

Oregon Educators Benefit Board Minutes August 14, 2008

The Oregon Educators Benefit Board held a regular Board meeting on August 14, 2008 at Blue Mountain Community College in Pendleton Oregon. Chair Steve McNannay called the meeting to order at 9:30 a.m.

Attendees

Board Members:

Steve McNannay, Chair
Brett Yancey, Vice Chair
Michael Cannarella
Ron Gallinat
Alison Little arrived at 11:00
Mylia Christensen (via telephone)
Peter Tarzian (via telephone)

Board Members absent:

Tom Husted
Richard Clarke
Victor Musial

PEBB/OEBB Staff:

Denise Hall, OEBB Deputy Administrator
Glenn Baly, Program/Policy Advisor (via telephone)
Rose Mann, Executive Assistant

Watson Wyatt:

Geoff Brown

Guests:

Laura Tucker, Hermiston School District
Christine Wells, Willamette Dental
Debbie Erlenbusch, OSEA
Shelia Jameson, Providence
Bob Reese, Pendleton School District
Gordon Hoberg, ODS

Nancy Rorick



1. Open Enrollment Status Update

Denise Hall presented an update on the upcoming school districts' open enrollments/benefits fairs. OEBB's Open Enrollment begins August 15 and continues through September 15. Staff is contacting the school districts that have not yet contacted OEBB to ask if they want someone from OEBB at their events. Most of the larger districts have been contacted and some have requested an OEBB representative as well as a representative from the health plans. Denise reported that, so far, the sessions have been well attended employees seem to be relatively excited; however, some are still a little anxious about the change. The week of August 25 is a very busy week for benefits fairs and school district events, but many OEBB staff are scheduled to be at every event that week.

Frequently asked questions and hot topics will be added to the OEBB Web site this week and this should help with answering many of the questions and concerns of the new members. Also, OEBB recently acquired software that will allow for the monitoring of calls received on the 800 number; length of calls, which staff are logged in to answer calls, how long a call is on hold, and the number of dropped calls. **Steve McNannay** asked if it will be possible to generate a report with this information. **Denise** said that a report can be generated with this information on a daily basis.

Denise distributed the MyOEBB Member instruction booklets that were sent out to school districts and ESDs for the Board's review. She also explained that video, produced with the help of Chemeketa Community College, featuring presentations by OEBB and each of the carriers is scheduled to be posted to the OEBB Web page next week. This will allow members to go to the OEBB Web page, click on the video and select the segment they want to listen to.

Denise Hall further explained that OEBB is expecting approximately 63,000 employees, approximately 209 educational entities and 14 or the 17 community colleges to enroll in OEBB this year. This equates to 75% of the educational entities enrolling in 2008.

Brett Yancey asked for an update on Benefit Health Solutions' (BHS) preparation for this enrollment. **Denise** explained that Benefit Health Solutions will be the third party administrator of COBRA benefits. Staff will begin feeding BHS data from the OEBB system when an employee is removed from coverage for termination or loss of eligibility starting on October 1, 2008.

2. **OAR 111-040-0001,0005, 0010, 0015, 0020, 0025, 0030, 0035 and 0040;**
Enrollment (Attachments 1 and 2)

Mylia Christensen expressed concerns regarding unforeseen medical issues with a planned adoption of a child where it might become necessary for the child to remain in the hospital for longer than the prescribed number of days and the adoption is delayed due to medical issues.

Denise Hall suggested that staff work with the carriers and consult with the Department of Justice and PEBB to ensure that the language will not raise any unforeseen problems and if amendments need to be made OEBB staff will make that a top priority.

Steve McNannay clarified that subsection 2(b) (2) requires additional research by staff to ensure there are no unintended consequences and this issue will be brought back to the Board for approval.

Ron Gallinat moved to file OAR 111-040-0001 through 0040 as a permanent rule, with the caveat that staff do further research on subsection 2(b) 2. Brett Yancey seconded the motion.

Laura Tucker asked for clarification on section 111-040-0015 that has been stricken from the OAR; does this mean that employees are eligible for double coverage.

Denise Hall responded that employees could be eligible for double coverage, but this will also depend on school district collective bargaining agreements and OEBB will work with the districts on this issue.

The motion carried 6 – 0.

3. **OAR 111-050-0001, 0010, 0015, 0020, 0025, 0030, 0035, 0040, 0045 and 0050;**
Continuation of Coverage – COBRA and Retirees (Attachments 1 and 3)

Denise Hall proposed removing section 0040 of OAR 111-050-0050 to allow OEBB staff additional time to clarify the mid-year and status changes so that they are consistent with active employees and to file OAR 111-050-0001 through 0050 without 0040 as temporary rules.

Brett Yancey moved to file OAR 111-050-001 through 0050, excluding Section 0040, as temporary rules with the Secretary of State. Michael Cannarella seconded the motion. The motion carried 7 – 0.

4. OAR 111-020-0001; Initial Employee Group Phase-in (Attachment 4)

Brett Yancey moved to file OAR 111-020-0001 as a temporary rule with the Secretary of State. Michael Cannarella seconded the motion. The motion carried 7 – 0.

5. Survivor Coverage – Current Environment and future provisions (Attachment 5)

Geoff Brown presented information on survivor benefits. He explained that if an OEBB member dies their surviving spouse will be eligible for continued coverage, by law, under COBRA. COBRA is a law that establishes the right to access coverage and generally, employers, under that provision, charge the covered person 102% of the cost of the premium, but this does not exclude the employer from paying that premium. Under COBRA there is a three-year extension of coverage available for surviving spouses and independents. Currently OSBA waives the premium to the surviving spouse for a period of two years and at the end of the two years the surviving spouse or independents may extend that coverage for the remaining year at their own expense. OEA Choice Trust offers two choices to surviving spouses; 1) the surviving spouse/independents are offered a waiver of the premium and at the end of the two years they can't add COBRA on top of that or they can elect COBRA.

Watson Wyatt recommends that the waiver of the premium provision not continue under OEBB. The fiscal issue is the access to coverage, which has been a continual concern on the public health front. OEBB has continuation of coverage provisions built into the OEBB plans and the issue is who pays for it. There is also an additional extension of coverage provision enacted by the State for surviving spouses age 55 and above until Medicare eligibility. If OEBB discontinues the waiver of premium that is not reducing access to coverage and school districts (working in conjunction with their collective bargaining units) can agree to pay the premium for their employees. Watson Wyatt recommends that OEBB adopt a policy that allows for continuation of coverage either through COBRA or through the State mandated extension for eligible members over the age of 55. OEBB already has employees (less than 20) who are out on extension of coverage, as a survivor, with a promise that their coverage will be paid for the three years on a "grandfathered" basis, but not allow any additional in on an OEBB paid basis.

Peter Tarzian stated that he agrees with the proposal and this should be handled at the school district level. **Peter Tarzian** signed off at 11:15.

Michael Cannarella stated that he agrees with the proposal, with one exception. He agrees that this should be handled by the school districts. He further explained that he believes the change should be phased in so that collective bargaining can happen and he would prefer that the collective bargaining units have the opportunity to discuss whether to cover this and allow a certain amount of time where OEBB will continue

OSBA/OEA policy with the understanding that it will end on a specified date then it is up to the individual school districts' to determine whether to continue this coverage.

Brett Yancey stated that OEBB's responsibility is to assess risk to the organization and to separate this from the collective bargaining process. OEBB does not have any place in the collective bargaining process and he believes this risk could potentially increase with an aging population and he wants this to be put back on the collective bargaining units and school districts.

Geoff Brown explained that he believes this benefit started pre-COBRA and was just never taken out once COBRA was enacted and it has just coexisted with it.

Ron Gallinat stated that he supports grandfathering in the current eligible members, but does not see this as a comparable benefit.

Steve McNannay summarized Watson Wyatt's recommendation: OEBB will pay the premium survivor benefits for the length of time current eligible members have remaining with their current commitment, but the payment in the future will be made by either the school district or the individual and that decision will be made by the school district.

Brett Yancey moved to extend survivor benefits to the members who are currently on the benefit on October 1 to the end of their current coverage and for the Board to continue this discussion at a future meeting to make a determination whether to continue this benefit. Michael Cannarella seconded the motion. The motion carried 6 – 0.

Brett Yancey recommended that further analysis on potential costs be done by Watson Wyatt and OEBB staff.

6. Quality Workgroup Update and Name Change

Mylia Christensen presented an update on the Quality Workgroup.

- The workgroup will review OEBB's vision and the Guiding Principles and invite health plans to talk with the Quality Workgroup.
- The various health plans were asked to share the status of the health of their current populations and ways in which their respective plans are pursuing quality and outcomes in their populations. A document will be drafted for the Board's approval at a future meeting.
- Let the health plans know that OEBB is very interesting in collaboration and a partnership with all of the carriers.
- The workgroup will meet again in September.
- Looking at both short and long term plans.

- Discussions about changing the name to The Strategies on Evidence and Outcomes Workgroup.

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7. General Public Comment

Nancy Rorick addressed the Board on her brother's serious health issues and explained that his condition requires he be treated by a number of specialists due to the many areas of his body affected by his disease. She explained that because of his condition traveling great distances is extremely difficult and not really an option. She is requesting that her brother be allowed to continue to have access to the many specialists he currently sees in the Boise, Idaho area.

Gordon Hoberg responded that ODS has contacted the health providers her brother is currently seeing and they are also in negotiations with the local hospital. **Gordon** stated that he is confident that ODS will have this resolved by October. **Shelia Jameson** stated that Providence is also willing to work with providers in the Boise area.

8. Other Business

Denise Hall explained that the Board meeting scheduled for August 28, 2008 is canceled due to Open Enrollment and she proposed having the September Board meeting on the 4th Thursday of September (September 25) in Bend. **Denise** will send out an e-mail to Board members with optional dates for Board meetings. The October 9, 2008, Board meeting is scheduled to be held in Tillamook.

Denise stated that she received an invitation to attend the OSBA conference on Saturday, September 27, and to bring two Board members to serve with her on a panel. Richard Clarke and Ron Gallinat said they would be at the conference and will serve on the panel.

There being no further business to come before the Board the meeting adjourned at 1:30 p.m.