

## Oregon Educators Benefit Board Meeting Minutes April 9, 2009

The Oregon Educators Benefit Board held a regular meeting on April 9, 2009, at the DAS General Services Building, 1225 Ferry Street SE in Salem, Oregon. Chair Steve McNannay called the meeting to order at 9:00 a.m.

### Attendees

#### Board Members:

Steve McNannay, Chair

Mylia Christensen

Ron Gallinat

Tom Husted (left at 12:30)

Alison Little

Victor Musial (via telephone)

Peter Tarzian (via telephone in a.m./arrived in person 12:30)

#### Board Members Absent:

Brett Yancey, Vice Chair

Michael Cannarella

#### OEBB Staff:

Joan Kapowich, Administrator

Denise Hall, OEBB Deputy Administrator

Heidi Williams, Director of Operations

Scott Rupp, Communications Coordinator

Glenn Baly, Program/Policy Analyst

Lynn Hanson, Contracts Specialist

Ali Hassoun, Financial Coordinator

Rose Mann, Executive Assistant

#### Watson Wyatt:

Geoff Brown

Steve Carlson

#### Guests:

Jean Poling, Kaiser Permanente

Sally Kallianis, Willamette Dental

Diane Skutack, Benefit Help Solutions

Terry Burton, Portland Public Schools  
Camilla Monagon, Portland Public Schools  
Shelia Jameson, Providence  
Gordon Hoberg, ODS  
Dennis Monaghan  
David Knox, Standard



**\*This meeting was not video streamed, but was digitally recorded.**

**I. Approval of March 12, 2009 Board Minutes (Attachment 1)**

***MOTION:*** *Tom Husted moved to approve the March 12, 2009, Board meeting minutes as written. Ron Gallinat seconded the motion. The motion carried 7 - 0.*

**II. GASB Actuarial Services (Attachment 2)**

**Denise Hall** explained that GASB (Government Accounting Standards Board) is an accounting and financial reporting provision requiring government employers to measure and report the liabilities associated with other post-employment benefits (**OPEB** – does not include pension benefits). Reported OPEBs may include post-retirement medical, pharmacy, dental, vision, life, long-term disability and long-term care benefits that are not associated with a pension plan. Government employers required to comply with GASB 45 include all states, towns, education boards, water districts, mosquito districts, public schools and all other government entities that offer OPEB and report under GASB on an annual basis (GASB 45 was established in 2004). She further explained that over 85% of school districts that were surveyed are interested in getting assistance from OEBC in obtaining actuarial services to assist them with this requirement. Staff is requesting approval from the Board to begin the RFP or RFI process for consulting firms that provide actuarial services.

**Peter Tarzian** stated that he believes this would be a huge benefit to the school districts and would save the districts money by pooling this resource.

**Mylia Christensen** asked who will pay for this service. **Denise Hall** explained that OEBC will hold the master contract and the school districts will be able to utilize the services through an inter-agency agreement at a lower rate than they would be able to get on their own. It is not a requirement of the school districts to utilize the actuarial service.

***MOTION:** Victor Musial moved to authorize staff to move forward with the RFP for GASB actuarial services to the educational entities. Peter Tarzian seconded the motion. The motion carried 7 - 0.*

**III. New Medical Plan Design for 2009 Comparability Requirement (Attachment 3)**

**Geoff Brown, Watson Wyatt** reviewed the proposed additional medical plan designed to meet the comparability requirement for a plan in the West Linn-Wilsonville School District. This additional plan will be available to all educational entities.

**Denise Hall** explained that the pharmacy plan attached to this plan is Pharmacy Plan 1.

*Tom Husted moved to adopt the additional medical plan to expand OEGB's medical plans to 10 plans. Victor Musial seconded the motion. The motion carried 7 - 0.*

**IV. New Dental Plan Designs for 2009 -Dental Plans 7 & 8**

**Geoff Brown** explained that Willamette Dental requested that OEGB consider packaging orthodontic services, at all times, with both Willamette Dental plans. Willamette Dental's pricing would be favorable. Kaiser and ODS determined that this would not have an adverse impact on them.

*Ron Gallinat moved to authorize staff to move forward with discussions with Willamette Dental to add orthodontics to Dental Plans 7 and 8 and return to the Board for final approval of the proposed revised plan design. Tom Husted seconded the motion. The motion carried 7 - 0.*

**V. Update on optional benefits and recommendation on plan selection criteria for optional benefits (Attachment 5)**

**Heidi Williams** stated that the Letter of Agreement has been forwarded to The Standard for review and signature. The Standard team and the OEGB team met on April 7 to begin discussions on the implementation process, which includes timelines, contracting process, communications, systems, eligibility and enrollment files and payment processes. The expected date for the contract to be signed is June 5, 2009, and bi-weekly implementation meetings have been scheduled.

**Heidi** also explained issues with Standard that require further discussion; rates have been predicated on two types of election, either mandatory or voluntary. She then discussed the recommendations from staff and Watson Wyatt regarding

educational entity's optional plan selection options. First, each entity will be able to select whether to offer the various optional benefit coverages and if these coverages will be mandatory or voluntary for the employee group. Once this is established by the entity, the entity would select one plan within the benefit coverage types selected.

**Geoff Brown** explained that if an employee has opted out of medical, dental and vision benefits, but their educational entity is participating in OEGB then the employee may select optional benefits. He further explained that a district cannot purchase optional benefits if they are not participating in the OEGB health coverage benefits.

**Denise Hall** explained that the MyOEGB system is being modified to make selecting optional benefits easy and understandable for the members.

*Tom Husted moved to adopt the optional benefits recommendations with a request to clarify what is mandatory and voluntary. Ron Gallinat seconded the motion. The motion carried 7 - 0.*

#### VI. **Budget and Legislative Update**

**Joan Kapowich** explained that the Legislature has requested all state agencies submit 30% budget reduction packages. Both PEBB and OEGB submitted their prioritized 30% reduction packages through DAS and DAS then submitted a prioritized list for the entire Department of Administrative Services.

**Joan** further explained that OEGB and PEBB are tracking approximately 110 bills and she will update the Board weekly on the status of these bills.

**Joan Kapowich** and **Steve McNannay** will provide an update on OEGB to the Ways and Means Subcommittee on Education next week and **Denise Hall** will provide a brief overview of OEGB before the House Committee on Education on Monday.

#### **BREAK**

#### VII. **Overview of the rest of the day and the outcomes**

**Connie Green** provided an overview of the remainder of the meeting.

#### VIII. **2008 Successes and to date in 2009**

**Connie Green** facilitated a discussion on successes of the Board in 2008:

- Implementation of comparable medical, dental and vision plans in accordance with the timelines established in SB 426
- School District enrollment exceeded expectations by three-times the expected projection
- 96% on-line enrollment using MyOEBB
- Met all timelines established by SB 426
- Successful launch of OEBB benefits and cost savings to school districts
- \$37.5 million estimated savings
- Apparent Successful Proposer selected for optional benefits with an expected savings of \$6.3 million
- Repaid operating cost loan two years earlier than anticipated
- Trained staff that provide excellent customer service
- Board functions very well together
- Implementation of MyOEBB- user friendly online enrollment system
- Implementation of electronic invoicing/ reconciliation
- Transparency
- Minimal controversy
- Cooperation between the carriers
- Community input workgroups
- Member feedback has been mainly positive
- Staff and Board work well together

**IX. Identifying key issues to be addressed to complete implementation by September 30, 2011**

Connie Green facilitated a discussion of the issues the Board needs to address in 2009 - 2011.

Evidence:

- Determining what evidence issues should come before the Board from the SEOW
- Charge to SEOW - agree/modify work
- Data to consider: cost, health, problems, carrier views, evidence
- Identify procedures with multiple preferences
- Annual measurement of utilization
- Healthier population on certain measures

Innovation:

- Use OEBB resources to help change health policy in Oregon
- Benefit designs offered
- Articulate key strategies

- Establish new relationship with members
- Move into innovation stage – think strategically to be leading edge
- Improve health outcomes
- Decrease employee sick days
- Provide more information on leading healthy lives

#### Infrastructure, Cost and Program

- Optional benefits into place as seamlessly as possible
- National Health Insurance impact?
- Define a process for determining issues that come before the Board
- Maintain infrastructure with State fiscal crisis
- Make program sustainable
- Find consistent funding mechanism
- Collaboration with PEBB

#### Savings

- Continue savings
- Affordable quality healthcare
- Maintain cost savings
- Stay true to objectives
- Achieve and sustain

#### Process/Review

- Review and/or confirm level and role of Board, staff, and consultants in strategy and decision making

#### Optional and Mandated Benefits in 2009

- Implementation of optional benefits

#### Benefit Structure

- Balancing comparability vs. “What’s best for them” or requested
- Carrier risk selections (managing effectively)
- Promoting best evidence

#### External Forces

- Balancing what OEGB would like to do versus what OEGB needs to do
- Impact of legislation on PEBB/OEGB re Health Authority purchasing pool
- National Health Insurance impact?
- Potential unknown legislation

#### Tools

- Provide more tools for OEGB members to manage ongoing health issues

- Provide more information for living healthier
- Stay the course on objectives
- Education and engagement
- How does OEBC engage members about health innovations
- Process for educating members about evidence-based medicine

X. **Defining the role of the SEOW and discussion of other evidence-based initiatives**

**Mylia Christensen** reviewed the role of the Strategies on Evidence Outcomes Workgroup (SEOW), which is to serve as a forum to discuss issues related to the health care delivery system and health outcomes of OEBC's members. The workgroup discusses and reviews external programs/initiatives in areas relating to improving members' health through a variety of measurable programs and services that hold carriers and providers accountable for health outcome, and encourages members to take responsibility for their own health outcomes. The SEOW then makes recommendations to the Board.

**Alison Little** briefly explained evidence-based initiatives. Evidence-based medicine is the use of current best evidence in making decisions about the care of individual patients. She also reviewed drugs for which there is good evidence of effectiveness such as inhaled corticosteroids for asthma, diuretics for hypertension, and aspirin and statin drugs for the prevention of stroke and myocardial infarction.

**Alison** suggested OEBC should be looking at evidence-based issues such as not assuming that everything done in healthcare is safe, clinically effective or cost effective; using evidence to inform decisions; and demanding evidence.

**Mylia Christensen** explained short- and long -term priorities for the SEOW:

- Determine changes to 2009 Benefit Design
- Develop a comprehensive process for benefit design review and changes
- Review carriers' aligning forces for quality participation report
- Review carriers' Care Coordination/Medical Home Participation Reports
- Review carriers' Case Management Activity Reports
- Review reported 2008 HEDIS measures (plan-wide)
- Develop dental performance standards
- Develop a program to reduce obesity among the OEBC member population
- Develop a program to manage imaging utilization
- Develop a program to address preference-sensitive conditions (possibly back surgery) using decision support tools and incentives

- Develop a program to increase patient health literacy

**XI. Identify additional issues to address in 2011-2013 that need some “placeholders” in 2009-11**

Connie Green facilitated a discussion identifying place holders to address issues in 2011 through 2013.

Evidence outcomes within a two-year period:

- ✓ Healthcare providers having access to the best available evidence
  - Assess the population’s need and based on the need purchase a subscription to evidence-based database for select physicians
- ✓ Fully-informed consumers (members)
  - Identify procedures with multiple preferences
  - Implement decision-based tool kit for PCPs
  - Annual measurement of utilization
- ✓ Healthier population based on certain measures
  - Identify measures through a workgroup
  - Renew only contracts that follow certain protocol and measures
  - Collect data and evaluate measures over time
  - Evaluate the data
  - Take corrective action
  - Change contracts with carriers based on performance

Innovation:

- ✓ Decrease employee sick days
- ✓ Shift in the culture from “more is better” to “less is better” mindset
- ✓ Change people’s belief structure toward pharmacy and medical use
- ✓ Educate members regarding what it means to be a “healthy person”
- ✓ Improve health outcomes
- ✓ Decrease in medical errors at hospitals

How to get to innovations:

- ✓ Encourage life-balance within organizations
- ✓ Survey member groups for health plan programs already available to them
- ✓ Partner with other groups to leverage support and create exposure (NW Health Foundation , universities, public health)
- ✓ Health risk assessment with added benefits
- ✓ Share data with other organizations as an educational resource
- ✓ Subsidize health plan if other specific member health status criteria are met

- ✓ Incentives through the bargaining process
- ✓ Share other members' stories to inspire others

Savings around infrastructure program and cost:

- ✓ 100% of mandated educational entities are enrolled in OEBC by 2010
- ✓ Majority of voluntary educational entities are enrolled in OEBC
- ✓ 100% offering of optional benefits
- ✓ 50% offering long-term care benefits
- ✓ Achieve 5% estimated savings
- ✓ Maintain rates at less than trend
- ✓ Educational entity is satisfied (X %)
- ✓ Member satisfaction (X %)
- ✓ Limit benefit plan design enhancements (work with Watson Wyatt)
- ✓ Implement preauthorization and other controls based on evidence
- ✓ Limit the scope of eligibility
- ✓ Effective case management ( staff, Watson Wyatt, carriers)
- ✓ Leveraging MyOEBC process to keep rates down
- ✓ Education of educational entities and members, i.e., sign up for e-mail topics
- ✓ Utilize a data warehouse to identify trends and work with carriers on solutions
- ✓ Reduce unnecessary care
- ✓ Increase appropriate care

The Board came to consensus to include “evidence” as a value.

The Board came to consensus to begin dedicating blocks of time to discuss evidence, innovation and member health at future meetings.

**XII. Ways to clarify issues including gradients of agreement**

The Board briefly discussed a model for gradients of agreements as a means of moving certain issues forward without having 100% consensus. The Board will discuss this tool at a later date to create a model that works for this board.

**XII. Discussion and refining of the Sponsorship policy**

The Board came to consensus to discuss this at a future meeting when all Board members are able to be present.

**XIV. Other Business**

There being no other business to come before the Board the meeting adjourned at 3:45 p.m.