

# Enhanced Premium Tax Credits in Kansas

## An Impact Report

### Health Insurance Coverage for Kansans – the Value of Health Care Tax Credits

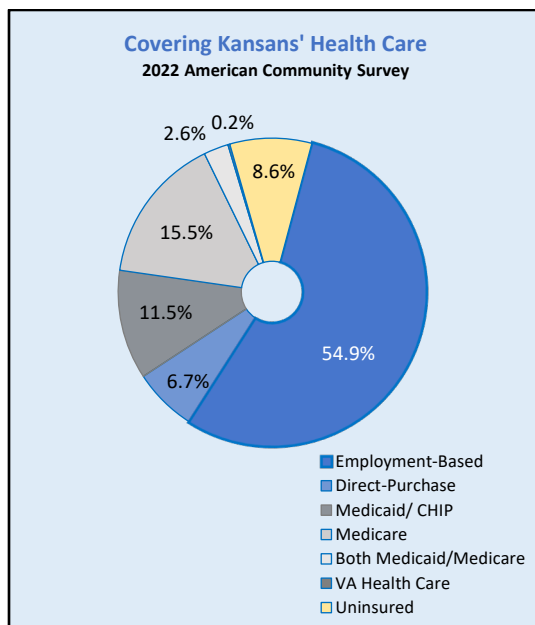
Enhanced premium tax credits (PTCs) provide **critical financial assistance** to Kansans buying their own health insurance coverage through the ACA Marketplaces. As of 2024, these health care tax credits assist **160,000 Kansans** by lowering their monthly premium payments to make comprehensive health care coverage more **affordable**. The expiration of these credits will **adversely impact** BCBSKS' 2026 premiums in the individual market, which means fewer Kansans – children and families, people with chronic conditions, early retirees, small business owners, and hourly workers – can **access affordable coverage** through the health plan they trust.

### How do PTCs help Kansans today?

- **Lowering the caps** on premium contributions for people of all income levels. In 2024, the average enrollee saved an estimated \$700 because of this enhanced support.
- Allowing people with incomes between 100 and 150 percent of the federal poverty level (FPL) to pay **zero dollars in premiums** for “benchmark” silver-level plans.
- **Extending eligibility for PTCs** to people with incomes above 400 FPL if their benchmark premiums exceed 8.5 percent of household income.

### Where do Kansans get coverage now?

**Private coverage** is the most common source of coverage (for all ages) and is typically provided through a current or former employer, but also includes **insurance purchased directly by individuals** including the **ACA marketplace**.



**Marketplace dynamics.** A record number of Kansans sought coverage in a **marketplace health plan** during the 2025 plan year open enrollment. For 2025, the **average monthly premium** for a benchmark silver plan in Kansas for a family of four **before applying the EPTC increased by 6.0 percent** (more than the 3.0 percent increase, nationally). **BCBSKS** provided trusted coverage through 9 metallic plan (expanded bronze, silver, gold) options to Kansas families and individuals.

### What happens if EPTCs expire?

Blue Cross anticipates several headwinds to maintaining premium stability in the 2026 premium rate filing process. Without access to EPTCs, we will likely experience **reduced enrollment in our individual ACA market**, which will worsen the risk pool and ultimately **increase premiums**.

**Putting a number** to the EPTC expiration (other factors are discussed later in this report), we look to the publicly filed 2026 rates and analyses. A majority of insurers indicate premiums will rise on average, an additional **4.0 percent**, due to non-renewal of EPTCs. For BCBSKS, the rate impact for our plans will likely be **increased in the range of 4 – 6 percent**.

## Affordability and Health Care Costs

Kansans are deeply concerned about the **costs of health care** – a recent BCBSKS commissioned survey revealed more than half of Kansans reported delay in seeing a doctor or going to a hospital because of the cost of care. Cost is overwhelmingly the most important health care issue, topping quality of care, access to care and equity of care by almost a 2:1 margin. BCBSKS is committed to **ensuring affordability** and working with policymakers to address health care cost drivers affecting our premiums. Kansans who **rely on enhanced health care credits** will see unsustainable premium increases if these health care dollars are no longer available.

### Preserving Health Care Credits for Kansans

	Annual Premiums would increase by	
For a <b>60-year-old couple</b> earning <b>\$82,800</b> per year	<b>\$18,767</b>	<b>277%</b>
For a <b>family of four</b> earning <b>\$129,800</b> per year (ages 40,40,10, 5)	<b>\$10,294</b>	<b>95%</b>
For a <b>family of four</b> earning <b>\$64,000</b> per year (ages 40, 40, 10, 5)	<b>\$2,571</b>	<b>216%</b>

## Insurance Coverage Cost Drivers – Upward Pressure on 2026 Premiums

BCBSKS, like other health plans, sets premiums based on projections about future enrollment and health care spending. The expiration of PTCs will be coupled with these critical drivers in the individual market:

- **Marketplace Integrity and Affordability Rule** – enrollment and eligibility changes could discourage enrollment among lower-risk individuals, which in turn could lead to **higher premiums** as the average cost per enrollee increases.
- **Increased uncertainty** – many individual market rate filings were submitted prior to critical federal legislation and rules were finalized, requiring health plans to make pricing decisions amid uncertainty. The compounding effects of these policy changes on costs, enrollment and risk pool composition have impacted risk margins in insurers' 2026 filings to account for unpredictable changes in costs and enrollment.
- **Compounding costs of health care services and utilization of services** – rate review analysis tells us about the growth in cost and utilization of healthcare services continues to be a prominent driver of premium changes in 2025.

**Drug spending** is growing faster than other medical spending and adding to premium growth. This is due to higher unit price growth, launches of new expensive therapies and increased demand for anti-obesity drugs in health plans that cover these drugs. **The health care labor market** also faces significant challenges due to the shortage of health care workers throughout the health care delivery system, which can lead to a demand for higher prices from health plans during negotiations with providers.

**Proposed 2026 Rating.** Analysis of proposed rates indicates a median proposed premium increase of **18 percent**, which is nearly **11 percentage points higher** than the previous year. This equates to the **largest rate change** health plans have requested since 2018. On average, these market headwinds translate to health plans **raising premiums by about 20%** in 2026. For **BCBSKS**, this projected experience in the Marketplace remains below the nationwide median and averages but does reflect the shared upward pressure on rates, leading to a **16.40% proposed increase**. Our service area is not immune to coverage cost drivers – one competitor left the market, and another proposed a **40.00% increase**.

**BCBSKS** is the largest and only local health plan in Kansas, serving over 1 million members. As a not-for-profit, BCBSKS serves our communities in responsible, intentional ways to support health and wellness across the state. BCBSKS serves all counties in Kansas with the exception of Johnson and Wyandotte. With 11 offices located throughout the state, and more than 1,800 employees, BCBSKS is your partner in health.

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