Support Kansas Hospitals

COMMERCIAL PAYERS

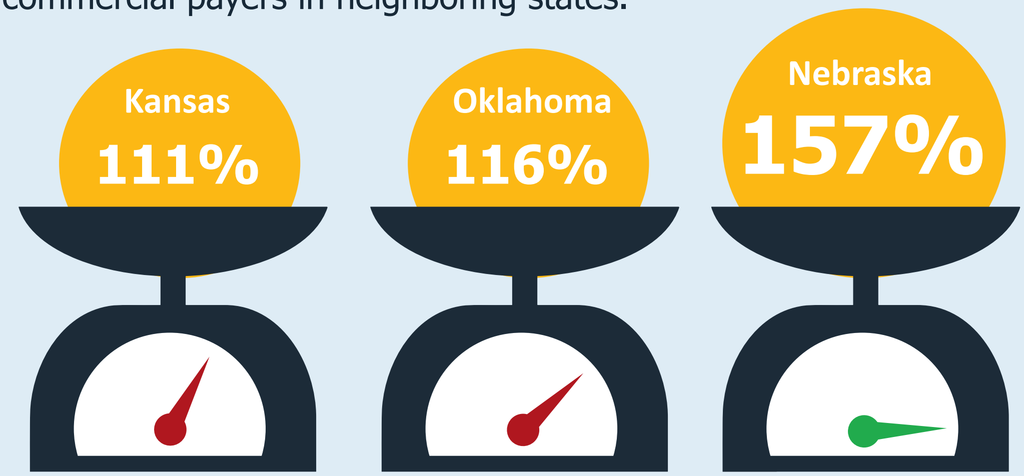
Kansas Hospital ASSOCIATION

According to a 2024 PYA Study, a correlation can be formed between financial losses in Kansas hospitals compared to hospital payments received by Kansas' dominant commercial payers.

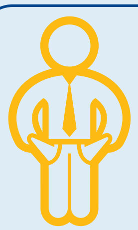
On average, a Kansas hospital handles approximately

different commercial insurance plans annually.

Commercial payers help fill the gap in what Medicare, Medicaid and uninsured patients do not pay for the cost of care. However, a 2024 study found commercial payers in Kansas paid less than commercial payers in neighboring states.



Percentage of costs paid by commercial payers.



IN THE RED

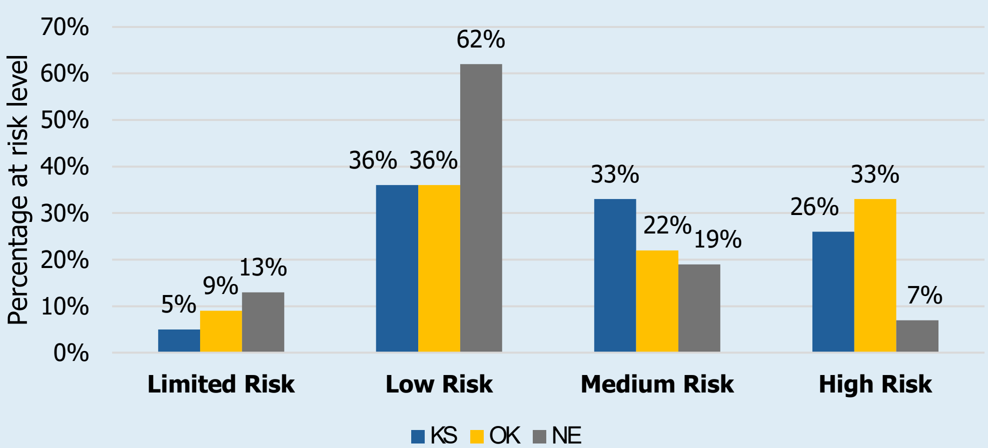
In FY22, the median operating margin for Kansas hospitals was **negative -12.7%** compared to the national median operating margin of negative -3.8 percent.

Kansas CAHs: -19%

Kansas PPS: -7%

Kansas has a greater percentage of hospitals at Medium/Higher Risk of Closing than neighboring states.

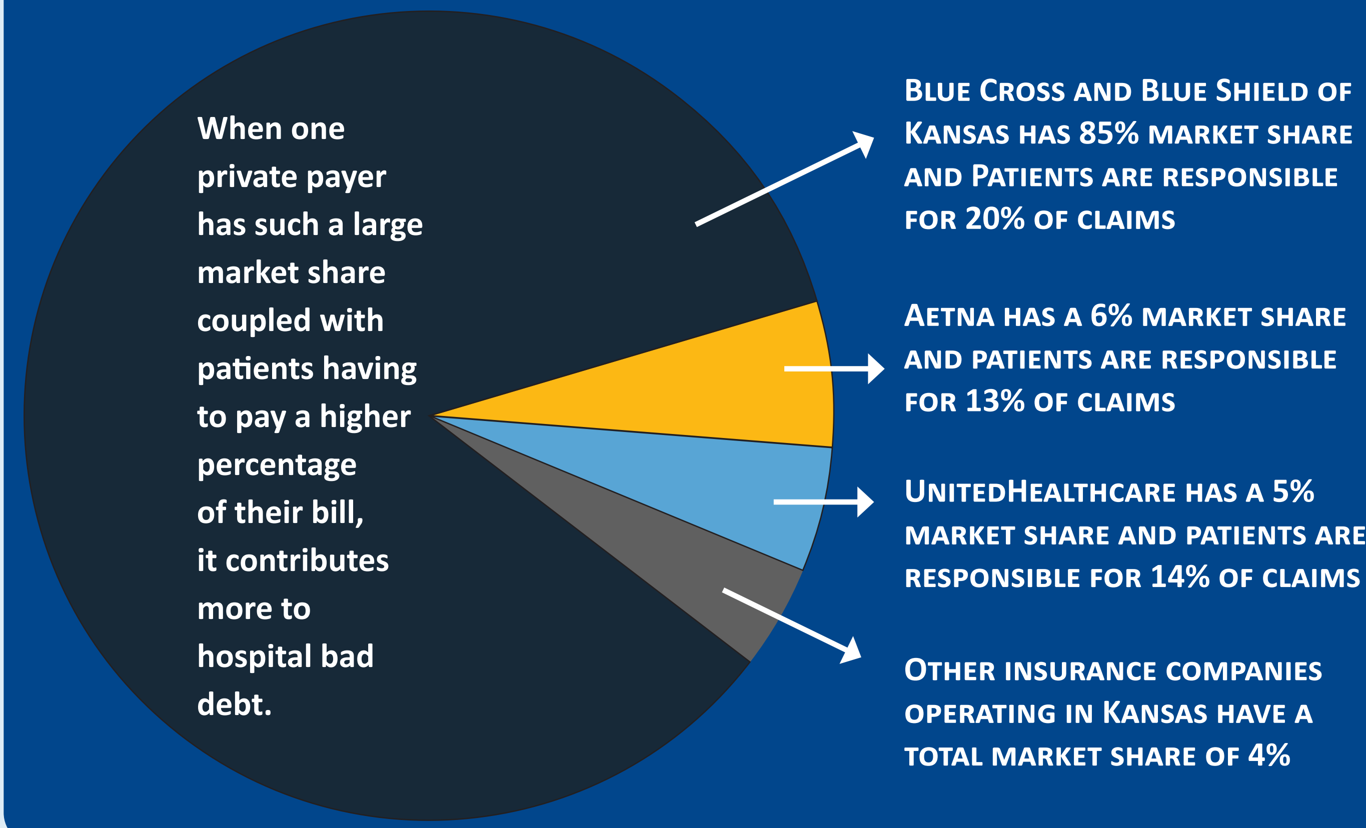
CAH and PPS Hospital Risk Classification | KS, NE & OK (based on FY19 - FY22 data)



Support Kansas Hospitals
Commercial Payers Continued ...

21 percent of Kansas hospital bad debt comes from patients who have insurance.

The top three commercial payers in Kansas, which include private insurance and employee-based insurance are Blue Cross and Blue Shield of Kansas, Aetna and UnitedHealthcare.



Bottom line: An Imbalance Hurting Patients and Hospitals

Data demonstrates that insured patients in Kansas are responsible for an ever-increasing share of the cost of their care. For many individuals, even though they have insurance, this cost is unaffordable, and hospitals are left with the bill. Additionally, reimbursement rates from Kansas commercial payers to hospitals keep trending down. Hospitals are left with less money to fill the gap in what Medicare, Medicaid, underinsured and uninsured patients do not pay for the cost of their care. Modest rate increases to hospitals from commercial payers would help this disparity and should not increase employer premium costs because commercial payers have benefited from federally funded programs that maintain local access to care. In addition, the scale of investment portfolios for insurance companies appears disproportionate relative to their underwriting exposure, liquidity needs and regulatory capital requirements. This growth imbalance has grown to a level that may exceed what is prudent and needed. It is reasonable to expect commercial payers (not their customers) to bear their fair share of the cost of maintaining network adequacy.

Sources

- census.gov
- CHQPR Rural Hospitals at Risk Report, 2025
- PYA Study
- 2021 KFF Analysis Report
- 2024 AHA Annual Survey
- KHA All Payers Scorecard