Dental Claims	1,981,596	1,981,596	-	2,820,383	2,820,383	-	2,464,517	2,464,517	-
Health Savings ER	6,558,253	6,558,253	-	1,424,428	1,424,428	-	853,147	853,147	-
ASO/Premium	3,697,861	3,697,861	-	3,459,694	3,459,694	-	4,228,388	4,228,388	-
Voluntary Benefit	366,319	366,319	-	366,579	366,579	-	394,477	394,477	-
Onsite Clinic (Marathon)	181,122	181,122	-	180,196	180,196	-	177,412	177,412	-
Other Contract Fees/Flex	41,406	41,406	-	41,423	41,422.79	-	41,402	41,402	-
PCORI	-	-	-	-	-	-	-	-	-
Administrative Fund	450,364	450,364	-	405,869	405,869	-	427,624	427,624	-
Total	55,117,687	55,117,687	-	40,468,234	40,468,234	-	45,147,372	45,147,372	-
Net Cash Flow	(2,165,068)	(2,165,068)	-	6,197,413	6,197,413	-	4,331,779	4,331,779	-
Beginning Balance (Reserve Fund)	40,896,693	40,896,693	-	39,181,989	39,181,989	-	45,785,271	45,485,636	(299,635)
Ending Balance (Reserve Fund)	39,181,989	39,181,989	-	45,785,271	45,485,636	(299,635)	50,544,674	49,947,856	(596,817)
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	-	46,027,339	46,027,339	-	52,524,387	52,224,753	(299,635)
Ending Balance (Both Funds)	46,027,339	46,027,339	-	52,524,387	52,224,753	(299,635)	57,153,348	56,556,531	(596,817)
Enrollment (Subscriber)									
	Initial	Updated	Difference	Initial	Updated	Difference	Initial	Updated	Difference
Active	38,710	38,710	-	38,749	38,749	-	38,813	38,813	-
COBRA	82	82	-	74	74	-	59	59	-
Non-Medicare Retiree	456	456	-	465	465	-	462	462	-
Medicare Retiree	7,548	7,548	-	7,546	7,546	-	7,518	7,518	-
Total	46,796	46,796	-	46,834	46,834	-	46,852	46,852	-
Revenue PEPM	1,132	1,132	-	996	996	-	1,056	1,056	-
Expenses PEPM	1,178	1,178	-	864	864	-	964	964	-

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

	Apr-2025			May-2025			Jun-2025		
	Initial Budget	Updated Budget	Gain/(Loss)	Initial Budget	Updated Budget	Gain/(Loss)	Initial Budget	Updated Budget	Gain/(Loss)
Revenue									
State ER	40,577,589	40,577,589	-	34,121,730	34,121,730	-	28,870,675	28,870,675	-
State EE	6,939,362	6,939,362	-	6,939,362	6,939,362	-	5,765,419	5,765,419	-
Non-State ER	4,290,766	4,290,766	-	4,290,766	4,290,766	-	4,290,766	4,290,766	-
Non-State EE	685,575	685,575	-	685,575	685,575	-	685,575	685,575	-
Direct Bill	2,760,851	2,760,851	-	2,760,851	2,760,851	-	2,760,851	2,760,851	-
COBRA	63,079	63,079	-	63,079	63,079	-	63,079	63,079	-
Voluntary Benefit	319,180	319,180	-	319,180	319,180	-	319,180	319,180	-
Interest/Other	127,802	127,802	-	127,802	127,802	-	127,802	127,802	-
Funding from GBA	-	-	-	-	-	-	-	-	-
Administrative Fund	295,583	295,583	-	295,583	295,583	-	295,583	295,583	-
Total	56,059,787	56,059,787	-	49,603,928	49,603,928	-	43,178,930	43,178,930	-
Expenses									
Medical Claims	30,270,225	30,270,225	-	34,974,178	34,974,178	-	29,055,599	29,055,599	-
Rx Claims	8,307,178	8,307,178	-	10,417,938	10,417,938	-	10,556,083	10,556,083	-
Dental Claims	2,344,808	2,344,808	-	2,941,598	2,941,598	-	2,359,082	2,359,082	-
Health Savings ER	7,086,034	7,086,034	-	593,003	593,003	-	663,001	663,001	-
ASO/Premium	3,846,587	3,846,587	-	4,088,421	4,088,421	-	3,846,587	3,846,587	-
Voluntary Benefit	319,180	319,180	-	319,180	319,180	-	319,180	319,180	-
Onsite Clinic (Marathon)	176,365	176,365	-	187,865	187,865	-	187,865	187,865	-
Other Contract Fees/Flex	52,527	52,527	-	52,527	52,527	-	52,527	52,527	-
PCORI	-	-	-	-	-	-	-	-	-
Administrative Fund	459,046	459,046	-	459,046	459,046	-	459,046	459,046	-
Total	52,861,952	52,861,952	-	54,033,757	54,033,757	-	47,498,972	47,498,972	-
Net Cash Flow	3,197,836	3,197,836	-	(4,429,828)	(4,429,828)	-	(4,320,042)	(4,320,042)	-
Beginning Balance (Reserve Fund)	48,943,968	49,947,856	1,003,888	52,327,128	53,309,155	982,028	48,082,623	49,042,790	960,167
Ending Balance (Reserve Fund)	52,327,128	53,309,155	982,028	48,082,623	49,042,790	960,167	43,947,905	44,886,212	938,307
Beginning Balance (Administrative Fund)	6,469,140	6,608,675	139,535	6,283,816	6,445,211	161,395	6,098,492	6,281,748	183,256
Ending Balance (Administrative Fund)	6,283,816	6,445,211	161,395	6,098,492	6,281,748	183,256	5,913,169	6,118,285	205,116
Beginning Balance (Both Funds)	55,413,108	56,556,531	1,143,423	58,610,944	59,754,367	1,143,423	54,181,116	55,324,538	1,143,423
Ending Balance (Both Funds)	58,610,944	59,754,367	1,143,423	54,181,116	55,324,538	1,143,423	49,861,073	51,004,496	1,143,423
Enrollment (Subscriber)	Initial	Updated	Difference	Initial	Updated	Difference	Initial	Updated	Difference
Active	38,813	38,813	-	38,813	38,813	-	38,813	38,813	-
COBRA	59	59	-	59	59	-	59	59	-
Non-Medicare Retiree	462	462	-	462	462	-	462	462	-
Medicare Retiree	7,518	7,518	-	7,518	7,518	-	7,518	7,518	-
Total	46,852	46,852	-	46,852	46,852	-	46,852	46,852	-
Revenue PEPM	1,197	1,197	-	1,059	1,059	-	922	922	-
Expenses PEPM	1,128	1,128	-	1,153	1,153	-	1,014	1,014	-

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

	Jul-2025			Aug-2025			Sep-2025		
	Initial Budget	Updated Budget	Gain/(Loss)	Initial Budget	Updated Budget	Gain/(Loss)	Initial Budget	Updated Budget	Gain/(Loss)
Revenue									
State ER	37,601,657	37,601,657	-	31,145,798	31,145,798	-	33,863,613	33,863,613	-
State EE	5,765,419	5,765,419	-	5,765,419	5,765,419	-	6,352,390	6,352,390	-
Non-State ER	4,603,639	4,603,639	-	4,603,639	4,603,639	-	4,603,639	4,603,639	-
Non-State EE	685,575	685,575	-	685,575	685,575	-	685,575	685,575	-
Direct Bill	2,760,851	2,760,851	-	2,760,851	2,760,851	-	2,760,851	2,760,851	-
COBRA	63,079	63,079	-	63,079	63,079	-	63,079	63,079	-
Voluntary Benefit	319,180	319,180	-	319,180	319,180	-	319,180	319,180	-
Interest/Other	127,802	127,802	-	127,802	127,802	-	127,802	127,802	-
Funding from GBA	-	-	-	-	-	-	-	-	-
Administrative Fund	295,583	295,583	-	295,583	295,583	-	295,583	295,583	-
Total	52,222,785	52,222,785	-	45,766,926	45,766,926	-	49,071,713	49,071,713	-
Expenses									
Medical Claims	29,919,934	29,919,934	-	39,318,965	39,318,965	-	30,795,395	30,795,395	-
Rx Claims	3,116,496	3,116,496	-	10,833,912	10,833,912	-	10,928,565	10,928,565	-
Dental Claims	2,364,901	2,364,901	-	2,963,416	2,963,416	-	2,376,580	2,376,580	-
Health Savings ER	6,974,744	6,974,744	-	460,082	460,082	-	434,537	434,537	-
ASO/Premium	3,846,587	3,846,587	-	3,846,587	3,846,587	-	3,846,587	3,846,587	-
Voluntary Benefit	319,180	319,180	-	319,180	319,180	-	319,180	319,180	-
Onsite Clinic (Marathon)	187,865	187,865	-	187,865	187,865	-	187,865	187,865	-
Other Contract Fees/Flex	52,527	52,527	-	52,527	52,527	-	52,527	52,527	-
PCORI	209,619	209,619	-	-	-	-	-	-	-
Administrative Fund	463,918	463,918	-	463,918	463,918	-	463,918	463,918	-
Total	47,455,772	47,455,772	-	58,446,454	58,446,454	-	49,405,155	49,405,155	-
Net Cash Flow	4,767,013	4,767,013	-	(12,679,529)	(12,679,529)	-	(333,442)	(333,442)	-
Beginning Balance (Reserve Fund)	43,947,905	44,886,212	938,307	48,905,113	49,821,560	916,446	36,415,781	37,310,367	894,586
Ending Balance (Reserve Fund)	48,905,113	49,821,560	916,446	36,415,781	37,310,367	894,586	36,272,535	37,145,260	872,726
Beginning Balance (Administrative Fund)	5,913,169	6,118,285	205,116	5,722,973	5,949,949	226,976	5,532,777	5,781,614	248,837
Ending Balance (Administrative Fund)	5,722,973	5,949,949	226,976	5,532,777	5,781,614	248,837	5,342,581	5,613,278	270,697
Beginning Balance (Both Funds)	49,861,073	51,004,496	1,143,423	54,628,086	55,771,509	1,143,423	41,948,558	43,091,980	1,143,423
Ending Balance (Both Funds)	54,628,086	55,771,509	1,143,423	41,948,558	43,091,980	1,143,423	41,615,116	42,758,539	1,143,423
Enrollment (Subscriber)	Initial	Updated	Difference	Initial	Updated	Difference	Initial	Updated	Difference
Active	38,813	38,813	-	38,813	38,813	-	38,813	38,813	-
COBRA	59	59	-	59	59	-	59	59	-
Non-Medicare Retiree	462	462	-	462	462	-	462	462	-
Medicare Retiree	7,518	7,518	-	7,518	7,518	-	7,518	7,518	-
Total	46,852	46,852	-	46,852	46,852	-	46,852	46,852	-
Revenue PEPM	1,115	1,115	-	977	977	-	1,047	1,047	-
Expenses PEPM	1,013	1,013	-	1,247	1,247	-	1,054	1,054	-

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

	Oct-2025			Nov-2025			Dec-2025		
	Initial Budget	Updated Budget	Gain/(Loss)	Initial Budget	Updated Budget	Gain/(Loss)	Initial Budget	Updated Budget	Gain/(Loss)
Revenue									
State ER	40,319,472	40,319,472	-	33,863,613	33,863,613	-	33,863,613	33,863,613	-
State EE	6,352,390	6,352,390	-	6,352,390	6,352,390	-	6,352,390	6,352,390	-
Non-State ER	4,603,639	4,603,639	-	4,603,639	4,603,639	-	4,603,639	4,603,639	-
Non-State EE	685,575	685,575	-	685,575	685,575	-	685,575	685,575	-
Direct Bill	2,760,851	2,760,851	-	2,760,851	2,760,851	-	2,760,851	2,760,851	-
COBRA	63,079	63,079	-	63,079	63,079	-	63,079	63,079	-
Voluntary Benefit	319,180	319,180	-	319,180	319,180	-	319,180	319,180	-
Interest/Other	127,802	127,802	-	127,802	127,802	-	127,802	127,802	-
Funding from GBA	-	-	-	-	-	-	-	-	-
Administrative Fund	295,583	295,583	-	295,583	295,583	-	295,583	295,583	-
Total	55,527,572	55,527,572	-	49,071,713	49,071,713	-	49,071,713	49,071,713	-
Expenses									
Medical Claims	38,438,890	38,438,890	-	34,016,213	34,016,213	-	32,220,315	32,220,315	-
Rx Claims	11,910,755	11,910,755	-	12,491,019	12,491,019	-	11,613,208	11,613,208	-
Dental Claims	2,978,051	2,978,051	-	2,388,317	2,388,317	-	2,394,207	2,394,207	-
Health Savings ER	7,040,734	7,040,734	-	663,458	663,458	-	464,747	464,747	-
ASO/Premium	3,846,587	3,846,587	-	3,846,587	3,846,587	-	3,846,587	3,846,587	-
Voluntary Benefit	319,180	319,180	-	319,180	319,180	-	319,180	319,180	-
Onsite Clinic (Marathon)	187,865	187,865	-	187,865	187,865	-	187,865	187,865	-
Other Contract Fees/Flex	52,527	52,527	-	52,527	52,527	-	52,527	52,527	-
PCORI	-	-	-	-	-	-	-	-	-
Administrative Fund	463,918	463,918	-	463,918	463,918	-	463,918	463,918	-
Total	65,238,508	65,238,508	-	54,429,086	54,429,086	-	51,562,557	51,562,557	-
Net Cash Flow	(9,710,936)	(9,710,936)	-	(5,357,373)	(5,357,373)	-	(2,490,844)	(2,490,844)	-
Beginning Balance (Reserve Fund)	36,272,535	37,145,260	872,726	26,751,794	27,602,660	850,865	21,584,617	22,413,622	829,005
Ending Balance (Reserve Fund)	26,751,794	27,602,660	850,865	21,584,617	22,413,622	829,005	19,283,969	20,091,114	807,145
Beginning Balance (Administrative Fund)	5,342,581	5,613,278	270,697	5,152,385	5,444,943	292,558	4,962,189	5,276,607	314,418
Ending Balance (Administrative Fund)	5,152,385	5,444,943	292,558	4,962,189	5,276,607	314,418	4,771,994	5,108,272	336,278
Beginning Balance (Both Funds)	41,615,116	42,758,539	1,143,423	31,904,180	33,047,603	1,143,423	26,546,807	27,690,229	1,143,423
Ending Balance (Both Funds)	31,904,180	33,047,603	1,143,423	26,546,807	27,690,229	1,143,423	24,059,963	25,199,386	1,143,423
Enrollment (Subscriber)	Initial	Updated	Difference	Initial	Updated	Difference	Initial	Updated	Difference
Active	38,813	38,813	-	38,813	38,813	-	38,813	38,813	-
COBRA	59	59	-	59	59	-	59	59	-
Non-Medicare Retiree	462	462	-	462	462	-	462	462	-
Medicare Retiree	7,518	7,518	-	7,518	7,518	-	7,518	7,518	-
Total	46,852	46,852	-	46,852	46,852	-	46,852	46,852	-
Revenue PEPM	1,185	1,185	-	1,047	1,047	-	1,047	1,047	-
Expenses PEPM	1,392	1,392	-	1,162	1,162	-	1,101	1,101	-

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

	Jan-2025 - Mar-2025			Jan-Dec 2025			
	Initial Budget	Updated Budget	Gain/(Loss)	Initial Budget	Actual/Budget	\$ Gain/(Loss)	% Gain/(Loss)
Revenue							
State ER	103,494,562	103,494,562	-	417,722,323	417,722,323	-	0.0%
State EE	19,534,596	19,534,596	-	76,119,137	76,119,137	-	0.0%
Non-State ER	12,947,963	12,947,963	-	53,442,091	53,442,091	-	0.0%
Non-State EE	2,072,118	2,072,118	-	8,242,291	8,242,291	-	0.0%
Direct Bill	8,355,555	8,355,555	-	33,203,213	33,203,213	-	0.0%
COBRA	206,391	206,391	-	774,107	774,107	-	0.0%
Voluntary Benefit	1,127,376	1,127,376	-	4,000,000	4,000,000	-	0.0%
Interest/Other	461,648	461,648	-	1,611,867	1,611,867	-	0.0%
Funding from GBA	-	-	-	-	-	-	-
Administrative Fund	897,206	897,206	-	3,557,453	3,557,453	-	0.0%
Total	149,097,416	149,097,416	-	598,672,483	598,672,483	-	0.0%
Expenses							
Medical Claims	82,337,402	82,337,402	-	381,347,116	381,347,116	-	0.0%
Rx Claims	27,833,430	27,833,430	-	118,008,582	118,008,582	-	0.0%
Dental Claims	7,266,497	7,266,497	-	30,377,457	30,377,457	-	0.0%
Health Savings ER	8,835,827	8,835,827	-	33,216,168	33,216,168	-	0.0%
ASO/Premium	11,385,943	11,385,943	-	46,247,063	46,247,063	-	0.0%
Voluntary Benefit	1,127,376	1,127,376	-	4,000,000	4,000,000	-	0.0%
Onsite Clinic (Marathon)	538,730	538,730	-	2,218,015	2,218,015	-	0.0%
Other Contract Fees/Flex	124,231	124,231	-	596,978	596,978	-	0.0%
PCORI	-	-	-	209,619	209,619	-	0.0%
Administrative Fund	1,283,857	1,283,857	-	5,444,506	5,444,506	-	0.0%
Total	140,733,292	140,733,292	-	621,665,504	621,665,504	-	0.0%
Net Cash Flow	8,364,124	8,364,124	-	(22,993,022)	(22,993,022)	-	
Beginning Balance (Reserve Fund)	40,896,693	40,896,693	-	40,896,693	40,896,693	-	
Ending Balance (Reserve Fund)	49,647,467	49,647,467	-	19,790,725	19,790,725	-	
Beginning Balance (Administrative Fund)	6,995,325	6,995,325	-	6,995,325	6,995,325	-	
Ending Balance (Administrative Fund)	6,608,675	6,608,675	-	5,108,272	5,108,272	-	
Beginning Balance (Both Funds)	47,892,018	47,892,018	-	47,892,018	47,892,018	-	
Ending Balance (Both Funds)	56,256,142	56,256,142	-	24,898,997	24,898,997	0	
Enrollment (Subscriber)	Initial	Updated	Difference	Initial	Updated	Difference	% Difference
Active	38,757	38,757	-	38,799	38,799	-	0.0%
COBRA	72	72	-	62	62	-	0.0%
Non-Medicare Retiree	461	461	-	462	462	-	0.0%
Medicare Retiree	7,537	7,537	-	7,523	7,523	-	0.0%
Total	46,827	46,827	-	46,846	46,846	-	0.0%
Revenue PEPM	1,061	1,061	-	1,065	1,065	-	0.0%
Expenses PEPM	1,002	1,002	-	1,106	1,106	-	0.0%

**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)	4.50%	3.75%	3.00%	2.75%	2.75%	2.75%
Admin/Contract Fee Trend/Vision Trend	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Medical claim trend rate	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%
Prescription drug claim trend rate	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%
Dental claim trend rate	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Medicare Advantage trend rate	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Funding Rate Assumptions						
Medical						
Target based on 10% of Total Expenses						
Employer % Change (eff. July 1)	Fixed	Fixed	Calculated	Calculated	Calculated	Calculated
State Employer	5.0%	7.5%	8.4%	8.4%	8.4%	8.4%
Non-State Employer	5.0%	7.5%	8.4%	8.4%	8.4%	8.4%
State Employee % Change (eff. Jan 1)	Fixed	Fixed	Fixed	Calculated	Calculated	Calculated
Employee	0.0%	0.0%	4.0%	8.4%	8.4%	8.4%
Employee + Spouse	0.0%	0.0%	4.0%	8.4%	8.4%	8.4%
Employee + Child(ren)	0.0%	0.0%	4.0%	8.4%	8.4%	8.4%
Employee + Family	0.0%	0.0%	4.0%	8.4%	8.4%	8.4%
Non-State Employee % Change (eff. Jan 1)	Fixed	Fixed	Fixed	Calculated	Calculated	Calculated
Employee	0.0%	0.0%	4.0%	8.4%	8.4%	8.4%
Employee + Spouse	0.0%	0.0%	4.0%	8.4%	8.4%	8.4%
Employee + Child(ren)	0.0%	0.0%	4.0%	8.4%	8.4%	8.4%
Employee + Family	0.0%	0.0%	4.0%	8.4%	8.4%	8.4%
Non-Medicare Retiree Contrib % Change (eff. Jan 1)	Fixed	Fixed	Fixed	Calculated	Calculated	Calculated
Employee	0.0%	0.0%	4.0%	8.4%	8.4%	8.4%
Employee + Spouse	0.0%	0.0%	4.0%	8.4%	8.4%	8.4%
Employee + Child(ren)	0.0%	0.0%	4.0%	8.4%	8.4%	8.4%
Employee + Family	0.0%	0.0%	4.0%	8.4%	8.4%	8.4%
Dental						
Employer contribution % increase (eff. July 1)	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%
Active ee contributionn % 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)		\$ -	\$ -	\$ -	\$ -	
Wellness Assumptions						
Earned HSA/HRA Contribution (\$500/\$1,000)	60%	60%	60%	60%	60%	60%
Wellness Contribution Credit \$40 per month	50%	50%	50%	50%	50%	50%
Reserve Targets						
10% of Total Expenses (average of prior 3 years)	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Additional Cash						
Funding from GBA						

Kansas State Employees Health Care Commission
Financial Data Through March 2025 and Enrollment Data Through March 2025
Cost Impact of Plan Changes

		2026	2027	2028	2029
Baseline Total Costs		\$ 650,727,917	\$ 695,462,751	\$ 723,226,247	\$ 763,630,207
Plan A - 19,863 Contracts	Change	Cost/(Savings)	Cost/(Savings)	Cost/(Savings)	Cost/(Savings)
Increase the Deductible from \$800/\$1,600 to \$900/\$1,800	N	\$ (572,097)	\$ (694,381)	\$ (726,490)	\$ (772,178)
Increase the Deductible from \$800/\$1,600 to \$1,000/\$2,000	N	\$ (1,119,598)	\$ (1,358,907)	\$ (1,421,746)	\$ (1,511,157)
Apply Deductible to Medical and Pharmacy	N	\$ (245,180)	\$ (297,586)	\$ (311,347)	\$ (330,927)
Increase the Coinsurance from 20% to 25%	N	\$ (1,222,757)	\$ (1,484,116)	\$ (1,552,745)	\$ (1,650,394)
Increase the OOP Max from \$5,250/\$10,500 to \$5,350/\$10,700	N	\$ (230,193)	\$ (279,395)	\$ (292,315)	\$ (310,698)
Reduce the OOP Max from \$5,250/\$10,500 to \$5,000/\$10,000	N	\$ 491,883	\$ 597,021	\$ 624,628	\$ 663,910
Eliminate the Special Case Pharmacy Tier	N	\$ (91,667)	\$ (111,260)	\$ (116,405)	\$ (123,725)
Increase PCP copays from \$20 to \$25	N	\$ (413,173)	\$ (501,487)	\$ (524,677)	\$ (557,673)
Increase Specialist copays from \$40 to \$60	N	\$ (1,067,953)	\$ (1,296,223)	\$ (1,356,164)	\$ (1,441,450)
Increase Urgent Care copay to \$60	N	\$ (28,722)	\$ (34,861)	\$ (36,473)	\$ (38,766)
Plan C - 16,476 Contracts	Change	Cost/(Savings)	Cost/(Savings)	Cost/(Savings)	Cost/(Savings)
Increase All Tier Deductible to \$3,400/\$6,800	N	\$ (2,465,541)	\$ (2,980,610)	\$ (3,117,890)	\$ (3,320,083)
Increase the Non-Single Tier Deductible from \$3,300/\$5,500 to \$3,400/\$5,500	N	\$ (40,587)	\$ (49,066)	\$ (51,326)	\$ (54,655)
Increase the Deductible to 2,900 for Single, \$3,450/\$5,800 for Non-Single Tier	N	\$ (666,793)	\$ (806,091)	\$ (843,218)	\$ (897,900)
Increase the Coinsurance from 10% to 15%	N	\$ (1,437,706)	\$ (1,738,053)	\$ (1,818,104)	\$ (1,936,006)
Increase the OOP Max from \$4,500/\$9,000 to \$4,650/\$9,300	N	\$ (512,932)	\$ (620,087)	\$ (648,647)	\$ (690,711)
Reduce the OOP Max from \$4,500/\$5,000 to \$4,000/\$8,000	N	\$ 1,858,657	\$ 2,246,944	\$ 2,350,433	\$ 2,502,857
Plan N - 2,404 Contracts	Change	Cost/(Savings)	Cost/(Savings)	Cost/(Savings)	Cost/(Savings)
Increase All Tier Deductible to \$3,400/\$6,800	N	\$ (369,112)	\$ (446,235)	\$ (466,784)	\$ (497,052)
Increase the Non-Single Tier Deductible from \$3,300/\$5,500 to \$3,400/\$5,500	N	\$ (3,089)	\$ (3,734)	\$ (3,906)	\$ (4,159)
Reduce the Coinsurance from 35% to 30%	N	\$ 141,316	\$ 170,843	\$ 178,710	\$ 190,299
Increase the Deductible to \$2,900 for Single, \$3,450/\$5,800 for Non-Single tier	N	\$ (73,797)	\$ (89,216)	\$ (93,325)	\$ (99,376)
Increase the OOP Max from \$6,650/\$13,300 to \$6,800/\$13,600	N	\$ (179,438)	\$ (216,930)	\$ (226,920)	\$ (241,634)
Plan J - 626 Contracts	Change	Cost/(Savings)	Cost/(Savings)	Cost/(Savings)	Cost/(Savings)
Reduce the Coinsurance from 25% to 20%	N	\$ 91,396	\$ 110,516	\$ 115,598	\$ 123,090
Reduce the OOP Max from \$7,350/\$14,700 to \$7,100/\$14,200	N	\$ 20,808	\$ 25,161	\$ 26,318	\$ 28,024
Increase the OOP Max from \$7,350/\$14,700 to \$7,500/\$15,000	N	\$ (10,573)	\$ (12,785)	\$ (13,373)	\$ (14,240)
Prescription Drug All Plans - 39,369 Contracts	Change	Cost/(Savings)	Cost/(Savings)	Cost/(Savings)	Cost/(Savings)
Reduce Generic Drug Coinsurance from 20% to 15%	N	\$ 606,664	\$ 734,853	\$ 768,766	\$ 817,872
Reduce the Coinsurance on Preferred Brand Drugs from 35% to 30%	N	\$ 485,240	\$ 587,772	\$ 614,897	\$ 654,175
GLP-1 for Weight Loss	Change	Cost/(Savings)	Cost/(Savings)	Cost/(Savings)	Cost/(Savings)
Terminate Coverage	N	\$ (3,945,703)	\$ (4,670,277)	\$ (5,067,251)	\$ (5,497,967)
35 BMI Restriction	N	\$ (1,900,067)	\$ (2,248,988)	\$ (2,440,152)	\$ (2,647,565)
45% Coinsurance Tier	N	\$ 7,436,181	\$ 4,907,564	\$ 5,324,706	\$ 5,777,306
HSA/HRA	Change	Cost/(Savings)	Cost/(Savings)	Cost/(Savings)	Cost/(Savings)
Reduce HSA/HRA Contribution and HealthQuest Rewards by 20%	N	\$ (6,660,762)	\$ (6,660,762)	\$ (6,660,762)	\$ (6,660,762)
Total Additional Cost/(Savings) for Plan Change		\$ -	\$ -	\$ -	\$ -

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

	2024 Actual	2025 Projected	2026 Projected	2027 Projected	2028 Projected	2029 Projected
Revenue						
State ER	\$ 384,229,838	\$ 417,722,323	\$ 449,992,605	\$ 487,089,787	\$ 527,282,973	\$ 570,832,434
State EE	\$ 73,601,308	\$ 76,119,137	\$ 79,510,135	\$ 86,445,723	\$ 93,953,860	\$ 102,082,534
Non-State ER	\$ 53,364,993	\$ 53,442,091	\$ 57,505,492	\$ 62,216,941	\$ 67,319,721	\$ 72,846,667
Non-State EE	\$ 8,933,276	\$ 8,242,291	\$ 8,578,246	\$ 9,323,240	\$ 10,129,860	\$ 11,003,272
Direct Bill	\$ 31,411,607	\$ 33,203,213	\$ 34,249,944	\$ 35,757,883	\$ 37,339,901	\$ 39,000,185
COBRA	\$ 1,367,067	\$ 774,107	\$ 810,155	\$ 878,979	\$ 953,509	\$ 1,034,223
Voluntary Benefit	\$ 3,779,506	\$ 4,000,000	\$ 3,950,000	\$ 3,950,000	\$ 3,950,000	\$ 3,950,000
Interest/Other	\$ 4,669,363	\$ 1,611,867	\$ 568,983	\$ 267,557	\$ 157,984	\$ 803,163
Funding from GBA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Administrative Fund	\$ 3,619,205	\$ 3,557,453	\$ 3,431,534	\$ 3,368,238	\$ 3,308,291	\$ 3,284,671
Total	\$ 564,976,162	\$ 598,672,483	\$ 638,597,095	\$ 689,298,349	\$ 744,396,098	\$ 804,837,149
Expenses						
Medical Claims	\$ 359,567,379	\$ 381,347,116	\$ 401,018,468	\$ 432,691,579	\$ 447,780,986	\$ 473,169,530
Rx Claims	\$ 108,228,296	\$ 118,008,582	\$ 125,292,542	\$ 135,209,721	\$ 145,911,557	\$ 158,251,737
Dental Claims	\$ 28,100,916	\$ 30,377,457	\$ 31,623,685	\$ 33,205,864	\$ 33,560,702	\$ 34,564,220
Health Savings ER	\$ 33,521,944	\$ 33,216,168	\$ 33,303,810	\$ 33,303,810	\$ 33,303,810	\$ 33,303,807
ASO/Premium	\$ 42,391,977	\$ 46,247,063	\$ 46,813,181	\$ 48,260,250	\$ 49,756,693	\$ 51,304,313
Voluntary Benefit	\$ 3,779,506	\$ 4,000,000	\$ 3,950,000	\$ 3,950,000	\$ 3,950,000	\$ 3,950,000
Marathon (Onsite Clinic)	\$ 2,222,482	\$ 2,218,015	\$ 2,403,135	\$ 2,451,198	\$ 2,500,222	\$ 2,550,226
Other Contract Fees/Flex	\$ 505,958	\$ 596,978	\$ 604,798	\$ 616,894	\$ 629,231	\$ 641,816
PCORI	\$ 194,591	\$ 209,619	\$ 217,312	\$ 225,287	\$ 233,555	\$ 242,127
Administrative Fund	\$ 5,422,563	\$ 5,444,506	\$ 5,500,986	\$ 5,548,148	\$ 5,599,492	\$ 5,652,430
Total	\$ 583,935,612	\$ 621,665,504	\$ 650,727,917	\$ 695,462,751	\$ 723,226,247	\$ 763,630,207
Net Cash Flow	\$ (18,959,450)	\$ (22,993,022)	\$ (12,130,823)	\$ (6,164,403)	\$ 21,169,851	\$ 41,206,942
Beginning Balance (Reserve Fund)	\$ 58,052,785	\$ 40,896,693	\$ 19,790,725	\$ 9,729,354	\$ 5,744,861	\$ 29,205,913
Ending Balance (Reserve Fund)	\$ 40,896,693	\$ 19,790,725	\$ 9,729,354	\$ 5,744,861	\$ 29,205,913	\$ 72,780,614
Beginning Balance (Administrative Fund)	\$ 8,798,683	\$ 6,995,325	\$ 5,108,272	\$ 3,038,820	\$ 858,910	\$ (1,432,291)
Ending Balance (Administrative Fund)	\$ 6,995,325	\$ 5,108,272	\$ 3,038,820	\$ 858,910	\$ (1,432,291)	\$ (3,800,050)
Beginning Balance (Both Funds)	\$ 66,851,469	\$ 47,892,018	\$ 24,898,997	\$ 12,768,174	\$ 6,603,771	\$ 27,773,622
Ending Balance (Both Funds)	\$ 47,892,018	\$ 24,898,997	\$ 12,768,174	\$ 6,603,771	\$ 27,773,622	\$ 68,980,564
Target based on HB.2218	\$ 50,898,848	\$ 53,835,262	\$ 58,059,053	\$ 61,877,634	\$ 65,595,206	\$ 68,980,564
Fund Balance vs. HB.2218 Target Surplus/(Shortfall)	\$ (3,006,830)	\$ (28,936,265)	\$ (45,290,879)	\$ (55,273,863)	\$ (37,821,584)	\$ (0)
Enrollment (Subscriber)						
Active	38,064	38,799	38,813	38,813	38,813	38,813
COBRA	104	62	59	59	59	59
Non-Medicare Retiree	416	462	462	462	462	462
Medicare Retiree	7,763	7,523	7,518	7,518	7,518	7,518
Total	46,347	46,846	46,852	46,852	46,852	46,852
	46,327					
Revenue PEPM	\$ 1,016	\$ 1,065	\$ 1,136	\$ 1,226	\$ 1,324	\$ 1,432
Expenses PEPM	\$ 1,050	\$ 1,106	\$ 1,157	\$ 1,237	\$ 1,286	\$ 1,358

APPENDIX - A

HCC Plan Design & Rate Decisions

Plan Years 2020 - 2025

Rate Decisions

➤ PY 2020

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

➤ PY 2021

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

➤ PY 2022

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

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

Rate Decisions

➤ PY 2023

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

➤ PY 2024

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

➤ PY 2025 –

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

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

Plan Design Changes

Plan A

PY 2021

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

PY 2022

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

Plan C

PY 2020

- Reduced Coinsurance from 20% to 10%

PY 2022

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

Plan Design Changes

Plan A

PY 2023

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

Plan C & Plan N

PY 2023

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

PY 2024

- Increased the first Deductible on employee + dependent coverage tiers from \$3,000 to \$3,200. Required change for QHDHPs
- Family deductible remains at \$5,500.
- Employee only plans remain at \$2,750.

Plan Design Changes

Medical - All Plans

PY 2024

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

Pharmacy – All Plans

PY 2022

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

Plan Design Changes

Medical - All Plans

PY 2025

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

Plan C & Plan N

PY 2025

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

APPENDIX - B

PY 2025
ACTIVE EMPLOYEE
PLAN SUMMARY

ENROLLMENT SUMMARY

Active Employee Contracts

- State Employees: 34,779 (89%)
 - Waived Coverage: 4,292 (11%)
- Non State Employees: 3,356 (84%)
 - Waived Coverage 619 (16%)

Enrollment by Plan

Plan A	19,084
Plan C	15,958
Plan J	617
Plan N	2,476
Total Contracts	38,135

Enrollment by Coverage Tier

Number of Contracts



Employee Only: 20,970



Employee + Spouse: 4,169



Employee + Child/ren: 7,899



Employee + Family: 5,097

Dependent Enrollment by Type

Covered Lives

State Dependents	
Total Enrolled	31,878
Spouses	8,456
Children	23,422

Non State Dependents	
Total Enrolled	3,099
Spouses	814
Children	2,285

Total Dependent Enrollment: 34,977	
Spouses	9,270
Children	25,707

2025 MEMBER COST SHARE

Single Plan Network Benefits			Member Plus Dependents Network Benefits			
Plan	Deductible	Out of Pocket Maximum	Plan	Individual Deductible	Family Deductible	Out of Pocket Maximum
A	\$800	\$5,250	A	\$800	\$1,600	\$10,500
C	\$2,750	\$4,500	C *	\$3,300	\$5,500	\$9,000
J	\$500	\$7,350	J	\$500	\$1,000	\$14,700
N	\$2,750	\$6,650	N *	\$3,300	\$5,500	\$13,300

* The PY 2025 deductible for all non single Plan C & N contracts is \$3,300 for an individual within the family. This meets the IRS requirement for QHDHPs. The remaining family member meets the balance of the deductible (\$2,300) to meet the overall deductible for all family members of \$5,500. This is an embedded deductible.

EMBEDDED VS. NON EMBEDDED DEDUCTIBLES

Embedded deductible - an individual family member has their own deductible and there is a maximum annual family deductible.

- Ex: Plan's C and N – one individual must meet the deductible of \$3,200. The \$2,300 balance to meet the current \$5,500 family deductible can be met by the rest of the covered individuals.

Non Embedded Deductible - The entire family deductible amount must be met before any claims are paid. All family members' out-of-pocket expenses count toward meeting the family deductible until it is met.

- Ex: Plan C & N Member plus dependents contracts would have to meet the entire \$5,500 annual deductible.

2025 SEMI MONTHLY SOK EMPLOYEE RATES*

Employee Category	Plan A	Plan C	Plan J	Plan N	Dental
	Aetna/BCBS	Aetna/BCBS	Aetna/BCBS	Aetna/BCBS	Delta
Full Time					
Employee Only	\$39.90	\$35.20	\$52.56	\$23.25	\$0.00
Employee + Spouse	\$237.27	\$123.69	\$153.38	\$84.30	\$9.97
Employee + Children	\$126.56	\$65.02	\$91.27	\$43.92	\$7.98
Employee + Family	\$415.40	\$208.33	\$262.79	\$150.17	\$17.98

* These rates do not include the HealthQuest Premium Incentive Discount of \$20 for semi monthly rates. Plan A may earn a partial discount of \$10 for semi monthly.

2025 EMPLOYER HSA CONTRIBUTIONS

Employer Contributions - Health Savings Account							
Plan		Full Time			Part Time		
		Employee Only	Employee / Spouse & Family	Employee Child(ren)	Employee Only	Employee / Spouse & Family	Employee / Child(ren)
Plan C	Employer Contribution	\$250 per quarter Total \$1,000 year	\$500 per quarter Total \$2,000 year	\$500 per quarter Total \$2,000 year	\$156.30 per quarter Total \$625.20 year	\$296.88 per quarter Total \$1,187.52 year	\$296.88 per quarter Total \$1,187.52 year
Plan N	Employer Contribution	\$125 per quarter Total \$500 year	\$281.25 per quarter Total \$1,125 year	\$250 per quarter Total \$1,000 year	\$78.15 per quarter Total \$312.60 year	\$210.944 per quarter Total \$843.76 year	\$148.44 per quarter Total \$593.76 year
Plan J	Employer Contribution	HealthQuest Rewards Earned	HealthQuest Rewards Earned	HealthQuest Rewards Earned	HealthQuest Rewards Earned	HealthQuest Rewards Earned	HealthQuest Rewards Earned

2025 EMPLOYEE HSA CONTRIBUTIONS

Employee Contributions - Health Savings Account							
Plan		Full Time			Part Time		
		Employee Only	Employee / Spouse & Family	Employee Child(ren)	Employee Only	Employee / Spouse & Family	Employee / Child(ren)
	IRS Maximum Total	\$4,300	\$8,550	\$8,550	\$4,300	\$8,550	\$8,550
Plan C	Employee Biweekly Payroll Deductions	\$25 to \$116.66	\$25 to \$252.08	\$25 to \$252.08	\$25 to \$132.28	\$25 to \$285.93	\$25 to \$285.93
Plan C	Regent Academic Year Employee Payroll Deductions	\$25 to \$155.55	\$25 to \$336.11	\$25 to \$336.11	\$25 to \$176.37	\$25 to \$381.24	\$25 to \$381.24
Plan N	Employee Biweekly Payroll Deductions	\$0 to \$137.50	\$0 to \$288.54	\$0 to \$293.75	\$0 to \$145.30	\$0 to \$300.26	\$0 to \$310.67
Plan N	Regent Academic Year Employee Payroll Deductions	\$0 to \$183.33	\$0 to \$384.72	\$0 to \$391.66	\$0 to \$193.74	\$0 to \$400.34	\$0 to \$414.23

HEALTHQUEST REWARDS

- Employees on Plans C, J, & N can earn \$12.50 for each HealthQuest credit earned, up to 40 credits, or a maximum of \$500 annually.
- Funds are deposited into their HRA or HSA account.

APPENDIX

ENROLLMENT BY PLAN

TOTAL CONTRACTS: 38,135

Plan A: 19,084

- BCBSKS 2024: 17,140
- Aetna 2024: 1,944

Plan J: 617

- BCBSKS 2024: 485
- Aetna 2024: 132

Plan C: 15,958

- BCBSKS 2024: 14,463
- Aetna 2024: 1,495

Plan N: 2,476

- BCBSKS 2024: 2,124
- Aetna 2024: 352

CONTRACTS BY EMPLOYEE AGE

Includes only covered State & Non State employees

Age	Plan A	Plan C	Plan N	Plan J	Total
18 – 26	1,641	836	226	42	2,745
27 – 34	3,679	2,988	616	200	7,483
35 – 40	2,436	2,568	437	125	5,566
41 – 45	2,054	2,364	349	66	4,833
46 – 50	2,048	2,030	262	55	4,395
51 – 55	2,099	1,849	199	55	4,202
56 – 60	2,247	1,815	159	35	4,256
61 – 65	2,322	1,565	119	32	4,038
66 – 70	935	387	28	8	1,358
71 – 75	315	76	13	6	410
> 76	124	21	3	2	150
Total	19,900	16,499	2,411	626	39,436

Highest enrollment by age group highlighted in blue

ALL ENROLLEES BY AGE

Includes all covered employees, spouses & dependents

Age	Plan A	Plan C	Plan N	Plan J	Total
< 18	5,685	10,536	1,456	310	17,987
18 – 26	4,871	5,501	719	175	11,266
27 – 34	3,961	3,818	796	255	8,830
35 – 40	2,719	3,419	634	165	6,937
41 – 45	2,311	3,095	511	94	6,011
46 – 50	2,328	2,763	391	80	5,562
51 – 55	2,414	2,509	306	74	5,303
56 – 60	2,672	2,425	248	55	5,400
61 – 65	2,830	2,206	183	43	5,262
66 – 70	1,173	618	51	19	1,861
71 – 75	427	145	17	8	597
> 76	181	39	5	3	228
Total	31,572	37,074	5,317	1,281	75,244

Highest enrollment by age group highlighted in blue

80

Enrollment data as of 4/1/25

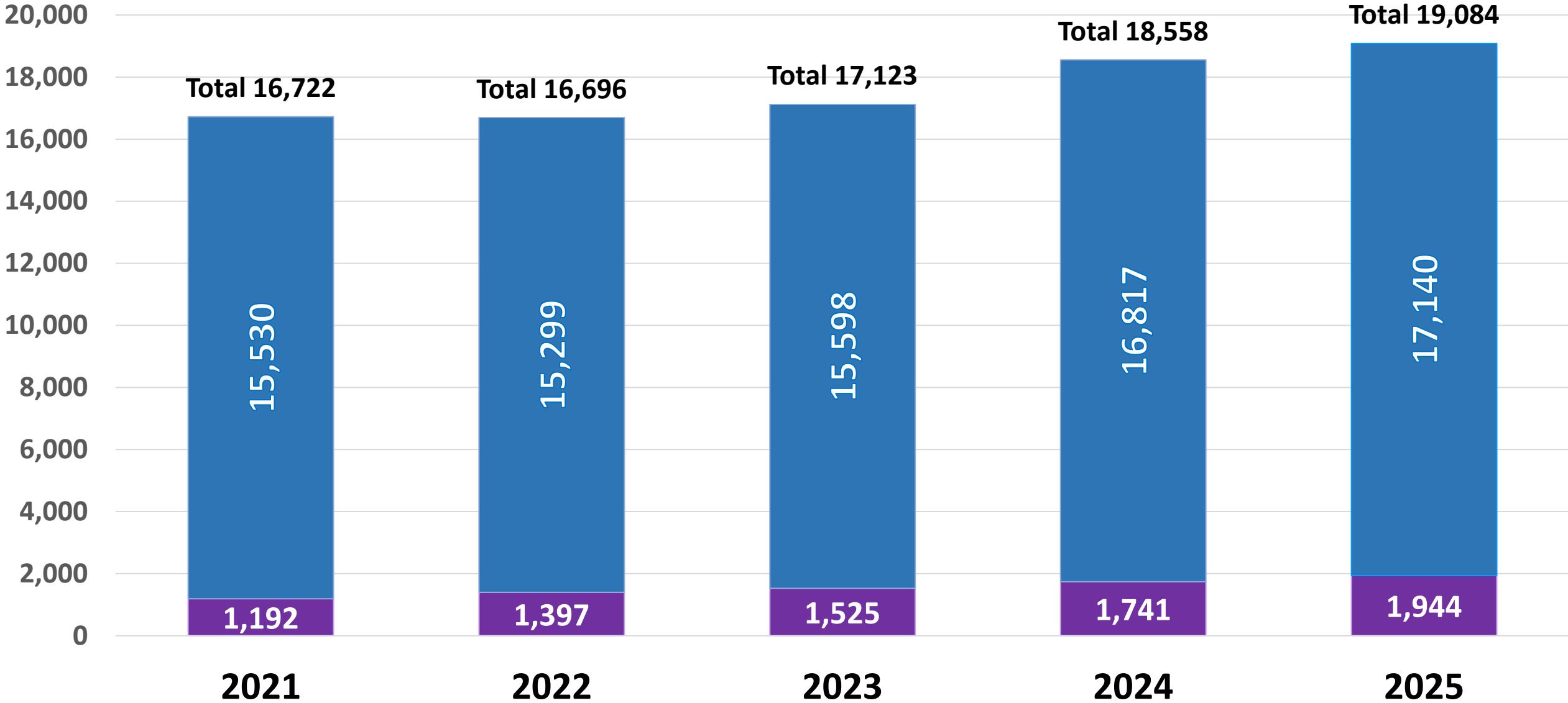
APPENDIX - C

Active Employee Enrollment

Plan Years (PY) 2021-2025

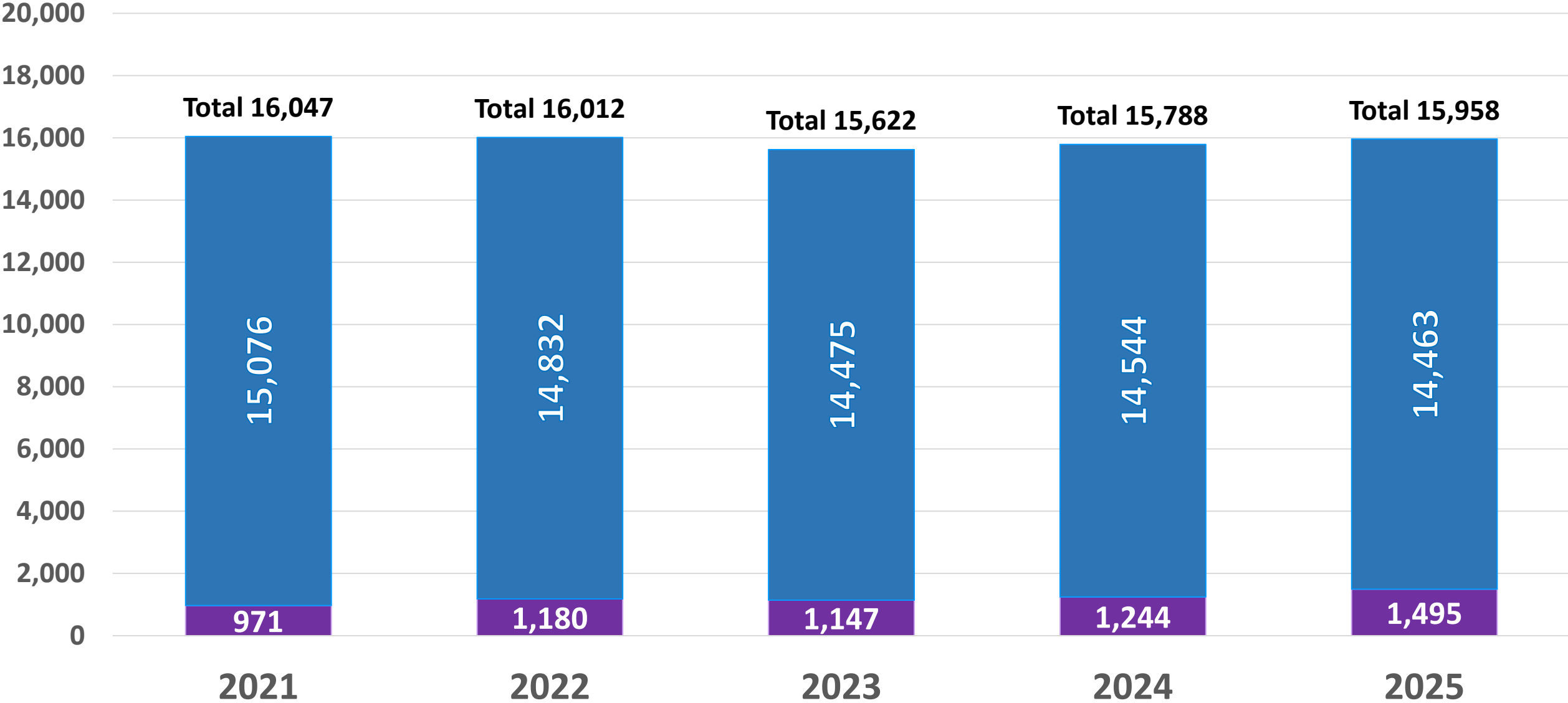
Plan A Enrollment

Aetna BCBS



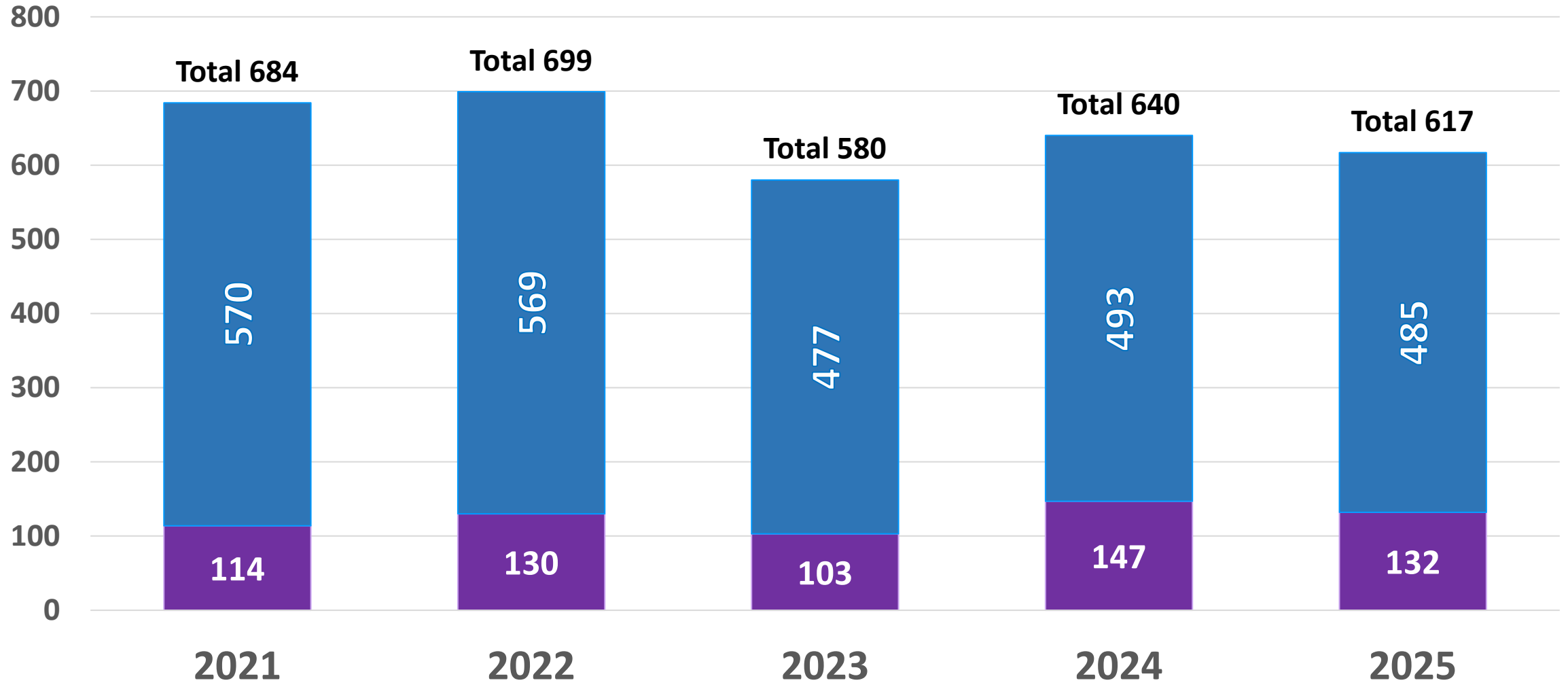
Plan C Enrollment

Aetna BCBS



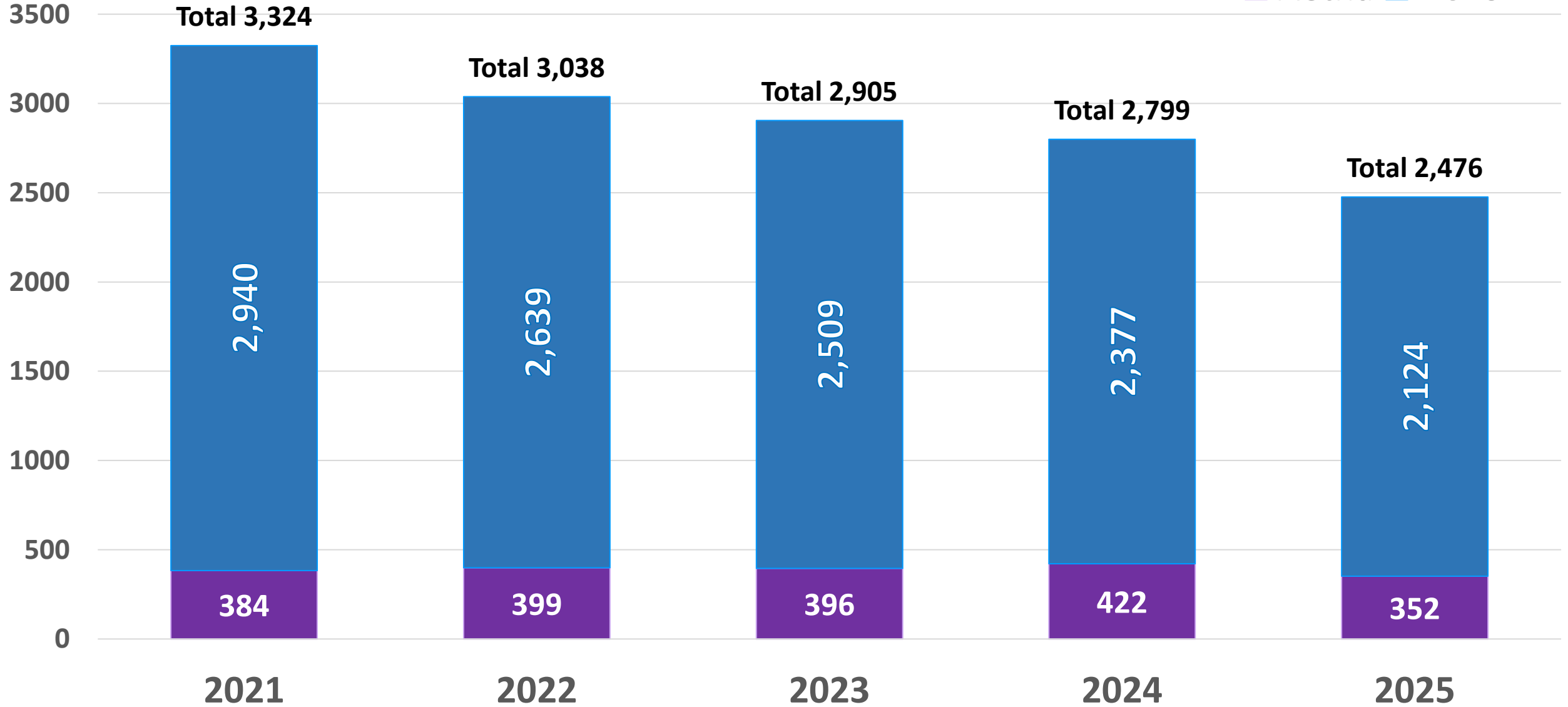
Plan J Enrollment

Aetna BCBS



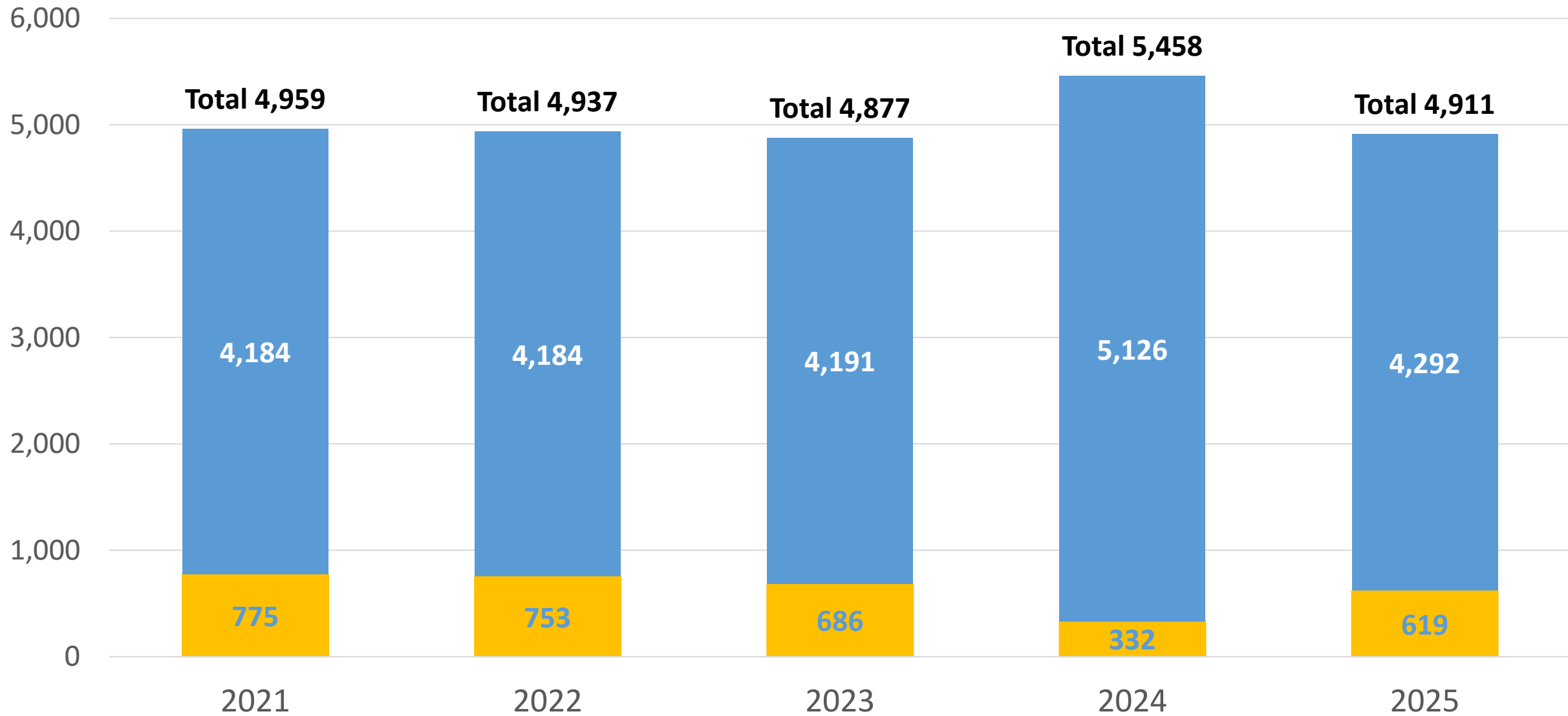
Plan N Enrollment

Aetna BCBS

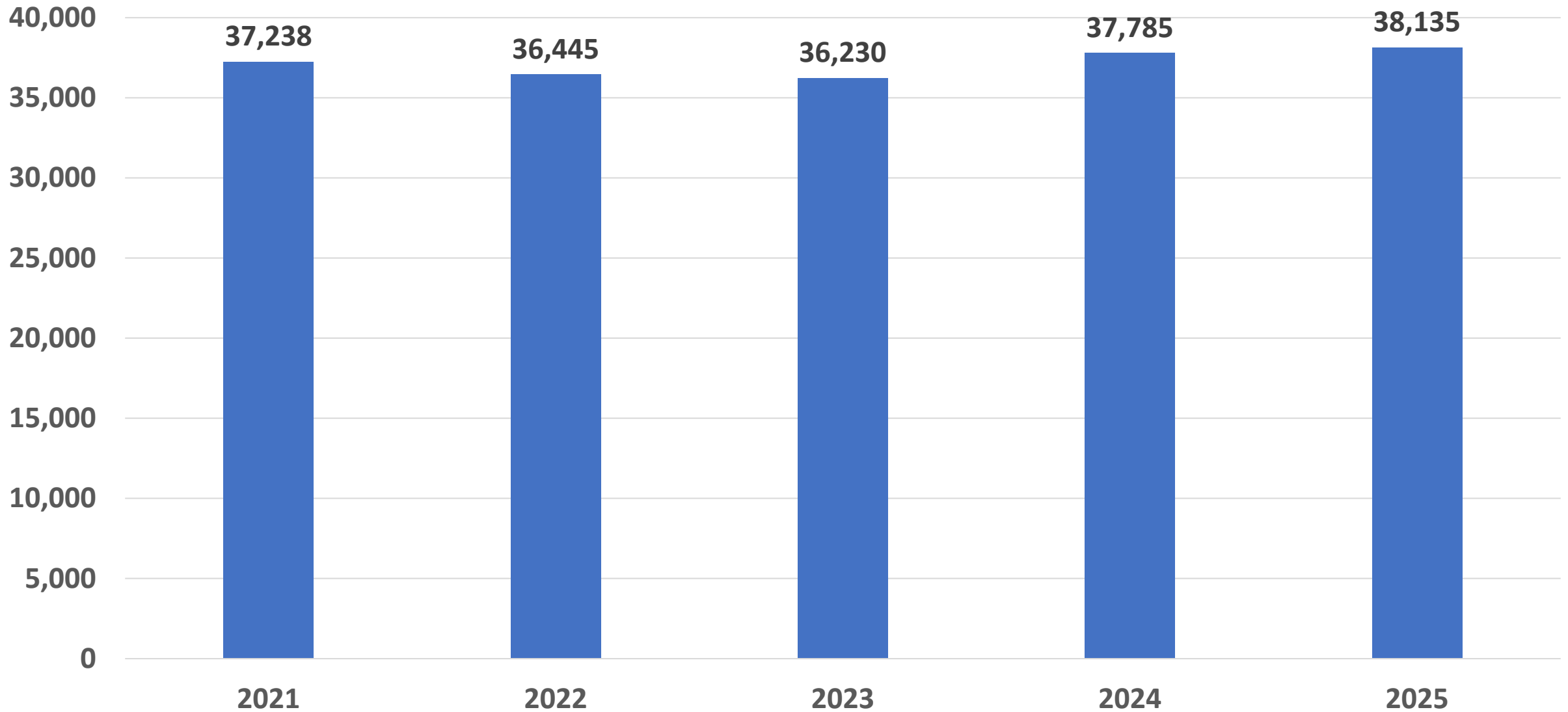


Waived Medical for Open Enrollment

■ Non State ■ State

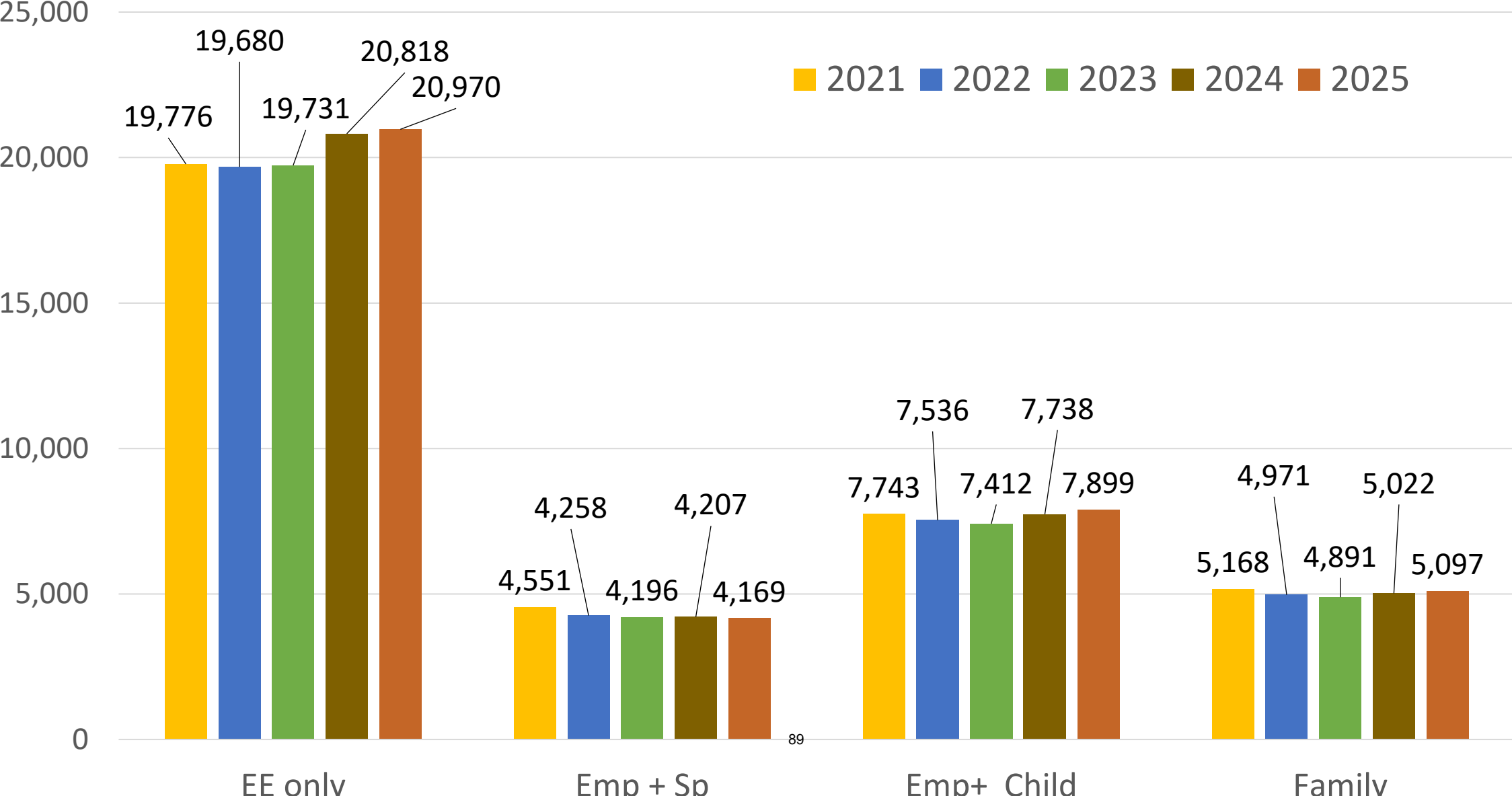


Total Contract Count by Year

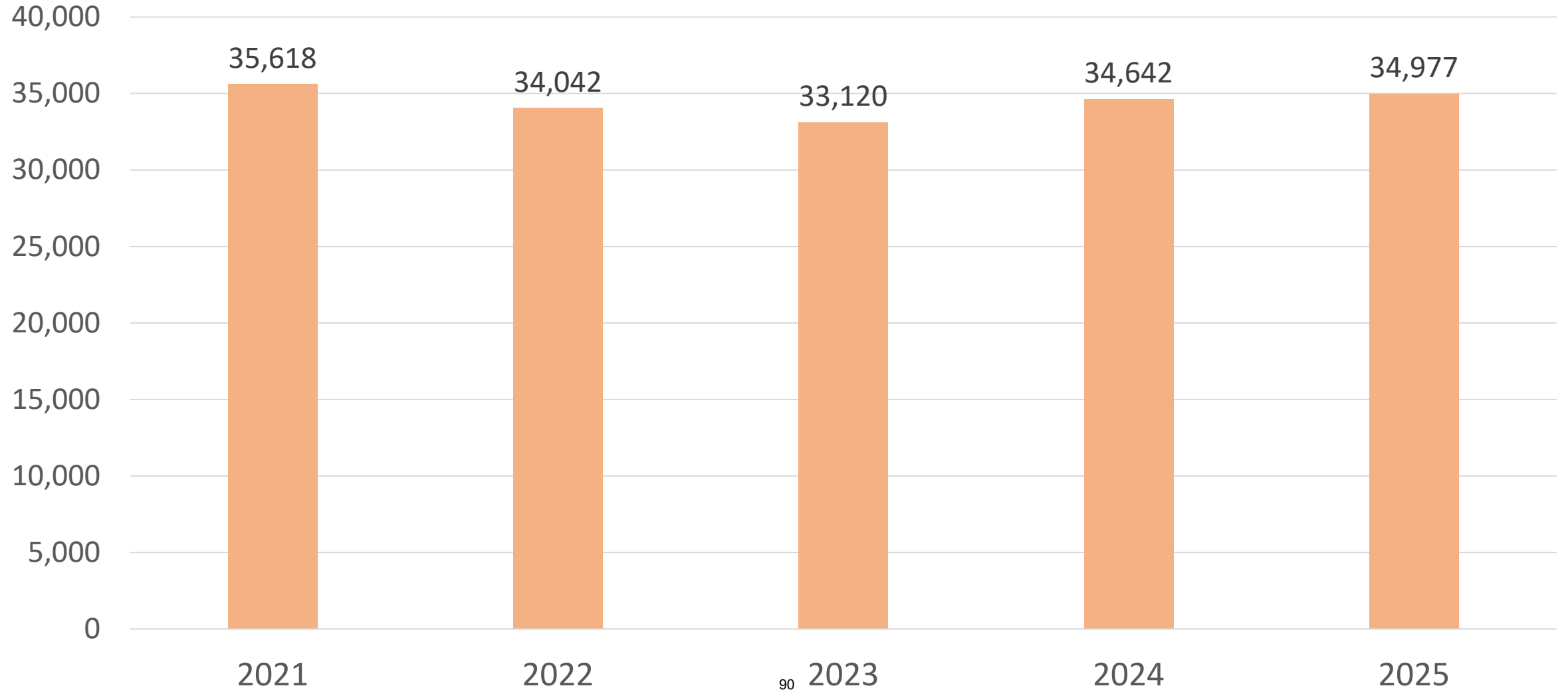


Enrollment by Benefit Tier for Plan 2021-2025

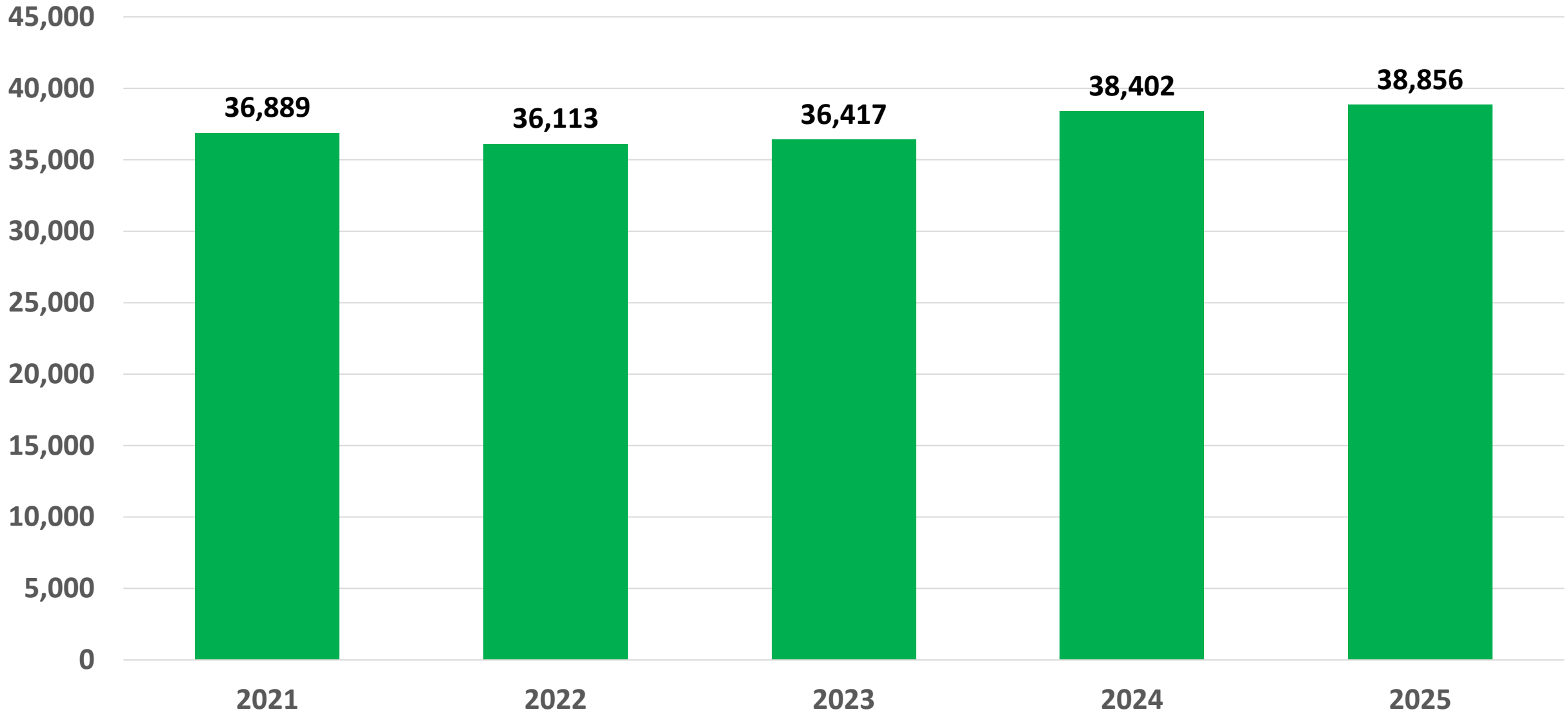
Contracts



Dependent Count in Lives Covered 2021-2025

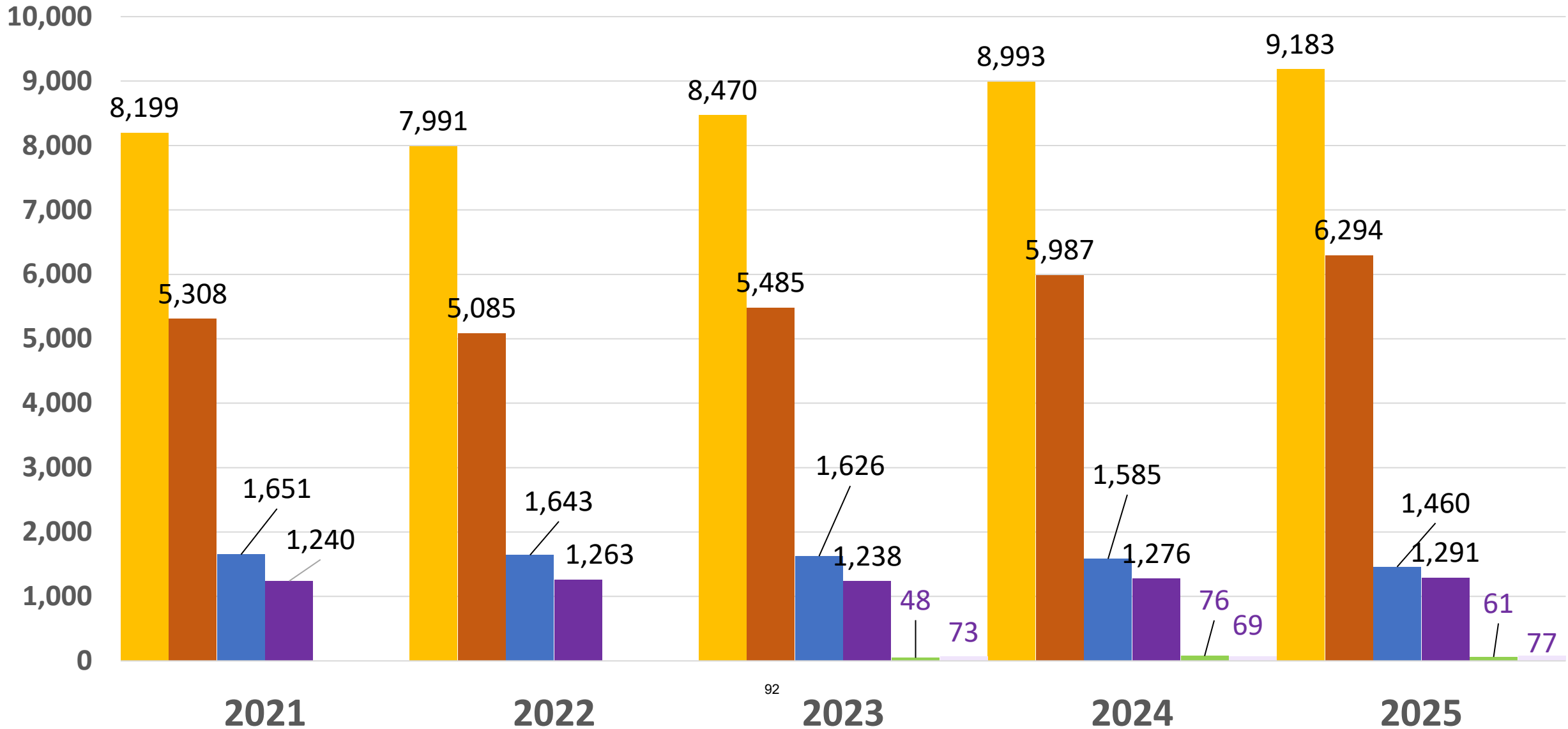


Dental Enrollment

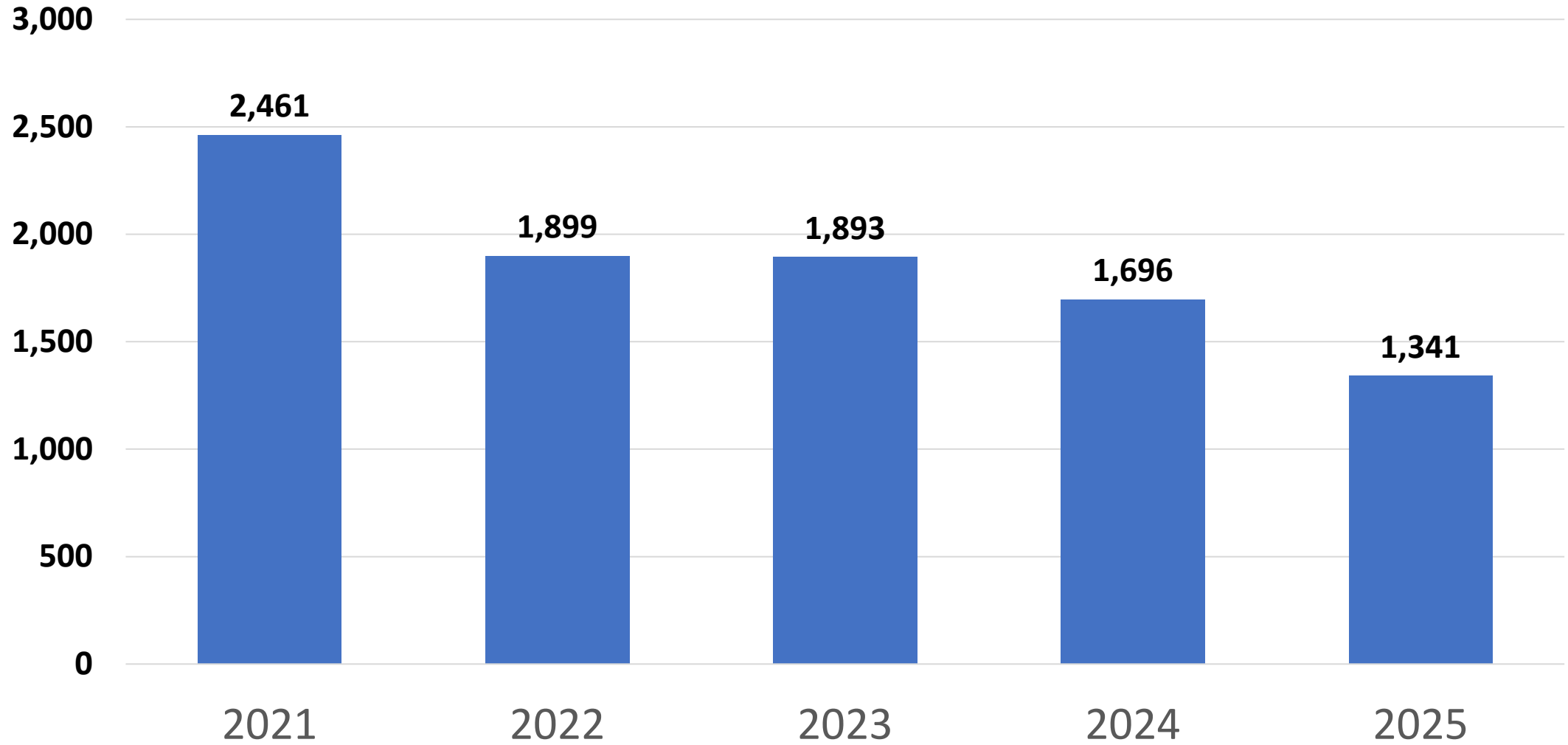


FSA Enrollment by FSA Type

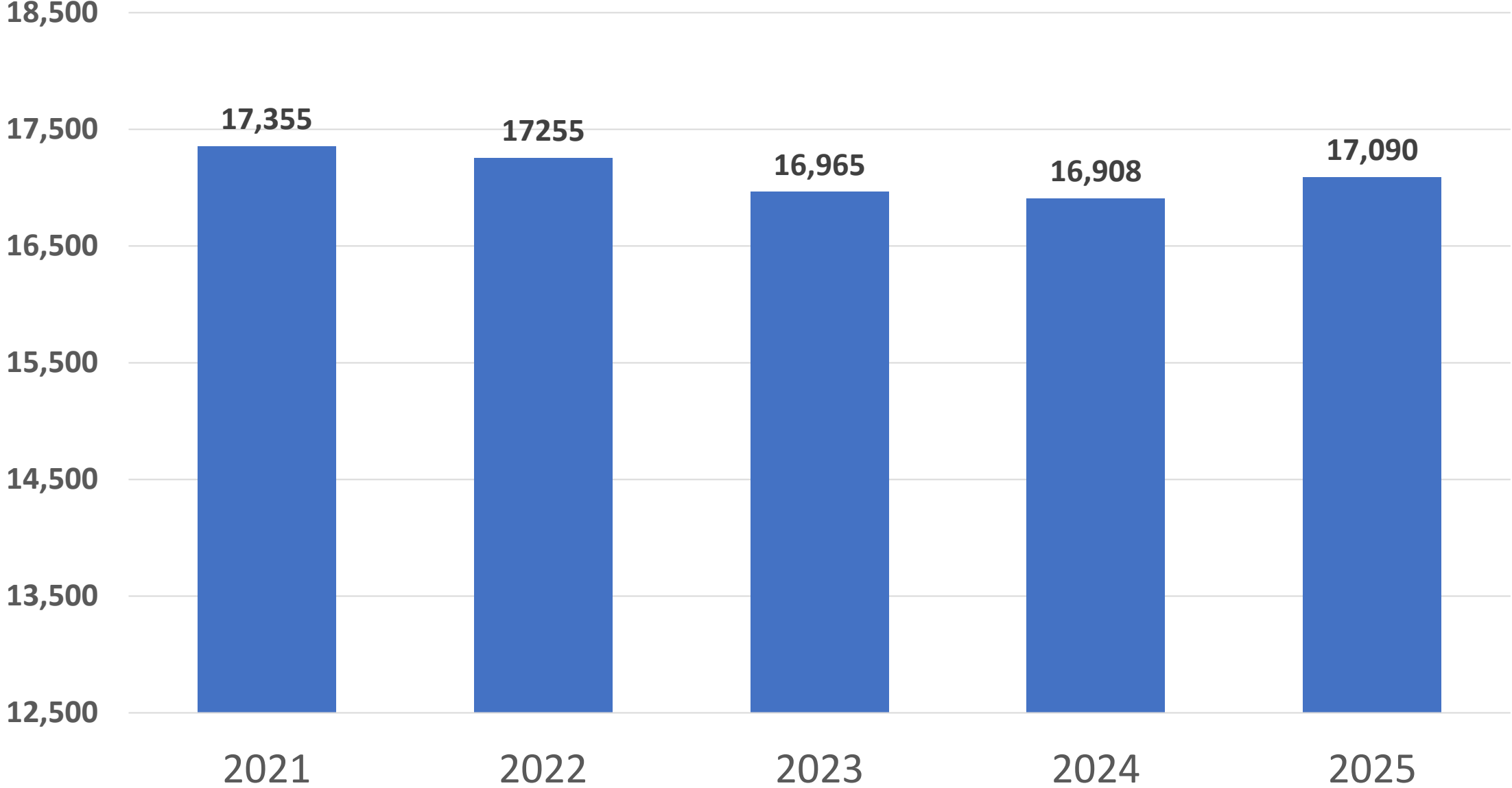
■ Total ■ Medical ■ Limited ■ Dependent ■ Commuter Parking ■ Commuter Mass Transit



HRA Contract Count



HSA Contract Count



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

- **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 calendar year.

APPENDIX - D

Employee Rate changes 2014 - to present

Plan Year	2014	2015		
Employee, Employee + Spouse, Employee + Children & Employee + Family CoverageTiers	-2.00%	0.00%		
Plan Year	2016	2017	2018	2019
Employee and Employee + Children Coverage Tiers	6.40%	9.00%	7.70%	3.30%
Employee + Spouse and Employee + Spouse Coverage Tiers	36.70%	30.40%	31.80%	16.70%
Plan Year	2020	2021	2022	2023
Employee and Employee + Children Coverage Tiers	0.00%	0.00%	0.00%	0.00%
Employee + Spouse and Employee + Spouse Coverage Tiers	-6.00%	-2.00%	-2.00%	0.00%
Plan Year	2024	2025		
Employee and Employee + Children Coverage Tiers	0.00%	0.00%		
Employee + Spouse and Employee + Spouse Coverage Tiers	0.00%	0.00%		

APPENDIX - E



Date: May 22, 2024

To: Health Care Commission

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

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

At the May 21, 2025, meeting of the EAC, after a lengthy discussion, a motion stating:

“The EAC supports the coverage of GLP-1s for weight loss with FDA guidelines.”

was seconded and passed unanimously.

The EAC acknowledges that this support may result in increased plan premiums for members.

APPENDIX - F

Follow up Items from the May 6, 2025 HCC Meeting



GLP-1 Information

Migration to Plan A utilizing a Weight Loss GLP-1 Medication

- Total migration to Plan A: 972
- Total number on a weight loss GLP-1: 111
 - Percentage of total: 11.5%

GLP-1 Data

- 3,937 members used a GLP-1 for weight loss (non-diabetic).
- 363 members (9.2%) out of the 3,937 required additional medical care due to side effects.
- 29 members out of the 363 had an inpatient hospital stay, or ER visit for issues related to side effects. 13 of those members also suffered from pancreatitis symptoms.
- 616 (15.7%) out of the 3,937 members also had a diagnosis of IBS or GI issues.

❖ Data provided by BCBSKS

Bariatric Information

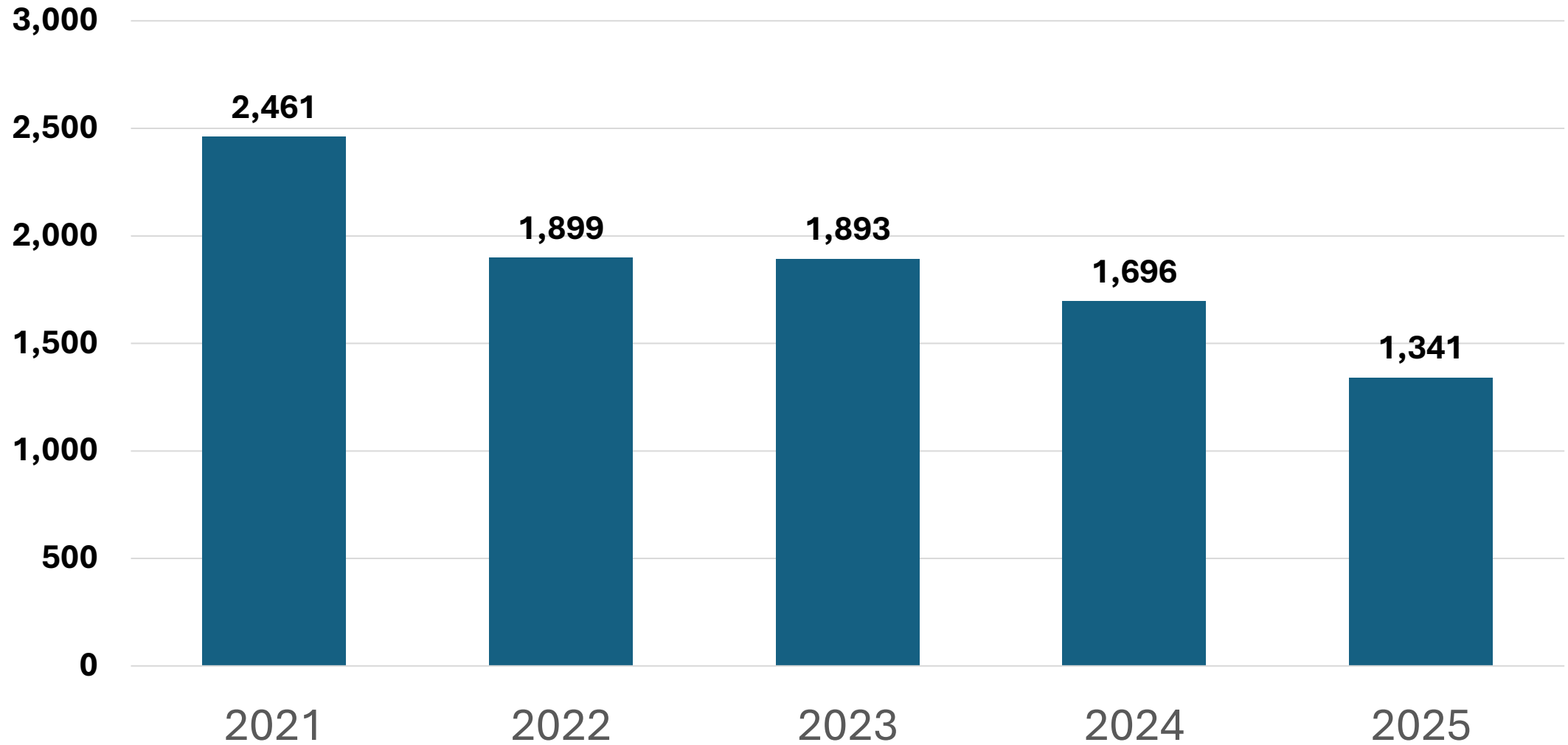
Members Average Total Medical Cost, Surgery Cost and Self-Reported BMI Related to Surgery Date

Members with Surgery Through December 31, 2024

Period	Claims Member Count	Avg. Total Medical Cost	Avg. Bariatric Surgery Cost	BMI Member Count	Avg. Self-Reported BMI
3 yrs Prior	553	\$7,443			
2 yrs Prior	653	\$8,263			
1 yr Prior	741	\$12,650		667	48.65
Surgery + 1 yr After	700	\$13,773	\$19,823	342	32.03
2 yrs After	534	\$9,583			
3 yrs After	409	\$10,789		171	33.30
4 yrs After	308	\$10,108			
5 yrs After	238	\$11,861		85	34.79

HRA and HSA Information

HRA Contract Count



HSA Contract Count

