Employees Group Insurance Division

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Year Ended Dec. 31, 2020

OKLAHOMA
Office of Management
& Enterprise Services

Office of Management
and Enterprise Services

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Prepared by EGID Finance

Photo captions and credits

Cover: The Hall of the People raises above the grounds of the First Americans Museum on the south side of the Oklahoma River southeast of downtown Oklahoma City.

Previous page: Stone walls flank the main entrance to the Hall of the People at the First Americans Museum.

Page 2: The sun shines off of the Touch to Above sculpture at the east edge of the First Americans Museum courtyard.

Page 19: "Earth Mother," by Fort Sill (Chiricahua) Apache sculptor Allan Houser, is on display in the hall that leads to the FAMtheater at the First Americans Museum.

Page 71, above: An outline of the State of Oklahoma with the First Americans Museum's location marked in the center and surrounded by images of the state's tribes is part of the Tribal Nations Gallery on the first floor of the museum. **Below:** Kevin Connywerdy (Comanche\Kiowa), with the Oklahoma Fancy Dancers, leads participants from the audience in a snake dance during the museum's grand opening.

Photos by Ben Bigler, OMES.

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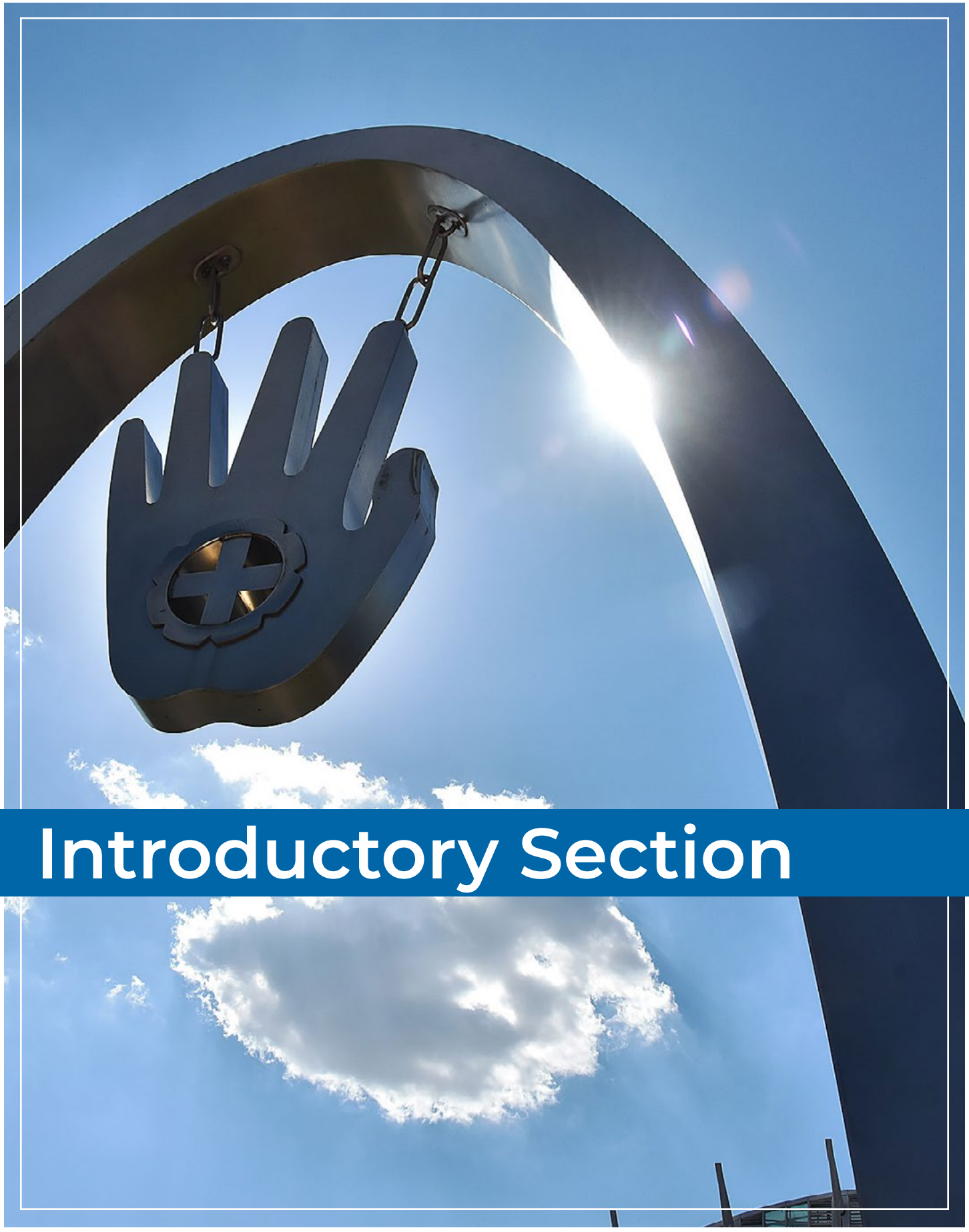


Introductory Section

OKLAHOMA
Office of Management
& Enterprise Services

Sept. 30, 2021

To the citizens of the State of Oklahoma:

The annual comprehensive financial report for the Office of Management and Enterprise Services Employees Group Insurance Division for the fiscal year ended Dec. 31, 2020, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of EGID. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of EGID. All disclosures necessary to enable the reader to gain an understanding of EGID's financial activities have been included.

This report is presented in three sections: introductory, financial and statistical. The introductory section includes this transmittal letter, EGID's executive organizational chart and a list of principal officials. The financial section includes the independent auditors' report, Management's Discussion and Analysis, and the basic financial statements. The statistical section includes selected financial and demographic information presented on a multiyear basis.

EGID is a special-purpose government entity engaged solely in business activities. EGID is a legal trust which administers, manages and provides group health, dental, life and disability insurance for current and former employees of state agencies, school districts and other governmental units of the State of Oklahoma. EGID provides insurance solely to eligible current and former employees and their dependents. The Oklahoma Employees Insurance and Benefits Board has oversight responsibility and decision-making authority to adopt policies regarding EGID financial matters.

It is EGID's mission to serve Oklahoma by providing – with the highest degree of efficiency – a wide range of quality insurance benefits that are competitively priced and uniquely designed to meet the needs of participants.

EGID provides a self-insured health, dental, life and disability program (HealthChoice) that is actuarially rated to provide premiums adequate to meet the payment of all claims and administrative expenses and maintain adequate capital. EGID maintains reserves to provide for current claim liabilities as required. At the present time, EGID has not transferred any risk of loss through reinsurance contracts. Given the size of EGID's membership, they can absorb large claim variation as well as high claimants. In addition, EGID is fiscally responsible and holds reserves in the event claims fluctuate outside of expected levels eliminating the need to pay a premium for such insurance where the premium would include a risk charge and profits.

During the plan year ending Dec. 31, 2020, participants could choose between HealthChoice and three health maintenance organizations during their initial enrollment. Each HMO requires participants to reside or work within a designated service area. HealthChoice has no such restriction and is subsequently available to all eligible participants statewide and across the nation. Oklahoma Employee Insurance and Benefit Act Program members could enroll in or change health carriers during an annual Option Period. Coverage elections can be changed during the year if the member experiences a midyear qualifying event as defined by IRS Code Section 125.

During the plan year ending Dec. 31, 2020, former employee Medicare participants could choose between the HealthChoice Medicare supplement plan (with prescription drug coverage), a commercial carrier's Medicare supplement plan (with prescription drug coverage), and the four Medicare Advantage Prescription Drug plans during their annual enrollment period as dictated by the Centers for Medicare & Medicaid Services. Two of the MAPD plans are HMO plans and require participants to reside permanently within a designated service area approved by CMS. The service area for one of those plans is limited to the northeast Oklahoma area, and the other plan offers a service area throughout most of Oklahoma. The other two MAPD plans are PPO plans, so services can be received anywhere in the United States as long as the provider is a Medicare eligible provider and is willing to accept the specific plan. Both the HealthChoice Medicare supplement plan and the commercial carrier's Medicare supplement plan offer coverage throughout the United States. The MAPD plans require enrollment in both Part A (hospital) and Part B (medical) through Medicare. Although the two MSPs do not require enrollment in Part B, benefits are paid as if participants are enrolled. To maximize benefits, participants are strongly encouraged to enroll in Medicare Part B. Changes in health insurance carriers are permitted for OEIBA Program members when enrolling at Medicare eligibility when not restricted by Medicare Secondary Payer requirements. Certain restrictions apply. After enrollment, members could change health carriers during the Medicare Annual Enrollment Period. Coverage elections can be changed during the year if a special enrollment period exists, such as a permanent move outside of a service area as defined by CMS.

Exhibit 1 illustrates total primary participation in coverage offered by HealthChoice and HMOs by type of entity as of Dec. 31, 2020.

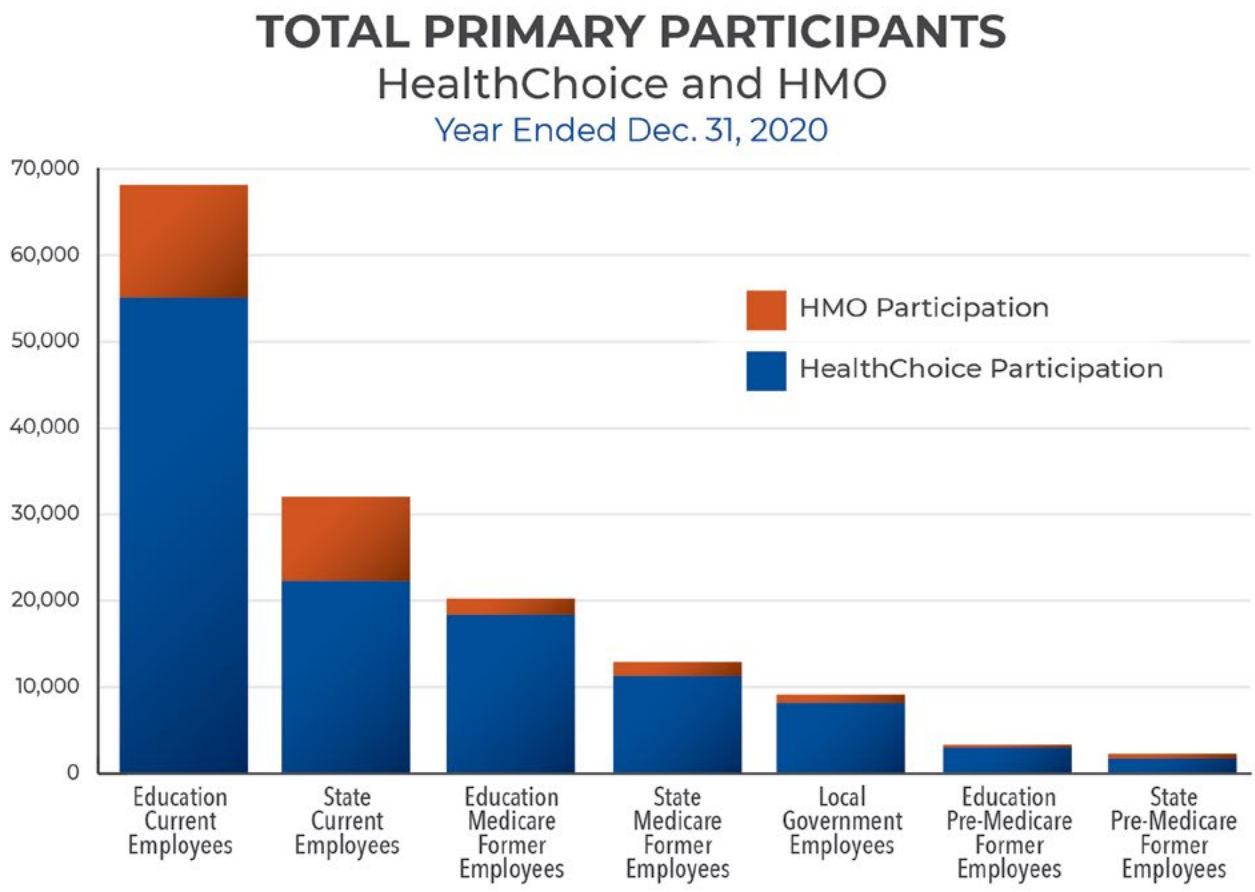


Exhibit 1

Among the current employee primary members, approximately 19% were covered by the HMO plans on Dec. 31, 2020. For the Medicare and pre-Medicare populations, approximately 10% were covered by the HMO plans on Dec. 31, 2020.

Each year during October and November, participants can change their coverage elections for the next year. All carrier changes and coverage elected during this period are effective Jan. 1 through Dec. 31.

EGID, by statute, provides insurance coverage to all employees and dependents who meet eligibility requirements. An employee's coverage begins the first day of the month following the month of employment. The employee has 30 days after beginning employment to acquire health, dental and life insurance for dependents. If the employee elects dependent coverage, the employee must cover all eligible dependents, unless the dependent is covered by other group or qualified insurance. The employee also has 30 days after acquiring a new dependent to add that dependent to coverage. After this period, an employee may still add dependents during the annual Option Period. However, coverage can be delayed if the dependent has been dropped in the past 12 months.

A current employee who leaves employment can add or retain certain insurance coverage depending on his status at the end of employment. A former employee can also add or continue dependent coverage that was in effect while he was a current employee. Retired employees can continue all health, dental and life coverage. If the member has vested his retirement benefits but is not yet eligible to draw those benefits, he also retains the right to health, dental and life coverage. In the event an employee terminates employment, or a dependent loses eligibility due to divorce or by exceeding age limitations, health and dental coverage can be continued if the member or dependent meets the requirements set forth under the Consolidated Omnibus Budget Reconciliation Act (COBRA).

The following table illustrates the available coverage by participant group:

	State Employee	Education Employee	Local Government Employee	OPERS	TRS	Survivors	COBRA
Health	X	X	X	X	X	X	X
Dental	X	X	X	X	X	X	X
Life	X	X	X	X	X	X	
Disability	X		X				
Medicare Supplement				X	X	X	X

ECONOMIC OUTLOOK

The economic issues facing the state, its agencies and school districts, other participating groups and their employees are a key consideration when EGID sets premium rates for the self-funded HealthChoice PPO plans. The board and EGID administration are very aware that increases in premiums affect the already tight budgets of participating groups, as well as individual members. Alternatives to rate increases such as changes in copays or deductibles must be considered, especially in times of shrinking employer group budgets. EGID is faced with the daunting task of weighing the alternatives and making the difficult and sometimes unpopular decisions necessary to meet projected costs. EGID's goal is to keep premiums as low as possible and continue to provide quality and affordable health care to current and former employees of state, education, and local government entities.

The HealthChoice model administered by EGID is unique by most standards when compared to other large self-funded employer group insurance plans. As mandated by state law, EGID contracts directly with health care providers that agree to provide services to HealthChoice members at an established price. Such an arrangement affords the state and plan members many advantages over traditional self-funded models that utilize commercial carriers for provider network services. Most importantly, the ability to control pricing through a transparent contracting process is paramount to controlling costs in an environment where price

increases have become the key driver in all areas of health care inflation. Contracting directly with providers also allows EGID the flexibility to respond more rapidly to changing industry trends when considering innovative reimbursement opportunities in a context that best serves its membership.

As a not-for-profit health plan that operates for the benefit of Oklahoma's public employees and their families, efficient financial performance is critical to the sustainability of HealthChoice as it receives no state appropriations and is funded solely from monthly premium contributions from employers and employees, very similar to a commercial insurance carrier. The financial efficiency of the HealthChoice plan is best illustrated by the fact that total costs (claims and administrative costs) represent over 99% of premiums collected over the last 10 years.

Health Care Trends

The insurance industry monitors health care costs by establishing a percentage of cost increases known as trend. The definition and factors affecting trend are discussed in Management's Discussion and Analysis.

According to the 2020 Segal Health Plan Cost Trend Survey (conducted in the fall of 2019), medical and prescription drug cost increases for actives and non-Medicare retirees are leveling off; however, a double-digit increase is still projected for specialty prescriptions. Consistent with more than a decade of survey results, the expected major drivers of cost escalation for 2020 are increases from prices of goods and services, not utilization of services. For hospitals, the price inflation is expected to increase at nearly twice the rate of service utilization. Reimbursement rates paid to hospital networks is projected to be higher than physicians.

According to the 2020 Segal survey, projected trends for PPO plans for 2020:

- Medical (Current and Former < Age 65) 6.8%
- Medical (Former Ages 65+) 4.0%
- Prescription Drug 7.1%
- Dental (Indemnity Plans) 4.0%

EGID's actuaries used the following trends for setting rates for 2020:

- Medical (Current and Former < Age 65) 3.6%
- Medical (Former Ages 65+) 3.2%
- Prescription Drug 9.8%
- Dental 2.4%

The actual trends experienced by EGID for 2020 are discussed in Management's Discussion and Analysis.

Investment Outlook

EGID's investment portfolio experienced a positive return in 2020 (+8.4%) and calendar year-to-date through July 31, 2021 (+5.8%). The COVID-19 pandemic was the dominant force impacting the global economy in 2020, leading to the first recession since the Global Financial Crisis. Despite the headwinds from pandemic-related shutdowns, unprecedented Central Bank measures and large fiscal stimulus packages in the U.S. and abroad have continued to push equities higher. Year-to-date through July 2021, the equity portfolio has driven all the absolute performance as the gain of more than 17% has more than offset the 0.2% decline from the fixed income portfolio.

More information on how economic conditions affected EGID in 2020, as well as EGID's 2020 trend experience, is included in Management's Discussion and Analysis.

MAJOR INITIATIVES

CVS-Caremark was selected as the chosen vendor to continue to provide pharmacy benefit manager services to EGID members to begin Jan. 1, 2021. CVS Health/CVS Caremark provides comprehensive prescription benefit management services including mail order pharmacy services, specialty pharmacy

and infusion services, plan design and administration, formulary management and claims processing. The company's clients are primarily employers, insurance companies, unions, government employee groups, health plans, Managed Medicaid plans and other sponsors of health benefit plans and individuals throughout the United States.

During August 2020, EGID began a project to be able to accept credit card and electronic check payments from members who are directly billed for their premiums to begin in the second quarter of 2021. This new service will allow direct pay members to pay their monthly premiums without the need for mailing checks or money orders. The implementation of this service will allow more flexibility with direct payments and immediate reinstatement of coverage in the event of a lapse due to non-payment. The member pays a small transaction fee for the electronic check or credit card processing.

As of Jan. 1, 2020, HealthChoice added telemedicine as another value-added benefit that is now available to all participants three years of age and older enrolled in a HealthChoice health insurance plan. Telemedicine uses telecommunications technologies such as cell phones, video conference or web applications in efforts to schedule a consult 24/7 with a U.S. trained and board-certified physician. These physicians can evaluate, diagnose, and treat patients wherever they are, including remote and rural locations for many common and minor illnesses or injuries.

In a continued effort to reduce the risk of exposing confidential member information and reduce printing and mailing costs, EGID implemented a pilot project for handling forms during the 2019 Option Period. Twenty of the larger employer groups were given access to their preprinted Option Period forms via EGID's online secure billing portal that many of the insurance coordinators have utilized for payroll purposes for many years. This change enables coordinators to access to their forms approximately three weeks earlier than the previous printing process, allowing them to begin their Option Period meetings and trainings much earlier in the year. This pilot project was extremely successful and very popular among insurance coordinators. The number of coordinators utilizing this option grew from 20 to over 45 during the 2020 Option Period.

Member navigation is another value-added benefit launched Jan. 1, 2020. HealthChoice initially rolled out this program as a pilot project for several selected employer groups, but in September 2020 open the program to the entire HealthChoice active and pre-Medicare population who were enrolled in medical coverage. The goal of this program is to provide a navigation tool that is easy to access and use. Member navigation provides quick and easy access by offering live chat sessions between the member and a health care expert. The live chat is available on demand 24/7 and is monitored by a live person who can answer questions or guide members through the health care process. This service aids with scheduling appointments, coordinating medical record transfers and referrals, facilitates direction to procedures at low-cost providers, and helps members with basic billing issues. Members access these services by downloading the mobile application from the Apple App Store or Google Play Store. As of Dec. 31, 2020, the HealthChoice mobile application had 17,559 downloads. The care guides had 9,758 live chats and the average age user was 48.

Prior to 2020, Medicare eligible former employees have not been allowed to change plans outside of Option Period unless they moved outside of a service area. To give Medicare eligible former employees more options and more affordability, effective Jan. 1, 2020, former employees were able to change health plans outside of Option Period in a limited number of circumstances.

In January 2019, HealthChoice began implementation of the Care Connect Program, a health care member advocacy outreach program designed to offer additional assistance to all HealthChoice participants through targeted member outreach. The program includes a team of coordinators who proactively analyze claims data to identify members who could need assistance with claims denied for subrogation or verification of other insurance or with managing multiple billings or complex claim expenses, or who may benefit from other programs offered through HealthChoice, such as Select or Care Management. The Care Connect and Care Management programs have been fully integrated so that members are able to receive the assistance they need for both clinical and claims related concerns through one dedicated contact. The integrated program support has also offered extended services to the provider community for better understanding of the HealthChoice plan and to further assist them with clinical initiatives, closing care gaps, transition of care and more.

EGID partnered with an outside vendor, VARIS, to conduct inpatient Medicare Severity Diagnosis Related Group validation services for HealthChoice plans. In January 2019, VARIS began reviewing inpatient facility claims for appropriate coding, billing, and processing. These reviews will identify claim overpayments and result in maximum use of claims payment dollars. VARIS has experience conducting forensic audits at 99% of all acute care hospitals in Oklahoma. Approximately $6 million dollars in savings has been identified to date.

EGID implemented a drug saving review program through CVS Health. This program will help ensure evidence-based prescribing. Evidence-based prescribing is applying drug data: what the drugs are, how they are used, how they interact with other drugs and the latest best-practice treatment recommendations for common and uncommon conditions. CVS's evidence-based prescribing will focus on key areas, such as appropriate therapy, condition management, dose optimization, duration of therapy, drug duplication and age-appropriate therapy. This program has an estimated savings of $4 million per year.

HealthChoice began contracting with provider groups for emergency medicine, urgent care facilities, hospitals, and anesthesiologists during 2019. Group contracting was already in place for radiologists and pathologists. This type of contracting model is standard practice in the healthcare industry and many from the provider community have requested it over the prior model of contracting with individual providers.

Effective Jan. 1, 2018, EGID finalized the transition to a new third-party administrator, HealthSCOPE Benefits, for health, dental and life claims processing and customer service for calendar year 2018 incurred claims. Effective July 1, 2018, after the closeout of the contract with the prior TPA, HealthSCOPE Benefits also took on historical claims processing and customer service responsibilities for claims incurred prior to calendar year 2018. With the implementation of the new TPA, EGID has begun to experience a savings in administration costs that will total approximately $5.3 million across the five-year contract over the previous TPA contract. Additionally, the new vendor's adept experience and unique ability to deliver custom tailored solutions for HealthChoice participants has provided:

- Improved customer services through the TPA call center.
- Enhanced web portal for both members and providers.
- Real-time integration with CVS, the HealthChoice pharmacy benefit manager, to allow deductible accumulator data to be loaded and immediately available.
- Enhanced clinical editing during the electronic data interchange claims submission process.
- Additional options for EDI clearinghouses.

In March 2018, EGID implemented an update with CVS to ensure medical devices remain excluded from coverage under the pharmacy benefit. In October 2017, EGID's pharmacy consultant noticed claims being paid under the pharmacy benefit for several expensive products classified as 510(K) medical devices. These products are not prescription products and thus should not be covered under the pharmacy benefit; however, the manufacturers of these products have ensured they are added to the pharmacy claims systems so they are available for reimbursement to pharmacies. All the products impacted by this program have inexpensive over-the-counter alternatives available. The exclusion program is expected to save an estimated $536,000 annually.

Effective Jan. 1, 2018, HealthChoice began offering an extended benefit program to all participants enrolled in a HealthChoice health insurance plan. The Care Management program specializes in aiding those with chronic conditions but is available to anyone who needs information about their health care or assistance navigating to the appropriate provider to meet individual health care needs. The program is designed to strengthen the relationship between a member and their physician by offering personalized care management and navigation assistance through physician and nurse consultations to help eliminate barriers that could negatively impact a participant's health or disrupt their treatment plan. The program's care coordinators take a collaborative approach to health care that focuses on clinical initiatives to enhance the quality, service and cost-effectiveness of a participant's care. Working closely with both patients and providers allows for a better understanding of a participant's condition, resulting in expedited treatment plans that help eliminate gaps in care and improve overall health.

To improve efficiency and cut costs, beginning with plan year 2018, HealthChoice enabled members to submit their annual verification of other insurance coverage through the online HealthChoice Connect portal or by phone to a HealthChoice customer care representative. In 2019, to further these efforts and streamline processes, HealthChoice also enabled members to conveniently verify their other insurance coverage through the annual online Tobacco-Free Attestation site. This site, also available on the HealthChoice Connect portal, allows for quick and easy updates for two of the key annual requirements of HealthChoice members. Online updates such as these eliminate mailing costs, reduce man-hours and HIPAA risks, and ensure for quicker claims processing. HealthChoice Connect also allows members an option to receive any eligible health, dental or life reimbursements from the plan by electronic funds transfer rather than a mailed paper check.

HealthChoice strives to bring value to its members and other stakeholders by aligning provider reimbursement strategies with common industry practices. In 2017, HealthChoice continued with the three-year implementation of reimbursement methodology changes for hospital outpatient services. The estimated savings over the full implementation is expected to be $35 million with $13 million of that being realized in 2017. HealthChoice, in conjunction with impacted network provider facilities, modified hospital outpatient reimbursement to account for the additional bundling of services since the methodology was first adopted. Effective Jan. 1, 2019, HealthChoice adopted a change to ambulance service reimbursement that is budget neutral to the plan in aggregate but provides greater predictability for ambulance claim costs.

EGID worked throughout the 2017 and 2018 plan years to develop a routine process of accepting electronic files for both annual and midyear eligibility changes from education and local government employer groups. (This process has been in place for state agencies for many years.) An important benefit of this electronic file for both EGID and employer groups is that it reduces the workload for employer personnel by eliminating the need to enter eligibility changes in both EGID's eligibility system and the group's payroll system. Additionally, this file import reduces the risk of exposing confidential member information because there will be minimal need to mail paper enrollment forms back and forth between EGID and employer groups. This electronic process also greatly reduces the workload of EGID staff and eliminates the risk of data entry errors that can result when processing paper enrollment forms. This initiative is very popular with employer groups, and interest continues to grow. During the 2018 Option Period, EGID successfully imported one electronic enrollment file for a very large school district. The following Option Period, EGID increased the number of imports from one to five and is on track to see that number grow to 10 for the 2020 Option Period. Additionally, following the 2019 Option Period, EGID worked to transition two employer groups to a year-round electronic file import. That number is on track to grow to seven following the 2020 Option Period.

EGID conducted a pilot program in 2013 to evaluate bariatric weight loss procedures for members who met specific medical criteria through a certification process. Outcomes over a two-year period were studied to determine future benefits regarding bariatric procedures. A final report issued in 2016 showed beneficial outcomes in terms of disease burden and plan costs. A specific bariatric benefit was implemented Jan. 1, 2017, and has been popular, with 1,155 members receiving bundled, covered operations at certified centers during 2017 and 2018. Outcomes, quality and costs are being monitored. Surgeries have resulted in significant weight loss, a reduction in the number of medications needed and a decrease in the per-member monthly costs for these patients.

To secure members' confidential information and cut costs, beginning with plan year 2017, HealthChoice enabled members to access their explanations of benefits via HealthChoice Connect. HealthChoice network providers and non-network providers also now have online access to their remittance advices via HealthChoice Connect or a standard HIPAA transaction.

In January 2017, EGID implemented a $0 copay for vaccinations under the pharmacy benefit for Medicare Part D participants. Medicare already covers vaccinations under Part B. However, EGID chose to offer additional vaccine coverage under Part D to ensure easy access for Medicare members at the pharmacy. The initial cost to cover vaccinations under Part D was estimated at $38,000 annually, with an overall savings expected on a long-term basis due to higher immunization rates.

Starting in January 2017, EGID implemented several new utilization management programs to help control costs. These programs are designed to target high-cost generic medications and medications with high price inflation. These medications have therapeutic alternatives available that are significantly less expensive. Combined, these programs are expected to save an estimated $1,461,000 annually.

In February 2017, EGID implemented an Opioid Quantity Limit program that utilized morphine milligram equivalence to help combat over utilization of opioid medications. The program compares opioid utilization across all types of opioid medications to ensure utilization is appropriate, and it also restricts first-time users of opioid medications to a seven-day supply to ensure excess medication is not dispensed and then available for diversion. The program has an estimated initial cost of $498,000 due to loss in rebates for branded products but is expected to result in long-term savings due to lower utilization of opioids and lowered costs for ER utilization and hospital admission due to substance-use disorder. The program is based on the Centers for Disease Control and Prevention guidelines for prescribing opioids for chronic pain.

CVS/Caremark became HealthChoice's pharmacy benefit manager effective Jan. 1, 2016. The experience thus far with CVS/Caremark has been overwhelmingly positive, with a lowered pharmacy cost trend for both the current/pre-Medicare and Medicare Part D populations. Actual savings for the first year under CVS/Caremark (2016) were 16.5% of total pharmacy plan costs, or $51,185,649, compared to 2015. HealthChoice also experienced a 17.5% decrease in overall per-member-per-month pharmacy trend in plan costs from 2015 to 2016. This overall savings was mainly due to a significant increase in rebates received by HealthChoice under the new contract with CVS/Caremark. The initial large savings number was due to the PBM contract change and a positive rebate experience under the new PBM, CVS/Caremark, but year-over-year trend has continued upwards, though at a much lower rate than was experienced with the previous PBM. HealthChoice's total pharmacy plan cost in 2017 increased by 3.4% PMPM, which was still below the trend levels from previous years.

In 2018 and 2017, EGID received over $18.2 million and $17.4 million, respectively, from the Medicare Coverage Gap Discount Program and $28.8 million and $27.7 million, respectively, from the Medicare Part D Reinsurance. These additional funds offset pharmacy costs for members enrolled in a HealthChoice Medicare Supplement Part D plan. EGID no longer holds a direct contract for Part D with CMS but became an Employer Group Waiver Plan through its PBM's Part D plan effective Jan. 1, 2016. Due to recent program changes by CMS, EGID anticipates receiving an additional $8 million in funds for the gap discount and an additional $14 million for reinsurance programs in 2019.

HealthChoice introduced a new program called HealthChoice Select in 2016. This program resulted in overall plan savings while improving members' access to quality and affordable care by designing an innovative care model for bundled payments for services. This program offers members the opportunity to receive certain services at certain participating facilities with no out-of-pocket costs (e.g., deductibles or coinsurance). Participating facilities agree to offer these services to members at a bundled rate, which is a single payment for facility, physician and ancillary services associated with a particular service. Providers can choose to participate in one or more of the categories; however, providers are not required to participate in the program. Currently, there are 1,068 outpatient and 81 inpatient services available to members. There are 62 facilities with more than 70 locations providing bundled services for HealthChoice members in 30 cities in Oklahoma and Arkansas.

LEGISLATION

The following affects EGID.

Federal

Coronavirus Aid, Relief, and Economic Security (CARES) Act effective March 27, 2020.

- It specifically requires waiving cost sharing for COVID-19 diagnostic testing and vaccines.

IRS Notice 2020-122 effective June 17, 2020.

- Under the CARES Act, a high deductible health plan (HDHP) temporarily can cover telehealth and other remote care services without a deductible.

IRS Notice 2020-29 effective May 12, 2020.

- It provides temporary flexibility for § 125 cafeteria plans to permit employees to make certain prospective midyear election changes for employer-sponsored health coverage, health FSAs, and dependent care assistance programs during calendar year 2020 that the plan chooses to permit.

Transparency in Coverage Rule published Nov. 12, 2020, and effective Jan. 1, 2022.

- Under the final rule, plans and insurers must disclose cost-sharing estimates at the request of an enrollee and publicly release negotiated rates for network providers, historical non-network allowed amounts and billed charges, and drug pricing information. The rule's goal is to enable enrollees to estimate their cost sharing before receiving health care to encourage shopping and price competition amongst providers.

No Surprises Act, signed Dec. 27, 2020, as part of the Consolidated Appropriations Act of 2021, and effective Jan. 1, 2022.

- The legislation limits patient payment responsibility for certain unavoidable non-network services, prohibits providers and facilities from balance billing patients for those services, establishes price transparency disclosure requirements for providers and insurers, and mandates creation of dispute resolution processes for patients, providers and insurers to address unanticipated medical bills.

Executive order issued by President Trump on June 24, 2019, requires federal agencies to issue the following by the close of 2019:

- Notice of proposed rulemaking regarding requiring self-insured group health plans and insurers to provide access to the "expected" out-of-pocket costs of a treatment or service before the care is provided.
- IRS guidance with more specifics on what items, services and medications can be provided to patients with chronic illness before they reach their deductible under a high deductible health plan without interfering with their eligibility for a health savings account.
- IRS guidance on increasing the amount of flexible spending account funds that can be carried over at the end of a year without penalty.
- Proposed regulations that allow direct primary care arrangement and health sharing ministries to be considered eligible medical expenses under the tax code.

Such regulations may have future impact to EGID's operations and costs.

Oklahoma

House Bill 1019 (2021) caps insulin at $30 for 30 days and $90 for 90 days.

House Bill 2678 (2021) expands actions that constitute unfair claims settlement practices.

Senate Bill 107 (2021) gives OMES the authority to renew vision contracts with existing plan providers for succeeding one-year terms.

Senate Bill 550 (2021) requires an insurer, if a clean claim or any portion of a clean claim is denied for any reason, the insured, enrollee or subscriber, assignee of the insured, enrollee or subscriber and health care provider be notified in writing within 30 calendar days after receipt of the claim by the insurer.

Senate Bill 650 (2021) increases the minimum benefit allowance for state employees beginning with plan year 2022.

House Bill 2587 (2020) creates the Nondiscrimination in Health Care Coverage Act, which prohibits an agency from developing or employing a dollars-per-quality adjusted life year as a threshold to establish

what type of health care is cost effective or recommended. It prohibits an agency from utilizing such adjusted life year as a threshold to determine coverage, reimbursement, incentive programs or utilization management decisions, whether it comes from within the agency or from any third party.

Senate Bill 981 (2019) removes language that limits the investments of the Oklahoma Employees Insurance and Benefits Board. The bill also clarifies language related to investment of the board's funds and financial reports.

House Bill 2632 (2019) introduces an Any Willing Provider clause into contracts with network pharmacies and mandates that EGID pay all Oklahoma pharmacies at or above the rate that EGID pays to PBM owned or affiliated pharmacies.

Senate Bill 509 (2019) requires EGID to meet accelerated turnaround times for step therapy pharmacy reviews, mandating that EGID respond to a request for a step therapy exception within 72 hours of receipt, or 24 hours of receipt for urgent appeals. This bill also mandates that EGID grandfather members who are stable on a given medication and allow them to bypass any step therapy protocols for the given medication.

House Bill 3234 (2018) authorizes OMES to reject excess vision plan offerings based on failures to meet bid requirements or for providing lesser value for the State of Oklahoma.

Senate Bill 1103 (2018) requires all health benefit plants to include coverage for a low-dose mammography screening.

FINANCIAL INFORMATION

EGID management is responsible for establishing and maintaining an internal control structure designed to ensure assets are protected and to provide accurate financial data. The internal control structure is designed to provide reasonable, but not absolute, assurance these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived. The valuation of costs and benefits requires estimates and judgments by management.

Single Audit. EGID does not receive federal funding and, therefore, is not required to undergo an annual single audit in conformity with the provisions of Uniform Guidance.

Budgeting Controls. All administrative expenses are funded from premiums. Funds needed for administrative expenses are transferred to a revolving fund, which is not subject to fiscal year limitations and is under the control of EGID. EGID maintains budgetary controls to ensure compliance with provisions embodied in the annual budget. The level of budgetary control (the level at which expenditures cannot exceed the budgeted amount) is established by function and activity. EGID maintains an encumbrance accounting system as its primary technique for accomplishing budgetary control.

As demonstrated by the financial statements included in this report, EGID is meeting its responsibility for sound financial management.

Proprietary Operations. EGID revenue from operations consists of health, dental, life and disability premiums remitted by each participating entity for their employees, or directly by former employees and participants under COBRA. Also included in premium revenue are premium subsidies from the Medicare Part D program. Another source of operating revenue is a risk adjustment fee collected from HMOs. Operational expenses are primarily from paid and incurred claims.

Current employees comprise 78% of EGID's primary member population and 77% of 2020 incurred claims. Pre-Medicare former employees make up only 3% of EGID's primary member population but account for 7% of incurred claims. Medicare eligible former employees make up 19% of EGID's primary member population and 16% of incurred claims.

The following charts in Exhibits 2 and 3 illustrate enrollment, premiums and claims broken down between current employees and pre-Medicare and Medicare eligible former employees.

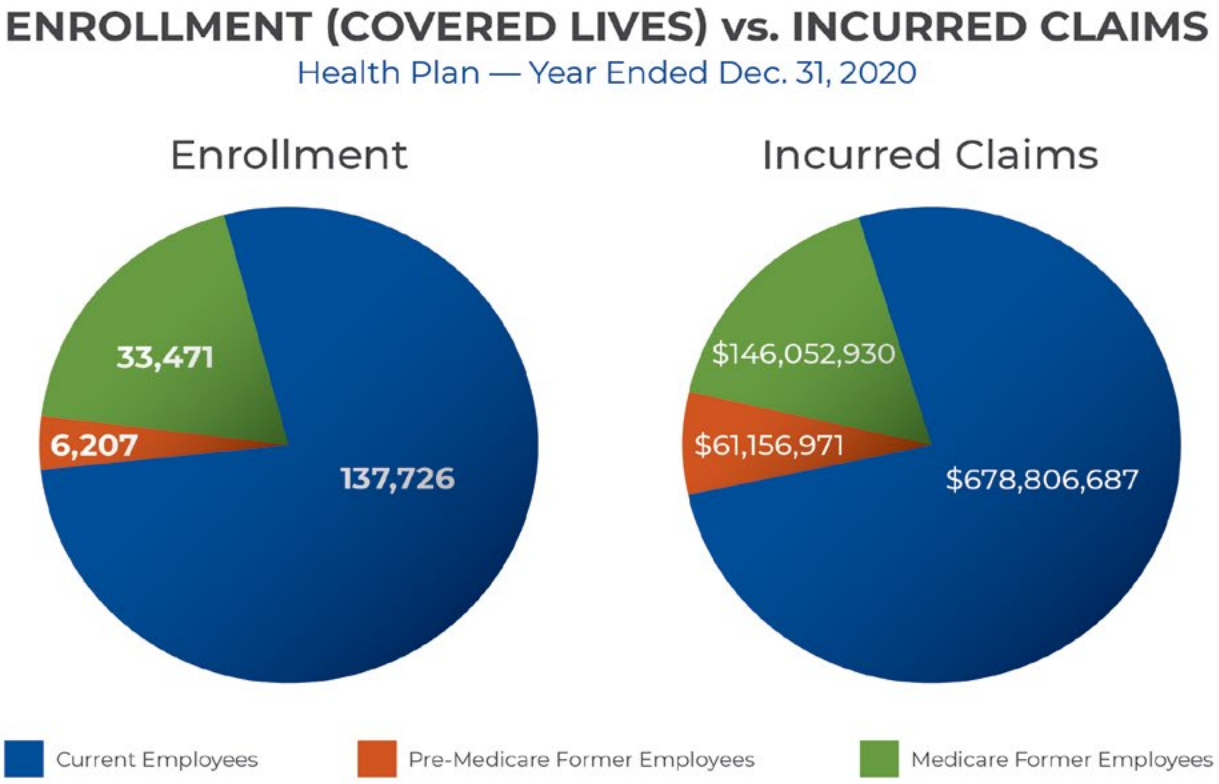


Exhibit 2

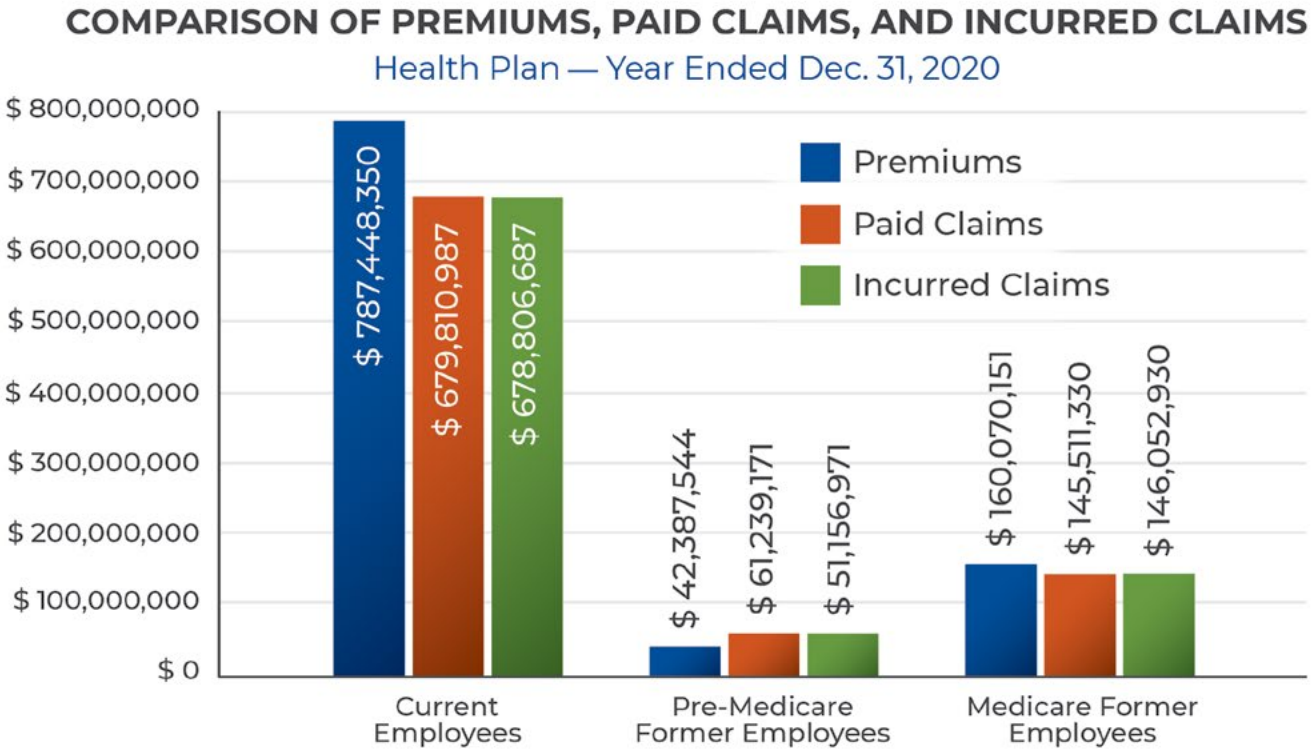


Exhibit 3

Pharmacy claims are included in total health claims. For current employees, health premiums for 2020 were $108.6 million over incurred claims for the year, a difference of 16%. For pre-Medicare former employees, health premiums fell short of covering incurred claims by $18.8 million or 31%, primarily because premiums for current employees and pre-Medicare former employees are priced at a fully blended rate. For Medicare eligible former employees, health premiums were $14.0 million over incurred claims for a difference of 10%.

Exhibit 4 illustrates medical and prescription drug claims for each participant category.

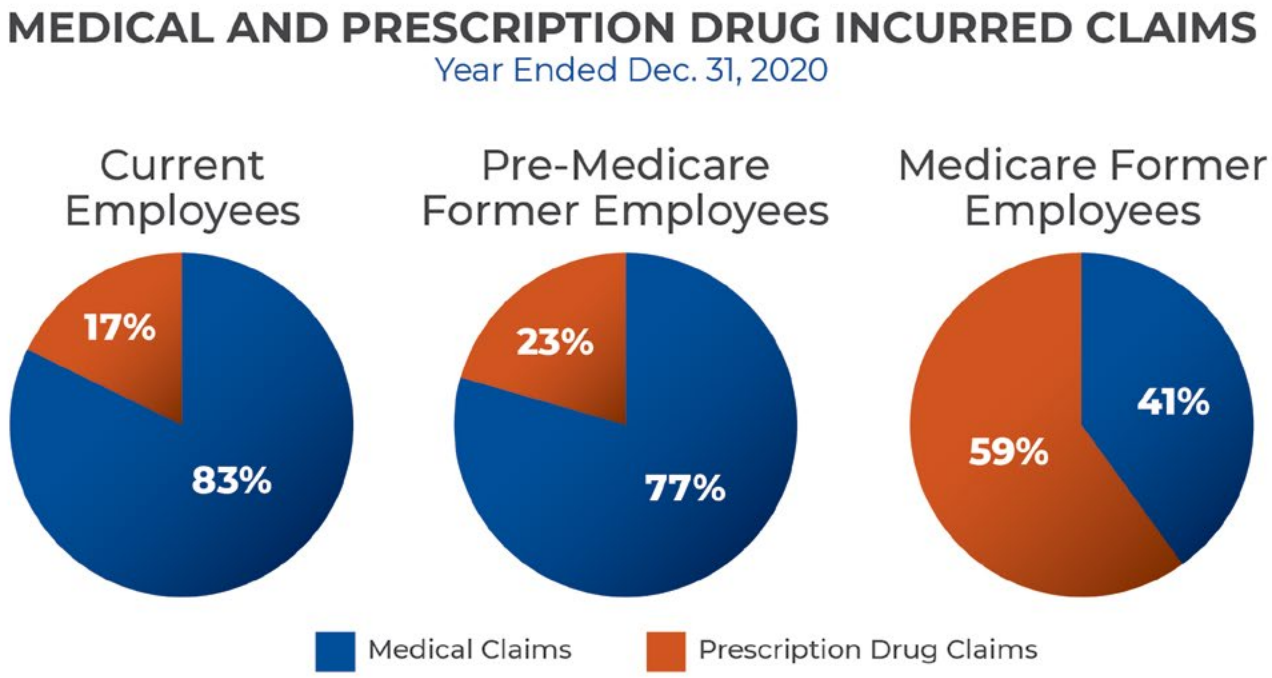


Exhibit 4

For the current employee and pre-Medicare former employee population, approximately 19% of total paid claims are for prescription drugs. For the Medicare eligible former employee population, nearly 60% of paid claims are for prescription drugs.

TOTAL HEALTHCHOICE EXPENSES

Year Ended Dec. 31, 2020

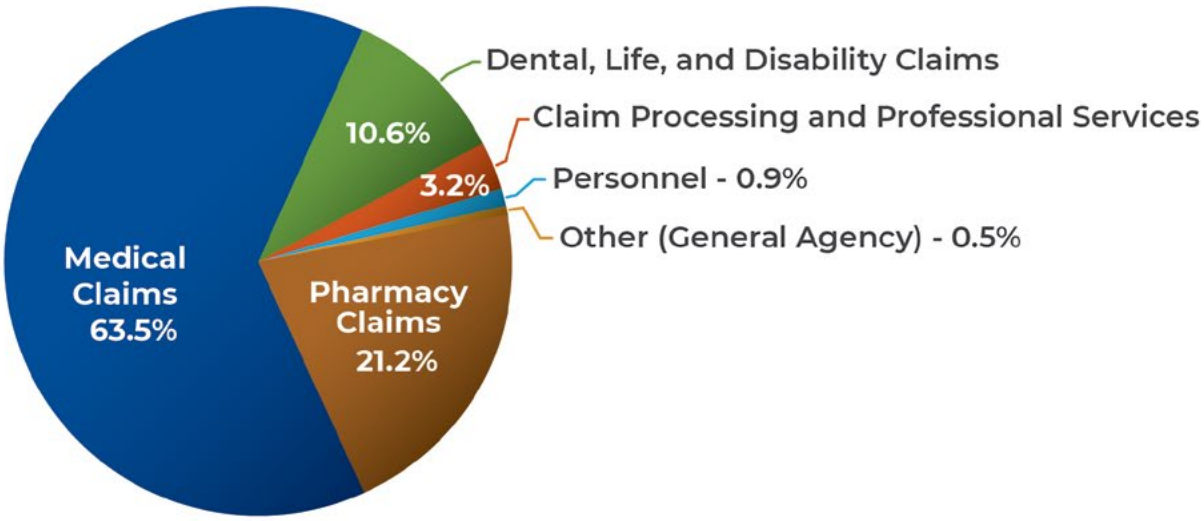


Chart does not include booking or amortization of premium deficiency reserve.

Exhibit 5

HealthChoice expenditures for payment of health, pharmacy, dental, life and disability claims were 95.2% of total annual expenditures. Only 4.8% of the division's total expenditures were for administrative costs, which compares favorably with industry averages.

Cash and Investment Management. EGID maintains minimum cash balances as required by statute to fund released warrants. All excess cash is deposited with a custodial bank, which in turn credits the EGID short-term cash money market account. In addition to the money market account, EGID has three fixed-income money managers and two equity securities managers.

All invested funds are regulated by the EGID investment policy set by the Oklahoma Employees Insurance and Benefits Board and monitored by EGID administration.

The policy speaks specifically to liquidity, asset quality, maturity and duration of fixed income terms, and specific asset mix. Additionally, the policy sets benchmark expectations for each type of money manager.

A more detailed summary of EGID's financial position and result of operations is included in Management's Discussion and Analysis.

OTHER INFORMATION

Independent Audit. The accounting firm of Deloitte & Touche LLP has been retained to perform an annual audit. The independent auditors' report on the basic financial statements is included in the financial section of this report.

Acknowledgments. The preparation of the annual comprehensive financial report was made possible by the dedicated service of the entire staff of the finance unit. In addition, I wish to acknowledge the contribution made by Mrs. Felicia Clark, Comptroller.

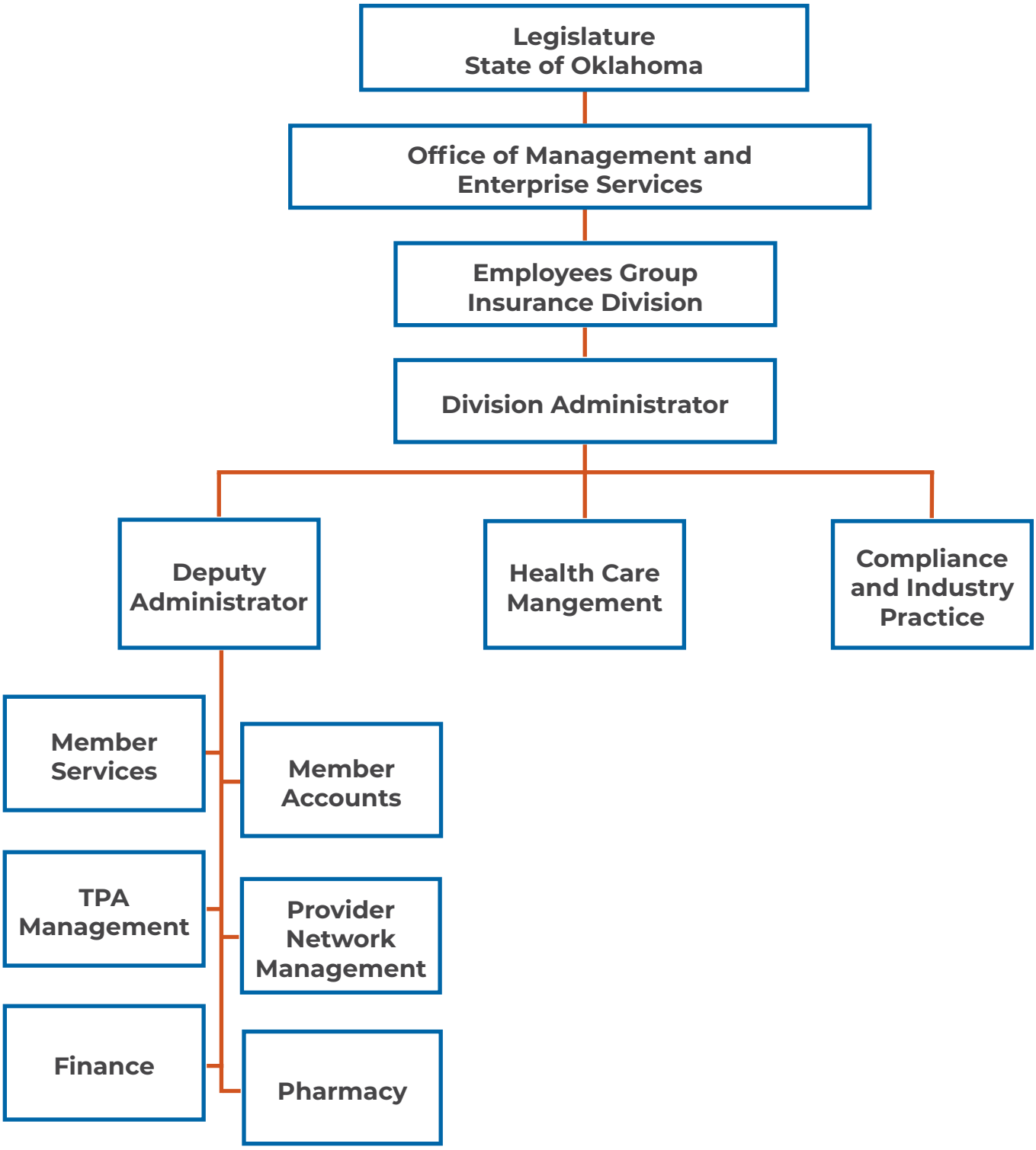
In closing, without the leadership and support of the OEIBB and senior staff of EGID, preparation of this report would not have been possible.

Respectfully submitted,

Paul King

Deputy Administrator

Executive Organizational Chart



List of Principal Officials

Dec. 31, 2020

OKLAHOMA EMPLOYEES INSURANCE AND BENEFITS BOARD

S. Shane Pate II, J.D., Chairman

Michael Felty, Vice-Chairman

Frank Stone

Commissioner Glen Mulready/Jim Marshall

Lynn Mitchell, M.D., Secretary

Steven Montgomery

Jimmy J. Williams, CPA

EMPLOYEES GROUP INSURANCE DIVISION

ADMINISTRATOR

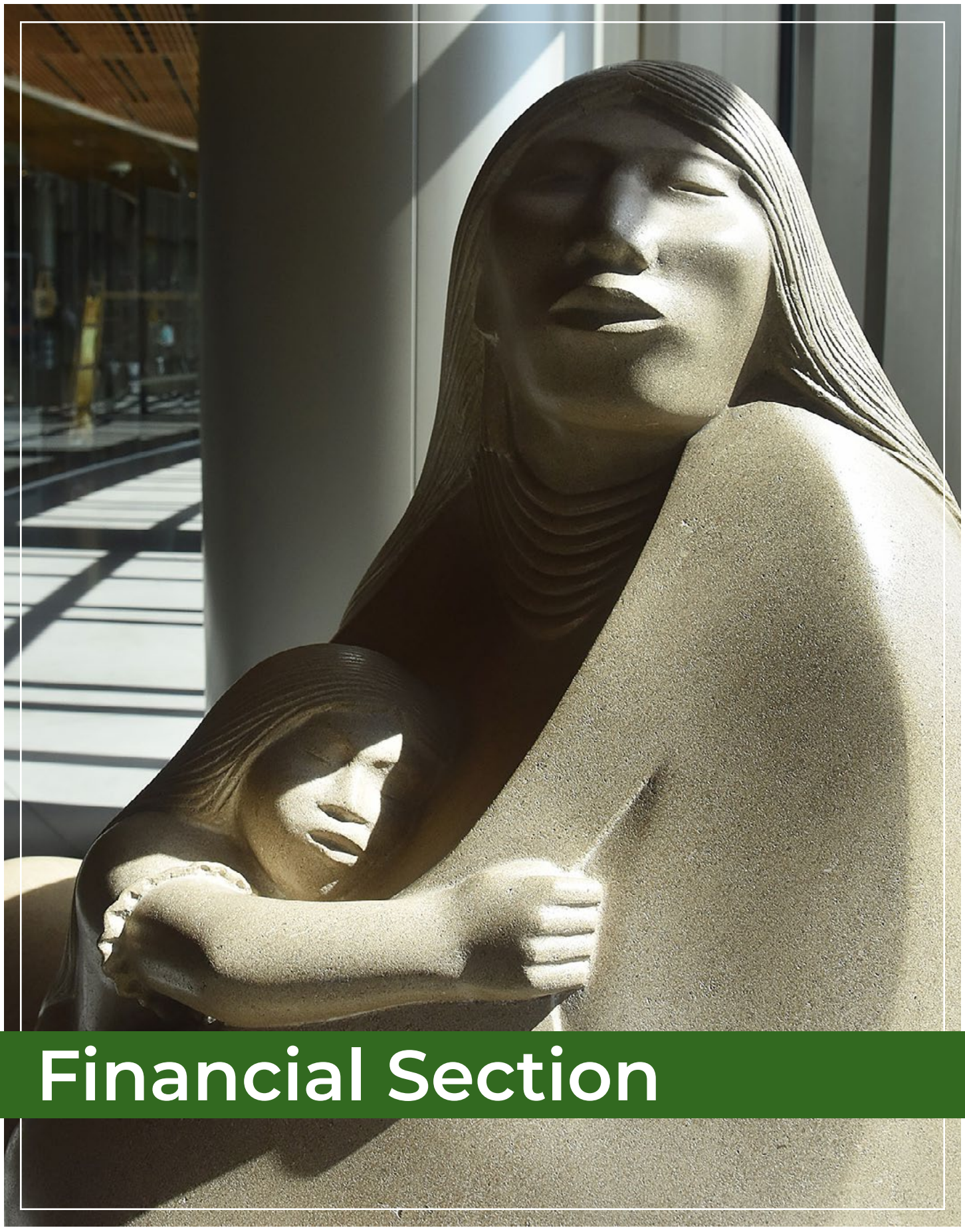
Yasmine Barve, RN, CPC

DEPUTY ADMINISTRATOR

Paul King

DEPARTMENT DIRECTORS

Compliance and Industry Practice	Stephanie Portugal
Health Care Management	Thomas Nunn, D.O.
Internal Audit	Joe McCoy, CPA
Finance	Gary Beebe
Provider Network Management	Jason Mathews-Payne
TPA Management	Nichole King
Pharmacy	Burl Beasley, DPh
Member Accounts	Michelle Toliver
Customer Experience	Cassie Waters



Financial Section

Employees Group Insurance Division

(A Division of the Office of Management and Enterprise Services)

Basic Financial Statements as of and for the Year Ended December 31, 2020 and 2019, (with Independent Auditors' Report Thereon)

Deloitte & Touche LLP
50 South 6th Street
Suite 2800
Minneapolis, MN 55402-1538
USA

Tel:+1 612 397 4000
Fax:+1 612 397 4450
www.deloitte.com

INDEPENDENT AUDITORS' REPORT

Members of the Board
Oklahoma Employees Insurance and Benefits Board:

Report on the Financial Statements

We have audited the accompanying statement of net position of the Employees Group Insurance Division (A Division of the Office of Management and Enterprise Services and Department of the State of Oklahoma) ("EGID") as of December 31, 2020 and 2019, and the related statements of revenue, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise EGID's basic financial statements ("financial statements").

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to EGID's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of EGID, as of December 31, 2020 and 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements of EGID are intended to present the financial position, the changes in financial position and cash flows of only that portion of the State of Oklahoma that is attributable to the transactions of EGID. They do not purport to, and do not, present fairly the financial position of the State of Oklahoma as of December 31, 2020 and 2019, the changes in its financial position, or its cash flows for the years ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that required supplementary information including the management's discussion and analysis and required supplementary information related to pension and other post-employment benefits and claims development on pages 25-30 and 66-72 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Deloitte + Touche LLP

August 5, 2021

EMPLOYEES GROUP INSURANCE DIVISION
(A Division of the Office of Management and Enterprise Services)

MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

Overview of the Financial Statements

The EGID basic financial statements are prepared on the basis of accounting principles generally accepted in the United States of America for governmental entities and insurance enterprises where applicable. The primary purpose of EGID is to provide group health, dental, life, and disability insurance for employees of state agencies, school districts, and other governmental units as set forth in Title 74 of the Oklahoma Statutes. EGID is a division of the Office of Management and Enterprise Services (OMES). OMES provides central services to other state agencies in the areas of budget and finance, technology, human capital management, real estate/facilities and fleet management.

The three financial statements presented within the basic financial statements are as follows:

Statement of Net Position—This statement presents information reflecting EGID's assets, liabilities, and net position. Net position represents the amount of total assets less total liabilities. The statement of net position is classified as to current and noncurrent assets and liabilities. For purposes of the basic financial statements, current assets and liabilities are those assets and liabilities with immediate liquidity or which are collectible or becoming due within twelve months of the statement date.

Statement of Revenues, Expenses, and Changes in Net Position—This statement reflects EGID's operating revenues and expenses, as well as non-operating revenue during the year. The major source of operating revenue is premium income and the major sources of operating expenses are health, dental, life, and disability benefits. The change in net position for an enterprise fund is similar to net profit or loss for a private sector insurance company.

Statement of Cash Flows—The statement of cash flows is presented on the direct method of reporting, which reflects cash flows from operating, capital and related financing, and investing activities. Cash collections and payments are reflected in this statement to arrive at the net increase or decrease in cash for the fiscal year.

Financial Highlights

The management of EGID offers readers of EGID's basic financial statements this narrative overview and analysis of the financial activities of the entity for the years ended December 31, 2020, 2019, and 2018.

	December 31			2020 vs. 2019 Change Amount
	2020	2019	2018	
Cash and investments	$ 429,993,204	$ 329,207,311	$ 304,563,469	$ 100,785,893
Premiums receivable—net	36,842,357	46,886,033	39,597,260	(10,043,676)
Other current assets	113,314,084	97,121,030	97,735,996	16,193,054
Total current assets	580,149,645	473,214,374	441,896,725	106,935,271
Office equipment—net	28,709	373,733	965,244	(345,024)
Net OPEB asset	147,798	125,825	43,200	21,973
Total assets	580,326,152	473,713,932	442,905,169	106,612,220
Deferred outflows of resources—Pension	1,719,616	421,113	711,440	1,298,503
Deferred outflows of resources—OPEB	122,318	78,720	46,289	43,598
Total deferred outflows	1,841,934	499,833	757,729	1,342,101
Total assets and deferred outflows	$ 582,168,086	$ 474,213,765	$ 443,662,898	$ 107,954,321

	December 31			2020 vs. 2019 Change Amount
	2020	2019	2018	
Claims liabilities	$ 125,072,000	$ 112,381,000	$ 135,119,000	$ 12,691,000
Disability liabilities (current only)	2,331,000	2,228,000	2,905,000	103,000
Premium deficiency reserves	2,154,000	4,852,000	7,179,000	(2,698,000)
Other current liabilities	60,454,567	48,030,968	51,260,498	12,423,599
Total current liabilities	190,011,567	167,491,968	196,463,498	22,519,599
Pension and OPEB liabilities	3,297,231	944,450	1,144,121	2,352,781
Other noncurrent liabilities	7,543,000	14,382,000	9,562,121	(6,839,000)
Total liabilities	200,851,798	182,818,418	207,169,740	18,033,380
Deferred inflows of resources—Pension	15,369	231,515	366,692	(216,146)
Deferred inflows of resources—OPEB	176,032	135,433	127,222	40,599
Total deferred inflows	191,401	366,948	493,914	(175,547)
Invested in capital assets	28,709	373,733	965,244	(345,024)
Unrestricted	381,096,178	290,654,666	235,034,000	90,441,512
Total net position	381,124,887	291,028,399	235,999,244	90,096,488
Total liabilities, deferred inflows, and net position	$ 582,168,086	$ 474,213,765	$ 443,662,898	$ 107,954,321

	Year Ended December 31			2019 vs. 2018 Change Amount
	2020	2019	2018	
Premium revenue	$ 1,097,920,668	$ 1,086,401,037	$ 1,100,034,809	$ 11,519,631
Other operating revenue	5,640,463	2,985,310	1,973,457	2,655,153
Total operating revenues	1,103,561,131	1,089,386,347	1,102,008,267	14,174,784
Incurred claims expense	996,403,449	1,027,682,086	1,031,516,120	(31,278,637)
Change in premium deficiency reserves	(2,698,000)	(2,327,000)	7,179,000	(371,000)
Administrative and claims processing expense	49,437,851	47,780,571	50,647,943	1,657,280
Total operating expenses	1,043,143,300	1,073,135,657	1,089,343,063	(29,992,357)
Operating income (loss)	60,417,831	16,250,690	12,665,204	44,167,141
Net investment income	29,678,657	38,778,465	(2,348,486)	(9,099,808)
Change in net position	90,096,488	55,029,155	10,316,718	35,067,333
Net position, beginning of year	291,028,399	235,999,244	90,096,488	55,029,155
Net position restatement due to OPEB	-	-	(632,039)	-
Net position, beginning of year (restated)	291,028,399	235,999,244	225,682,526	55,029,155
Net position, end of year	$ 381,124,887	$ 291,028,399	$ 235,999,244	$ 90,096,488

EGID's total assets for the year ended December 31, 2020 increased by approximately 22.5% from the previous year, where there was an increase of approximately 7.0% in 2019. Cash and investments increased by approximately $100.8 million or 30.6% during 2020 due to revenues received in excess of expenses for the plan year while 2019 showed an increase of approximately $24.6 million or 8.1%

In 2020, EGID earned approximately $4.6 million in interest and dividend income, experienced $6.5 million in realized gains and $19.3 million in unrealized gains, and paid $671,366 in investment expenses for a net investment gain of $29.7 million. In 2019, EGID earned approximately $5.4 million in interest and dividend income, experienced $3.8 million in realized gains and $30.2 million in unrealized gains, and paid $633,450 in investment expenses for a net investment gain of $38.8 million. EGID's investment allocation at December 31, 2020 is comprised of approximately 41% fixed income securities, 32% equities, and 27% cash equivalents and comprised approximately 43% fixed income securities, 35% equities, and 22% cash equivalents at December 31, 2019.

For the year ended December 31, 2020, premiums receivable decreased from the prior year by approximately $10.0 million due to the timing of premium payments received from EGID's largest employer group. In the prior year, premiums receivable increased approximately $7.3 million, primarily due to an increase in 2019 premium rates as well as the timing of premium payments received from EGID's largest employer group.

In 2020, other current assets increased approximately $16.2 million primarily due to an increase of $16 million in pharmacy rebate receivable, an increase of $1.1 million in the CGDP receivable and a decrease

in the Part D reinsurance receivable of $2.9 million. Pharmacy rebates and CGDP each experienced an increase in revenue while reinsurance decreased during 2020. The decrease in other current assets during 2019 of approximately $615,000 was due to a $9.7 million decrease in pharmacy rebate receivable and an increase of $8.6 million in the Part D reinsurance and CGDP receivable.

Total liabilities as of December 31, 2020 increased approximately $18.0 million or 9.9% from December 31, 2019 as a result of a $6 million increase in claim liabilities, an increase unclaimed property of $4.7 million, an increase in pension and OPEB liabilities of $2.4 million, an increase in payable for investment purchases of $3.6 million, an increase in premiums payable to HMOs of $3.1 million and a $2.7 million decrease in premium deficiency reserves. Total liabilities as of December 31, 2019 decreased approximately $24.4 million or 11.8% from December 31, 2018 as a result of a $19.8 million decrease in claim liabilities, a decrease of $5.1 million in claims payable as a result of the timing in the actual payment of reported claims, a $2.9 million decrease in administrative expenses, and a $2.3 million decrease in premium deficiency reserves.

A premium deficiency is required to be recognized if the sum of expected claims costs and all expected claim adjustment expenses exceeds related premiums and anticipated investment income. At December 31, 2020, a premium deficiency liability of approximately $1.7 million was recorded for the life plan and $482,000 was recorded for the disability plan. No premium deficiency was necessary for the health and dental plans. At December 31, 2019, a premium deficiency liability of approximately $4.2 million was recorded for the life plan and $700,000 was recorded for the disability plan. No premium deficiency was necessary for the health and dental plans.

Premium revenue increased for 2020 by approximately $11.5 million primarily due to an increase in participation. In 2019, EGID saw an overall increase in premium revenue of approximately $13.6 million primarily due to an overall premium rate increase for all HealthChoice health plans of 4.1%. For the years ended December 31, 2020 and 2019, EGID earned approximately $5.6 million and $3.0 million, respectively, in other operating income, which consisted primarily of risk adjustment fee income.

Incurred claims comprise approximately 95.5% and 95.8% of EGID's total expenses in 2020 and 2019, respectively. Changes in premium deficiency reserves are not considered in the calculation. For the year ended December 31, 2020, total incurred claims decreased by approximately $31.3 million or 3.0% from the prior year. In 2019, total incurred claims increased by approximately $3.8 million or 0.4% over the prior year.

For the year ended December 31, 2020, health and dental claim costs decreased by approximately $39.9 million or 4.0 % due to favorable claims experience. For the year ended December 31, 2019, health and dental claim costs decreased by approximately $5.8 million or 0.6% primarily due to the final year of the phased in outpatient reimbursement methodology changes and favorable claims experience.

In 2020 and 2019, life claim costs increased by approximately $8.7 million or 22.4% and $3.3 million or 9.3%, respectively. Disability claim costs for 2020 decreased approximately $75,000 or 11.9% from the prior year. Disability claim costs for 2019 decreased approximately $1.2 million or 67% from the prior year.

Administrative expenses increased by approximately $1.7 million in 2020 from 2019 primarily due to an increase in professional services resulting from new initiatives in 2020 for member navigation and telemedicine services. Administrative expenses decreased by approximately $2.9 million in 2019 from 2018 primarily due to a decrease in professional services resulting from a decrease in TPA fees due to the completion of claim run-out from the previous TPA. Administrative expenses make up approximately 4.7% and 4.5% of EGID's total expenses in 2020 and 2019, respectively.

EGID experienced an increase in total net position of approximately $90.1 million, or 31.0%, for the year ended December 31, 2020. For 2019, there was an increase in total net position of approximately $55 million, or 23.3%.

During 2020, the Health and Dental program experienced an increase in net position of approximately $95.7 million, or 32.0% from the prior year. The increase is a result of decreased claim costs due to overall favorable medical claims experience, an over-performance of pharmacy rebates by the Pharmacy Benefit Manager (PBM) and positive investment returns. During 2019, the Health and Dental program experienced an increase in net position of approximately $54.4 million, or 23.7% from the prior year. The increase is a result of decreased claim costs due to the final year phase-in of reimbursement methodology changes, overall favorable medical claims experience, an over-performance of pharmacy rebates by the PBM and positive investment returns.

The Life program experienced a decrease in net position of approximately $11.4 million or 165.7% in 2020 and an decrease of approximately $5.8 million or 543.1% in 2019.

The Disability program experienced an increase in net position of approximately $5.8 million or 41.8% in 2020, and a decrease in net position of $6.5 million or 87.9% in 2019.

Economic Conditions

As a large public employer plan, total annual claim costs are less volatile than those of small employer group plans. While various factors continue to apply upward pressure on medical and prescription drug costs, management of EGID is positioned to monitor the changing healthcare environment and implement initiatives to minimize the impact of increased cost trends. Many factors such as the proliferation of expensive specialty medications and an aging population will continue to be significant drivers of healthcare costs. The insurance industry monitors healthcare costs by establishing a percentage of cost increases known as “trend.” Trend is the forecast change in health plans’ per capita claims cost determined by insurance carriers, managed care organizations, and third-party administrators. Many factors influence trend, including the following:

- Price inflation
- Deductibles and copayments
- Cost-shifting
- Utilization increases due to aging, product promotion, and improved diagnostic services
- The availability and use of more expensive drug therapies
- Government mandated benefits and other legislative changes
- Advances in medical technologies

According to Aon, EGID’s consulting actuarial firm, the 2020 national healthcare trends for plans similar to the HealthChoice High plan was 5.6% for medical only, 6.9% for pharmacy only, or 6.1% combined. The national trend for Medicare supplement plans was 5.0% for medical only, 6.9% for pharmacy only, or 6.3% combined. In 2020, EGID’s pharmacy only (before rebates) trend was 6.9%. EGID’s active and pre-Medicare retiree medical only trend was -1.7% resulting in a 1.8% combined medical and pharmacy trend. The Medicare supplement plan trend was -2.5% for medical only resulting in 5.7% combined medical and pharmacy trend. These trends are adjusted for plan design and provider contracting changes during the measurement period.

Since annual premium rates are set in August of the previous year, the rate setting process applies trend factors for claims incurred through April. The medical trend applied by EGID’s actuaries for calculating 2020

rates was 4.0% for active employees and pre-Medicare retirees and 3.5% for Medicare retirees. The medical trend applied by EGID's actuaries for calculating 2019 rates was 5.5% for active employees and pre-Medicare retirees and 4.0% for Medicare retirees. The prescription drug trend used for setting 2020 and 2019 rates was 9.0% for active employees and pre-Medicare retirees as well as Medicare retirees. The dental trend used for setting 2020 rates was 3.0% and 3.0% in 2019.

EGID's investment portfolio experienced positive returns during 2020. Performance for EGID's total investment portfolio was 8.4% for the calendar year, driven primarily by a 16.6% return from the equity portfolio as investors largely shrugged off any macroeconomic concerns and instead focused on expectations for improved global economic growth. In 2019, EGID experienced a 14.9% positive return due to an upturn in equity markets during the fourth quarter.

In the commercial health insurance industry, "medical loss ratio" (MLR) measures the percentage of each premium dollar that is spent on providing healthcare to their customers versus administrative costs. The medical loss ratio is a basic indicator of an insurer's efficiency in delivering services. The ACA establishes a minimum loss ratio of 80% for the individual and small group health insurance segments, and 85% for the large group segment. EGID's MLR was 89.6% in 2020 and 98% in 2019.

While there is continual uncertainty on the long-term impact of COVID-19, EGID has experienced a reduction in total claims for 2020 versus 2019 due to the deferral of elective services. Should claims rebound in the later months of 2020, favorable claims experience during the early part of 2020 along with the strong financial reserves of the HealthChoice plans would be available to fund these claims.

EMPLOYEES GROUP INSURANCE DIVISION
(A Division of the Office of Management and Enterprise Services)

STATEMENTS OF NET POSITION
AS OF DECEMBER 31, 2020 AND 2019

	2020	2019
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$135,010,579	$ 83,248,598
Investments	294,982,625	245,958,713
Receivables:		
Interest and dividends receivable	846,312	855,565
Unsettled investment sales	13,313	154,515
Premiums—net of allowance of $6,782,000 and $3,914,000 at December 31, 2020 and 2019, respectively	36,842,357	46,886,033
Pharmacy rebate receivable	79,196,044	63,213,043
Other—net	33,258,415	32,897,907
Total current assets	580,149,645	473,214,374
NONCURRENT ASSETS:		
Office equipment	3,423,779	3,935,637
Less accumulated depreciation	(3,395,070)	(3,561,904)
Office equipment—net	28,709	373,733
Net OPEB asset	147,798	125,825
Total noncurrent assets	176,507	499,558
Total assets	580,326,152	473,713,932
DEFERRED OUTFLOWS OF RESOURCES:		
Pension amounts	1,719,616	421,113
OPEB amounts	122,318	78,720
Total deferred outflows of resources	1,841,934	499,833
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$582,168,086	$474,213,765

(Continued)

EMPLOYEES GROUP INSURANCE DIVISION
(A Division of the Office of Management and Enterprise Services)

STATEMENTS OF NET POSITION
AS OF DECEMBER 31, 2020 AND 2019

	2020	2019
LIABILITIES		
CURRENT LIABILITIES:		
Policy and contract claim liabilities	$125,072,000	$112,381,000
Disability	2,331,000	2,228,000
Premium deficiency reserve	2,154,000	4,852,000
Premiums due to health maintenance organizations and other insurers	23,540,868	20,428,552
Payable for investment purchases	4,562,882	925,024
Other accrued liabilities	32,350,817	26,677,392
Total current liabilities	190,011,567	167,491,968
NONCURRENT LIABILITIES:		
Policy and contract claim liabilities	1,822,000	7,200,000
Disability	5,721,000	7,182,000
Net pension liability	2,812,537	431,088
Total OPEB liability	484,694	513,362
Total noncurrent liabilities	10,840,231	15,326,450
Total liabilities	200,851,798	182,818,418
DEFERRED INFLOWS OF RESOURCES		
PENSION AMOUNTS	15,369	231,515
OPEB AMOUNTS	176,032	135,433
Total deferred inflows of resources	191,401	366,948
NET POSITION		
INVESTED IN CAPITAL ASSETS	28,709	373,733
UNRESTRICTED (Note 2(f))	381,096,178	290,654,666
Total net position	381,124,887	291,028,399
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	$582,168,086	$474,213,765

See accompanying notes to basic financial statements. (Concluded)

EMPLOYEES GROUP INSURANCE DIVISION
(A Division of the Office of Management and Enterprise Services)

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
OPERATING REVENUES:		
Premium revenue	$1,097,920,668	$1,086,401,037
Other operating revenue	5,640,463	2,985,310
Total operating revenues	1,103,561,131	1,089,386,347
OPERATING EXPENSES:		
Incurred claims expense	996,403,449	1,027,682,086
Change in premium deficiency reserve	(2,698,000)	(2,327,000)
Administrative and claim processing	49,437,851	47,780,571
Total operating expenses	1,043,143,300	1,073,135,657
OPERATING INCOME	60,417,831	16,250,690
NONOPERATING REVENUE—Net investment income	29,678,657	38,778,465
Change in net position	90,096,488	55,029,155
NET POSITION, Beginning of year	291,028,399	235,999,244
NET POSITION, End of year	$ 381,124,887	$ 291,028,399

See accompanying notes to basic financial statements.

EMPLOYEES GROUP INSURANCE DIVISION
(A Division of the Office of Management and Enterprise Services)

STATEMENT OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Premiums collected	$ 1,102,488,109	$ 1,075,321,532
Premiums collected on behalf of health maintenance organizations and other insurers	294,252,953	252,919,964
Payments collected from Centers for Medicare and Medicaid Services	3,497,649	2,834,194
Risk adjustment premium collected	5,505,853	4,561,322
Benefits paid	(1,005,735,889)	(1,044,283,272)
Premiums paid to health maintenance organizations and other insurers	(289,024,517)	(252,742,928)
Payments to employees for services	(9,634,256)	(9,357,378)
Payments to suppliers for goods and services	(33,922,679)	(43,047,894)
Other operating cash received (paid)	(64,352)	9,619
Net cash provided by (used in) operating activities	67,362,871	(13,784,841)
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:		
Acquisition of capital assets	-	(39,014)
Net cash used in capital financing activities	-	(39,014)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	(209,115,821)	(146,758,062)
Proceeds from sales and maturities of investments	189,627,964	142,886,764
Investment income received	3,886,967	4,863,722
Net cash provided by (used in) investing activities	(15,600,890)	992,424
Net change in cash and cash equivalents	51,761,980	(12,831,431)
CASH AND CASH EQUIVALENTS, Beginning of year	83,248,598	96,080,029
CASH AND CASH EQUIVALENTS, End of year	$ 135,010,578	$ 83,248,598
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:		
Operating income (loss)	$ 60,417,831	$ 16,250,690
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	345,025	630,524
Change in operating assets and liabilities:		
Premium receivable	10,043,676	(7,288,773)
Prepaid premiums	137,534	(217,544)
OPEB asset	21,974	82,625
Net pension liability	2,352,781	(199,671)
Deferred inflows of resources	(175,547)	(126,966)
Deferred outflows of resources	(1,342,102)	257,897
Other receivables	(16,343,508)	674,881
Claim reserves	7,313,000	(15,538,000)
Disability reserves	(1,358,000)	(1,913,000)
Premium deficiency reserves	(2,698,000)	(2,327,000)
Premiums due to health maintenance organizations and other insurers	3,112,316	1,564,730
Other liabilities	5,535,891	(5,635,234)
Total adjustments	6,945,040	(30,035,531)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	$ 67,362,871	$ (13,784,841)

See accompanying notes to basic financial statements.

1. DESCRIPTION OF EGID

The Employees Group Insurance Division (EGID) is a non-appropriated division of the Oklahoma Office of Management and Enterprise Services (OMES) and is a special-purpose state and local government body created by statute to engage solely in business-type activities. EGID funds are held in trust, and from the funds, EGID administers, manages, and provides group health, dental, life, and disability insurance for active employees and retirees of state agencies, school districts, and other governmental units of the State of Oklahoma (the State). EGID is self-insured and is financed through premiums collected from employers and employees. EGID retains a legal obligation to establish a trustee relationship whereby EGID's funds are held for the ultimate benefit of those who obtain insurance from EGID. EGID provides insurance to all statutorily defined eligible employees, dependents, and retirees.

The following brief description of EGID is provided for general information purposes only. Participants should refer to Title 74 of the Oklahoma Statutes, Sections 1301 et seq. as amended, for more complete information.

In accordance with Title 74, EGID maintains three separate programs, the Health and Dental program, the Life program, and the Disability program. There is no statutory restriction that would prevent assets accumulated in one program from paying benefits due from another program.

EGID is overseen by a seven-member board, which comprises four members appointed by the governor, one member appointed by the speaker of the House of Representatives, one member appointed by the president pro tempore of the Senate, and the Oklahoma Insurance Commissioner or his designee.

(a) General

In 1968, EGID was formed by the State Legislature to provide group health, dental, and life benefits to participants of the Oklahoma Public Employees Retirement System (OPERS) and active employees of the State. Subsequently, other groups became eligible for participation, including persons covered under the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), survivors, and certain local government employees. COBRA allows temporary continuance of insurance coverage under certain circumstances. Survivors are individuals who were covered eligible dependents of a participant in EGID at the time of the participant's death. EGID was created by the State Legislature and could be abolished by the same body.

In 1978, EGID became self-insured. Beginning in 1985, participants were given the option of electing health coverage from certain health maintenance organizations (HMOs). Plans similar to HMOs provide dental coverage for those participants who elect to participate in them (DMOs). In 1986, the State added a self-insured disability program administered by EGID.

In 1989, participants of the Teachers' Retirement System of Oklahoma (TRS) and active employees of school districts became eligible to enroll in EGID (educational participants). The educational participants receive the same health and dental coverage options provided to state and local governmental participants. Life coverage was made available to active educational participants beginning July 1, 1991. Disability coverage is not available to educational participants.

Effective July 1, 1993, the Oklahoma State Employee Benefit Council (EBC) began contracting with HMOs and DMOs on behalf of state employees to provide health and dental coverage for those participants who elect such coverage.

In 1994, EGID began using the trade name HealthChoice.

Effective January 1, 2006, EGID's self-funded plan HealthChoice became a Medicare Part D Prescription Drug Plan pursuant to the Medicare Prescription Drug Improvement and Modernization Act of 2003.

In 2012, pursuant to House Bill 3053 and House Bill 3079, various agencies including EGID (formerly, the Oklahoma State and Education Employees Group Insurance Board (OSEEGIB)) were consolidated as divisions within the Office of Management and Enterprise Services (formerly, the Office of State Finance). EGID's duties were transferred to the Director of OMES and the newly created Oklahoma Employees Insurance and Benefits Board (OEIBB). Only the administrative functions of EGID were consolidated. The EGID funds continue to be held in trust and managed pursuant to state law for the benefit of its members.

Effective November 1, 2013, EGID and the Employee Benefits Department (formerly, EBC) were further consolidated under the Human Capital Management Division (HCM) of OMES and EGID became a department within OMES.

On January 17, 2017, EGID became a division of OMES. With this, EGID assumed responsibility for managing the commercial health, dental, and vision benefit plans.

(b) Premiums and Participants

The health, dental, life, and disability benefits for governmental participants are funded by monthly premiums paid by the State, local governmental units, OPERS, and individuals. The health, dental, and life benefits for educational participants are funded by monthly premiums paid by school districts, the TRS, and individuals. A participant may extend coverage to dependents for an additional monthly premium based on the coverage requested.

For years prior to January 1, 2016, eligibility and premiums for active state employees and their dependents were collected by Employee Benefits Department (EBD) and remitted to EGID for HealthChoice plans and directly to the commercial carriers for enrollment in their plans. To increase efficiency for OMES, effective January 1, 2016, all eligibility and premiums from all employer groups are now remitted to EGID for remittance to the proper carrier.

Premiums remitted to EGID on behalf of active state employees and their dependents for the years ended December 31, 2020 and 2019 are reported gross of a fee retained by EBD. This fee, which was approximately $4,379,000 and $4,382,000 for the years ended December 31, 2020 and 2019, respectively, is included in administrative expenses in the statements of revenues, expenses, and changes in net position. For the years ended December 31, 2020 and 2019, premiums for local government, education, and inactive participants who have elected an HMO for health coverage or

DMO for dental coverage are collected by EGID and remitted to the HMO or DMO carrier net of an administration fee retained by EGID. This fee, which was approximately $2,790,000 and $2,443,000 for the years ended December 31, 2020 and 2019, respectively, is included as an offset to administrative expenses in the statements of revenues, expenses, and changes in net position. The premium related to HMOs, DMOs, and vision plans was approximately $292,137,000 and $254,308,000 for 2020 and 2019, respectively, and, as EGID only acts in an agency capacity, the premiums collected on behalf of HMOs, DMOs, and vision plans are not reflected in the statements of revenues, expenses, and changes in net position.

Pursuant to the authority granted by Oklahoma Statute, EGID has the authority to establish and change HealthChoice premium rates for the members, employers, and other contributing entities each year. An outside actuarial consultant advises EGID regarding changes in premium rates. If premium rates are changed, they generally become effective at the beginning of the next calendar year. Each HMO, DMO, and vision plan determines its own premium rates.

At the time of premium payment, the risk of loss due to incurred benefit costs is transferred from the participant to EGID. If the assets of EGID were to be exhausted, participants would not be responsible for EGID's liabilities.

At December 31, 2020, EGID's self-funded health plan HealthChoice provided health coverage to 116 state agency divisions with approximately 22,000 primary participants (not including dependents), 577 educational entities with approximately 55,000 primary participants, 306 local government entities with approximately 8,000 primary participants, and 36 other groups, which include the governmental and educational retirement systems, COBRA, and survivors, with approximately 35,000 primary participants. Approximately 57,000 dependents participated in HealthChoice as well. In addition, EGID collected and remitted premiums for approximately 28,000 primary participants and 15,000 dependents who were covered by HMOs. These counts are provided for health coverage only.

At December 31, 2019, EGID's self-funded health plan HealthChoice provided health coverage to 133 state agency divisions with approximately 24,000 primary participants (not including dependents), 591 educational entities with approximately 57,000 primary participants, 321 local government entities with approximately 8,400 primary participants, and 36 other groups, which include the governmental and educational retirement systems, COBRA, and survivors, with approximately 36,000 primary participants. Approximately 60,000 dependents participated in HealthChoice as well. In addition, EGID collected and remitted premiums for approximately 24,500 primary participants and 12,700 dependents who were covered by HMOs. These counts are provided for health coverage only.

All state agencies in Oklahoma are required to offer to their active employees the coverage selections offered by EBD. All eligible education or local government entities may elect to participate in EGID. Any education entity or local government entity, which elects to withdraw from offering EGID as an insurance option may do so with 30 days written notice and must withdraw both its current and former employee participants.

Coverage

A summary of available coverage and eligible groups for the years ended December 31, 2020 and 2019 is as follows:

	State Employee	Education Employee	Local Government Employee	OPERS	TRS	COBRA
Health	x	x	x	x	x	x
Dental	x	x	x	x	x	x
Life	x	x	x	x	x	
Disability	x					
Medicare supplement			x	x	x	x

(c) Benefits

A provider Network arrangement is available for health and dental benefits. According to this arrangement, Network providers agree to accept amounts for covered services that do not exceed the charges allowed by EGID. Therefore, the Network provider can only expect to receive payment from the participant for the charges allowed by the Network agreement.

HealthChoice offers the following types of insurance coverages:

High Option, Basic Option, and High Deductible Health Plan (HDHP) options for non-Medicare participants

- High and Basic Plans have alternatives based upon tobacco-free attestations. If a member cannot complete the tobacco-free attestation or one of the reasonable alternatives described, the member will automatically be enrolled in the HealthChoice High Alternative Plan or Basic Alternative Plan as appropriate. The annual deductible and maximum out-of-pocket limits for the Alternative plan will be higher than the standard options;
- High and Low Option Medicare Supplement plans;
- Pharmacy benefits;
- Dental Coverage;
- Term life coverage; and
- Disability income protection coverage.

Non-Medicare Health Plans

The health plans for non-Medicare participants have the following features:

- Calendar Year Deductible;
- Copayments;
- Coinsurance; and
- Calendar Year Out-of-Pocket Maximum.

High Option/High Option Alternative

Deductible

No member must contribute more than the individual deductible. Once the individual deductible is met, the member shares the cost of services with HealthChoice by paying coinsurance. A family deductible applies when three or more family members are covered and can be met by any combination of the family members. Once the family deductible is met, coinsurance will begin for everyone.

High Plan	**High Alternative Plan**
Individual deductible $750 Family deductible $2,000	Individual deductible $1,000 Family deductible $2,750

Copayments

Service	**Copay**
General physician office visit (network general practitioners, internal medicine physicians, OB/GYNs, pediatricians, physician assistants and nurse practitioners)	$ 30
Urgent care (urgent care visits at a network urgent care facility)	30
Specialist office visit (network specialist providers)	50
Emergency department (network or non-network visit; waived if the patient is admitted to the hospital or if death occurs prior to admission)	200
Non-network inpatient admission (non-network hospital/facility admissions; patient is subject to balance billing)	300
Preventive services (qualified preventive care office visits and services)	-

The fixed amount a participant must pay for certain services. These apply before the deductible, but do not count towards deductible.

Coinsurance

Once the deductible is met, coinsurance applies based on network status. Participant is responsible for the cost of all non-covered services, regardless of network status.

Coinsurance	**Network**	**Non-Network**
Member	20% of allowable amount	50% of allowable amount**
HealthChoice	80% of allowable amount	50% of allowable amount

** Plus, any difference between amount billed by provider and allowable amount.

Out-of-Pocket Maximum

No member contributes more than the individual maximum. Once the individual maximum is met, HealthChoice then pays 100% of the allowed amount for that person. A family maximum applies

when three or more family members are covered and can be met by any combination of the family members. HealthChoice then pays 100% of the allowable amounts for covered services for everyone on the plan.

High Plan	High Alternative Plan
Network Individual $3,300	Network Individual $3,550
Network Family $8,400	Network Family $8,400
Non-Network Individual $3,800	Non-Network Individual $4,050
Non-Network Family $9,900	Non-Network Family $9,900

The following charges do not count toward meeting the out-of-pocket maximum and do not qualify for 100% payment after the out-of-pocket maximum is met:

- Amounts above HealthChoice allowable amounts.
- Non-network copays.
- Non-covered services or charges.
- Amounts above maximum benefit limitations - Some services have an annual cap on the dollar amount or the total number of visits that will be covered. After the annual limit is reached, you must pay all associated health care costs for the remainder of the calendar year.

Basic/Basic Alternative Plans

The Basic options do not have copayments except for pharmacy charges and for non-network inpatient hospital admissions. The plans provide 100% First Dollar Coverage of allowable fees for covered medical services for each covered plan member. Preventive services do not apply to the First Dollar Coverage. The member then pays 100% of the deductible. Once the deductible is reached, the member and HealthChoice each pay 50% of allowable fees ($4,000 for an individual, $8,000 for a family of two, $9,000 per family of three or more) up to the MOOP. HealthChoice reimburses allowable fees at 100% once the member has reached the MOOP. The MOOP does not include charges for non-covered services and balance billing charges from non-network providers. Preventive care services are covered at 100 percent of allowable fees and are not subject to the Plan's First Dollar Coverage. Pharmacy deductibles and MOOPs are separate from medical.

- For the Basic Plan the First Dollar Coverage is $500 per individual and the annual deductible is $1,000 ($1,500 per family)
- For the Basic Alternative Plan, the First Dollar Coverage is $250, and the annual deductible is $1,250 ($1,750 per family).

High Deductible Health Plan

The HealthChoice HDHP option is a qualified, high deductible health plan that can be used in combination with a Health Savings Account. The HealthChoice HDHP has a combined medical and pharmacy deductible ($1,750 for an individual or $3,500 for a family of two or more) that must be met before any benefits are payable. That does not include preventive charges which are covered at 100% of allowable fees when utilizing a network provider. After the deductible is met, the member is responsible for the same copayments and coinsurance percentages as the High Option Plan. There is a network MOOP of $6,000 per individual or $12,000 per family of two or more after

which HealthChoice pays 100% of allowable fees for covered services from a network provider. The MOOP does not include charges for non-covered services and balance billing charges from non-network providers.

Tobacco Free Attestation

To enroll or remain enrolled in the HealthChoice High Option Plan or Basic Plan, the member must attest that the member and any covered dependents are tobacco-free by completing an attestation as part of the annual Option Period enrollment process. If the member cannot complete the tobacco-free attestation because the member or any covered dependent is not tobacco-free, the member can still qualify for the High Option or Basic Option Plans by providing proof of an attempt to quit using tobacco through a prescribed process involving the Oklahoma Tobacco Helpline and Alere Wellbeing, or by providing a letter from the participant's doctor indicating it is not medically advisable for the individual to quit tobacco. HealthChoice High Deductible Health Plan does not require a tobacco free attestation to be completed.

HealthChoice Select Program

The HealthChoice Select program is available to any participant and provides specified medical services at no cost to the member. If a participant has one of the qualifying Select procedures done at a participating Select facility for that procedure, there is no copay, deductible or coinsurance applied. High Deductible Health Plan members must meet their annual deductible before they are eligible to have any costs waived (unless the service is considered preventive).

Pharmacy Benefits

Medications are categorized as generic, preferred, non-preferred, preferred specialty, or non-preferred specialty.

High Option, High Alternative, Basic, and Basic Alternative Plans. There is a $100/individual or $300/family pharmacy deductible. After this deductible is met, and when purchasing generic medications from a network provider, the member is responsible for up to a $10 copayment for up to a 30-day supply or up to a $25 copayment for a 31–90 day supply of medication. For up to a 30 day supply of preferred medications, the member is responsible for up to $45. For a 31–90 day supply of preferred medications, the member is responsible for up to $90. For up to a 30 day supply of non-preferred medications, the member is responsible for up to $75. For a 31–90 day supply of non-preferred medications, the member is responsible for up to $150.

The member is responsible for specialty medications based on the day supply the generic specialty medication copay is $10 for a 30 day supply and $25 for 31-90 day supply. The preferred specialty medication copay is $100 copayment up to a 30-day supply, $200 copayment for a 31-60 day supply, and $300 for a 61-90 day supply. The non-preferred Specialty medications copays is $200 up to a 30 day supply, $400 for a 31-60 day supply, $600 for a 61-90 day supply.

Medications listed on the HealthChoice Preventive Medication List bypass any pharmacy deductibles and any medications mandated as preventive by the Affordable Care Act (ACA) are available for members at $0 copayment. There is an annual $2,500/individual or $4,000/family MOOP (Note: our records show at implementation the MOOP applies to all drugs). In addition, certain prescription medications for smoking cessation are available at a $0 copayment.

High Deductible Health Plan (HDHP) has a combined medical and pharmacy deductible of $1,750 for an individual and $3,500 for a family and a MOOP of $6,000 for an individual and $12,000 for a family. Once the deductible is met for the HDHP, the plan functions the same as the other pharmacy plans outlined above. Additionally, medications on the HealthChoice Preventive Medication list bypass the HDHP deductible and tobacco cessation products and ACA mandated preventive medications are available for $0 copayment.

For purchases made at non-network pharmacies, the member is responsible for 50% of the cost of the medication for preferred medications, and 75% of the cost of the medication for non-preferred medications at the contracted rate plus dispensing fee.

If a brand-name medication is chosen when a generic is available, the member is responsible for the difference in cost between the brand-name medication and the generic, in addition to the applicable copayment.

Medicare Supplement Health Plans

HealthChoice provides high option and low option Medicare supplement benefit plans to retired Medicare-eligible participants and their dependents. These supplements are based upon a modified Plan G level of benefits and include a pharmacy prescription program, preventive care benefits, out-of-country benefits, and an at-home recovery benefit.

This coverage provides for reimbursement of Medicare-eligible expenses which may not be fully reimbursed by or which exceed the amount allowed by Medicare. Medicare Part A expenses are generally reimbursed at 100% of eligible Medicare expenses not reimbursed by Medicare. The Medicare Part A deductible is also fully reimbursed by HealthChoice. Medicare Part B expenses are generally reimbursed at 20% of eligible Medicare expenses not reimbursed by Medicare.

Medicare Part D Pharmacy Benefits

HealthChoice High and Low Medicare Supplement Option Plans with or without Part D have a MOOP amount of $5,100. The Plans pay 100% of prescription Part D medications after this $5,100 is reached.

- HealthChoice Supplemental High Option with Part D is a 4-tier copayment structure and has a $100 pharmacy deductible.
- HealthChoice Supplemental High Option without Part D follows the same copayment structure as the HealthChoice High Option.
- HealthChoice Supplemental Low with or without Part D has the following four stages:
  - Stage 1 (Deductible stage): member pays the full cost of medications until the annual deductible of $415 is met.
  - Stage 2 (Initial Coverage stage): member pays their cost share until the year-to-date “total drug costs” reaches $3820. Member pays 25% ($846.25) and HealthChoice pays 75% ($2,558.75).
  - Stage 3 (Coverage Gap): the member pays 100% of the prescription drug cost until the MOOP reaches $5,100. During this stage, the member gets a discounted rate of 37% of the cost on generics and 25% of the cost of brand-name medications.

- Stage 4 (Catastrophic coverage): HealthChoice pays 100% of prescription drug costs upon reaching MOOP of $5,100.

If a brand-name medication is chosen when a generic is available, the member is responsible for the difference in cost between the brand-name medication and the generic, in addition to the applicable copayment.

HealthChoice Dental Plan

Allowed expenses for HealthChoice dental benefits are reimbursed at a percentage ranging from 60% to 100%, based on the class of the allowed expense, when using Network providers. The same services when using a non-Network provider are reimbursed at a percentage ranging from 50% to 100%. There is a $25 deductible ($75 per family) when using either Network or non-Network providers. There is a calendar year maximum dental benefit of $2,500 per covered person.

Orthodontic benefits are covered at 50% of allowable amounts for members under age 19, or members ages 19 and older with temporomandibular joint dysfunction. There is no calendar year deductible or lifetime maximum benefit; however, a 12-month waiting period applies to all orthodontic benefits except for those members being treated for TMD.

Life Plan

HealthChoice basic life benefits of $20,000 are provided to active state employees and available to active education, and local government employees whose employer chooses to participate in the HealthChoice Life Insurance Program. In addition to the basic life benefit of $20,000, participants may elect additional coverage in increments of $20,000 up to $500,000. Additional dependent life coverage is also available under three separate plans. The low option plan offers dependent life coverage of $6,000 for spouses and $3,000 for children. The standard option plan offers dependent life coverage of $10,000 for spouses and $5,000 for children. The premier option offers dependent life coverage of $20,000 for spouses and $10,000 for children.

Retirees may elect to retain the full coverage for basic life benefits held at the time of termination of employment. Coverage thereafter may be decreased in $5,000 increments to a minimum of $5,000 or totally terminated. Prior to July 1, 2002, no more than $15,000 of basic life insurance could be retained after termination of employment. The retiree may retain dependent life coverage in force on eligible dependents in $500 increments.

Disability Income Protection Plan

HealthChoice disability income benefits are based on the length of employment, base salary limited by a maximum allowable salary, and length of disability. There is a 30-day qualifying period for short-term disability. Long-term disability becomes effective 180 days after disablement. Income from other sources occurring due to the disability will reduce the HealthChoice disability benefit amount to be paid. The duration of the long-term benefit is determined based upon the age and length of employment of the participant at the time the disability occurs.

HMO DMO Coverage and Benefits

Health benefits and dental benefits are provided directly by the HMOs and DMOs for all participants who elect such coverage. For each participant who elects HMO or DMO coverage, EGID collects and pays the premiums to each HMO or DMO carrier. The amounts paid by EGID to each

HMO or DMO are in accordance with their respective contracts. Benefits are the responsibility of each HMO or DMO carrier and are subject to the provisions defined in their insurance policies. EGID has no liability for health benefits or dental benefits of participants who elect HMO or DMO coverage; therefore, activity related to HMO, DMO, and vision benefits are not reflected in the basic financial statements of EGID.

Claims Processing

All benefits for HealthChoice are processed and paid by third-party administrators (TPAs). The fees incurred by EGID for services performed by the TPAs totaled approximately $30,509,000 and $29,248,000 for the years ended December 31, 2020 and 2019, respectively. TPA fees are included in administrative expenses in the statements of revenues, expenses, and changes in net position.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

EGID's basic financial statements are prepared in accordance with U.S. generally accepted accounting principles as they apply to governmental units. As an enterprise fund, EGID presents financial statements on the accrual basis of accounting. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

(b) Use of Estimates

The preparation of basic financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements and the reported amounts of revenue and expenses during the reporting period. Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment, which management believes to be reasonable under the circumstances. EGID adjusts such estimates and assumptions when facts and circumstances dictate. As future events and their effects cannot be determined with precision, actual results could differ significantly from these estimates. Changes in those estimates resulting from continuing changes in the economic environment will be reflected in the basic financial statements in future periods.

(c) Investments and Investment Income

Investments are stated at fair value based on quoted prices with changes in fair value included in the statements of revenues, expenses, and changes in net position. If quoted prices are not available from active exchanges for identical instruments, then fair values are estimated using quoted prices from less active markets, quoted prices of securities with similar characteristics, or by pricing models utilizing other significant observable inputs. Investments in external investment pools, such as commingled funds, are stated at net asset value (NAV), which approximates fair value of the commingled fund at December 31, 2020 and 2019.

EGID records investment purchases and sales based upon the trade date. Therefore, EGID records either receivables or payables for unsettled sales or purchases, respectively. Such transactions are usually settled within a few days after the trade date.

Realized gains and losses are determined on the average-cost method. The calculation of realized gains and losses is independent of the calculation of the change in net unrealized gains and losses. Realized gains and losses on investments that had been held in more than one year and sold in the current year may have been recognized as unrealized gains and losses in prior years.

Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

(d) Office Equipment

Office equipment is recorded at cost and depreciated on a straight-line basis over the estimated useful lives of the equipment, which range from 5 to 10 years. The capitalization threshold for office equipment is $2,500, and any purchases of equipment costing less than the threshold are expensed when purchased.

(e) Reserves

EGID establishes HealthChoice health and dental and life reserves based on the ultimate estimated cost of settling claims that have been reported but not settled, and of claims that have been incurred but not yet reported. Reserves for life are classified as current or noncurrent liabilities. HealthChoice disability reserves are also established based on the estimated ultimate cost of settling claims of participants currently receiving benefits and for disability claims incurred but not yet reported to EGID. Long-term disability reserves are carried at the present value of expected future benefits. The reserves are determined using EGID's historical benefit payment experience. These estimates are based on data available at the time of estimate and are reviewed by EGID's independent consulting actuaries. The health, dental, and life reserves and the disability reserves include liabilities for claim processing expenses associated with paying claims, which have been incurred, but not yet paid. The length of time for which costs must be estimated depends on the coverage involved.

Although reserves reflect EGID's best estimates of the incurred claims to be paid, due to the complex nature of the factors involved in the calculation, the actual results may be more or less than the estimate. The claim reserves are recomputed on a periodic basis using actuarial and statistical techniques, which consider the effects of general economic conditions, such as inflation, and other factors of past experience, such as changes in participant counts. Adjustments to claim reserves are recorded in the periods in which they are made. Claims must be filed no later than the last day of the calendar year immediately following the calendar year in which the loss is sustained unless an extenuating circumstance can be shown to exist.

Premium deficiency reserves are required to be recorded when the anticipated costs of settling claims plus policy maintenance costs for the following fiscal year are in excess of the anticipated premium receipts and investment income for the following fiscal year.

(f) Net Position

At December 31, 2020 and 2019, EGID has no legally required minimum net position. However, EGID has elected to implement the OEIBB policy which recommends the benchmark for minimum net position be based upon the National Association of Insurance Commissioners (NAIC) Managed Care Organizations Risk Based Capital Formula for the Health and Dental program, and the NAIC Life/Health Risk Based Capital Formula for the Life and Disability programs. The minimum net position benchmark at December 31, 2020 and 2019 is approximately $181,159,000 and $184,478,000, respectively.

The NAIC Risk Based Capital Formulas were selected as the basis for determining minimum net position primarily due to the following factors:

- Degree and nature of the risks undertaken
- Size of EGID
- Degree of conservatism inherent in the premium rates
- Degree of safety desired

The primary risks that would threaten EGID's solvency include the following:

- The risk that claims incurred will exceed premiums collected
- The risk of default or decline in value of EGID's assets
- The risk of large monetary judgments stemming from possible lawsuits against EGID

A comparison of the minimum net position benchmark and unrestricted net position at December 31, 2020 and 2019 as reported in the basic financial statements is as follows (in thousands):

	2020 Total
Minimum net position	$ 181,159
Unrestricted net position	381,096

	2019 Total
Minimum net position	$ 184,451
Unrestricted net position	290,655

As part of the rate setting process, EGID considers total net position in comparison with the minimum net position benchmark in setting rates toward achieving the minimum net position benchmark. Title 74 of the Oklahoma Statutes, Section 1321C provides that EGID may adjust rates mid-year if the need is substantiated by an actuarial determination. Consistent with prior years, EGID does not anticipate the need for a mid-year rate adjustment for 2021.

(g) Premiums

Premiums are recognized in the period when the insurance coverage is provided. Premiums are due monthly from the employers or participants based on the rates adopted by EGID.

(h) Medicare Part D Subsidies

As a Medicare Part D Prescription Drug Plan (PDP), EGID receives a monthly payment from Medicare. The effect of these payments is to subsidize premiums for the individuals enrolled in the PDP since they pay a reduced premium rate. This amount is approximately $3,498,000 and $4,975,000 for the years ended December 31, 2020 and 2019, respectively, and is included in premium revenue within the statements of revenues, expenses, and changes in net position.

Additionally, Medicare pays EGID a catastrophic reinsurance subsidy as a cost reimbursement for 80% of the claim costs incurred by individuals in excess of the individual annual out-of-pocket maximum. A settlement is made based on actual cost experience subsequent to the end of the year. EGID recorded approximately $37,802,000 and $39,432,000 for the years ended

December 31, 2020 and 2019, respectively, and is included as an offset to incurred claims expense within the statements of revenues, expenses, and changes in net position.

(i) Pharmacy Rebate

Effective January 1, 1999, under EGID's agreement with its pharmacy benefit manager, EGID receives a guaranteed rebate for each non-Medicare Part D prescription. Effective January 1, 2006, EGID also receives a specified percentage of manufacturers' rebates received by the pharmacy benefit manager related to Medicare Part D prescriptions. This amount is approximately $130,757,000 and $110,477,000 for the years ended December 31, 2020 and 2019, respectively, and is included as an offset to incurred claims expense within the statements of revenues, expenses, and changes in net position.

(j) Risk Adjustment Premiums

Risk adjustment premiums are received from (or paid to) either the self-funded PPO or any HMO participating under the EGID umbrella based on factors, which are applied to premiums of all non-Medicare members and dependents during the plan year. The factors are intended to offset any adverse selection that may occur as a result of younger, healthier members electing coverage in one plan over another. This amount received by the self-funded PPO is approximately $5,705,000 and $3,009,000 for the years ended December 31, 2020 and 2019, respectively, and is included in other operating revenue within the statements of revenues, expenses, and changes in net position.

(k) Administrative Expenses

Administrative expenses are primarily related to employees of EGID and professional services, including fees paid to TPAs to process and pay benefits.

EGID does not record deferred acquisition costs since administrative expenses are primarily maintenance expenses and not acquisition expenses. EGID maintains a budget; however, it is not a legally adopted annual budget.

(l) Income Taxes

EGID obtained its latest determination letter dated March 30, 2005, in which the Internal Revenue Service stated that income from the exercise of the essential governmental functions of EGID is exempt from federal income taxes under Section 115 of the Internal Revenue Code (the Code).

(m) Operating Revenue and Expenses

Balances classified as operating revenue and expenses are those which comprise the EGID's principal ongoing operations. Since EGID's operations are similar to those of any other insurance company, revenues and expenses generated from insurance activities are considered operating.

(n) Pension

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Oklahoma Public Employees Retirement Plan (the Plan), and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

(o) Other Postemployment Benefits (OPEB)

EGID participates in two separate OPEB plans. For purposes of measuring the OPEB liability/asset, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans.

3. FAIR VALUE MEASUREMENT

EGID applies GASB issued Statement No. 72, Fair Value Measurement and Application, which provides guidance for determining a fair value measurement for financial reporting purposes and also provides guidance for apply fair value to certain investments and disclosures related to all fair value measurements.

In accordance with guidance on fair value measurements and disclosures, EGID groups its financial assets and liabilities measured at fair value in three levels, based on inputs and assumptions used to determine the fair value. An asset's or liability's classification within the fair value hierarchy is based on the lowest level of significant input to its valuation. The levels are as follows:

- Level 1 inputs are quoted prices in active markets for identical securities.
- Level 2 inputs are other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).
- Level 3 inputs are significant unobservable inputs (including the EGID's own assumptions used to determine the fair value of investments).

The carrying amounts reported in the statement of net position are at fair value for investment securities. Fair values for debt securities are based on quoted market prices, where available. If quoted prices are not available from active exchanges for identical instruments, the fair values are estimated using quoted prices from less active markets, quoted prices of securities with similar characteristics, or by pricing models utilizing other significant observable inputs. The debt securities fair values are considered Level 2, except for the debt mutual fund, which is based on a quoted market price and is considered a Level 1. The fair values for equity securities are based on quoted market prices and are considered Level 1, with the exception of the comingled fund, which is reported at net asset value and thus is not leveled. Cash and cash equivalents are carried at cost, which approximates fair value, and are considered Level 1.

4. CASH AND CASH EQUIVALENTS

Cash includes amounts on deposit with the Office of State Treasurer (State Treasurer) in a pooled account, which is required by the Oklahoma Statutes to be insured or collateralized. The amount of collateral securities required to be pledged to secure public deposits is established by rules and regulations promulgated by the State Treasurer. In accordance with the State Treasurer's policies, the market value of collateral securities to be pledged by financial institutions through the State Treasurer's Office must be 110% of the carrying value of the amount on deposit, less any federal insurance coverage.

At December 31, 2020 and 2019, cash totaling approximately $17,353,000 and $11,781,000, respectively, was deposited with and collateralized by the official bond of the State Treasurer of Oklahoma.

The carrying amount and bank balance of the cash equivalents totaled approximately $117,659,000 and $71,467,000 at December 31, 2020 and 2019, respectively, and consists of an investment in a mutual fund composed of short-term investments with an original maturity date of three months or less, which are readily convertible into cash. The current duration of the underlying investments in the money market mutual fund is approximately 50 days.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that in the event of a bank failure, EGID's deposits may not be returned or EGID may not be able to recover collateral securities in the possession of an outside party. EGID's cash and cash equivalents include deposits that are insured, registered, or for which the securities are held by a custodian in EGID's name.

5. INVESTMENTS

EGID's investment policy is predicated on a multiple manager structure to provide the benefits of more than one manager's special skills and a diversity of investment styles. Upon recommendation of the OEIBB, external managers are appointed to assume the investment management function. The managers, within guidelines determined by EGID's Board, have full discretion to buy and sell investment assets of EGID. Authorized investments are defined in Title 36 of the Oklahoma Statutes, as amended, and EGID's investment policy, and include U.S. government obligations, state and district obligations, corporate obligations, mortgage-backed and assets-backed debt securities, and preferred and common stock. All investments held by EGID are in compliance with statutes and the investment policy.

As of December 31, 2020 and 2019, EGID had the following investments:

	2020		2019	
Types of Investments	**Fair Values**	**Duration [1]**	**Fair Values**	**Duration [1]**
Debt securities:				
Asset-backed securities[2]	$ 4,989,340	1.70	$ 6,151,099	1.69
U.S Agencies	7,318,110	2.66	7,654,191	3.06
Corporate	70,331,456	6.04	48,876,369	5.16
Mortgages	14,548,686	3.41	11,214,118	3.84
Collateralized mortgage obligations[2]	1,291,663	1.29	645,063	2.47
U.S. Treasuries	57,754,541	6.51	52,433,912	6.44
Municipals	430,003	6.00	152,932	13.73
Collateralized mortgage-backed securities (CMBS)[2]	7,315,429	3.88	7,442,574	4.03
Certificates of Deposit (CDs)	1,044,919	2.62	514,622	3.40
Total debt securities	165,024,147		135,084,880	
Equities—domestic	129,958,478		110,873,833	
Total investments	$ 294,982,625		$ 245,958,713	

[1] Interest rate risk is estimated using effective duration (in years).

[2] These include investments highly sensitive to interest rate changes.

(a) Credit Risk

The credit risk profile as listed by Moody's for debt securities and money market mutual funds at December 31, 2020 and 2019 is as follows:

	2020					
	AAA	AA/A	BAA/BA	CAA	Not Rated	Total
Debt securities:						
Asset-backed securities	$ 3,805,575	$ 468,210	$ 423,730	$ -	$ 291,825	$ 4,989,340
Agencies	7,318,110	-	-	-	-	7,318,110
Corporate	124,436	25,202,901	41,936,819	311,289	2,756,011	70,331,456
Mortgages	14,317,573	231,113	-	-	-	14,548,686
Collateralized mortgage obligations	1,169,365	-	-	-	122,298	1,291,663
U.S. Treasuries	57,754,541	-	-	-	-	57,754,541
Municipals	-	373,389	56,614	-	-	430,003
CMBS	6,463,166	15,701	15,645	-	820,917	7,315,429
CDs	1,044,919	-	-	-	-	1,044,919
Total debt securities	$91,997,685	$26,291,314	$42,432,808	$311,289	$ 3,991,051	$165,024,147

	2019					
	AAA	AA/A	BAA/BA	CAA	Not Rated	Total
Debt securities:						
Asset-backed securities	$ 5,227,165	$ 548,774	$ 375,160	$ -	$ -	$ 6,151,099
Agencies	7,654,191	-	-	-	-	7,654,191
Corporate	1,171,473	15,614,149	31,946,213	143,334	1,200	48,876,369
Mortgages	11,214,118	-	-	-	-	11,214,118
Collateralized mortgage obligations	582,462	-	-	-	62,601	645,063
U.S. Treasuries	52,433,912	-	-	-	-	52,433,912
Municipals	-	152,932	-	-	-	152,932
CMBS	7,097,633	44,151	71,092	-	229,698	7,442,574
CDs	514,622	-	-	-	-	514,622
Total debt securities	$ 85,895,576	$ 16,360,006	$ 32,392,465	$ 143,334	$ 293,499	$ 135,084,880

Credit risk is the risk an issuer or other counterparty to an investment will not fulfill its obligations. The Board's investment policy authorizes EGID to invest in obligations of the U.S. Treasury, agencies and instrumentalities, bankers' acceptances rated AA or better, commercial paper rated A-1 or P-1 and A-2 or P-2, fixed income investments rated investment grade and stocks of companies with a minimum capitalization of $50,000,000, and other investments of similar risk.

Investments in "restricted securities," including fixed income securities, preferred stock, common stock, or any common stock acquired upon conversion thereof are prohibited. "Restricted securities" are securities, which have not been registered under the Securities Act of 1933 and are subject to restrictions on sale. Engagements in short sales, purchases on margin, or investments in commodities or transactions of a similar or speculative nature are prohibited. EGID is in compliance with its investment policy for the years ended December 31, 2020 and 2019.

(b) Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, EGID will not be able to recover the value of its investments or collateral securities in the possession of an outside party. The current master custodian has been approved by EGID's Board. EGID's investments include investments that are insured or registered or for which the securities are held by a custodian in EGID's name. They may also include investments held for the custodian by the Federal Reserve Bank or Depository Trust Corporation in EGID's name.

(c) Concentration of Credit Risk

An increased risk of loss occurs as more investments are acquired from one issuer. EGID's policy states investments in one issuer shall not exceed 2.5% of the fair value of each manager's assets, except for obligations of the U.S. government or of any state of the U.S. The policy also restricts investments in the common stock of any U.S. corporation to no more than 5% of each manager's assets valued at the lower of cost or market value, except where the manager's benchmark holds more than 5% in a single issue or with prior consent of EGID's Board.

(d) Interest Rate Risk

Interest rate risk is the risk changes in interest rates will adversely affect the fair value of an investment. Fixed income investments held for longer periods are subject to increased risk of adverse interest rate changes.

(e) Investment Income

Net investment income for the years ended December 31, 2020 and 2019 comprises the following:

	2020	2019
Fixed income securities	$ 4,392,935	$ 5,203,841
Equity securities	179,852	216,729
Realized gains	6,453,560	3,823,991
Unrealized gain	19,306,489	30,167,664
Other investment gain (loss)	17,187	(310)
Less investment expenses	(671,366)	(633,450)
Net investment income	$29,678,657	$38,778,465

6. OFFICE EQUIPMENT

The changes in office equipment for the years ended December 31, 2020 and 2019 are as follows:

	2020	2019
Office equipment, at cost:		
Balance, beginning of year	$3,935,637	$4,023,826
Additions	-	39,013
Retirements	(511,858)	(127,202)
Balance, end of year	3,423,779	3,935,637
Accumulated depreciation:		
Balance, beginning of year	3,561,904	3,058,582
Depreciation expense	345,025	630,524
Retirements	(511,858)	(127,202)
Balance, end of year	3,395,071	3,561,904
Office equipment—net	$ 28,708	$ 373,733

7. HEALTH AND DENTAL AND LIFE RESERVES

The following represents changes in the Health and Dental and Life Reserves during the year ended December 31, 2020 (in thousands):

	Health and Dental	Life	Total
Reserves, beginning of year	$ 105,150	$14,431	$ 119,581
Incurred claims expense provisions for insured events of the current year	950,763	41,484	992,247
Changes in provisions for insured events of prior years	(2,751)	5,861	3,110
Total incurred	948,012	47,345	995,357
Less payments:			
Claims expense insured events of the current year	850,781	33,911	884,692
Claims expense insured events of prior years	98,047	5,305	103,352
Total paid	948,828	39,216	988,044
Reserves, end of year	$ 104,334	$22,560	$ 126,894

As a result of changes in estimates of insured events in prior years, the provision for claims increased by approximately $3,110,000 in the year ended December 31, 2020, due primarily to favorable health and dental claims experience which offset the unfavorable life claims experience.

The following represents changes in the Health and Dental and Life Reserves during the year ended December 31, 2019 (in thousands):

	Health and Dental	Life	Total
Reserves, beginning of year	$ 128,447	$ 6,672	$ 135,119
Incurred claims expense provisions for insured events of the current year	987,538	30,307	1,017,845
Changes in provisions for insured events of prior years	(1,432)	8,388	6,956
Total incurred	986,106	38,695	1,024,801
Less payments:			
Claims expense insured events of the current year	889,424	26,187	915,611
Claims expense insured events of prior years	119,979	4,749	124,728
Total paid	1,009,403	30,936	1,040,339
Reserves, end of year	$ 105,150	$ 14,431	$ 119,581

As a result of changes in estimates of insured events in prior years, the provision for claims increased by approximately $6,956,000 in the year ended December 31, 2019, due primarily to favorable health and dental claims experience which offset the unfavorable life claims experience.

Health and Dental Reserving Methodology

Completion Factor Approach: This method assumes that the historical claim patterns will be an accurate representation of unpaid claim liabilities. An estimate of the unpaid claims is calculated by subtracting period-to-date paid claims from an estimate of the ultimate "complete" payment for all incurred claims in the period. Completion factors are calculated which "complete" the current period-to-date payment totals for each incurred month to estimate the ultimate expected payout.

There is no expected development on reported claims in the health and dental coverage. Claim frequency is determined by totaling the number of unique claim numbers during the period as each unique claim number represents a claim event for an individual claimant.

Life Reserving Methodology

Life claim reserves are projected based on actual paid claims through March 2021 and pending life claims as of March 31, 2021 plus a margin for adverse deviation. Life has substantially all claims settled and paid in less than one year.

8. DISABILITY RESERVES

The following represents changes in the disability reserves during the years ended December 31, 2020 and 2019 (in thousands):

	2020	2019
Reserves, beginning of year	$ 9,410	$ 11,323
Incurred claims:		
Provisions for insured events of the current year	3,860	3,558
Changes in provisions for insured events of prior years	(2,620)	(2,801)
Total incurred	1,240	757
Payments:		
Claims attributable to insured events of the current year	864	580
Claims attributable to insured events of prior years	1,734	2,090
Total paid	2,598	2,670
Reserves, end of year	$ 8,052	$ 9,410

EGID estimates current and noncurrent reserves for disability reserves based on historical claim experience.

As a result of changes in estimates of insured events in prior years, the provision for disability reserves decreased by approximately $2.6 million and $2.8 million in the years ended December 31, 2020 and 2019, respectively, due primarily to favorable claims development.

The following is a brief description of the significant assumptions used for disability reserves:

- Actual claim experience for the group, based upon claim lag studies, was used for males and females for short-term disability.
- The 2012 Group Long-term Disability Valuation Table was used.
- The discount rate was 3.5% for the years ended December 31, 2020 and 2019.

9. PREMIUM DEFICIENCY RESERVE

A premium deficiency reserve is recorded at the end of the year when the anticipated costs of settling claims plus policy maintenance costs for the following year are in excess of the anticipated premium receipts and investment income for the following year. Anticipated premium receipts are projected based on the premium rates adopted by EGID for the following plan year and current enrollment levels. Incurred claims for subsequent years are projected based on current year incurred claims, increased for anticipated inflation rates and benefit design changes. EGID does not have the intention to change the adopted premium rates after the fiscal year has begun. At December 31, 2020, a premium deficiency liability of approximately $1.7 million was recorded for the life plan and a $482 thousand premium deficiency liability was booked for the disability plan. No premium deficiency was necessary for the health and dental plans. At December 31, 2019, a premium deficiency liability of approximately

$4.2 million was recorded for the life plan and a $668,000 premium deficiency liability was booked for the disability plan. No premium deficiency was necessary for the health and dental plans.

10. GENERAL INFORMATION ABOUT THE PENSION PLAN

(a) Plan Description

EGID contributes to the Oklahoma Public Employees Retirement Plan (the Plan), a cost-sharing multiple-employer public employee retirement system administered by the Oklahoma Public Employees Retirement System (OPERS). The Plan provides retirement, disability, and death benefits to plan members and beneficiaries. The benefit provisions are established and may be amended by the legislature of the State of Oklahoma. Title 74 of the Oklahoma Statutes, Sections 901-943, as amended, assigns the authority for management and operation of the Plan to the Board of Trustees of OPERS. OPERS issues a publicly available annual financial report that includes basic financial statements and required supplementary information for the Plan. That annual report may be obtained by writing to OPERS, P.O. Box 53007, Oklahoma City, Oklahoma 73152 or at www.opers.ok.gov/.

(b) Benefits Provided

Members qualify for full retirement benefits at their specified normal retirement age or, for any person who became a member prior to July 1, 1992, when the sum of the member's age and years of credited service equals or exceeds 80 (Rule of 80), and for any person who became a member after June 30, 1992, when the member's age and years of credited service equals or exceeds 90 (Rule of 90).

Normal retirement date is further qualified to require that all members employed on or after January 1, 1983 must have six or more years of full-time equivalent employment with a participating employer before being eligible to receive benefits. Credited service is the sum of participating and prior service. Prior service includes nonparticipating service before January 1, 1975, or the entry date of the employer and active wartime military service.

A member with a minimum of ten years of participating service may elect early retirement with reduced benefits beginning at age 55 if the participant became a member prior to November 1, 2011, or age 60 if the participant became a member on or after November 1, 2011.

Disability retirement benefits are available for members having eight years of credited service whose disability status has been certified as being within one year of the last day on the job by the Social Security Administration. Disability retirement benefits are determined in the same manner as retirement benefits, but are payable immediately without an actuarial reduction.

(c) Contributions

Plan members and EGID are required to contribute at a rate set by statute. The contribution requirements of plan members and EGID are established and may be amended by the legislature of the State of Oklahoma. The contribution rate for EGID and plan members is as follows:

	Employee Rate	Employer Rate
January 1, 2020–December 31, 2020	3.50 %	16.50 %
January 1, 2019–December 31, 2019	3.50	16.50
January 1, 2018–December 31, 2018	3.50	16.50
January 1, 2017–December 31, 2017	3.50	16.50

EGID's contributions to the Retirement Plan for the years ended December 31, 2020 and 2019 were approximately $836,000 and $842,000, respectively, and were equal to EGID's required contributions for the year.

(d) Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2020 and 2019, EGID reported a liability of approximately $2.8 million and $431,000, respectively, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020 and 2019, and the total pension liability used to calculate the net pension liability was based on the employer contributing entity's percentage of the total employer contributions for the years ended June 30, 2020 and 2019. At June 30, 2020 and 2019, EGID's proportion was approximately .315% and 0.324%, respectively.

For the years ended December 31, 2020 and 2019, EGID recognized pension expense of approximately $1.7 million and $739,000, respectively. At December 31, 2020, EGID reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ 15,369
Changes of assumptions	1,004,611	-
Net difference between projected and actual investment earnings on pension plan investments	334,200	-
EGID contributions subsequent to the measurement date	380,805	-
	$ 1,719,616	$ 15,369

At December 31, 2019, EGID reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ 101,441
Changes of assumptions	-	-
Net difference between projected and actual investment earnings on pension plan investments	-	130,074
EGID contributions subsequent to the measurement date	421,112	-
	$ 421,112	$ 231,515

Deferred outflows of resources related to pensions resulting from EGID contributions subsequent to the measurement date of $380,805 will be recognized as a reduction of the net pension liability in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Employees Group Insurance Division
Year ended December 31:	
2021	$ 538,883
2022	436,755
2023	205,520
2023	142,284
2025	-
Total thereafter	-
Total	$ 1,323,442

(e) Actuarial Assumptions

The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry age normal
Inflation	2.5%
Salary increases	3.5% to 9.5%, including inflation
Investment rate of return	6.5% investment expense, including inflation

Mortality rates – In 2020, Pub-2010 Below Media, General Membership Active/Retiree Healthy Mortality Table with base rates projected to 2030 using Scale MP-2019. Male rates are set back one year, and female rate are set forward one year.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of the most recent actuarial experience study, which covered the three-year period ended June 30, 2019. The experience study report is dated May 13, 2020.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. large cap equity	34.0%	4.7 %
U.S. small cap equity	6.0	5.8
Int's Developed Equity	23.0	6.5
Emerging Market Equity	5.0	8.5
Core Fixed Income	25.0	0.5
Long Term Treasuries	3.5	0.0
US TIPS	3.5	0.3
Total	100.0 %	

(f) Discount Rate

The discount rate used to measure the total pension liability at June 30, 2020 was 6.5%. The discount rate used to measure the total pension liability at June 30, 2019 was 3.0%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and the employers will be made at the current contribution rate as set out in state statute. Based on those assumptions, the pension plan's fiduciary net position was projected through the year 2114 to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determined does not use a municipal bond rate.

(g) Sensitivity of EGID's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents EGID's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.50% and 7.00% for 2020 and 2019, respectively, as well as what EGID's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the discount rate:

	2020		
	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
EGID's proportionate share of the net pension liability (asset)	$6,620,953	$2,812,537	$(405,524)

	2019		
	1% Decrease (2%)	Discount Rate (3%)	1% Increase (4%)
EGID's proportionate share of the net pension liability (asset)	$3,897,710	$431,088	$(2,507,945)

(h) Pension Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued OPERS financial report.

11. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

(a) General Description of the Other Postemployment Benefits

EGID provides retirees with two other postemployment benefits upon retirement as discussed below:

The *Employees Group Insurance Division (EGID)*, as a multi-line insurance provider, allows for retirees that are not yet eligible for Medicare benefits to participate in the insurance plans available to active employees. Current and retired employees participate in the same plans with blended premium rates creating an implicit rate subsidy for the retirees in the plan. This plan is not administered through a trust, and as a result, there are no assets to net against the total liability. The plan functions as a cost-sharing multi-employer plan.

As mandated by statute, *Oklahoma Public Employees Retirement System (OPERS)* provides an OPEB benefit to retirees should a retiree make such an election at retirement to continue health coverage through the state's provider, EGID. This benefit is for a fixed amount of $105 and the contribution is included in the employer pension contribution. This plan is a cost-sharing multi-employer plan. The information for obtaining the separately issued independent audit report, a summary of significant accounting policies of the pension plan and the statutory authority under which OPEB benefits are required to be paid are discussed in Note 10(a).126

(b) Employees Covered

The following employees were covered by the benefit terms:

	Plans Outside of Trusts as of July 1, 2019	OPEB Trust Funds as of June 30, 2020
	Employees Group Insurance Division	Public Employees Retirement System
Active employees	31,280	33,115
Terminated, vested, inactive participants	2,378	6,082
Total	33,658	39,197

(c) OPEB Liability/Asset

At December 31, 2020, EGID reported a liability of approximately $485,000 (a proportionate share of .367%) for the EGID plan. For the OPERS plan, an asset of approximately $148,000 (a proportionate share of .315%) is reported. These amounts reflect EGID's proportionate share of the liability (asset) of the total plans.

The total OPEB liability in the actuarial valuations was determined using the following actuarial assumptions and other inputs applied to all periods included in the measurement unless otherwise specified. The plan valuation dates are as of June 30, 2020 and July 1, 2020 for EGID and OPERS, respectively.

	Employees Group Insurance Division	Public Employees Retirement System
Inflation	- %	2.50 %
Salary increases	3.00%–11.25%	3.50%–9.50%
Discount rate	3.51 %	6.50 %
Healthcare cost trend	5.30%–5.00%	NA
Retiree's share of benefit-related costs	- %	- %

(d) Discount Rates

***Employees Group Insurance Division*:** The discount rate was determined using the Bond Buyer GO 20-Bond Municipal Bond Index.

***Oklahoma Public Employees Retirement System*:** The discount rate is determined by the expected rate of return on assets as referenced in Note 10(f).

(e) Mortality Rates

***Employees Group Insurance Division*:** Mortality rates were based on Pub-2010 Public Retirement Plans General Mortality Table weighted by Headcount projected by MP-2018.

***Oklahoma Public Employees Retirement System*:** OPERS uses Pub-2010 Below Mean, General Membership Active/Retiree Healthy Mortality Table with base rates projected to 2030 using Scale MP-2019. Male rate are unadjusted, and female rates are set forward two years.

(f) Actuarial Assumptions

***Employees Group Insurance Division*:** The EGID implicit rate subsidy valuation report dated June 30, 2020, is based on a measured date of July 1, 2019, with a measurement period of July 1, 2018, to July 1, 2019.

***Oklahoma Public* Employees *Retirement System*:** The actuarial assumptions used in the July 1, 2020, valuation report measured on the same date by OPERS are based on the results of the most recent actuarial experience study, which covers the three-year period ending June 30, 2019. The experience study report is dated May 13, 2020.

(g) Changes in Assumptions and Other Inputs

***Employees Group Insurance Division*:** The discount rate to calculate liabilities was changed from 3.87% as of July 1, 2018 to 3.51% as of July 1, 2019. These discount rates use the Bond Buyer GO 20-Bond Municipal Bond Index as of those applicable dates.

The mortality assumption used to calculate liabilities was changed from the Pub-2010 Public Retirement Plans General Mortality Table weighted by Headcount projected by MP-2018 as of July 1, 2018 to the Pub-2010 Public Retirement Plans General Mortality Table weighted by Headcount projected by MP-2019 as of July 1, 2019.

***Oklahoma Public Employees Retirement System*:** Investment return was decreased from 7.00% to 6.50%; price inflation was decreased from 2.75% to 2.50%;]payroll growth was decreased from 3.50% to 3.25%; mortality assumption was changed to reflect recent mortality experience; salary scale assumptions, withdrawal rates, disability rates, and retirement rates were revised.

(h) Sensitivity of EGID's Proportionate Share of the OPEB Liability (Asset) to Changes in the Discount Rate

The following presents EGID's proportionate share of the OPEB liability, as well as what the projected OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

Employees Group Insurance Division

	2020		
	1% Decrease (2.51%)	Discount Rate (3.51%)	1% Increase (4.51%)
Total OPEB liability	$517,374	$484,694	$454,183

Oklahoma Public Employees Retirement System

	2020		
	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
Net OPEB liability (asset)	$(37,629)	$(147,798)	$(242,216)

Employees Group Insurance Division

	2019		
	1% Decrease (2.87%)	Discount Rate (3.87%)	1% Increase (4.87%)
Total OPEB liability	$547,784	$513,362	$481,325

Oklahoma Public Employees Retirement System

	2019		
	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Net OPEB liability (asset)	$(19,875)	$(125,825)	$(216,960)

(i) Sensitivity *of the Total OPEB Liability to Changes in the Healthcare Trend Rate*

The following presents EGID's proportionate share of the net OPEB liability at June 30, 2020, calculated using the healthcare trend rate, as well as what the trend rate increasing or decreasing by 1-percentage-point. Of the OPEB plans, only the EGID implicit rate subsidy is affected by the healthcare trend rate.

Employees Group Insurance Division

	2020		
	1% Decrease (6.10%–3.60%)	TrendRate (7.10%–4.60%)	1% Increase (8.10%–5.60%)
Total OPEB liability	$443,614	$484,694	$532,514

Employees Group Insurance Division

	2019		
	1% Decrease (6.10%–3.60%)	TrendRate (7.10%–4.60%)	1% Increase (8.10%–5.60%)
Total OPEB liability	$452,494	$493,016	$539,954

(j) OPEB Expense and Deferred Outflows and Deferred Inflows of resources Related to OPEB

For the year ended December 31, 2020, EGID recognized OPEB expense of $62,444 for the EGID plan and a net to expense of $52,883 for the OPERS plan. The following table illustrates the deferred inflows and outflows as of December 31, 2020, based on the requirements of Governmental Accounting Standards Board Statement 75:

	2020		
	Employees Group Insurance Division	Public Employees Retirement System	Total
Deferred outflows:			
Changes of assumptions or other inputs	$ -	$ 74,654	$ 74,654
Subsequent contributions	34,669	12,995	47,664
Total deferred outflows	$34,669	$ 87,649	$122,318
Deferred inflows:			
Changes of assumptions or other inputs	$46,557	$ -	$ 46,557
Differences between expected and actual experience	4,337	125,138	129,475
Differences between projected and actual investment earnings	-	-	-
Total deferred inflows	$50,894	$125,138	$176,032

	2019		
	Employees Group Insurance Division	Public Employees Retirement System	Total
Deferred outflows:			
Changes of assumptions or other inputs	$ -	$ 18,908	$ 18,908
Subsequent contributions	59,812	-	59,812
Total deferred outflows	$59,812	$ 18,908	$ 78,720
Deferred inflows:			
Changes of assumptions or other inputs	$16,179	$ -	$ 16,179
Differences between expected and actual experience	3,416	102,244	105,660
Differences between projected and actual investment earnings	-	13,594	13,594
Total deferred inflows	$19,595	$115,838	$135,433

Amounts reported as deferred outflows of resources and deferred inflows of resources are amortized in OPEB expense as follows:

	Employees Group Insurance Division	Public Employees Retirement System
Year ended June 30:		
2021	$(17,662)	$(22,316)
2022	(15,301)	(12,575)
2023	(11,208)	(8,588)
2024	(6,723)	(5,272)
2025	-	(1,733)
Total thereafter	-	-
Total	$(50,894)	$(50,484)

12. DEFERRED COMPENSATION PLAN

The State offers to its own employees, state agency employees, and other duly constituted authority or instrumentality employees a deferred compensation plan created in accordance with the Code Section 457 and Chapter 45 of Title 74, Oklahoma Statutes. The Oklahoma State Employees Deferred Compensation Plan (SoonerSave) is a voluntary plan that allows participants to defer a portion of their salary into SoonerSave. Participation allows a person to shelter the portion of their salary that they defer from current federal and state income tax. Taxes on the interest or investment gains on this money, while in SoonerSave, are also deferred. The deferred compensation is not available to employees until termination, retirement, death, or approved unforeseeable emergency.

Under SoonerSave, the untaxed deferred amounts are invested as directed by the participant among various investment options. Effective January 1, 1998, a Trust and Trust Fund covering SoonerSave assets was established pursuant to federal legislation enacted in 1996, requiring public employers to establish such trusts for plans meeting the requirements of Section 457 of the Code. Under terms of the Trust, the corpus or income of the Trust Fund may be used only for the exclusive benefit of SoonerSave participants and their beneficiaries. Further information may be obtained from the Oklahoma State Employees Deferred Compensation Plan audited financial statements for the year ended June 30, 2020. EGID believes it has no liabilities with respect to SoonerSave.

13. OPERATING LEASES

EGID has agreements for one-year commitments to lease office space and equipment with options to renew for additional periods. If the leases are renewed in accordance with the options in the agreements, the future minimum rentals for operating leases as of December 31, 2020 are as follows:

2021	$289,486
2022	293,477
2023	38,332
2024	3,991
	$625,286

Rent expense for office space and equipment for the years ended December 31, 2020 and 2019 was approximately $1,037,000 and $985,000, respectively, and is included in administrative expenses in the statements of revenues, expenses, and changes in net position.

14. RISKS AND UNCERTAINTIES

EGID invests in various investment securities. As described in note 5, investment securities are exposed to various risks such as interest rate, market, and credit risks. It is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the statements of net position.

As described in note 2, the estimates of reserves are determined based on actuarial and statistical techniques, which consider the effects of general economic conditions, such as inflation, and other factors of past experience, such as changes in participant counts, all of which are subject to change. Due to uncertainties inherent in the estimation and assumption process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the basic financial statements.

15. COMMITMENTS AND CONTINGENCIES

EGID's legal counsel has determined that the statute of limitations for claims denied or paid improperly is three years. Typically, all claims are reported within a 24-month period. Currently, EGID is not aware of any material claims that were denied or paid improperly that should be reserved for in the basic financial statements. To the extent such claims exist, EGID may be responsible for payment.

During 2003, the Oklahoma Legislature created the Medical Expense Liability Revolving Fund (the Fund), which enacted a fee to cover inmate medical costs. By law, EGID is the administrator of the Fund. Any person convicted of certain offenses is required to pay a fine of $10, which goes into the Fund. The moneys from the Fund are used when an inmate's medical costs exceed $6,000 up to a maximum of $100,000. As of December 31, 2020 and 2019, the Fund has assets and liabilities of approximately $2,790,000 and $2,403,000, respectively, which are included in cash and other accrued liabilities in the statements of net position.

During 1995, the Oklahoma Legislature created the Health Insurance High Risk Pool (the Pool), which was designed to provide health insurance for certain state residents who were unable to obtain coverage through other insurers. All insurers and reinsurers providing health insurance or reinsurance in the state of Oklahoma were required to participate in the Pool. With the exception of EGID, all self-insured plans were exempted from participation. Participating insurers were assessed periodically. Participating insurers were also assessed additional amounts in the Pool experienced adverse claim development. In 2014, this law was repealed with an effective date of January 1, 2017. No assessments were made in 2019 or 2020.

In the normal course of operations, there are various legal actions and proceedings pending against EGID. In management's opinion, the ultimate liability, if any, resulting from these legal actions will not have a material adverse effect on EGID's financial position, results of operations, or liquidity.

16. SUBSEQUENT EVENTS

EGID has evaluated subsequent events from the balance sheet date through the date at which the basic financial statements were available to be issued and determined there are no other items to disclose.

* * * * * *

EMPLOYEES GROUP INSURANCE DIVISION
(A Division of the Office of Management and Enterprise Services)

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY OF THE OKLAHOMA PUBLIC EMPLOYEES RETIREMENT PLAN
LAST 10 JUNE 30 FISCAL YEARS*

	2020	2019	2018	2017	2016	2015	2014
EGID's proportion of the net pension liability	0.31525 %	0.32367 %	0.33383 %	0.35235 %	0.34647 %	0.37598 %	0.41129 %
EGID's proportionate share of the net pension liability	$ 2,812,537	$ 431,088	$ 651,102	$ 1,905,049	$ 3,437,815	$ 1,352,338	$ 754,986
EGID's covered-employee payroll	5,239,847	5,182,203	5,636,532	5,744,376	6,224,406	6,646,436	6,968,066
EGID's proportionate share of the net pension liability as a percentage of its covered-employee payroll	53.68 %	8.31 %	11.55 %	33.16 %	55.23 %	20.35 %	10.83 %
Plan fiduciary net position as a percentage of the total pension liability	99.26	98.63	97.96	94.28	89.48	96.00	97.60

* This schedule is required to show information for 10 years. However, only fiscal years 2020, 2019, 2018, 2017, 2016, 2015, and 2014 are presented as the information for prior years is not available.

See accompanying independent auditors' report.

EMPLOYEES GROUP INSURANCE DIVISION
(A Division of the Office of Management and Enterprise Services)

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CONTRIBUTIONS OF THE
OKLAHOMA PUBLIC EMPLOYEES RETIREMENT PLAN
LAST 10 DECEMBER 31 FISCAL YEARS*

	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	$ 836,044	$ 813,780	$ 819,732	$ 947,822	$ 1,027,027	$ 1,096,662	$ 1,149,731
Contributions in relation to the contractually required contribution	(836,044)	(813,780)	(819,732)	(947,822)	(1,027,027)	(1,096,662)	(1,149,731)
	$ -	$ -	$ -	$ -	$ -	$ -	$ -
EGID's covered-employee payroll	$ 5,239,847	$ 5,100,309	$ 5,137,612	$ 5,744,376	$ 6,224,406	$ 6,646,436	$ 6,968,066
Contributions as a percentage of covered-employee payroll	15.96 %	15.96 %	18.45 %	16.50 %	16.50 %	16.50 %	16.50 %

EMPLOYEES GROUP INSURANCE DIVISION
(A Division of the Office of Management and Enterprise Services)

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FISCAL YEARS ENDED JUNE 30, 2020 AND 2019

1. CHANGES OF BENEFIT TERMS

The Plan has been amended by House Bill 2630 in 2014, which states that effective November 1, 2015, OPERS shall create a defined contribution plan for most people first employed by a participating employer. Exemptions from the new defined contribution plan include hazardous duty members and district attorneys, assistant district attorneys, and employees of the district attorney's office. Each employer shall send to OPERS the difference between the required employer contribution to OPERS and the amount required to match the participating employee's contributions in the defined contribution plan.

Senate Bill 2120, also enacted in 2014, amends House Bill 2630 to further exempt from the new defined contribution plan county elected officials and employees of a county, county hospital, city or town, conservation district, circuit engineering district, and any public or private trust in which a county, city, or town participates. Senate Bill 2120 also states that employees who participate in the defined contribution system are excluded from the $105 healthcare subsidy.

New employees specifically exempted from the defined contribution plan will participate in the existing defined benefit plan.

2. CHANGES OF ASSUMPTIONS

There were no changes in assumptions from 2019 to 2020.

EMPLOYEES GROUP INSURANCE DIVISION
(A Division of the Office of Management and Enterprise Services)

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE PROPORTIONATE SHARE OF THE TOTAL OPEB LIABILITY FOR THE EGID PLAN
LAST 10 JUNE 30 FISCAL YEARS*

	2020	2019	2018
EGID's proportion of the OPEB liability	0.36663690 %	0.35113268 %	0.33200642 %
EGID's proportionate share of the OPEB liability	$ 484,694	$ 513,362	$ 493,016
EGID's covered-employee payroll	6,665,067	5,182,203	5,636,532
EGID's proportionate share of the total OPEB liability as a percentage of its covered-employee payroll	7.27 %	9.91 %	8.75 %

* This schedule is required to show information for 10 years. However, only fiscal years 2020, 2019 and 2018, is presented as the information for prior years is not available.

EMPLOYEES GROUP INSURANCE DIVISION
(A Division of the Office of Management and Enterprise Services)

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB ASSET FOR THE OPERS PLAN
LAST 10 JUNE 30 FISCAL YEARS*

	2020	2019	2018
EGID's proportion of the OPEB asset	0.31524941 %	0.32366873 %	0.33382507 %
EGID's proportionate share of the OPEB asset	$ 147,798	$ 125,825	$ 43,200
EGID's covered-employee payroll	5,239,847	5,182,203	5,636,532
EGID's proportionate share of the net OPEB asset as a percentage of its covered-employee payroll	2.82 %	2.43 %	0.77 %
Plan fiduciary net position as a percentage of the total OPEB liability	100.03 %	112.11 %	103.94 %

* This schedule is required to show information for 10 years. However, only fiscal years 2020, 2019 and 2018, is presented as the information for prior years is not available.

EMPLOYEES GROUP INSURANCE DIVISION
(A Division of the Office of Management and Enterprise Services)

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS FOR THE OPERS PLAN
LAST 10 DECEMBER 31 FISCAL YEARS*

	2020	2019	2018
Contractually required contribution	$ 27,589	$ 27,771	$ 27,974
Contributions in relation to the contractually required contribution	(27,589)	(27,771)	(27,974)
Contribution deficiency (excess)	$ -	$ -	$ -
EGID's covered-employee payroll	$5,239,847	$5,100,309	$5,137,612
Contributions as a percentage of covered-employee payroll	0.54 %	0.54 %	0.54 %

* This schedule is required to show information for 10 years. However, only fiscal years 2020, 2019 and 2018, is presented as the information for prior years is not available.

EMPLOYEES GROUP INSURANCE DIVISION
(A Division of the Office of Management and Enterprise Services)

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF TEN-YEAR DEVELOPMENT INFORMATION

	Fiscal and Policy Years Ended									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
(1) Earned premiums and investment revenues	$ 1,128,271	$1,125,041	$1,098,161	$1,080,174	$1,024,284	$ 985,321	$964,101	$940,855	$884,698	$865,146
(2) Administrative expenses	50,109	49,355	51,121	45,340	48,337	47,667	51,709	41,412	39,492	38,690
(3) Estimated incurred claims, both paid and accrued, end of policy year	996,403	1,021,403	1,040,974	1,020,522	1,017,831	1,022,524	935,870	878,842	826,098	803,039
(4) Payments as of:										
End of policy year	885,556	916,646	905,574	910,454	894,439	902,693	820,319	778,221	727,780	711,716
One year later		1,018,549	1,027,026	1,006,239	1,006,157	1,018,240	927,284	867,136	816,632	799,710
Two years later			1,027,954	1,009,713	1,008,712	1,021,953	928,794	869,158	820,175	800,250
Three years later				1,010,799	1,009,046	1,022,436	929,055	869,506	820,463	800,324
Four years later					1,009,855	1,022,456	929,189	869,370	820,687	800,321
Five years later						1,022,576	929,186	869,416	820,855	800,415
Six years later							929,286	869,426	820,958	800,506
Seven years later								869,526	820,958	800,570
Eight years later									820,958	800,570
Nine years later										800,570
(5) Reestimated incurred claims										
End of policy year	996,403	1,021,403	1,040,974	1,020,522	1,017,831	1,022,524	935,870	878,842	826,098	803,039
One year later		1,018,549	1,027,026	1,009,302	1,008,556	1,022,400	929,586	869,910	822,212	802,053
Two years later			1,027,954	1,009,713	1,010,061	1,023,409	929,809	869,772	822,219	801,484
Three years later				1,010,799	1,009,046	1,023,582	929,925	870,017	821,684	801,552
Four years later					1,009,855	1,022,456	929,889	869,743	821,682	801,226
Five years later						1,022,576	929,186	869,700	821,629	801,232
Six years later							929,286	869,426	821,633	801,172
Seven years later								869,526	820,958	801,176
Eight years later									820,958	800,570
Nine years later										800,570
(6) Decrease in estimated incurred claims from end of policy year	-								5,140	2,469

Statistical Section

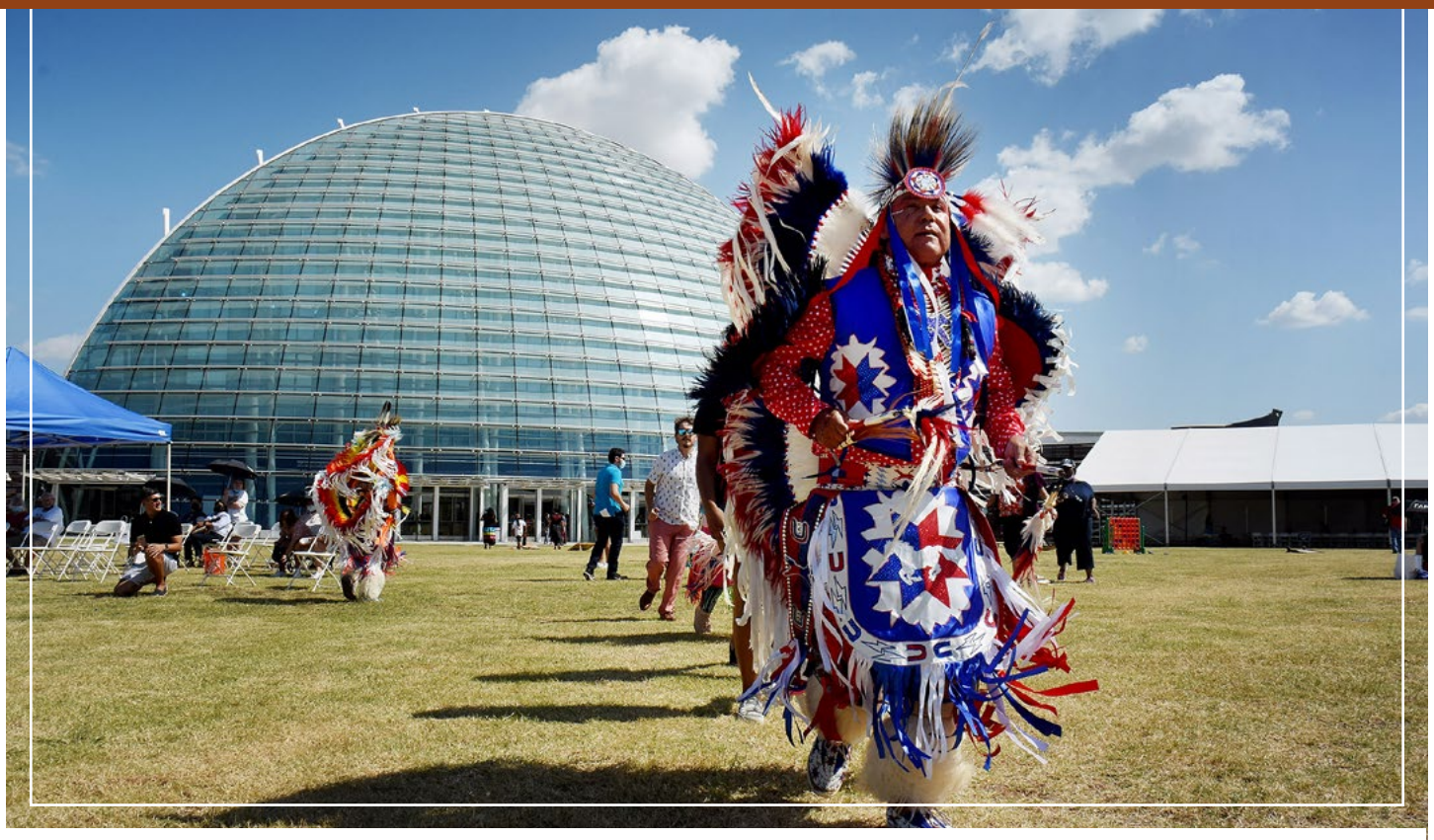


Table 1

Employees Group Insurance Division
Fund Equity Over the Last Ten Fiscal Years
(Accrual basis of accounting) ● (Amounts expressed in thousands)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Combined Programs										
Minimum fund equity	$ 181,159	$ 184,451	$ 183,174	$ 183,645	$ 184,535	$ 195,393	$ 184,473	$ 175,754	$ 169,892	$ 163,802
Fixed assets net of accumulated depreciation	29	374	965	1,569	2,196	2,698	1,787	1,354	946	738
Prior Year Restatement - OPEB implementation	-	-	(632)							
Other fund equity	199,937	106,203	52,492	41,101	7,456	1,368	80,430	152,024	141,732	105,644
Total fund equity	$ 381,125	$ 291,028	$ 235,999	$ 226,315	$ 194,187	$ 199,459	$ 266,690	$ 329,132	$ 312,570	$ 270,184

Employees Group Insurance Division
Change in Fund Equity Over the Last Ten Fiscal Years
(Accrual basis of accounting) ● (Amounts expressed in thousands)

	2020 (1) (4) (5) (6)	2019 (1) (4) (5)	2018 (1) (4)	2017 (1) (4)	2016 (1) (4)	2015 (1) (3)	2014 (1) (3)	2013 (1)	2012 (1) (2)	2011 (1) (2)
Revenue										
Combined Programs										
Premiums	$ 1,094,423	$ 1,081,426	$ 1,093,974	$ 1,053,625	$ 1,000,168	$ 966,190	$ 927,693	$ 884,094	$ 837,513	$ 829,699
Pass-through grant revenue	-	-	-	-	-	-	-	-	-	4,233
Medicare Part D subsidy	3,498	4,975	6,060	9,333	10,213	13,474	13,665	19,098	21,705	22,075
Risk adjustment	5,705	3,009	1,959	3,702	2,729	74	931	1,706	1,496	2,351
Other	(64)	(24)	15	9	4	49	6	3	54	4,829
Net investment income (loss)	29,679	38,778	(2,348)	16,761	13,367	4,947	22,137	36,989	24,683	12,664
Total revenue	1,133,240	1,128,165	1,099,660	1,083,430	1,026,481	984,734	964,432	941,890	885,451	875,851
Expenses										
Combined Programs										
Incurred claims expense	996,403	1,027,682	1,031,516	1,012,149	1,022,183	1,015,375	929,382	873,841	824,493	770,933
Pass-through grant expense	-	-	-	-	-	-	-	-	-	4,233
Change in premium deficiency reserve	(2,698)	(2,327)	7,179	(5,733)	(38,233)	(10,365)	43,435	10,747	(20,275)	18,521
Administrative and claim processing expense	49,438	47,780	50,648	44,886	47,802	46,956	50,028	40,739	38,697	37,981
Total expenses	1,043,143	1,073,136	1,089,343	1,051,302	1,031,752	1,051,966	1,022,845	925,327	842,915	831,668
Total change in fund equity	$ 90,096	$ 55,029	$ 10,317	$ 32,128	$ (5,271)	$ (67,232)	$ (58,413)	$ 16,563	$ 42,536	$ 44,183

For 2020, 2018, 2017, 2016, 2015, 2014, 2013, 2012, and 2011, premium rates were set at a level expected to use $11.0 million, $5.4 million, $6.1 million, $26.1 million, $33.3 million, $28.5 million, $47.8 million, $38.7 million,
(1) $16.0 million in fund equity, respectively.
(2) The large increase in fund equity in 2011 and 2012 is due to favorable claims experience.
(3) The large decrease in fund equity in 2015 and 2014 is primarily a result of a $59.5 and $54.2 million premium deficiency in the health and dental fund, respectively.
(4) Pharmacy rebates, reinsurance, and CGDP outperformed budgeted amounts in 2020, 2019, 2018, 2017and 2016. A new PBM in 2016 along with changes in contract terms accounted for these results.
(5) A significant potion of the increase in fund equity in 2019 and 2020 are due to favorable investments of $38.9 million and $29.7 million in 2019 and 2020, resepectively.
(6) EGID has experienced a reduction in total claims for 2020 due to the deferral of elective services during the COVID-19 pandemic

Table 3

Employees Group Insurance Division
Operating Revenues by Type of Entity
Last Ten Years
(Accrual basis of accounting) ● (Amounts expressed in thousands)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
State and Local Government Entities										
Health and Dental Program	468,089	469,876	483,933	471,343	449,253	438,352	414,356	393,527	372,068	373,296
Life Program	20,561	18,818	18,506	18,518	18,534	16,517	15,900	14,992	14,269	16,583
Disability Program	4,359	3,774	3,767	3,867	4,048	4,048	4,059	4,004	3,973	4,049
Total	493,009	492,468	506,206	493,728	471,834	458,916	434,315	412,523	390,310	393,928
Education Entities										
Health and Dental Program	596,850	584,623	584,112	561,974	530,822	511,319	498,934	483,894	462,652	460,347
Life Program	13,702	12,296	11,690	10,967	10,525	9,551	9,046	8,484	7,805	8,912
Total	610,552	596,919	595,803	572,941	541,347	520,871	507,980	492,378	470,457	469,259
All Entities										
Health and Dental Program	1,064,939	1,054,499	1,068,045	1,033,316	980,075	949,671	913,290	877,421	834,720	833,643
Life Program	34,263	31,113	30,196	29,485	29,059	26,068	24,946	23,476	22,074	25,495
Disability Program	4,359	3,774	3,767	3,867	4,048	4,048	4,059	4,004	3,973	4,049
Total	1,103,561	1,089,386	1,102,008	1,066,669	1,013,181	979,787	942,295	904,901	860,767	863,187

Employees Group Insurance Division
Top Ten Sources of Premium Revenue
Amounts shown are premiums received during the plan year
for the last five years
(Amounts expressed in thousands)

2020

Group	Receipts
Employee Benefits Department	$433,492
Teachers Retirement System	$143,417
Oklahoma Public Employees Retirement System	$100,892
Oklahoma City Public Schools	$33,463
Tulsa Public Schools	$33,411
Edmond Public Schools	$18,746
Moore Public Schools	$18,283
Putnam City Public Schools	$16,488
Broken Arrow Public Schools	$13,900
Lawton Public Schools	$13,466

2019

Group	Receipts
Employee Benefits Department	$420,014
Teachers Retirement System	$140,736
Oklahoma Public Employees Retirement System	$98,302
Tulsa Public Schools	$33,545
Oklahoma City Public Schools	$31,315
Edmond Public Schools	$17,650
Moore Public Schools	$16,554
Putnam City Public Schools	$15,770
Broken Arrow Public Schools	$13,230
Lawton Public Schools	$12,955

2018

Group	Receipts
Employee Benefits Department	$418,233
Teachers Retirement System	$149,174
Oklahoma Public Employees Retirement System	$98,568
Oklahoma City Public Schools	$33,218
Tulsa Public Schools	$32,836
Edmond Public Schools	$16,582
Moore Public Schools	$15,862
Putnam City Public Schools	$15,135
Broken Arrow Public Schools	$12,965
Lawton Public Schools	$12,916

2017

Group	Receipts
Employee Benefits Department	$428,864
Teachers Retirement System	$148,239
Oklahoma Public Employees Retirement System	$99,897
Tulsa Public Schools	$32,063
Oklahoma City Public Schools	$28,948
Edmond Public Schools	$15,139
Putnam City Public Schools	$14,069
Moore Public Schools	$14,386
Broken Arrow Public Schools	$12,458
Lawton Public Schools	$12,297

2016

Group	Receipts
Employee Benefits Department	$410,422
Teachers Retirement System	$141,466
Oklahoma Public Employees Retirement System	$90,852
Tulsa Public Schools	$29,025
Oklahoma City Public Schools	$25,861
Edmond Public Schools	$12,465
Putnam City Public Schools	$12,378
Moore Public Schools	$12,294
Broken Arrow Public Schools	$11,061
Lawton Public Schools	$10,425

Table 5A

Employees Group Insurance Division
HealthChoice Medical Participation
Last Ten Years

Fiscal	State Entities				Local Government Entities				Education Entities				
	Current Employee		Former Employee		Current Employee		Former Employee		Current Employee		Former Employee		
Year Ended	Employees	Dependents	Employees	Dependents	Employees	Dependents	Employees	Dependents	Employees	Dependents	Employees	Dependents	Total
2020	22,331	29,977	13,067	2,465	8,009	2,013	160	22	55,129	20,268	21,413	2,550	177,404
2019	23,630	31,804	13,658	2,592	8,419	2,009	161	26	56,740	20,604	22,152	2,718	184,513
2018	24,164	33,032	14,050	2,621	8,524	2,036	160	26	55,814	20,358	22,740	2,884	186,409
2017	23,624	32,884	14,372	2,742	8,650	2,138	166	23	54,250	20,099	23,318	3,045	185,311
2016	23,830	33,282	14,697	2,804	8,537	1,934	159	19	53,975	18,812	24,124	3,204	185,377
2015	24,982	33,907	14,626	2,814	8,290	1,871	160	26	54,831	18,292	24,117	3,239	187,155
2014	23,007	30,081	14,655	2,843	7,934	1,622	154	28	52,227	17,047	23,841	3,280	176,719
2013	21,503	27,471	14,660	2,867	7,646	1,726	203	38	49,653	16,608	23,737	3,421	169,533
2012	20,186	25,705	14,649	2,926	7,892	1,746	185	40	48,028	16,251	23,384	3,498	164,490
2011	20,285	24,959	14,793	3,029	7,772	1,770	171	33	46,645	16,101	23,368	3,632	162,558

HMO Participation

Fiscal	State Entities				Local Government Entities				Education Entities				
	Current Employee		Former Employee		Current Employee		Former Employee		Current Employee		Former Employee		
Year Ended	Employees	Dependents	Employees	Dependents	Employees	Dependents	Employees	Dependents	Employees	Dependents	Employees	Dependents	Total
2020	9,740	9,901	2,302	388	966	356	14	3	12,987	3,861	2,316	234	43,068
2019	8,620	8,701	2,129	366	779	285	8	1	10,911	3,137	2,106	223	37,266
2018	7,488	7,851	2,089	363	675	235	10	1	9,740	2,749	2,134	247	33,582
2017	8,813	10,546	2,069	353	684	275	9	1	9,599	2,901	2,223	267	37,740
2016	9,321	11,741	1,945	346	553	265	9	1	9,582	3,009	2,220	279	39,271
2015	9,891	12,693	1,824	328	494	239	8	2	9,735	3,293	2,187	296	40,990
2014	11,701	15,668	1,831	351	554	296	6	2	10,663	3,794	2,233	332	47,431
2013	12,161	16,245	1,880	387	606	329	8	3	10,737	4,105	2,255	355	49,071
2012	13,767	17,988	2,189	448	662	379	8	2	11,945	4,896	2,456	382	55,122
2011	13,739	17,974	2,116	442	598	402	7	2	12,259	5,203	2,394	420	55,556

Table 5B

Employees Group Insurance Division
HealthChoice Dental Participation
Last Ten Years

Fiscal Year Ended	State Entities		Local Government		Education Entities		
	Employees	Dependents	Employees	Dependents	Employees	Dependents	Total
2020	30,269	23,781	5,496	2,354	54,692	25,991	142,583
2019	31,224	24,907	5,664	2,398	55,466	26,559	146,218
2018	30,599	24,678	5,498	2,406	54,157	26,031	143,369
2017	32,038	27,191	5,602	2,549	55,145	27,210	149,735
2016	33,428	29,266	5,808	2,567	61,010	31,229	163,308
2015	34,627	30,773	6,042	2,685	62,541	31,929	168,597
2014	34,750	30,684	6,020	2,615	61,678	31,809	167,556
2013	34,484	30,169	6,007	2,777	60,877	31,687	166,001
2012	35,160	30,740	6,165	2,910	61,370	32,136	168,481
2011	35,717	30,777	6,070	2,991	61,360	32,438	169,353

DMO Participation

Fiscal Year Ended	State Entities		Local Government		Education Entities		
	Employees	Dependents	Employees	Dependents	Employees	Dependents	Total
2020	17,644	18,169	2,348	1,317	28,085	15,197	82,760
2019	16,891	17,510	2,337	1,211	25,943	13,836	77,728
2018	17,004	17,966	2,477	1,174	25,713	13,650	77,984
2017	16,248	18,050	2,457	1,171	23,317	12,422	73,665
2016	15,414	17,637	1,956	931	23,915	13,156	73,009
2015	15,395	17,619	1,592	809	22,580	12,503	70,498
2014	14,762	16,738	1,332	634	21,040	11,817	66,323
2013	13,620	15,173	1,259	603	19,340	11,316	61,311
2012	13,147	14,539	1,113	560	17,965	10,960	58,284
2011	12,282	13,495	925	505	16,290	10,361	53,858

Note: Dental participation is not tracked separately for active employees or retirees.

Table 6A

Employees Group Insurance Division
Monthly Premiums by Coverage Type and Billing Categories
Last Ten Years

HealthChoice High
Active Employees

Year	Employee	Spouse	One Child	Two or More Children
CY2020	615.90	722.12	309.80	525.72
CY2019	594.90	697.50	299.24	507.80
CY2018	594.90	697.50	299.24	507.80
CY2017	571.04	674.30	288.16	488.66
CY2016	526.88	661.62	267.50	412.72
CY2015	499.42	676.28	253.56	391.20
CY2014	484.87	675.82	246.17	379.81
CY2013	463.99	681.96	235.57	363.45
CY2012	449.48	668.10	228.20	352.08
CY2011	449.48	682.74	228.20	352.08

HealthChoice High
Retirees Under Age 65

Year	Employee	Spouse	One Child	Two or More Children
CY2020	615.90	722.12	309.80	525.72
CY2019	594.90	697.50	299.24	507.80
CY2018	594.90	697.50	299.24	507.80
CY2017	571.04	674.30	288.16	488.66
CY2016	526.88	661.62	267.50	412.72
CY2015	499.42	676.28	253.56	391.20
CY2014	484.87	675.82	246.17	379.81
CY2013	463.99	681.96	235.57	363.45
CY2012	449.48	668.10	228.20	352.08
CY2011	449.48	682.74	228.20	352.08

HealthChoice High
Retirees Age 65 and Over

Year	Employee	Spouse	One Child	Two or More Children
CY2020	395.30	395.30	395.30	395.30
CY2019	375.58	375.58	375.58	375.58
CY2018	375.58	375.58	375.58	375.58
CY2017	375.58	375.58	375.58	375.58
CY2016	324.18	324.18	324.18	324.18
CY2015	307.28	307.28	307.28	307.28
CY2014	323.38	323.38	323.38	323.38
CY2013	316.34	316.34	316.34	316.34
CY2012	332.54	332.54	332.54	332.54
CY2011	308.34	308.34	308.34	308.34

CY - Calendar Year

Table 6B

Employees Group Insurance Division
Monthly Premiums by Coverage Type and Billing Categories
Last Ten Years

HealthChoice Basic/Low
Active Employees

Year	Employee	Spouse	One Child	Two or More Children
CY2020	487.36	571.96	251.34	425.14
CY2019	466.42	547.38	240.54	406.88
CY2018	466.42	547.38	240.54	406.88
CY2017	433.04	505.30	227.82	379.06
CY2016	397.82	488.38	227.82	351.14
CY2015	391.52	501.74	215.94	342.74
CY2014	421.11	594.78	217.00	334.19
CY2013	402.98	593.52	207.66	319.80
CY2012	391.64	571.84	201.82	310.80
CY2011	391.64	598.48	201.82	310.80

HealthChoice Basic/Low
Pre-Medicare Former Employees

Year	Employee	Spouse	One Child	Two or More Children
CY2020	487.36	571.96	251.34	425.14
CY2019	466.42	547.38	240.54	406.88
CY2018	466.42	547.38	240.54	406.88
CY2017	433.04	505.30	227.82	379.06
CY2016	397.82	488.38	227.82	351.14
CY2015	391.52	501.74	215.94	342.74
CY2014	421.11	594.78	217.00	334.19
CY2013	402.98	593.52	207.66	319.80
CY2012	391.64	571.84	201.82	310.80
CY2011	391.64	598.48	201.82	310.80

HealthChoice Basic/Low
Medicare Eligible Former Employees

Year	Employee	Spouse	One Child	Two or More Children
CY2020	320.44	320.44	320.44	320.44
CY2019	300.60	300.60	300.60	300.60
CY2018	300.60	300.60	300.60	300.60
CY2017	300.60	300.60	300.60	300.60
CY2016	253.09	253.09	253.09	253.09
CY2015	239.90	239.90	239.90	239.90
CY2014	261.84	261.84	261.84	261.84
CY2013	255.62	255.62	255.62	255.62
CY2012	273.02	273.02	273.02	273.02
CY2011	251.66	251.66	251.66	503.32

CY - Calendar Year

Table 6C

Employees Group Insurance Division
Monthly Premiums by Coverage Type and Billing Categories
Last Ten Years

HealthChoice Dental

Year	Employee	Spouse	One Child	Two or More Children
CY2020	41.72	41.72	33.72	86.50
CY2019	39.12	39.12	31.58	81.10
CY2018	39.12	39.12	31.58	81.10
CY2017	34.30	34.30	27.40	72.64
CY2016	32.00	32.00	27.40	68.20
CY2015	32.00	32.00	27.40	68.20
CY2014	31.38	31.38	26.90	66.96
CY2013	31.38	31.38	26.90	66.96
CY2012	30.20	30.20	25.18	65.32
CY2011	29.84	29.84	24.88	64.56

HealthChoice Basic Life

Year	Employee
CY2020	4.20
CY2019	4.00
CY2018	4.00
CY2017	4.00
CY2016	4.00
CY2015	4.00
CY2014	4.00
CY2013	4.00
CY2012	4.00
CY2011	4.56

HealthChoice Disability

Year	Employee
CY2020	10.36
CY2019	9.10
CY2018	9.10
CY2017	9.10
CY2016	9.10
CY2015	9.10
CY2014	9.10
CY2013	9.10
CY2012	9.10
CY2011	9.10

CY - Calendar Year

Table 7A

Employees Group Insurance Division
Outside Insurance Carriers - Health
(Offered in addition to the HealthChoice self-insured plan)

CY 2020
CommunityCare
GlobalHealth
BlueLincs

CY 2019
CommunityCare
GlobalHealth
BlueLincs
Aetna

CY 2018
CommunityCare
GlobalHealth
BlueLincs
Aetna

CY 2017
CommunityCare
GlobalHealth
Aetna

CY 2016
CommunityCare
GlobalHealth
BlueLincs
Aetna

CY 2015
CommunityCare
GlobalHealth

CY 2014
CommunityCare
GlobalHealth

CY 2013
CommunityCare
GlobalHealth

CY 2012
CommunityCare
GlobalHealth
UnitedHealthcare

CY 2011
CommunityCare
GlobalHealth
PacifiCare/UnitedHealthcare
PacifiCare

CY 2010
Aetna
CommunityCare
GlobalHealth
PacifiCare

CY 2009
Aetna
CommunityCare
GlobalHealth
PacifiCare

CY - Calendar Year

Table 7B

Employees Group Insurance Division
Outside Insurance Carriers - Dental
(Offered in addition to the HealthChoice self-insured plan)

CY2020
SunLife
CIGNA Dental
Delta Dental
MetLife

CY 2019
SunLife
CIGNA Dental
Delta Dental
MetLife

CY 2018
Assurant Dental
CIGNA Dental
Delta Dental
MetLife

CY 2017
Assurant Dental
CIGNA Dental
Delta Dental
MetLife

CY 2016
Assurant Dental
CIGNA Dental
Delta Dental

CY 2015
Assurant Dental
CIGNA Dental
Delta Dental

CY 2014
Assurant Dental
CIGNA Dental
Delta Dental

CY 2013
Assurant Dental
CIGNA Dental
Delta Dental

CY 2012
Assurant Dental
CIGNA Dental
Delta Dental

CY 2011
Assurant Dental
CIGNA Dental
Delta Dental

CY 2010
Assurant Dental
CIGNA Dental
Delta Dental

CY 2009
Assurant Dental
CIGNA Dental
Delta Dental

CY 2008
Assurant Dental
CIGNA Dental
Delta Dental

CY - Calendar Year

Table 7C

Employees Group Insurance Division
Outside Insurance Carriers - Vision

CY 2020
Primary Vision Care Services
Superior Vision Plan
Vision Care Direct
Vision Service Plan

CY 2019
Primary Vision Care Services
Superior Vision Plan
Vision Care Direct
Vision Service Plan

CY 2018
Primary Vision Care Services
Superior Vision Plan
Vision Care Direct
Vision Service Plan

CY 2017
Primary Vision Care Services
Superior Vision Plan
Vision Care Direct
Vision Service Plan

CY 2016
Humana VisionCare
Primary Vision Care Services
Superior Vision Plan
UnitedHealthcare Vision
Vision Care Direct
Vision Service Plan

CY 2015
Humana/CompBenefits VisionCare
Primary Vision Care Services
Superior Vision Plan
UnitedHealthcare Vision
Vision Care Direct
Vision Service Plan

CY 2014
Humana/CompBenefits VisionCare
Primary Vision Care Services
Superior Vision Plan
UnitedHealthcare Vision
Vision Care Direct
Vision Service Plan

CY 2013
Humana/CompBenefits VisionCare
Primary Vision Care Services
Superior Vision Plan
UnitedHealthcare Vision
Vision Service Plan

CY 2012
Humana/CompBenefits VisionCare
Primary Vision Care Services
Superior Vision Plan
UnitedHealthcare Vision
Vision Service Plan

CY 2011
Humana/CompBenefits VisionCare
Primary Vision Care Services
Superior Vision Plan
UnitedHealthcare Vision
Vision Service Plan

CY 2010
Humana/CompBenefits VisionCare
Primary Vision Care Services
Superior Vision Plan
UnitedHealthcare Vision
Vision Service Plan

CY 2009
CompBenefits VisionCare
Primary Vision Care Services
Spectera Vision
Superior Vision Plan
Vision Service Plan

CY 2008
CompBenefits VisionCare
Primary Vision Care Services
Spectera Vision
Superior Vision Plan
Vision Service Plan

CY - Calendar Year

Notes

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