Future Topics Referred to the Business and Operations Workgroup

Following are Business and Operations Workgroup recommendations on three of the topics that were referred by the Board to the Business and Operations Workgroup for review and consideration. The BOW considered staff recommendations and information received from staff and Towers Watson when preparing these recommendations.

The BOW is still working on several of the Future Topics Items and will return to the Board with additional information and recommendations on components of Item #1 and on Item #3.

Future Topic Item #1 – Plan Options

A. Decrease overall number of medical, dental, vision, life, AD&D, and disability plans

BOW recommendation on component of this topic: Eliminate the disability plans that are not being offered by the educational entities, or there is no enrollment for the 2012-13 plan year, with the exception of STD Plans 19, 22, 31, 34 and 37 (60 percent benefit options). The BOW further recommends that the Board consider eliminating plans with limited enrollment or those that increase risk of over-utilization for plan year 2013-14.

	Pros	Cons
Members	• Reduces complexity during insurance committee selection period	• Could eliminate options currently being considered
Entities	• Decreases number of potential payroll codes • Decreases complexity of selecting plans to be available to employee groups	• Could eliminate options currently being considered
OEBB	• Decreases number of plans to maintain in MyOEBB • Decreases possibility of plan selection change requests outside of plan selection period	• None identified
Carrier	• Administrative simplification; fewer plan designs to manage; including system programming, benefit updates, customer service to be proficient in	• Reduces number of options available to members to select from

B. Expand access to medical, dental, vision, optional life, AD&D, disability and long-term care plans

BOW recommendation on component of this topic: Open all medical, dental and vision plan options to all employees with a provision that an entity can request to limit number of options in each coverage type for specific employee group(s). Process for limiting plan options to be determined.

The BOW further recommends that the Board postpone considering opening options for life, disability, AD&D and long term care up to all employees until the 2013-14 plan year.

	Pros	Cons
Members	• Reduces complexity during insurance committee selection period • Allows more options including organized system of care and/or high deductible health plans	• Could increase confusion during open enrollment due to increased options to consider
Entities	• Eliminates or reduces complexity of selecting plans to be available to employee groups during plan selection period	• Increases number of potential payroll codes needed to support member plan selections
OEBB	• Could eliminate, but should decrease possibility of plan selection change requests outside of plan selection period • Reduces need for travel during May and early June • Could allow for community open enrollment meetings in lieu of entity by entity • Could allow for some generic enrollment packets versus personalized packets for each of the 1,300 employee groups	• Some implementation costs related to reprogramming system
Carriers	• Administrative simplification; allows more access to organized system of care and high deductible health plans to individual members • Reduces travel necessary during May and early June	

Future Topic Item #11

Offering Section 125 Flexible Spending Accounts (FSA)

BOW recommendation: Authorize staff to release a Request for Proposal (RFP) that includes a dependent care FSA, limited FSA and a healthcare FSA. The FSA RFP and contract would not limit the educational entities' option of offering FSA's through other vendors, similar to the HSA contract OEBB has with U.S. Bank.

	Pros	Cons
Members	• Increased options for setting aside pre-tax funds for healthcare and/or dependent care costs • Some could save money in administrative fees • Ensures a limited FSA option is available to those employees with HSA accounts	• Could cause confusion
Entities	• Provides more options for entities to consider for meeting FSA needs of employees • If FSA administration is limited to OEBB offering, could reduce administrative tasks outside MyOEBB system • Could open up option for entities not currently able to offer FSAs to employees due to size	• Could cause more confusion for employees with too many options available to them
OEBB	• Expands benefits available to educational entities	• Some implementation costs related to system programming
Carriers	N/A	N/A

Future Topic Item #10

OEBB administration of early retiree benefits

BOW recommendation: Allow educational entities the option of having OEBB administer benefits to their early retirees who are 100 percent self-pay while continuing to administer benefits for early retirees receiving stipends and encourage staff to continue to work with entities to determine a way for OEBB to also administer benefits for early retirees receiving stipends.

	Pros	Cons
Members	• Moving to electronic debit could save time each month versus writing check	• Transition could be confusing
Entities	• Frees up time spent on retiree benefit administrative activities to do other benefit or entity related functions • Reduces costs associated with paying a third-party administrator for those currently purchasing these services	• Initial confusion during transition period • Disconnect with early retiree group; many early retirees receiving stipends would need to continue going through the entity (at least in the beginning) due to the complexity of how stipends are applied to gain tax benefits
OEBB	• OEBB could provide this service with existing resources using the same payment requirements (automatic debt from bank account) and processes in place for the HB 2557 group OEBB currently administers benefits for	• Some additional implementation costs • Additional workload during open enrollment period will be especially notable
Carriers	None identified	None identified