

Medical Premium Holiday, March 2022

Presentation to State Government Finance and Policy, and Elections
February 1, 2022



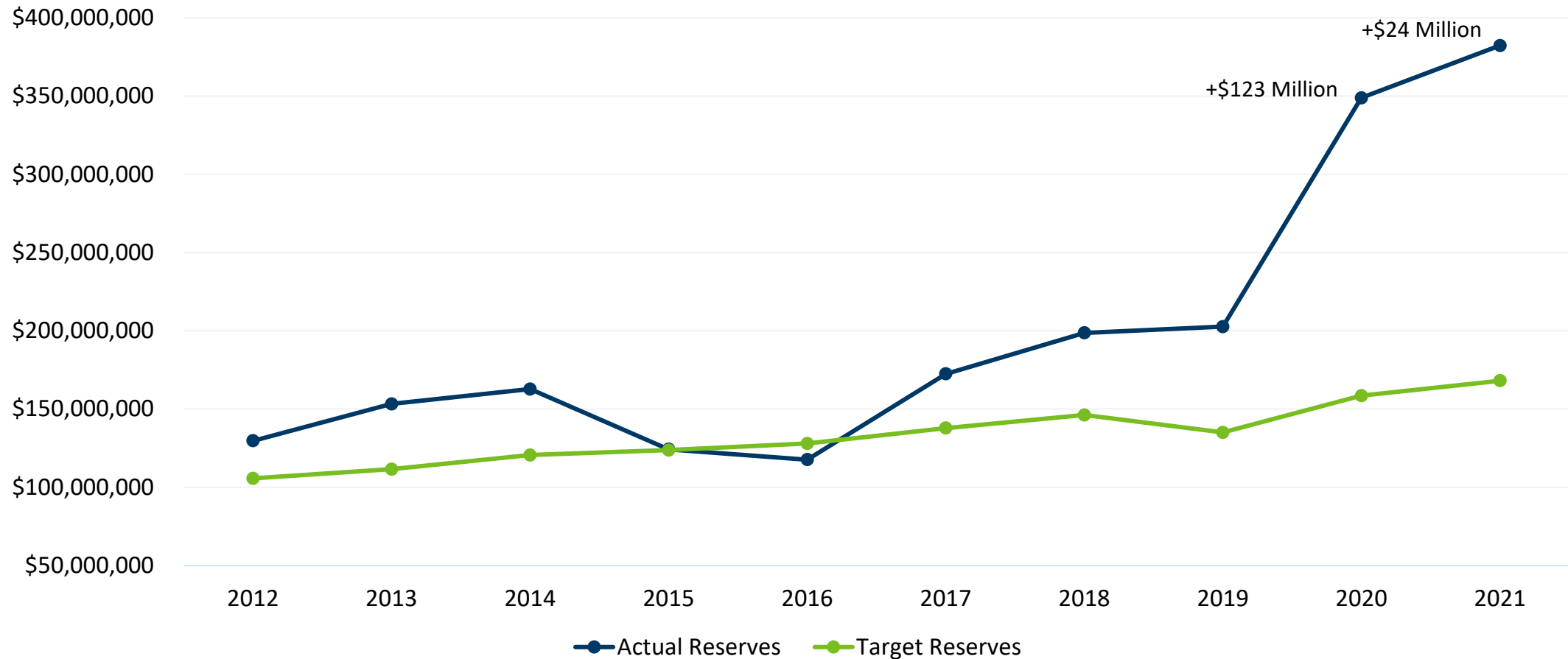
The state holds the financial risk for the medical plan

The reserves help ensure the financial integrity of the program:

- Act as a safeguard when actual costs outpace revenues
- Act as a cash flow, pay when costs exceed revenues
- Stabilize premiums more stable helping to eliminating the need to for large rate changes from-year-to-year

Reserves over time

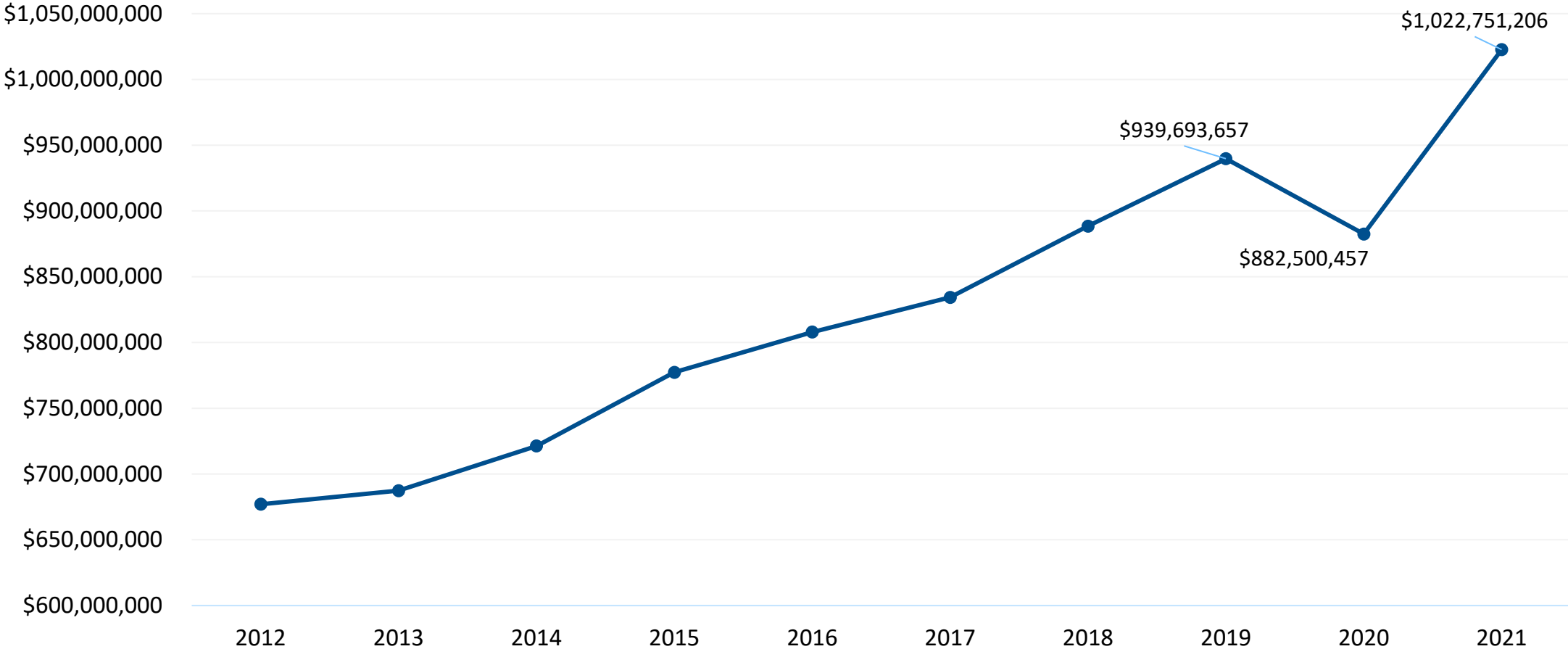
SEGIP Year-End Contingency Reserve, 2012-2021*



* Plan year 2021 reserves are forecast

Claims over time

SEGIP Annual Allowed Claims, 2012-2021*



* Plan year 2021 claims are forecast

Premium Holiday

- Premium Holiday:
 - SEGIP does not collect premiums for a period
 - Both pay periods in March 2022
- Applies to payors:
 - Employers:
 - All three branches and quasi-state agencies
 - Employees:
 - Including under age 65 retirees with an employer contributions, COBRA and employees on leave

Dollars retained by payors

Through the premium holiday SEGIP will forego \$84 million:

- \$75m to employers (all funds)
- \$8.6 m to employees

Savings by Branch & Fund

Branch	Premium Savings by Fund (millions)
Executive Branch	\$50.39
General Fund	\$19.73
Other Funds	\$30.66
Judicial Branch	\$5.45
General Fund	\$5.21
Other Funds	\$0.24
Legislative Branch	\$0.44
General Fund	\$0.43
Other Funds	\$0.01
Minnesota State	\$16.73
General Fund	\$0.00
Other Funds	\$16.73
Quasi-State Agencies	\$2.03
Grand Total	\$75.04

Monitored the reserves and notified payors

- SEGIP has closely monitored medical expenditures and reserves throughout the pandemic
 - Announced to agency partners and public in Sept 2021
 - Announcement prior to agencies finalizing their supplemental budget requests

Utilization drop common among employer plans in 2020

- Other employer groups had the same experience and returned dollars in a similar manner,
 - Premium holidays, credits, and partial reductions were employed across the insurance sector
- Examples of other groups:
 - State of Tennessee held a premium holiday in June 2021
 - New Jersey School Employees will hold a premium holiday in February 2022
 - BCBS of Minnesota gave one-time premium credits of 10 to 15% in Oct 2020

Actively monitoring the reserves

- SEGIP's reserve will remain healthy after the premium holiday
 - Sufficient to cover the ongoing uncertainty around COVID-19 and deferred care
 - We will monitor the reserves and act as needed

Thank You

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