

LC 462: Improving Local Government Participation in PEBB and OEGB

Many local governments and their employees could enjoy PEBB and OEGB health benefit plans, if they chose to, by removing barriers to participation in state law.

State Law Creates Barriers to Police, Firefighters, and Other Local Government Employees from Joining PEBB and OEGB Benefit Plans

The Public Employee Benefits Board (PEBB) and Oregon Educators Benefits Board (OEGB) provide health care benefits for many thousands of people in Oregon. The coverage is open to state and local governments, public universities, public school districts, charter schools, education service districts, and community colleges.

HB 2279 (2013) allowed local governments (cities, counties and special districts) to participate in PEBB and OEGB health benefit plans. However, currently only 13 local governments in Oregon – out of more than 1,200 – participate. Two key provisions restrict local government participation:

- Police and firefighters are ineligible to join PEBB.
- The entire local government workforce must participate in PEBB or OEGB.

Thus, any local governments that contract for police and firefighter benefits, or wish to contract separately for distinct employee group benefits, are unable to participate.

Even when the local government wishes to switch entirely to PEBB or OEGB, current law makes it difficult. When different employee groups have distinct bargaining groups or different effective dates on existing plans, it becomes near impossible for the entire local government to move at once.

Removing Barriers to Local Governments Would Allow More Employees to Participate in PEBB and OEGB

Removing the provisions in ORS 243.105(b)(G) that prevent local governments that contract for police and firefighter benefits from participating in PEBB will enable the local governments and their employees to take advantage of the comprehensive and

affordable benefit plans offered by PEBB. It would not compel any of them to leave their current arrangements if they do not wish to.

Similarly, amending the provisions in ORS 243.129 and ORS 243.867 so that local governments can participate in PEBB and OEGB benefit plans on behalf of distinct employee groups will allow those employee groups to take advantage of the comprehensive and affordable benefit plans offered by PEBB and OEGB, when the timing is right for them and without affecting other employee groups who do not wish to join PEBB and OEGB.

These legislative changes will together remove current barriers for many local governments to participating in PEBB and OEGB benefit plans, allowing them access to comprehensive, equity centered healthcare at affordable premiums.

For more information:

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