

# MINNESOTA'S PREMIUM SECURITY PLAN

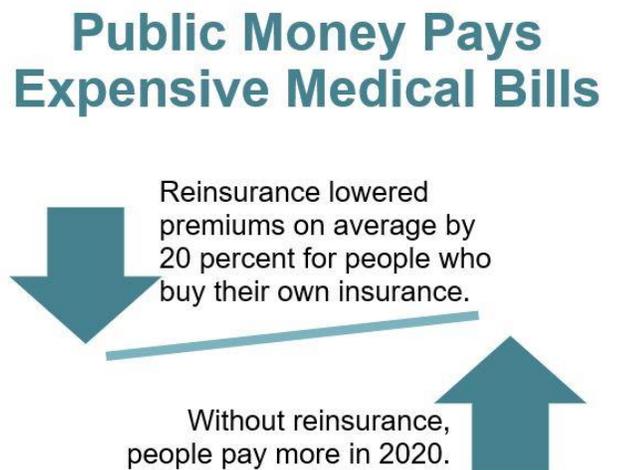
Minnesota's Premium Security Plan, also called **reinsurance**, pays high medical bills for those of us who buy health insurance on our own—people like farmers, small business owners and independent contractors. For these Minnesotans, the expense of health insurance is a serious problem, and the Premium Security Plan has made a real

difference, lowering premiums for every person who buys his/her own insurance, every month.

**Our policymakers must act quickly to keep this successful program working in 2020.**

## Why the Premium Security Plan makes sense for Minnesotans

- **It's a proven success.** "The reinsurance program reduced premiums for 2018 by about 20 percent on average...and about 20 percent again on average for 2019," according to the [Department of Commerce](#).
- **It's a national model.** Minnesota was the first state in the nation to use this type of reinsurance to keep premiums stable for people who buy health insurance on their own. Other states have followed.
- **It brings federal money to Minnesota.** The federal government helps pay the medical bills, contributing \$131 million in 2018 and an estimated \$180 million in 2019.
- **It's under budget.** The legislature appropriated \$271 million of state money per year to fund reinsurance 2018 and 2019. Lower enrollment than projected is one of many factors that should lead to a funding surplus that could be used in 2020.



## Leaders must act quickly to keep premiums from increasing

The federal government approved Minnesota's Premium Security Plan through 2022—but state law only approved the program through 2019. If Minnesota lawmakers don't act quickly to keep reinsurance going, state insurance regulators say **premiums will increase** for people who buy health insurance on their own, starting in 2020. Quick action at the beginning of the 2019 legislative session will hold premium increases down for 2020.

Fall 2018	January 2019	February–March 2019	April–May 2019
Insurance companies begin designing 2020 policies	<b>Legislative session begins</b>	Rates developed for 2020, based on current law	<b>Deadline</b> for insurance rate requests to Commerce