

# THE BENEFITS BULLETIN

December 2007

OFFICIAL NEWSLETTER OF THE OREGON EDUCATORS BENEFIT BOARD

## Plan Design Details

The Oregon Educators Benefit Board members finalized several plan design decisions at its December 13 meeting in Salem. The decisions affect the outlook of plans and plan amenities that the Board will offer beginning October 2008.

Of note, the Board voted to offer only core benefit plans – medical, vision, dental and pharmacy on October 1, 2008.

However, Board members wanted to continue to research return to talks in the future about offering non-core benefits – life, disability, long-term care, dependent care and healthcare spending accounts, health reimbursements accounts, accidental death and dismemberment -- once OEBB has met the mandatory requirements of Senate Bill 426.

The decision to revisit the benefits OEBB offers to districts may change the landscape of OEBB plan offerings in coming years. For now -- OEBB's inception year -- Board members decided the best approach was one of balance and focus.

### The Process

As mandated by SB 426, the legislation that created OEBB,



*Alsea Falls, Oregon*

the Board is seeking plan options that are comparable in cost and design to those offered immediately prior to when a district or ESD enters OEBB.

OEBB staff and consultants began research of districts and their plans in September.

The information gained provided details about what benefits schools and ESDs were offering **See 'Plans,' page 2**

## REACHING OUT

**OEBB seeks volunteers for the Outreach Network -- an effort designed to inform and educate district employees about benefit plans at schools around the state.**

With the creation of the Oregon Educators Benefit Board Outreach Network -- approved at the Board's November 29, 2007, meeting -- superintendents and business managers

at districts throughout the state have been asked to help identify members to be part of the new OEBB team.

Volunteer network members will be selected by the Board, through an application process, sometime in February. If selected, members will become liaisons between the Board and their respective districts.

The Outreach Network was created as a way to bring OEBB messages into the communities the Board will serve as it moves

closer to offering benefit plans beginning in October 2008. By asking district employees to volunteer and deliver important messages to their peers while helping the Board understand the concerns and perceptions of OEBB throughout the state, the members of the Board feel they will be better able to make future decisions and create programs that serve OEBB members better.

Network application materials recently were distributed to each

school and education service district in the state. Employees interested in becoming part of the outreach effort should fill out the application materials located in their school and return to their superintendent's office or to OEBB staff in Salem.

The Outreach Network will be a representative group of school district and education service district employees from districts throughout Oregon and will

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## 'Plans'

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and how they were handling areas such as distribution of benefits and premium payments, among other things.

The information allowed the Board to see benefit plans in schools across the state, and helped it develop plan designs that were comparable with plans in place at schools.

According to consultants at Watson Wyatt, a worldwide leader in the development and implementation of health-care plans, a comparability model was developed to value each plan currently in place throughout Oregon.

Using an industry standard model where the valuation procedure applies plan design criteria to a dataset of actual claims, each plan in existence was given a value. That value was then used as a guide for staff and the Board when de-

signing OEGB plans.

The result was the creation of nine OEGB medical plan designs, each with an actuarial value within 2.5 percent of the "value" of plans currently in place.

Essentially, of the 56 medical plans now being offered through one of the three benefit plan providers serving the thousands of school employees statewide or through direct contracts between carriers and a district, OEGB was able to slim the number of offerings to nine rich and diverse medical plans, which should serve members similarly to those plans in existence today.

### Medical Plans

Beginning in October 2008, OEGB will offer nine medical plans to school districts and ESDs throughout the state. Of those plans, districts will be able to offer up to four to each employee group. The specific

number of plans employees can choose from will be decided through the collective bargaining process between districts and unions, or for unrepresented groups, employees and district management.

For each medical plan offered to district employees, one pharmacy option (see below for more information on the pharmacy plans) will be attached – also chosen by the district through the CBA or employee agreement process.

### Pharmacy Plans

Four pharmacy plans options will be available; three with an open formulary (list of pre-selected medications and generics to choose from at pre-set co-pays) and one with a closed formulary available to HMO enrollees.

Each employee group can select a pharmacy plan option to be paired with each of their selected medical plan options. All pharmacy options will include lower cost-sharing for generic drug options or mail-orders, an annual out-of-pocket maximum set at \$1,000 for members, and certain preventive medications will be provided at 100 percent coverage with zero copay.

### Dental Plans

OEGB will make eight dental plans available, which include six PPOs and two DHMOs. Each employee group can select up to three options to offer to members and each group may select an orthodontia option to be paired with the dental plans offered.

An orthodontia offering must be included in all dental options or it must be omitted from all dental plan options.

The PPO-based dental plans are available with maximum out-of-pocket expenses ranging from \$1,000 to \$2,200 and deductibles at zero, \$25 and \$50. All plans cover preventive services, restorative services, major services and prosthodontics.

The DHMO plans have no deductibles or annual maximums.

### Vision Plans

OEGB will make five vision plans available, one available only to HMO enrollees. Each employee group may select one option to offer to its members not counting the HMO option offered.

### Covered Services

Of the many covered services included in the medical plan designs, a sampling includes: hospital benefits, newborn nursery care, emergency room care, outpatient surgery, chemotherapy, allergy injections, family planning, diabetes self-management programs, circumcision, reconstructive surgery following a mastectomy, chiropractors and acupuncturists, maternity care, well-baby care, hospice home care, respite care, home healthcare, infusion therapy, rehabilitation, and injectable medications.

### Complete Coverage

A complete list of printable plan designs is available on the OEGB Web site along with the details of each plan at [www.oregon.gov.das/oebb](http://www.oregon.gov.das/oebb). Specific questions about the plans should be directed to OEGB staff at [OEGB.info@state.or.us](mailto:OEGB.info@state.or.us).

## OEGB WANTS YOUR FEEDBACK

Members of the Oregon Educators Benefit Board and staff would love to hear from you so please feel free to let us know how we are doing.

One of the Board's (and staff's) top priorities continues to be providing simple ways of communicating with future members and those interested in the OEGB's success, now and in the future. If you have a suggestion of how we may improve our communication efforts, we would love to hear your suggestions.

Additionally, we always welcome your story ideas and suggestions for the "The Benefits Bulletin." If there is something you would like to see covered in these pages, tell the editor by e-mailing Scott Rupp at [scott.e.rupp@state.or.us](mailto:scott.e.rupp@state.or.us).

For other comments, either send us an e-mail at [OEGB.info@state.or.us](mailto:OEGB.info@state.or.us) or you can give us a call at (503) 378-4606.

# FREQUENTLY ASKED QUESTIONS



## How many people will OEBB serve?

It is projected that about 165,000 district employees and their dependents will receive medical benefits through the OEBB once all districts are enrolled in October 2010.

## What is OEBB's purpose?

What are its duties and what types of benefit plans will the OEBB provide for my family and me?

Eventually OEBB will provide a full line of high-quality benefits for you and your family. Benefits will include health, dental, accidental death, life, disability, vision and long-term care insurance.

OEBB will design a benefits program that will provide choices for its members, employees of Oregon school districts and education service districts. In carrying out this task, the Board will identify and select insurance carriers to provide benefit plans and determine enrollment and participation requirements.

When OEBB begins to offer plans on October 1, 2008, those plans must be comparable in design and cost to the benefit plans being provided to or by the districts prior to purchasing benefits through OEBB plans.

## What criteria will OEBB use to choose plan carriers?

OEBB will contract plans that are designed to meet the needs and provide for the welfare of eligible employees and districts. OEBB will consider the following: providing employees with high-quality plans; encouraging competition in the marketplace; plan performance; quality of customer service; creativity and innovation; improvement of employee health and district flexibility in plan design.

## 'NETWORK' continued from page 1

provide the Board with qualitative, in-the-field information about the development of OEBB benefit plans and programs, its affects on members and member's issues and concerns, and the quality of OEBB's communication efforts to members as OEBB grows and matures.

The ideal Outreach Network member is one who remains objective and unbiased, is energetic, is respected by colleagues, possesses the ability to clearly explain complicated matters to others, has a desire to make a direct impact on their peers' lives and is connected to the community.

The OEBB staff will screen all qualified applicants, selecting those who best fit the ideal candidate requirements prior to making Outreach Network member recommendations to the Board for final approval. The Board will have final approval of all members to be appointed to the Network.

Responsibilities will include gathering qualitative data and reporting perceptions

and reactions of their peers; guiding and assisting constituents with questions and concerns of OEBB and directing members to OEBB staff for further assistance or clarification; and identifying emergent issues of their peers in their respective geographic region as a communications advisory group for the OEBB.

The information gathered will assist the Board and staff to shape programs and messaging to achieve short- and long-term goals. The Outreach Network will have no authority to direct program development or communications, but will be a vital communications advocate among school districts, OEBB, and its members.

The Board's expectation is that the Outreach Network will provide timely and candid feedback of emerging issues or developments among school and education service district employees.

OEBB is committed to keeping the Outreach Network members informed of progress during key milestones and devel-

For more frequently asked questions and their answers, please visit our Web site at: [www.oregon.gov/das/oebb](http://www.oregon.gov/das/oebb).

opments. OEBB staff will facilitate communication with outreach members via teleconference, e-correspondence, face-to-face meetings and printed materials.

Outreach Network materials can be found at OEBB's Web site: [www.oregon.gov/das/oebb](http://www.oregon.gov/das/oebb).

# OREGON EDUCATORS BENEFIT BOARD APPOINTS NEW ADMINISTRATOR

The Oregon Educators Benefit Board and the Public Employee's Benefit Board chose Joan Kapowich as each Board's new administrator.

Kapowich took her post on November 8 replacing Jean Thorne, who retired November 30.

"Joan brings excellent credentials and impressive experience to this important position," said Diane Lovell, Chair of the Public Employees' Benefit Board. "I know she will carry on the successful leadership of Jean Thorne in managing the benefits that mean so much to educators and public employees throughout Oregon."

The Public Employees' Benefit Board (PEBB) is a labor-management board whose purpose is to provide high-quality benefits at a cost that is affordable to state and higher education employees and state taxpayers.

Each Board's voting members are appointed by the governor and approved by the state senate. PEBB designs, purchases and administers healthcare and other benefits for state employees, the same services OEBB will offer to



**Kapowich**

Oregon school and education service district employees, beginning Oct. 1, 2008.

She will provide executive leadership for both boards. OEBB will serve employees and their families in up to 197 school districts and 20 education service districts.

Kapowich said she looks forward to tackling the job. "I'm anxious to begin the important work of ensuring that Oregon's public employees, school districts, and education service districts have reliable, effective benefit plans," she said. "In this era of skyrocketing healthcare costs, it's more important than ever that we provide plans that do the job at a cost Oregon can afford."

Kapowich has a background in health policy, benefits, medical contracting, and state administration. After receiving degrees in both sociology and nursing, she began her career as a nurse consultant with the state of Oregon. She spent 11 years at SAIF Corporation as the medical services division director and the medical services manager. She subsequently worked eight years for the Oregon Department of Human Services' Office of Medical Assistance Programs as the policy section manager and the analysis and evaluation manager.

## O-WEB UPDATES

**Web site remains the best place to find the latest information about the Benefit Board**

The Oregon Educators Benefit Board's Web site was updated several times in the past month with the posting of the Board's plan designs being just the tip of the iceberg. A major development, the plan designs for medical, dental and vision should provide districts and members a better idea of what benefits OEBB will begin to offer beginning October 2008.

Other notable changes to the Web site include the schedule for the public hearing and comments process that must accompany the moving of several of the Board's temporary rules into the permanent rule process. To view the upcoming schedule, or to submit a comment about OEBB rules, visit OEBB's home page and follow the instructions.

In another development, OEBB approved its Long-term Communications Plan (available under the 'Meeting Attachments' link) on November 29, making official its earlier announcement of OEBB's desire to travel to several places across Oregon in 2008 for Board meetings.

The Board has proposed five locations to hold meetings including Bend, Eugene, Lincoln City, Medford, and Pendleton.

And finally, all the Board's meeting attachments have been posted to the Web, and will continue to be placed there following each meeting for easy access to all things OEBB.

Official newsletter of the  
Oregon Educators Benefit Board

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[www.oregon.gov/das/oebb](http://www.oregon.gov/das/oebb)

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