



Blue Cross and Blue Shield of Kansas

Standing strong against the rising cost of health care

At Blue Cross and Blue Shield of Kansas (BCBSKS), one of the top questions we receive from business leaders is: **why is health insurance so expensive?** The short answer is that health insurance is expensive because **health care** is expensive, but there's more to the story.

BCBSKS is the state's largest and only not-for-profit health plan. We do not have shareholders to answer to. But even when we take profit out of the picture, health insurance costs continue to rise. Why?

The simple answer is: **health insurance premiums reflect the cost of health care.**

The cost of health care remains a top issue of concern for Kansas residents – second only to inflation, according to a 2025 survey commissioned by BCBSKS. Forty-one percent said hospital bills have increased a lot in the last few years. Residents report seeing hospital bills rise *faster* than insurance premiums and copays. Even more troubling, *half* of the Kansans in the survey said that because of the cost of care, they delayed seeing a doctor or going to a hospital.

What Kansans are telling us reflects reality: prices for health care have increased dramatically in recent years. In 2025, the most expensive prescription drug on the market is priced at \$4,250,000. That is more than twice the price of the most expensive drug only five years ago.

For many employers, having even one high-cost drug in the group's health care utilization can cause premiums to rise, because health plans have to set premiums at an amount that will cover the cost of care. That is why BCBSKS, through our partnership with Prime Therapeutics, closely monitors our groups' drug spending with an eye toward identifying opportunities to deliver the same medications at lower cost.

While prescription drug costs continue to rise, the overall cost of health care services also tends to increase annually. Although some price growth is expected due to inflation and operational expenses, in certain cases, the cost of services grows disproportionately compared to the actual cost of delivering care. This disconnect can be challenging for everyone to navigate.

BCBSKS believes providers should be paid fairly, but not at excessive rates. We take our stewardship of premium dollars seriously, balancing our network providers' needs with our members' expectation that their money will not be wasted.

How BCBSKS is helping

Those of us who work in health care have a responsibility to do what we can to reduce spending. Here's what BCBSKS is doing to lower health care costs:

- **Partnering with providers.** We are working side by side with hospitals and physicians on contracts that reward high-quality, efficient care. By focusing on value instead of volume, we can reduce unnecessary costs and improve outcomes for patients. And we're pushing back when providers demand unsustainable increases.
- **Tackling drug prices.** Prescription drugs are one of the fastest-growing parts of health spending. We're expanding access to generics and biosimilars, which provide the same treatment at a fraction of the cost. We've also joined with other Blue Plans to launch CivicaRx, a nonprofit pharmaceutical company that manufactures lower-cost versions of high-priced generic and specialty drugs.
- **Remaining not-for-profit.** Unlike for-profit insurers, we're not here to maximize shareholder return. Every dollar we bring in is reinvested back into our members and communities. Our sole focus is serving Kansans – making coverage more affordable and care more accessible.

What employers can do

Rising health care costs are likely alarming for employers. You want your employees to be healthy and at the top of their game, but you also need to manage the cost of employee health benefits. Below are some of the steps you can take to help keep your employees healthy, and keep premiums affordable:

- Stay informed of government policies that impact how much you and your employees pay for health care. Each year, bills are introduced in the Kansas statehouse that would increase premiums if they became law. BCBSKS supports policies that make health care more affordable because we know that ultimately, health care costs are borne by Kansans and their employers.

- If you want to be sure elected officials hear your concerns about rising health care costs, consider joining advocacy groups like Kansas Employers for Affordable Healthcare (KEAH), or work with your professional association to find out how to make your voice heard.
- Encourage preventive screenings and routine doctor's visits as well as urgent care visits when appropriate.
- Encourage telehealth options for those in rural areas or busy schedules, which are available 24/7.
- Offer flu vaccine clinics in your office.
- Encourage physical activity. Regular breaks and even group exercise sessions are a great way to accomplish this.
- Consider offering fitness incentives. BCBSKS offers the Strive program to provide wellness and fitness-related challenges.
- Speak with your health plan provider to see what services they offer to assist your employees. BCBSKS, for example, has a Wellness Team that can work with employers to help in the creation of a worksite wellness program.
- Check your health plan to see what types of case management options are available. BCBSKS offers a team of registered nurses to help members manage symptoms and diseases such as asthma, diabetes, COPD, high cholesterol and high blood pressure.
- Offer educational opportunities for your employees to learn how their health plan benefits can protect their health and finances. BCBSKS offers services like SmartShopper®, as well as supplemental cancer and hospital plans, all of which can help cover out-of-pocket expenses.

Making a commitment

It will take everyone working together to ensure Kansans are getting the services they need and the health care they deserve. BCBSKS is committed to working with others in health care to reduce spending while delivering exceptional value to members.