

House Bill 3214

Sponsored by Representative HICKS (at the request of Oregon AFSCME, Council 75)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Authorizes employees of city or county who are members of collective bargaining unit with fewer than 100 members to participate in benefit plans offered by Public Employees' Benefit Board.

A BILL FOR AN ACT

1
2 Relating to participation in benefit programs offered by the Public Employees' Benefit Board;
3 amending ORS 243.105, 243.125, 243.135, 243.140, 243.145, 243.160, 243.170, 243.200, 243.215,
4 243.221, 243.252, 243.275 and 243.302.

5 **Be It Enacted by the People of the State of Oregon:**

6 **SECTION 1.** ORS 243.105 is amended to read:

7 243.105. As used in ORS 243.105 to 243.285, unless the context requires otherwise:

8 (1) "Benefit plan" includes, but is not limited to:

9 (a) Contracts for insurance or other benefits, including medical, dental, vision, life, disability and
10 other health care recognized by state law, and related services and supplies;

11 (b) Comparable benefits for employees who rely on spiritual means of healing; and

12 (c) Self-insurance programs managed by the Public Employees' Benefit Board.

13 (2) "Board" means the Public Employees' Benefit Board.

14 (3) "Carrier" means an insurance company or health care service contractor holding a valid
15 certificate of authority from the Director of the Department of Consumer and Business Services, or
16 two or more companies or contractors acting together pursuant to a joint venture, partnership or
17 other joint means of operation, or a board-approved guarantor of benefit plan coverage and com-
18 pensation.

19 (4)(a) "Eligible employee" means an officer or employee of a state agency, **or an employee of**
20 **a city or county who is a member of a collective bargaining unit with fewer than 100 mem-**
21 **bers**, who elects to participate in one of the group benefit plans described in ORS 243.135. The term
22 includes [*state*] officers and employees in the exempt, unclassified and classified service, and [*state*]
23 officers and employees, whether or not retired, who:

24 (A) Are receiving a service retirement allowance, a disability retirement allowance or a pension
25 under the Public Employees Retirement System or are receiving a service retirement allowance, a
26 disability retirement allowance or a pension under any other retirement or disability benefit plan
27 or system offered by the State of Oregon **or by a city or county** for its officers and employees;

28 (B) Are eligible to receive a service retirement allowance under the Public Employees Retirement
29 System and have reached earliest retirement age under ORS chapter 238;

30 (C) Are eligible to receive a pension under ORS 238A.100 to 238A.245, and have reached earliest
31 retirement age as described in ORS 238A.165; or

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted.
New sections are in **boldfaced** type.

1 (D) Are eligible to receive a service retirement allowance or pension under another retirement
 2 benefit plan or system offered by the State of Oregon **or by a city or county** and have attained
 3 earliest retirement age under the plan or system.

4 (b) "Eligible employee" does not include individuals:

5 (A) Engaged as independent contractors;

6 (B) Whose periods of employment in emergency work are on an intermittent or irregular basis;

7 (C) Who are employed on less than half-time basis unless the individuals are employed in posi-
 8 tions classified as job-sharing positions, unless the individuals are defined as eligible under rules of
 9 the board;

10 (D) Appointed under ORS 240.309;

11 (E) Provided sheltered employment or make-work by the state in an employment or industries
 12 program maintained for the benefit of such individuals; or

13 (F) Provided student health care services in conjunction with their enrollment as students at a
 14 public university listed in ORS 352.002.

15 (5) "Family member" means an eligible employee's spouse and any unmarried child or stepchild
 16 within age limits and other conditions imposed by the board with regard to unmarried children or
 17 stepchildren.

18 (6) "Payroll disbursing officer" means the officer or official authorized to disburse moneys in
 19 payment of salaries and wages of employees of a state agency, **a city or a county**.

20 (7) "Premium" means the monthly or other periodic charge for a benefit plan.

21 (8) "State agency" means every state officer, board, commission, department or other activity
 22 of state government.

23 **SECTION 2.** ORS 243.125 is amended to read:

24 243.125. (1) The Public Employees' Benefit Board shall prescribe rules for [*the conduct of its*]
 25 **conducting** business and for carrying out ORS 243.256. The board shall study all matters connected
 26 with [*the*] providing [*of*] adequate benefit plan coverage for eligible [*state*] employees on the best
 27 basis possible with relation [*both*] to the welfare of the employees and [*to*] **of the state, cities and**
 28 **counties**. The board shall design benefits, devise specifications, analyze carrier responses to adver-
 29 tisements for bids and decide on the award of contracts. Contracts shall be signed by the chair-
 30 person on behalf of the board.

31 (2) In carrying out its duties under subsection (1) of this section, the goal of the board shall be
 32 to provide a high quality plan of health and other benefits for state, **city and county** employees at
 33 a cost affordable to both the employer and the employees.

34 (3) Subject to ORS chapter 183, the board may make rules not inconsistent with ORS 243.105 to
 35 243.285 and 292.051 to determine the terms and conditions of eligible employee participation and
 36 coverage.

37 (4) The board shall prepare specifications, invite bids and do acts necessary to award contracts
 38 for health benefit plan and dental benefit plan coverage of eligible employees in accordance with the
 39 criteria set forth in ORS 243.135 (1).

40 (5) The board may retain consultants, brokers or other advisory personnel when necessary and,
 41 subject to the State Personnel Relations Law, shall employ such personnel as are required to per-
 42 form the functions of the board.

43 **SECTION 3.** ORS 243.135 is amended to read:

44 243.135. (1) Notwithstanding any other benefit plan contracted for and offered by the Public
 45 Employees' Benefit Board, the board shall contract for a health benefit plan or plans best designed

1 to meet the needs and provide for the welfare of eligible employees and **of the state, cities and**
 2 **counties.** In considering whether to enter into a contract for a plan, the board shall place emphasis
 3 on:

- 4 (a) Employee choice among high quality plans;
- 5 (b) A competitive marketplace;
- 6 (c) Plan performance and information;
- 7 (d) Employer flexibility in plan design and contracting;
- 8 (e) Quality customer service;
- 9 (f) Creativity and innovation;
- 10 (g) Plan benefits as part of total employee compensation; and
- 11 (h) The improvement of employee health.

12 (2) The board may approve more than one carrier for each type of plan contracted for and of-
 13 fered but the number of carriers shall be held to a number consistent with adequate service to eli-
 14 gible employees and their family members.

15 (3) Where appropriate for a contracted and offered health benefit plan, the board shall provide
 16 options under which an eligible employee may arrange coverage for family members.

17 (4) Payroll deductions for such costs as are not payable by the state, **city or county** may be
 18 made upon receipt of a signed authorization from the employee indicating an election to participate
 19 in the plan or plans selected and the deduction of a certain sum from the employee's pay.

20 (5) In developing any health benefit plan, the board may provide an option of additional cover-
 21 age for eligible employees and their family members at an additional cost or premium.

22 (6) Transfer of enrollment from one plan to another shall be open to all eligible employees and
 23 their family members under rules adopted by the board. Because of the special problems that may
 24 arise in individual instances under comprehensive group practice plan coverage involving acceptable
 25 physician-patient relations between a particular panel of physicians and particular eligible employ-
 26 ees and their family members, the board shall provide a procedure under which any eligible em-
 27 ployee may apply at any time to substitute a health service benefit plan for participation in a
 28 comprehensive group practice benefit plan.

29 (7) The board shall evaluate a benefit plan that serves a limited geographic region of this state
 30 according to the criteria described in subsection (1) of this section.

31 **SECTION 4.** ORS 243.140 is amended to read:

32 243.140. (1) Persons whose homes are certified as a foster home by the Department of Human
 33 Services under ORS 418.630 and as defined in ORS 418.625 (3) may participate in a health benefit
 34 plan available to [state] **eligible** employees pursuant to ORS 243.105 to 243.285 at the expense of the
 35 foster parent. For such purposes, foster parents shall be considered eligible employees.

36 (2) A person who maintains a developmental disability child foster home that is certified by the
 37 department under ORS 443.830 and 443.835 may participate in a health benefit plan available to
 38 [state] **eligible** employees pursuant to ORS 243.105 to 243.285 at the expense of the person. For such
 39 purposes, the person maintaining the home shall be considered an eligible employee.

40 (3) Persons who participate in the health benefit plan pursuant to subsections (1) and (2) of this
 41 section may also participate in a dental plan available to [state] **eligible** employees pursuant to ORS
 42 243.105 to 243.285 at the expense of the foster parent or the person maintaining the developmental
 43 disability child foster home.

44 (4) **As used in this section, "eligible employee" has the meaning given that term in ORS**
 45 **243.105.**

SECTION 5. ORS 243.145 is amended to read:

243.145. (1) The Public Employees' Benefit Board shall have authority to employ whatever means are reasonably necessary to carry out the purposes of ORS 243.105 to 243.285 and 292.051. Such authority shall include but is not limited to authority to self-insure and to seek clarification, amendment, modification, suspension or termination of any agreement or contract that in the board's judgment requires such action.

(2) Upon providing specific notice in writing to the carrier, the affected employee organization or organizations, the Oregon Health Authority and affected, eligible employees, and after affording opportunity for a public hearing upon the issues that may be involved, the board may enter an order withdrawing approval of any benefit plan. Thirty days after entry of the order, the board shall terminate all withholding authorizations of eligible employees and terminate all board-approved participation in the plan.

(3) The board by order may terminate the participation of any state agency, **city or county** if within three months the state agency, **city or county** fails to perform any action required by ORS 243.105 to 243.285 and 292.051 or by board rule.

SECTION 6. ORS 243.160 is amended to read:

243.160. A retired [state] officer or employee is not required to participate in one of the group benefit plans described in ORS 243.135 in order to obtain dental benefit plan coverage. The Public Employees' Benefit Board shall establish by rule standards of eligibility for retired officers or employees to participate in a dental benefit plan.

SECTION 7. ORS 243.170 is amended to read:

243.170. When more than one [individual] **eligible employee** shares a single position that is classified as a job-sharing position, the state, **city or county** shall contribute to obtain coverage for the [individuals] **employees** a total amount not greater than the amount that would be contributed to obtain coverage for one [individual] **eligible employee** in the same position. The [individuals] **eligible employees** shall receive credit for the state, **city or county** contribution in such proportions as [they] **the employees** and the employer agree upon, and each [individual] **eligible employee** who desires coverage shall make further contribution in such amounts as may be appropriate.

SECTION 8. ORS 243.200 is amended to read:

243.200. (1)(a) The Public Employees' Benefit Board may allow self-pay groups to participate in benefit plans available to eligible [state] employees, if the group meets a minimum participation level equal to 75 percent of the persons in the group.

(b) Notwithstanding paragraph (a) of this subsection, the board may allow nurses or nurse educators who are employed less than half-time by a state agency or university, **a city or a county** and who are not otherwise eligible for [a state] **an employer** contribution for benefits to participate in a self-pay group without any minimum participation level of persons in the group.

(2) Nothing in subsection (1) of this section applies to:

(a) Any person or group of persons similarly situated exempted by state or federal law from any minimum participation requirement; or

(b) Any person or group of persons participating prior to January 1, 1992, in a benefit plan that was offered by the State Employees' Benefit Board.

(3) As used in subsection (1) of this section, "self-pay group" means a group of persons other than state, **city or county** employees for whom the state, **city or county** makes no contributions for benefit plans under ORS 243.105 to 243.285.

SECTION 9. ORS 243.215 is amended to read:

243.215. Any eligible employee unable to participate in one or more of the plans described in ORS 243.135 (1) solely because the employee is assigned to perform duties outside the state may be eligible to receive the monthly state, **city or county** contribution, less administrative expenses, as payment of all or part of the cost of a health benefit plan of choice, subject to the approval of the Public Employees' Benefit Board and such rules as the board may adopt.

SECTION 10. ORS 243.221 is amended to read:

243.221. (1) In addition to the powers and duties otherwise provided by law to provide employee benefits, the Public Employees' Benefit Board may provide, administer and maintain flexible benefit plans under which eligible employees [*of this state*] may choose among taxable and nontaxable benefits as provided in the federal Internal Revenue Code.

(2) In providing flexible benefit plans, the board may offer:

(a) Health or dental benefits as provided in ORS 243.125 and 243.135.

(b) Other insurance benefits as provided in ORS 243.275.

(c) Dependent care assistance as provided in ORS 243.550.

(d) Expense reimbursement as provided in ORS 243.560.

(e) Any other benefit that may be excluded from an employee's gross income under the federal Internal Revenue Code.

(f) Any part or all of the state, **city or county** contribution for employee benefits in cash to the employee.

(3) In developing flexible benefit plans under this section, the board shall design the plan on the best basis possible with relation to the welfare of **eligible** employees and [*to*] **of** the state, **cities and counties**.

SECTION 11. ORS 243.252 is amended to read:

243.252. (1) The state, **a city or a county** may pay none of the cost of making health benefit plan coverage available to a retired state, **city or county** employee who is an eligible employee and to family members or may agree, by collective bargaining agreement or otherwise, to pay part or all of that cost.

(2) Nothing in subsection (1) of this section or other law, except ORS 243.886, prohibits a collective bargaining unit from agreeing with an employer that is a public body, as defined in ORS 174.109, to establish a retiree medical trust, voluntary employees' beneficiary association, health reimbursement arrangement or other agreement for health care expenses of employees or retirees if the provisions of the trust, association, arrangement or other agreement comply with the requirements of the Insurance Code.

SECTION 12. ORS 243.275 is amended to read:

243.275. (1) In addition to contracting for health and dental benefit plans, the Public Employees' Benefit Board may contract with carriers to provide at the expense of participating eligible employees and with or without state, **city or county** participation for coverage, including but not limited to, insurance or other benefit based on life, supplemental medical, supplemental dental, optical, accidental death or disability insurance plans.

(2) The monthly contribution of each eligible employee for other benefit plan or plans coverage, as described in subsection (1) of this section, shall be the total cost per month of the benefit coverage afforded the employee under the plan or plans, for which the employee exercises an option, including the cost of enrollment of such eligible employees and administrative expenses therefor.

(3) For any benefit plan or plans described in subsection (1) of this section in which the state,

1 **a city or a county** participates, the monthly contribution of each eligible employee for the benefit
2 plan, for which the employee exercises an option and there is state, **city or county** participation,
3 shall be reduced by an amount equal to the portion thereof contributed by the state, **city or**
4 **county**, including the cost of enrollment of the eligible employee and the administrative expenses
5 therefor.

6 (4) The board may withdraw approval of any such additional benefit plan coverage in the same
7 manner as it withdraws approval of health benefit plans as described and authorized by ORS 243.145.

8 (5) If any state agency, **city or county** contracts for any of the benefits described in subsection
9 (1) of this section on behalf of any state, **city or county** employees, the administrative expenses
10 thereof shall be paid by assessment of the participating employees. Such contracts are subject to
11 approval of the board before they become operative. The board may withdraw approval for any such
12 benefit in the same manner as it withdraws approval under ORS 243.145.

13 **SECTION 13.** ORS 243.302 is amended to read:

14 243.302. The Public Employees' Benefit Board may group [*retired state employees and state em-*
15 *ployees*] **eligible employees as defined in ORS 243.105 who are retired and eligible employees**
16 **as defined in ORS 243.105** who are not retired for the purpose of entering into contracts for health
17 insurance coverage.