



## OEBB Comparability Policy

**POLICY EFFECTIVE DATE:** June 12, 2008

**REVISED:** December 1, 2009

- PURPOSE:** The purpose of this policy is to establish guidelines for comparability assessments of OEBB and educational entity benefit plans.
- AUTHORITY:** ORS 243.864; Oregon Law, Chapter 7, Section 16(6); OAR 111-020-0001(3)
- APPLICABILITY:** OEBB Board, Staff and External Individuals and Organizations
- DEFINITIONS:** “Comparable cost (Medical, Dental and Vision)” means that the total cost to a district for enrollment in OEBB plans comparable in design to the district’s plan(s) do not exceed the total cost to a district for enrollment in the district’s plan(s) using the rate(s) in effect or proposed for the benefit plan year.
- “Comparable cost (Basic and Optional Life Insurance, Accidental Death & Dismemberment, and Short and Long Term Disability)” means that the premium rates of an OEBB plan design option do not exceed the average, aggregate premium rates of a district’s pre-OEBB plan design in effect the year prior to implementation.
- “Comparable plan design (Medical, Dental and Vision)” means that the actuarial values of two plan designs are within 2.5 percent higher or lower of each other.
- “Comparable plan design (Basic and Optional Life Insurance and Accidental Death & Dismemberment)” means that 90 percent of district employees can obtain a maximum benefit through an OEBB plan design that is within \$2,500 of the maximum benefit obtained through a pre-OEBB plan design in effect the year prior to implementation.
- “Comparable plan design (Short and Long Term Disability)” means 90 percent of the district employees can obtain the same elimination period, percentage of covered compensation, definition of covered compensation, coverage period duration, and maximum payment per benefit period through an OEBB plan design as through a pre-OEBB plan design in effect the year prior to implementation.



## Protocol:

### I. Comparability Assessment Protocol

The Oregon Educators Benefit Board (OEBB) will perform district-specific comparability assessments to determine if OEBB can provide benefits with comparable plan designs at comparable costs for non-participating subject and provisional non-subject districts for the initial plan year and at least every two years thereafter. **If comparability is met, the district must join the OEBB program on October 1 of the year the cost comparability assessment was performed.**

### II. Procedure for Requesting Comparability Assessment

District submits application to OEBB, no later than May 31, requesting to be excluded from the requirement of moving to the OEBB benefits plans on October 1 of that year. The plan design, rate and enrollment information should be submitted with the application. The application will provide further detail on information needed for the assessment.

Plan design information is analyzed by the OEBB benefit consultant to determine actuarial value of plan(s).

After the actuarial value of all applicable district plans is determined, the OEBB benefit consultant identifies comparable OEBB benefit plan(s) and uses the enrollment and rate information to calculate the total district-wide cost for continuing current plan(s) and total district-wide cost if enrollment was in comparable OEBB plan(s). Cost comparability assessments will be completed for medical, dental and vision separately from life, disability and AD&D. For districts not yet in OEBB, comparability assessments will first be completed for all applicable medical, dental and vision plans. If OEBB meets comparability requirement on these plans on a district-wide basis, the comparability assessment will be completed for any life, disability and AD&D benefit options available through the district. Districts must be participating in the OEBB medical plans to be eligible or required to participate in the dental, vision, life, disability, accidental death and dismemberment, or any other benefit plan offered through the OEBB.

OEBB will notify the district in writing of the results of the cost comparability assessment(s).