

Wednesday, July 03, 2024

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Summary

Blue Cross and Blue Shield of Kansas City (BCBSKC) is filing rates for individual plans in Kansas. The overall average premium increase for individual plans in 2025 is 24.4% compared to the 2024 individual rates. The changes for plans range from 18.9% to 32.1%. This does not include an additional small increase for attaining a new age. That is, an individual's premium rates will increase each year as they get older, even if the rates for their plan do not change. This small increase is not factored in to the average increases stated above.

In developing assumptions and setting rates for 2025, BCBSKC used data from its own claim experience, as well as information received from Wakely, a company which provides services to aid insurance companies which provide coverage to individuals and small groups.

In 2023, the "experience period" used as a starting point for developing rates for 2025, BCBSKC experienced a medical loss ratio (MLR) of 87.7%. This means that 87.7% of premium received was spent on medical and drug claims. In other words, the premium received was not enough to pay for medical and drug claims. Our projected loss ratio for Affordable Care Act (ACA) individual plans in 2023 is 81.5%.

Scope and Range of the Rate Increase

The new 2025 rates will apply to any individual that first purchases or renews coverage for the year 2025. As of May 31, 2024, 2,217 members are enrolled in BCBSKC plans impacted by this rate filing.

Key Drivers Behind Rate Increase

Rates were not high enough to pay for medical claims, drug claims, and company expenses in 2023. It was determined that a correction of 17.9% (incorporating decreases made in 2024) was needed to correct this pattern. The 2025 rate increase is also driven by the continuing increases in the cost and use of medical services. Other factors, such as how much and what things members pay for also had an impact on rates in 2025.

Changes in Medical Service Costs

- All else held equal, BCBSKC expects medical costs to go up 9.8% from 2024 to 2025, primarily due to members seeking services at a greater rate next year, and the continued increase in the cost of those services.
- BCBSKC also expects the average health status of members covered by ACA individual plans to be healthier in 2023, resulting in a separate 1.5% decrease in medical costs.
- BCBSKC is also planning changes to company processes that are expected to decrease medical costs by 1.8%.