

Subject Educator Group Insurance Program

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Date February 24, 2026

Overview

This bill creates the Educator Group Insurance Program (EGIP) and dissolves the Public Employee Insurance Program (PEIP) and allows its members to move to EGIP. EGIP is a self-insured pool which will include all employees of schools in Minnesota and all members of PEIP that choose to move to EGIP. The bill requires that enrollment in EGIP for both school employees and former members of PEIP be permanent.

Summary

Section	Description
1	Definitions. Defines “educator group insurance program,” “retired school employee,” “school employee,” “school employee pool,” and “school employer.”
2	Public employee insurance program. Requires the commissioner of management and budget to administer EGIP. Requires the commissioner to offer certain levels of dependent coverage, offer a high-deductible health plan, and allows the commissioner to modify plans and dependent tiers.
3	Educator group insurance program. Creates a labor management committee with 12 members representing various groups. Allows committee members to receive expense reimbursement. Requires a change to cost-sharing be approved by both the commissioner and committee. Requires the committee to study the insurance program, including flexible benefits, utilization review, quality assessment, and cost efficiency. Requires the committee to operate while EGIP is in operation.
4	Public employee participation. Makes clarifying changes to differentiate PEIP from EGIP.

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	<p>(d) Makes participation in PEIP permanent once elected. Allows nonschool enrollees in PEIP after July 1, 2026, to participate in EGIP or leave enrollment permanently.</p> <p>(e) Provides requirements regarding the time by which an employee must be covered by EGIP and by which a school employer must participate in EGIP.</p> <p>(f) Provides requirements for school employers with individual self-insured plans with unused reserve funds to dissolve.</p> <p>(g) Provides requirements for service cooperatives leaving a plan under section 123A.21.</p>
5	<p>Premiums.</p> <p>Requires that premiums be the same across all eligible school employers. Allows the commissioner of management and budget to access funds allocated to the school employer by the Department of Education and cross-references enforcement mechanisms under section 127A.42.</p>
6	<p>Continuation of coverage.</p> <p>Prohibits preexisting condition exclusions even if there is a break in coverage. Allows spouses of deceased or former employees to remain enrolled in the program. Requires the employer to pay monthly premiums in case of a strike. Allows an employee who is newly eligible to reenroll in the program.</p>
7	<p>Nonidentifiable aggregate claims data from past coverage.</p> <p>Requires health plan administrators to provide nonidentifiable aggregate claims data to the commissioner of management and budget upon the commissioner's request.</p>
8	<p>Educator group insurance program start-up funding; administration of ongoing revenues and expenses.</p> <p>Allows the commissioner of management and budget to impose a surcharge for the first three years of school employee enrollment if necessary. Allows the surcharge funds to be used both to support the phasing out of PEIP and the implementation of EGIP.</p>
9	<p>Eligibility.</p> <p>(a) States that school employees who are public employees under section 179A.03, subdivision 14, are eligible to participate in EGIP. Requires the attorney general to resolve eligibility disputes.</p> <p>(b) Clarifies requirements for part-time employees to be eligible.</p>

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	<p>(c) Clarifies requirements for continuation of rights.</p> <p>(d) Prohibits an employee who waives coverage from enrolling until the next open enrollment period.</p> <p>(e) Allows school employees who are not also public employees under section 179A.03, subdivision 14, to purchase coverage from EGIP.</p> <p>(f) Clarifies requirements for eligible employees on unpaid status.</p> <p>(g) Allows employers and employees to agree to continuation of employer-paid premiums postemployment.</p>
10	<p>Contributions.</p> <p>Requires school districts to contribute 85% (for families) and 95% (for singles) of the cost of premiums on behalf of school employees. Applies the same percentage requirements for high-deductible health plans and allocates these amounts to the employee's health savings account or health reimbursement arrangement. Provides requirements for payment of remaining costs. Provides requirements for eligible employees married to another eligible employee.</p>
11	<p>Health insurance revenue.</p> <p>States that funding for a service cooperative, intermediate district, and cooperative center for vocation education is direct aid and must be equal to the average funding provided to member districts.</p>
12	<p>No effect on more generous plans or policies.</p> <p>(a) Clarifies that nothing in this section discourages employers from adopting health plans that exceed the minimum standards required under this section.</p> <p>(b) Clarifies that nothing in this section limits the rights of parties to a collective bargaining agreement from bargaining, limits an employer's obligations to comply with a contract or collective bargaining agreement—if the minimum requirements of this section are not otherwise conflicted with. Clarifies that this paragraph applies to premium contributions and tax-favored accounts as well as others, but not individual coverage health reimbursement arrangements or specific plan benefit structures.</p> <p>(c) Clarifies that nothing in this section affects the applicability of any other law that provides for additional health plan and related benefits or that extends protections to employees.</p> <p>(d) Clarifies that nothing in this section shall be construed or applied to create a power or duty in conflict with federal law.</p>

Section	Description
13	Broker commissions. Prohibits school employers from using public resources for broker commissions.
14	[124D.997] Educator group insurance program aid. Subd. 1. Eligibility. Allows a school district or charter school to request aid from the commissioner of education. Subd. 2. Certification; aid calculation. (a) Allows a district to request aid if it has additional employee premium costs due to the contribution requirements of section 10. Subd. 3. Eligible uses. Allows aid under this section to be used for premium costs. Effective date. This section is effective for revenue in fiscal year ... and later.
15	Appropriations. Subd. 1. Department of Education. States that the sums indicated in this section are appropriated from the general fund to the Department of Education. Subd. 2. Educator group insurance program aid. Lists blank appropriations for fiscal years 2026 and 2027 for the EGIP program aid under section 124D.997.
16	Repealer. Repeals section 43A.316, subdivision 11.



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