

Summary

Blue Cross and Blue Shield of Kansas is filing rates for Individual plans in Kansas. This filing proposes to raise the average premium rate by 16.66 percent.

Scope and range of the rate increase

The proposed rates will apply to policies that start or renew during the period beginning January 1, 2026 and ending December 31, 2026.

As of May 1, 2025, 19,772 members are enrolled in BCBSKS Individual plans affected by this rate increase for period beginning January 1, 2026 and ending December 31, 2026.

The proposed increase of 16.66 percent is an average. The actual premium increase a member of one of these plans will receive depends on such things as the member's choice of plan, the member's age, the member's location in the state, and any changes in federal government tax subsidies. The lowest rate increase for a given plan is 8.90 percent and the highest is 20.83 percent.

Key drivers for this filing

The key drivers for this filing are:

- Projected claims per member per month came in higher than anticipated compared to a year ago.
- Increased morbidity as a result of discontinued enhanced APTC.

Changes in medical service costs

The 2023 actual claims PMPM came in 7.25% higher than what was projected last year. The 20.23% decrease in enrollment was a large contributor to the increase in PMPM costs, as claims remained within 8.56% of their 2023 level in 2024.

APTC impact

With the APTC changes, we expect a 2.5% increase in morbidity from enrollment changes in the market.

Financial experience of the product

For 2024, BCBSKS experienced an underwriting loss of 7.8 percent of premium. For 2025, BCBSKS is projecting an underwriting loss of 9.3 percent of premium.

The company's 2025 Individual block of business is expected to have a medical loss ratio of greater than 80 percent, as required by federal law. BCBSKS expects this to be the case again in 2026 and 2027 as well.

Administrative costs and anticipated profits

BCBSKS has priced these plans administrative costs as 9.3 percent of premium, which is a 0.9 percent decrease compared to last year's pricing assumption. The company expects that the requested premium increase will produce no profit or loss in 2026.