

REVENUE: No revenue impact

FISCAL: May have fiscal impact, statement not yet issued

Action: Do Pass as Amended and Be Printed Engrossed and Be Referred to the Committee on Ways & Means by prior reference

Vote: 3 - 2 - 0

Yeas: Metsger, Westlund, Walker

Nays: Kruse, Morse

Exc.: 0

Prepared By: Dana Richardson, Administrator

Meeting Dates: 2/1

WHAT THE MEASURE DOES: Creates a common insurance pool for school districts. Establishes Oregon Educators Benefit Board. Requires board, before October 1, 2008, to contract for health and dental benefit plans that are comparable in design and not more expensive than benefit plans provided by districts immediately prior to purchase of board-approved plans. Board contracts may be made on behalf of employees of certain school districts, education service districts, and community college districts. Prohibits districts, on or after October 1, 2008, from offering benefit plans other than those provided by the board. Provides exceptions. Permits the board to contract for supplemental health and dental benefit plans, supplemental vision, disability insurance, life insurance, accidental death, and flexible benefit plans. Requires board to make long-term care benefit plans available. Creates the Oregon Educators Benefit Account. Deposits to the account up to 2% of employer and employee benefit contributions. Permits payroll disbursing officer to deduct salary or wages to pay benefit plan premiums. Creates Oregon Educators Revolving Fund. Creates Task Force on Teacher Health Benefits. Declares an emergency; effective July 1, 2007.

ISSUES DISCUSSED:

- Cost comparisons to in-state and out-of-state insurance pools
- Reasons for the difference in rates between PEBB and OSBA plans
- Cost of insuring chronic conditions
- Need for objective evaluation or study of costs or cost savings
- Beneficiaries serving on the board
- Competition for the delivery of health care
- Opt out provisions

EFFECT OF COMMITTEE AMENDMENT: Requires Senate confirmation of board appointees.

BACKGROUND: The rising costs of health insurance continue to be an issue for school districts' budgets and school employees.

Similar legislation was introduced during the 2003 and 2005 sessions with the assumption that significant savings could be achieved by creating a statewide health insurance pool for school employees.