

# House Bill 4096

Sponsored by Representative PARRISH, Senator SHIELDS; Representatives CONGER, GOMBERG, WEIDNER, WHISNANT, Senator STEINER HAYWARD (Presession filed.)

## 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**.

Requires director and managers of Department of Consumer and Business Services, executive director and managers of Oregon Health Insurance Exchange Corporation, and statewide elected officials who elect to obtain health insurance provided by state, to select health benefit plan offered through health insurance exchange.

Becomes operative January 1, 2017.

## A BILL FOR AN ACT

1  
2 Relating to the health insurance exchange; creating new provisions; and amending ORS 238.538,  
3 243.135, 292.430 and 741.201.

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

5 **SECTION 1.** ORS 243.135 is amended to read:

6 243.135. (1) Notwithstanding any other benefit plan contracted for and offered by the Public  
7 Employees' Benefit Board, the board shall contract for a health benefit plan or plans best designed  
8 to meet the needs and provide for the welfare of eligible employees, the state and the local gov-  
9 ernments. In considering whether to enter into a contract for a plan, the board shall place emphasis  
10 on:

- 11 (a) Employee choice among high quality plans;  
12 (b) A competitive marketplace;  
13 (c) Plan performance and information;  
14 (d) Employer flexibility in plan design and contracting;  
15 (e) Quality customer service;  
16 (f) Creativity and innovation;  
17 (g) Plan benefits as part of total employee compensation; and  
18 (h) The improvement of employee health.

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

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

24 (4) Payroll deductions for costs that are not payable by the state or a local government may be  
25 made upon receipt of a signed authorization from the employee indicating an election to participate  
26 in the plan or plans selected and the deduction of a certain sum from the employee's pay.

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

29 (6) Transfer of enrollment from one plan to another shall be open to all eligible employees and

**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 their family members under rules adopted by the board. Because of the special problems that may  
 2 arise in individual instances under comprehensive group practice plan coverage involving acceptable  
 3 physician-patient relations between a particular panel of physicians and particular eligible employ-  
 4 ees and their family members, the board shall provide a procedure under which any eligible em-  
 5 ployee may apply at any time to substitute a health service benefit plan for participation in a  
 6 comprehensive group practice benefit plan.

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

9 **(8) Notwithstanding ORS 741.310 (1), if a member of the Legislative Assembly elects to**  
 10 **enroll in a health benefit plan offered by the board, the member must select a board-**  
 11 **approved health benefit plan that is offered through the health insurance exchange admin-**  
 12 **istered by the Oregon Health Insurance Exchange Corporation under ORS 741.002.**

13 **(9) If the Director of the Department of Consumer and Business Services, an adminis-**  
 14 **trator of any division of the department or an employee of the department who is in man-**  
 15 **agement service, as described in ORS 240.212, elects to enroll in a health benefit plan offered**  
 16 **by the board, the director, administrator or manager must select a board-approved health**  
 17 **benefit plan that is offered through the health insurance exchange.**

18 **SECTION 2.** ORS 292.430 is amended to read:

19 292.430. (1) In addition to the annual salaries established as provided in ORS 292.907 to 292.930,  
 20 the Oregon Department of Administrative Services may “pick-up,” assume and pay to the Public  
 21 Employees Retirement Fund any employee contributions, otherwise required by ORS 238.200, for the  
 22 Governor, Secretary of State, State Treasurer, Attorney General, Commissioner of the Bureau of  
 23 Labor and Industries and members of the Legislative Assembly.

24 (2) The department may provide health, dental, life and long-term disability insurance without  
 25 cost to the officers referred to in subsection (1) of this section and to judges of the Supreme Court,  
 26 Court of Appeals, Oregon Tax Court and circuit courts in such amounts as are provided from time  
 27 to time to employees in the unclassified service of the state.

28 **(3) Notwithstanding ORS 741.310 (1), the department must purchase health and dental**  
 29 **insurance under subsection (2) of this section that is offered through the health insurance**  
 30 **exchange administered by the Oregon Health Insurance Exchange Corporation under ORS**  
 31 **741.002. To the extent that this subsection constitutes a reduction in compensation of a judge**  
 32 **during the term for which the judge is elected, the Judicial Department shall reimburse the**  
 33 **judge in an amount that offsets the reduction.**

34 **SECTION 3.** ORS 238.538 is amended to read:

35 238.538. (1) A judge member who elects to retire under ORS 238.535 (1)(b):

36 (a) Shall continue to be eligible as a nonretired employee for health benefit plans, **subject to**  
 37 **ORS 292.430**, *[contracted for under ORS 243.135]* during the time that the judge member is serving  
 38 as a pro tem judge under ORS 238.535 (1)(c); and

39 (b) Subject to availability of funding, shall continue to receive the monthly state contribution  
 40 as payment of all or part of the cost of a health benefit plan during the time that the judge member  
 41 is serving as a pro tem judge under ORS 238.535 (1)(c).

42 (2) A judge member receiving the monthly state contribution as payment of all or part of the  
 43 cost of a health benefit plan under this section is not eligible for payments against the cost of  
 44 Medicare supplemental insurance under ORS 238.420 until such time as the judge member is no  
 45 longer serving as a pro tem judge under ORS 238.535 (1)(c).

**SECTION 4.** ORS 741.201 is amended to read:

741.201. (1) The Oregon Health Insurance Exchange Corporation is under the supervision of an executive director appointed by the corporation board of directors. The executive director serves at the pleasure of the board. The executive director shall be paid a salary as prescribed by the board.

(2) Before assuming the duties of the office, the executive director shall:

(a) Give to the state a fidelity bond, with one or more corporate sureties authorized to do business in this state, in a penal sum prescribed by the Director of the Oregon Department of Administrative Services, but not less than \$50,000. The premium for the bond shall be paid from an account established under ORS 741.101.

(b) Subscribe to an oath that the executive director faithfully and impartially will discharge the duties of the office and that the executive director will support the Constitution of the United States and the Constitution of the State of Oregon. The executive director shall file a copy of the signed oath with the Secretary of State.

(3) The executive director has such other powers as are necessary to carry out the duties of the corporation, subject to policy direction by the board.

(4) The executive director may employ, supervise and terminate the employment of such staff as the executive director deems necessary. The executive director shall prescribe their duties and fix their compensation, in accordance with the personnel policies adopted by the board. Employees of the corporation may not be individuals who are:

(a) Employed by, consultants to or members of a board of directors of:

- (A) An insurer or third party administrator;
  - (B) An insurance producer; or
  - (C) A health care provider, health care facility or health clinic;
- (b) Members, board members or employees of a trade association of:

- (A) Insurers or third party administrators; or
- (B) Health care providers, health care facilities or health clinics; or

(c) Health care providers, unless they receive no compensation for rendering services as health care providers and do not have ownership interests in professional health care practices.

(5)(a) The board shall adopt personnel policies, subject to ORS 236.605 to 236.640, for any transferred public employees. **Except as provided in paragraph (b) of this subsection,** the board may elect to provide for participation in a health benefit plan available to state employees pursuant to ORS 243.105 to 243.285 and may elect to participate in the state deferred compensation plan established under ORS 243.401 to 243.507. If the board so elects, employees of the corporation shall be considered eligible employees for purposes of ORS 243.105 to 243.285 and eligible state employees for purposes of ORS 243.401 to 243.507.

*[(b) In order to facilitate the development of innovative health benefit plans, the board or the executive director may contract with one or more carriers to offer to employees of the Oregon Health Insurance Exchange Corporation proof of concept health benefit plans approved by the Director of the Department of Consumer and Business Services. A plan offered under this paragraph is not subject to ORS 743.730 to 743.773.]*

**(b)(A) If the executive director or any managerial employee of the corporation elects to enroll in a health benefit plan that is paid for in whole or in part by the corporation, the director or managerial employee must select a health benefit plan that is offered through the health insurance exchange.**

1       **(B) As used in this paragraph, “managerial employee” means an employee who possesses**  
2 **authority to formulate and carry out management decisions, or who represents**  
3 **management’s interest by taking or effectively recommending discretionary actions that**  
4 **control or implement employer policy, and who has discretion in the performance of these**  
5 **management responsibilities beyond the routine discharge of duties.**

6       (6) With respect to the Public Employees Retirement System, employees of the corporation shall  
7 be considered employees for purposes of ORS chapter 238 and eligible employees for purposes of  
8 ORS chapter 238A.

9       (7) Employees of the corporation may participate in collective bargaining in accordance with  
10 ORS 243.650 to 243.782.

11       **SECTION 5. The amendments to ORS 238.538, 243.135, 292.430 and 741.201 by sections 1**  
12 **to 4 of this 2014 Act become operative January 1, 2017.**

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