



Final Employer 2022 Premium Contribution Rates

Board of Trustees Meeting

December 1, 2021

Background 2022 Premium Rates Approved in August

- On August 25, 2021, the State Health Plan Board of Trustees voted to APPROVE Employee rates, Employer rates and Retirement System Contribution rates within +/- 10% in comparison to the final approved budget.
- On November 17, 2021, Governor Cooper signed into law the first full budget since 2017, S.L. 2021-180.
- S.L. 2021-180 changed the rate structure **FROM** Active, Medicare Primary and Non-Medicare Primary members **TO** Active and Retiree members creating an imperfect translation of member groupings.
 - Non-Medicare Rate approved \$563.36 per month
 - Medicare Rate approved \$437.78 per month
- Other Members (some 50% and 100% contributory; COBRA; Direct Bill, etc.)
 - < 10,000 members
- S.L. 2021-180 provides for the 3 main budget objectives for the Plan
 - Provides an appropriate rate increase (~4% annual increase)
 - Recoups revenue lost from previous budget bills (< 4%)
 - Recoups Covid funds expended

S.L. 2021-180 Budget Impacts

- Employee rates adopted in August **do not** change
- “Other” Member (group created by rate structure change) rates adopted in August **do not** change
- Single Retirement System Contribution rate now set at \$4,856.00 per fiscal year which recognizes the reduced cost enabled by the successful Medicare Advantage Plans
- \$50 million has been allocated to the Unfunded Liability Solvency Reserve
- \$215 million has been allocated to reimburse COVID-19 costs

2022 Revised Employer Premium Rates – Requires Board Vote

- Approve Active Employer Rate of **\$647.86** per month (a 15.0% increase)
- Approve Retirement Systems contributions for Retirees of **\$380.92** per month (a 17.6% decrease)
- Approve HDHP Employer amount of **\$177.07** per month (a 15.0% increase)