
Public Employees' Benefit Board Oregon Educators Benefit Board 2015–2017 Budget Overview

**Presentation to the Human Services Legislative
Subcommittee on Ways and Means
March 30, 2015**

Lynne Saxton, OHA Director

Kathy Loretz, PEBB and OEBB Interim Administrator

Paul McKenna, PEBB Chair

Rick Shidaker, OEBB Chair

The logo for the Oregon Health Authority. It features the word "Oregon" in a smaller, orange, sans-serif font above the word "Health" in a large, blue, serif font. Below "Health" is the word "Authority" in a smaller, orange, sans-serif font. The entire logo is set against a light blue, curved background that resembles a stylized horizon or a wave.

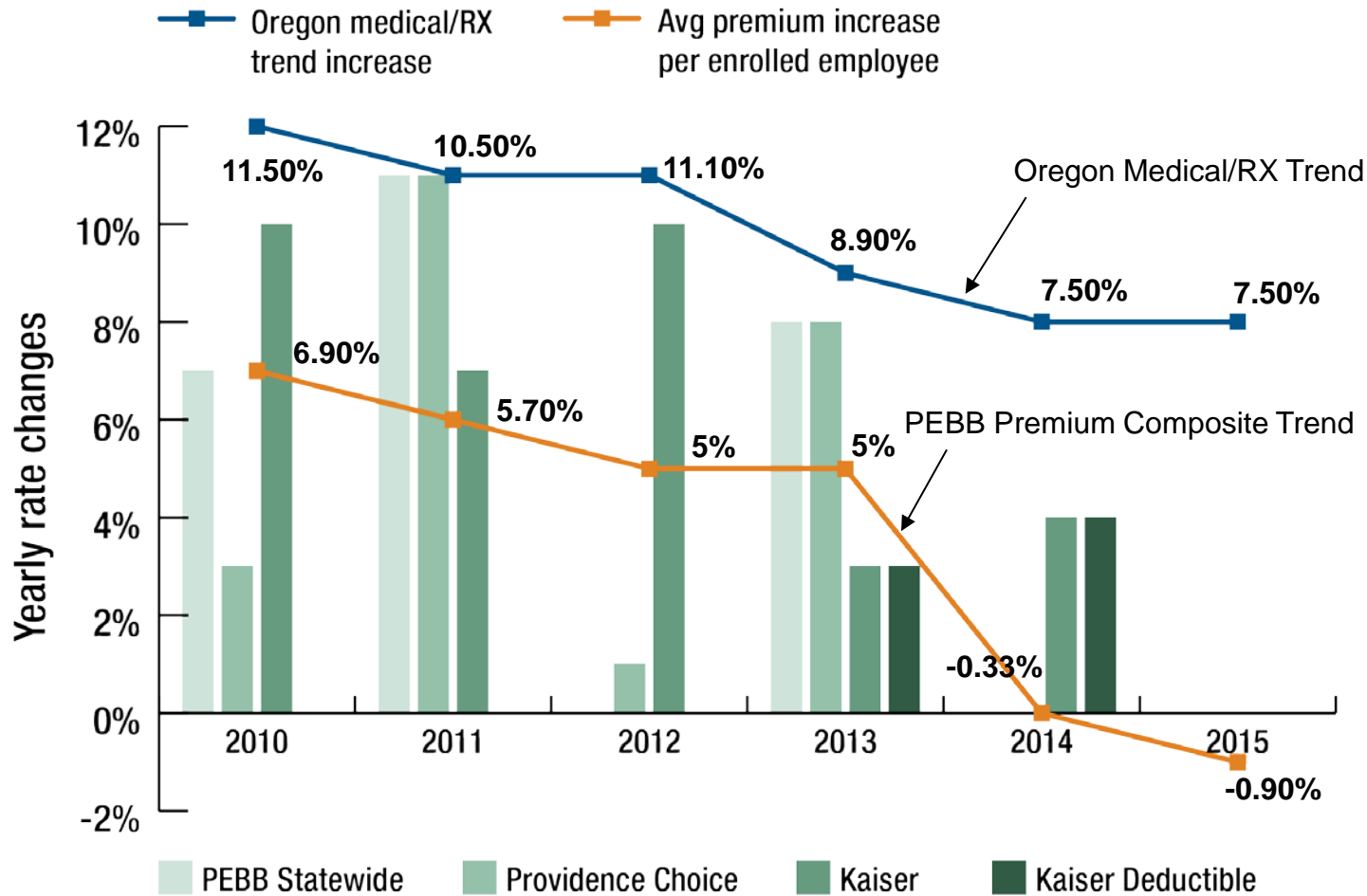
**Oregon
Health
Authority**



Transforming health care in Oregon

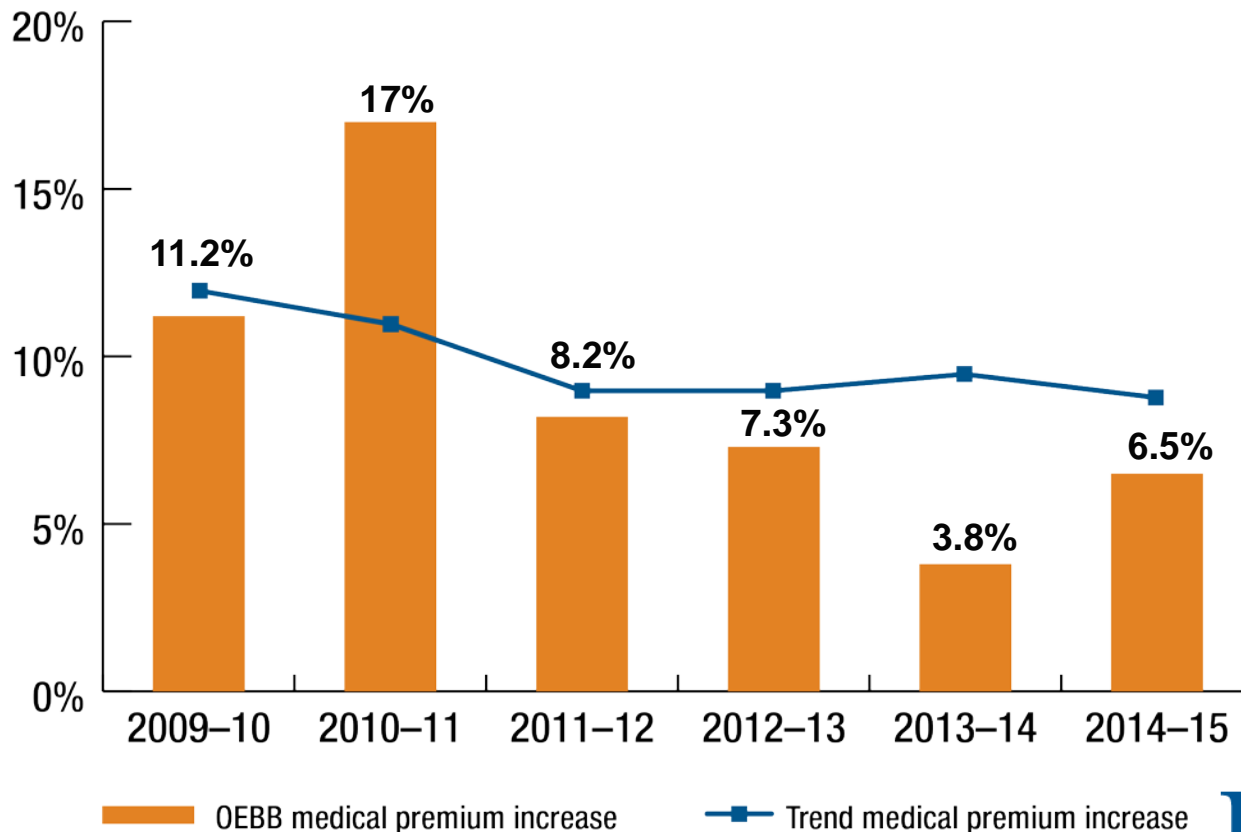


PEBB's Success: beating the trend



OEBB's Success: beating the trend

OEBB has stayed below Oregon's medical trend for all but one of its plan years.



Benefit boards align with better health, better care, lower costs

Oregon Health Authority's vision of a healthy Oregon and
improving member health by:

- Advancing the patient-centered primary care home structure
- Supporting prevention and wellness
- Encouraging wise use of health care resources
- Promoting alternative payment methodologies pilots

Benefit boards align with better health, better care, lower costs

Oregon Health Authority's vision of a healthy Oregon and
enhancing quality of care by:

- Promoting quality care based on evidence and outcomes
- Using quality measures in the 2015 medical contracts
- Contracting with health systems that are accountable for performance
- Modifying vendor and carrier contracts

Benefit boards align with better health, better care, lower costs

Oregon Health Authority's vision of a healthy Oregon and
lowering or controlling costs by:

- Designing value-based benefits that encourage consideration of effective alternatives
- Using reference-based pricing
- Enhancing benefit management systems
- Aligning with OHA in contracting and purchasing

Challenges

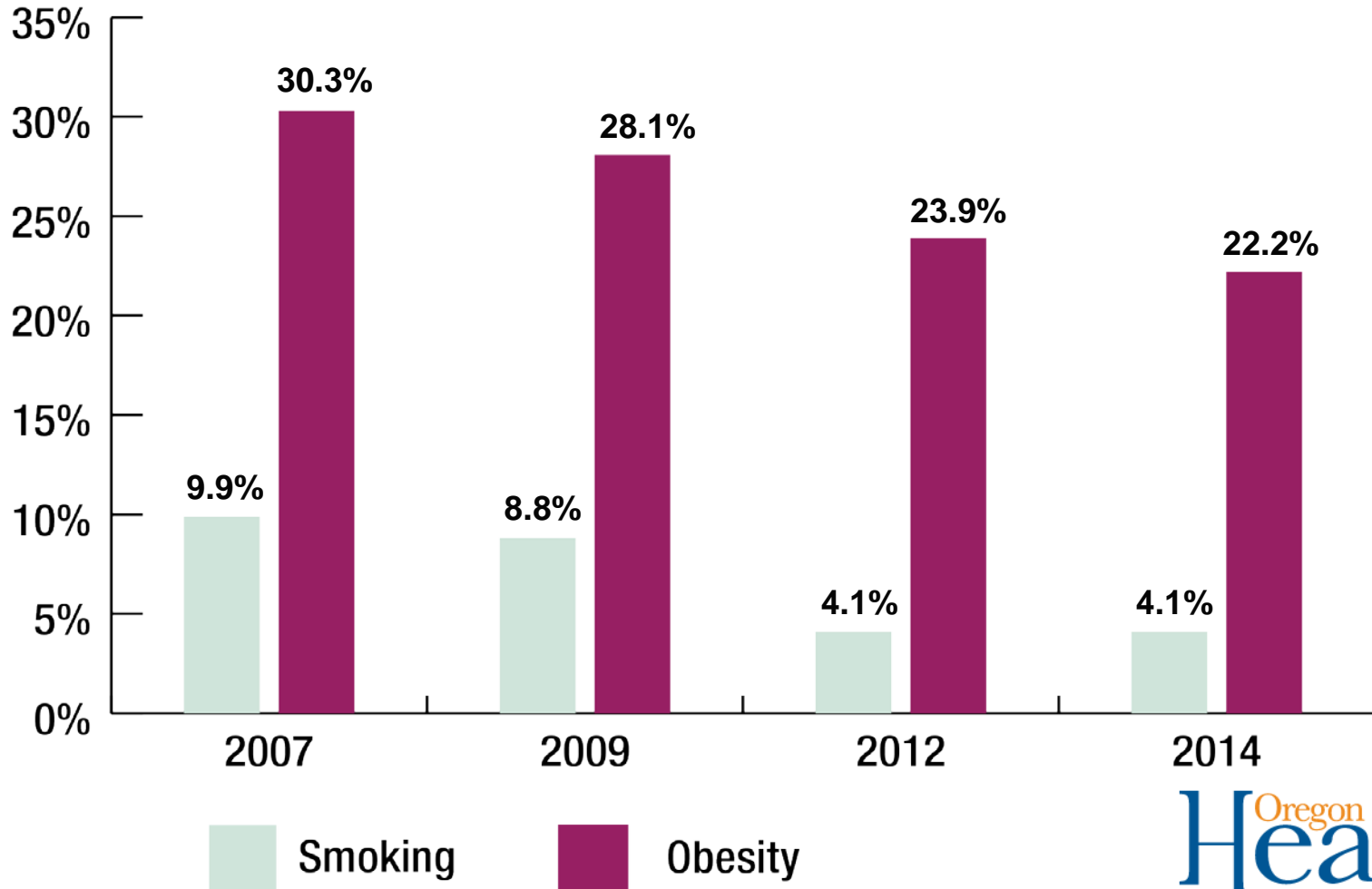
Controlling premium costs:

- Inflation in health care costs and medical trend drive program costs
- Aging populations
- Biennial health risk survey shows both groups have
 - About 10 percent of population with chronic conditions
 - Majority have sedentary occupations

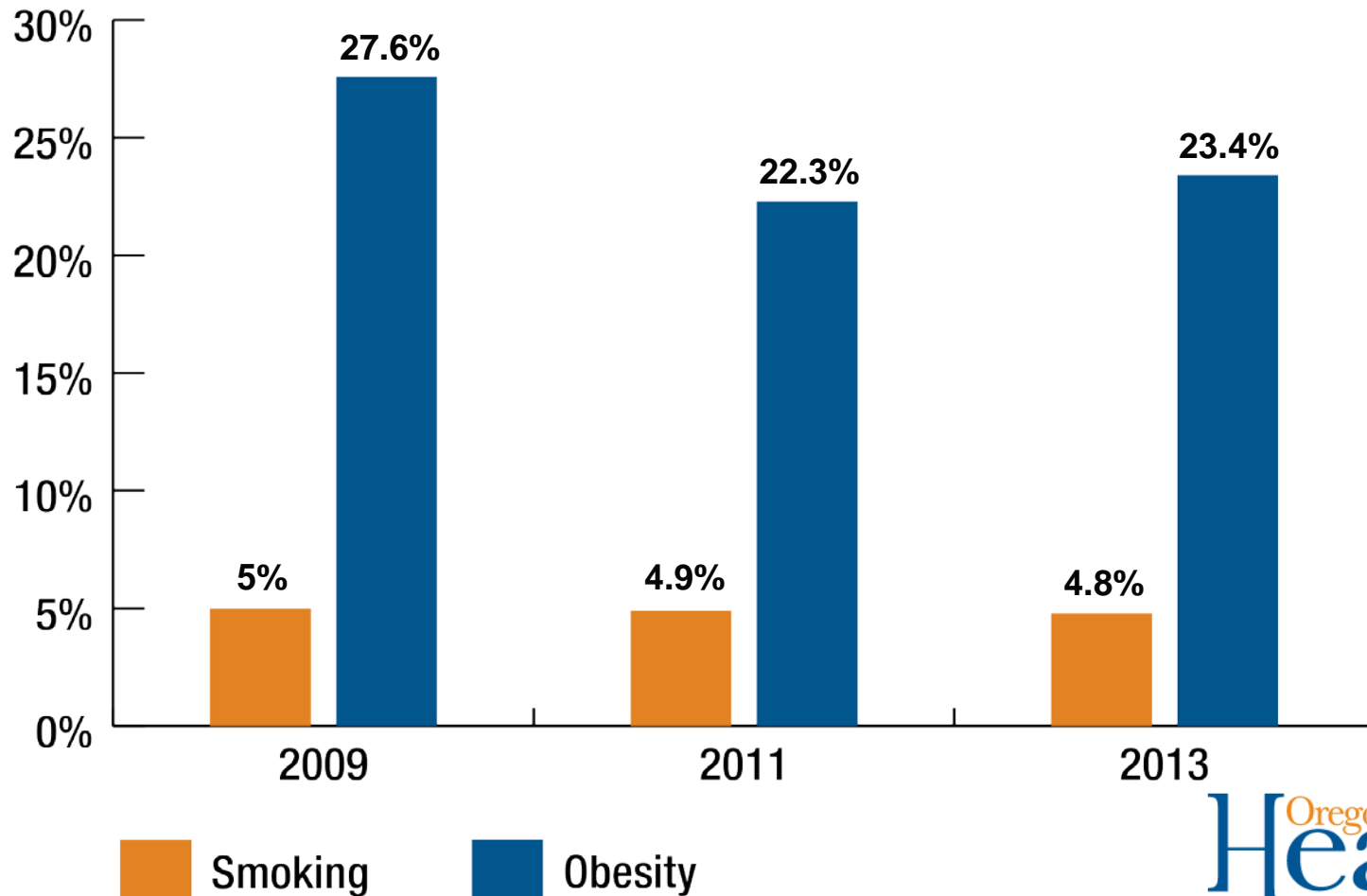
Member engagement and education:

- Helping members understanding the value of better care coordination
- Encouraging members to fully use available health and wellness programs to:
 - Improve their health
 - Reduce health risks

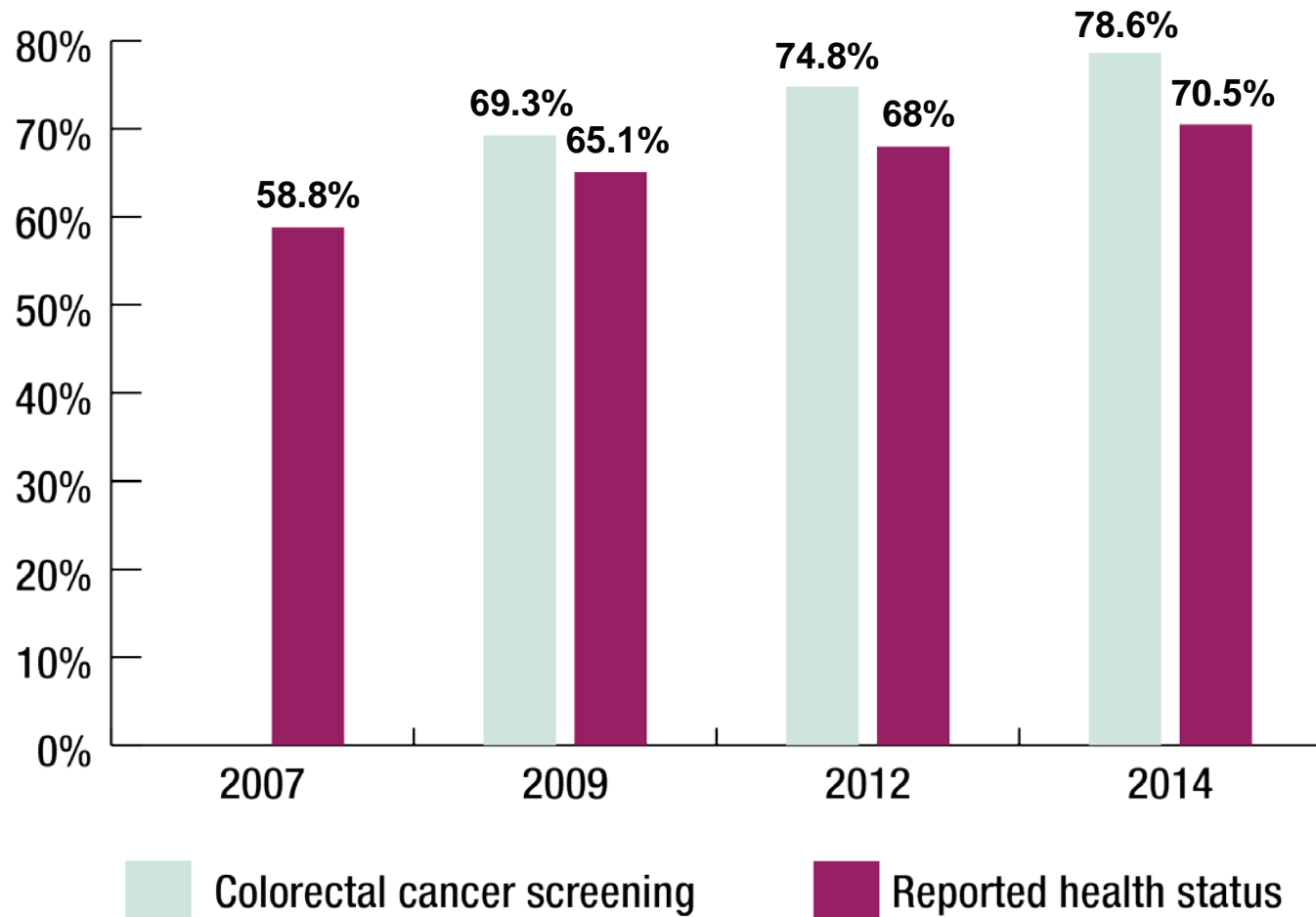
Behavioral Risk Factor Surveillance System for state employees (BSSE) – PEBB cigarette smoking and obesity



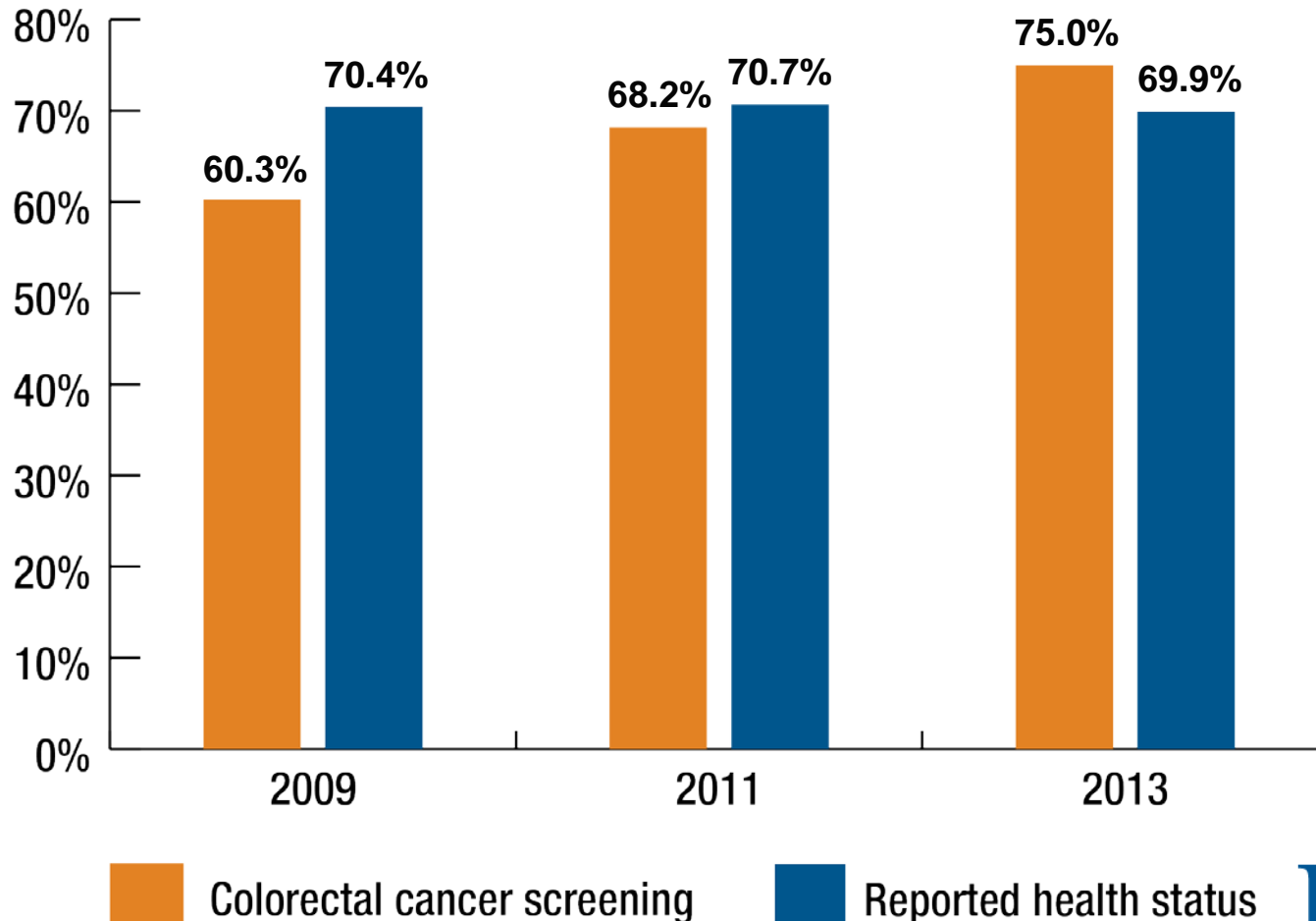
Behavioral Risk Factor Surveillance System for school employees (BSSE) – OEBB cigarette smoking and obesity



Behavioral Risk Factor Surveillance System for state employees (BSSE)- PEBB Colorectal screening and health status



Behavioral Risk Factor Surveillance System for school employees (BSSE) – OEBC colorectal screening and health status





Public Employees' Benefit Board 2015–2017 Budget overview



Public Employees' Benefit Board (PEBB)

Four members representing management:

- Jeanene Smith, M.D., M.P.H.
- Sean Kolmer, M.P.H.
- Clyde Saiki
- Vacant

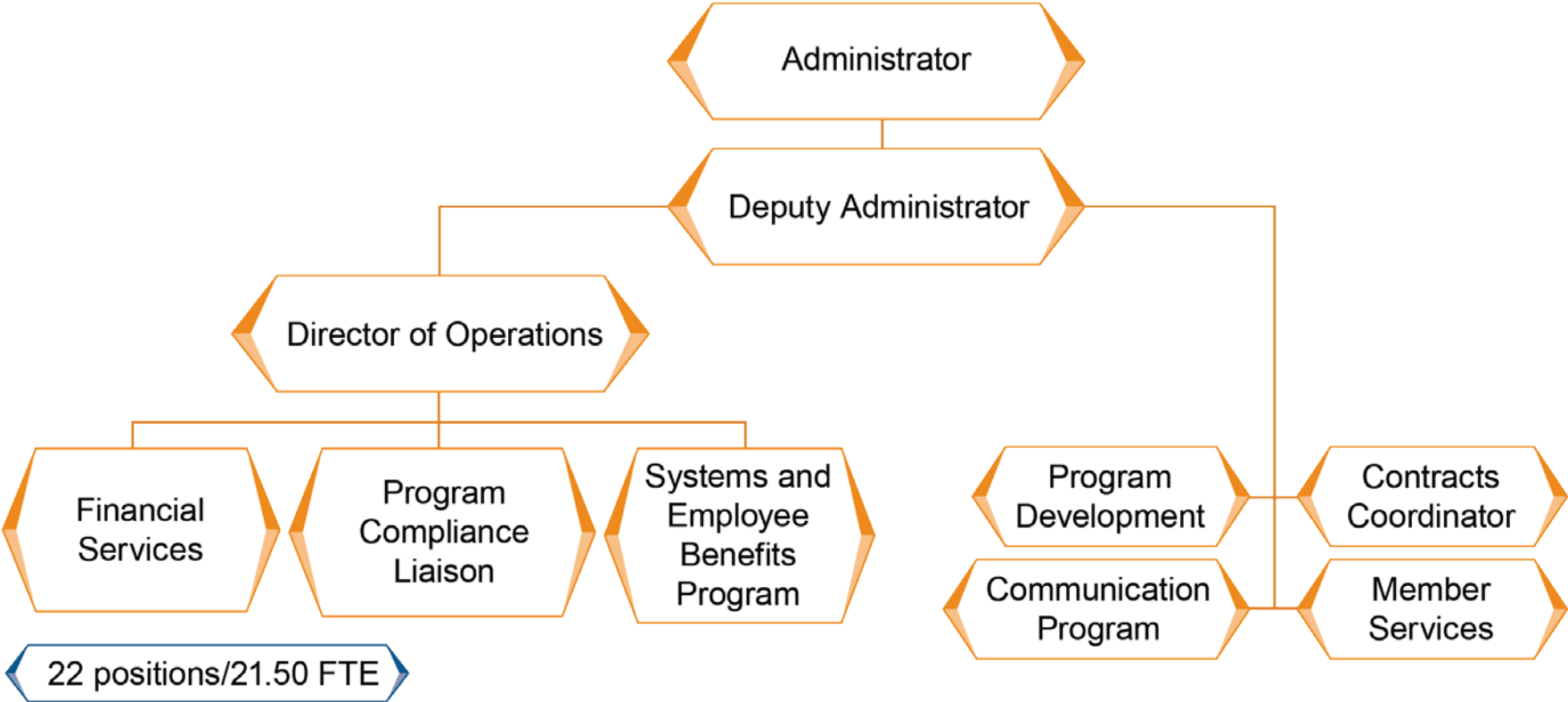
Four members representing labor:

- Paul McKenna
- Stacy Chamberlain, J.D.
- Rich Peppers;
- Vacant

Two non-voting advisory members:

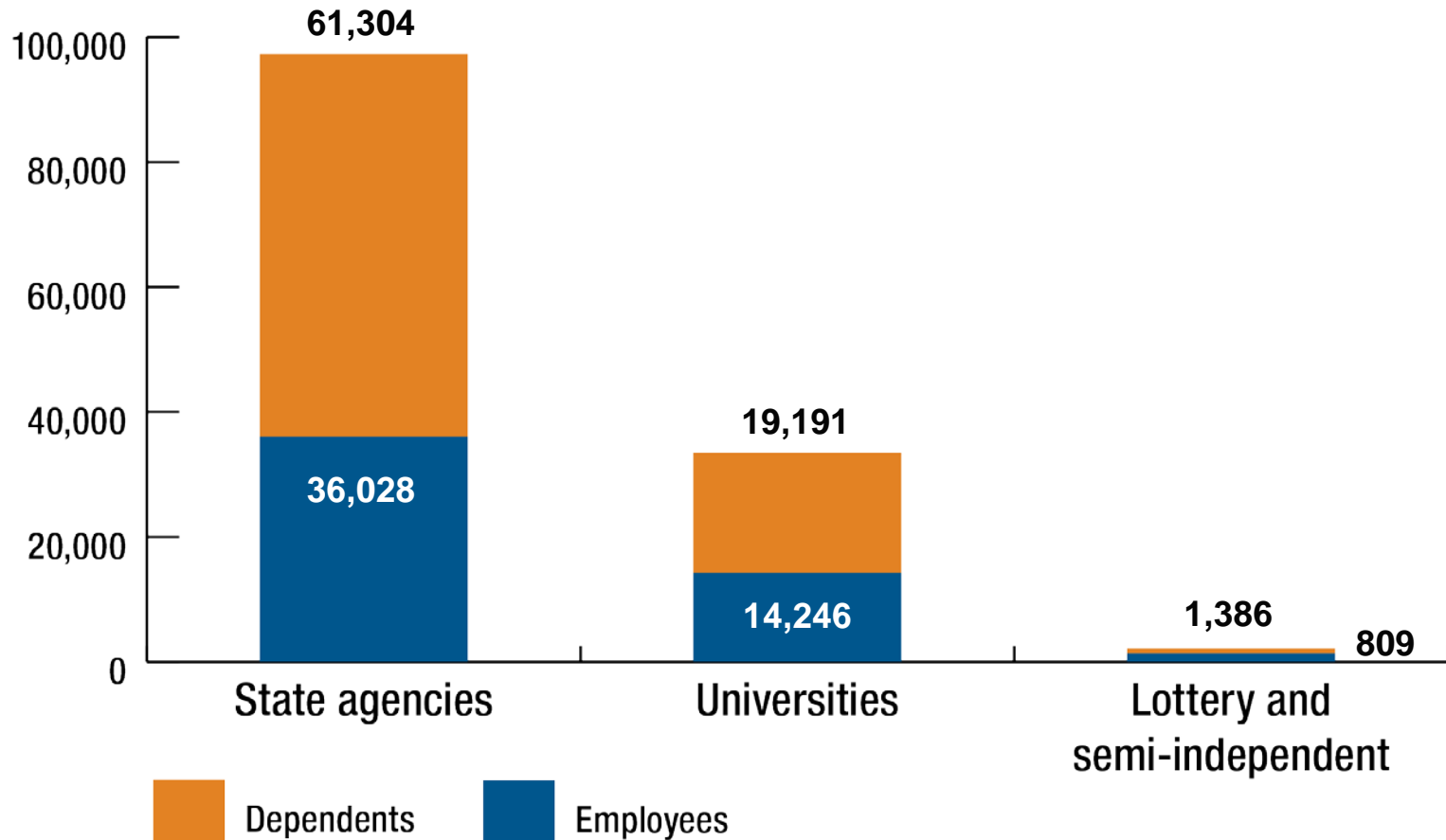
- One member of the Senate; Senator Betsy Johnson
- One member of the House of Representatives; Representative Brian Clem

2015–17 PEBB organization structure



Who PEBB serves ...

2014 PEBB active enrollments

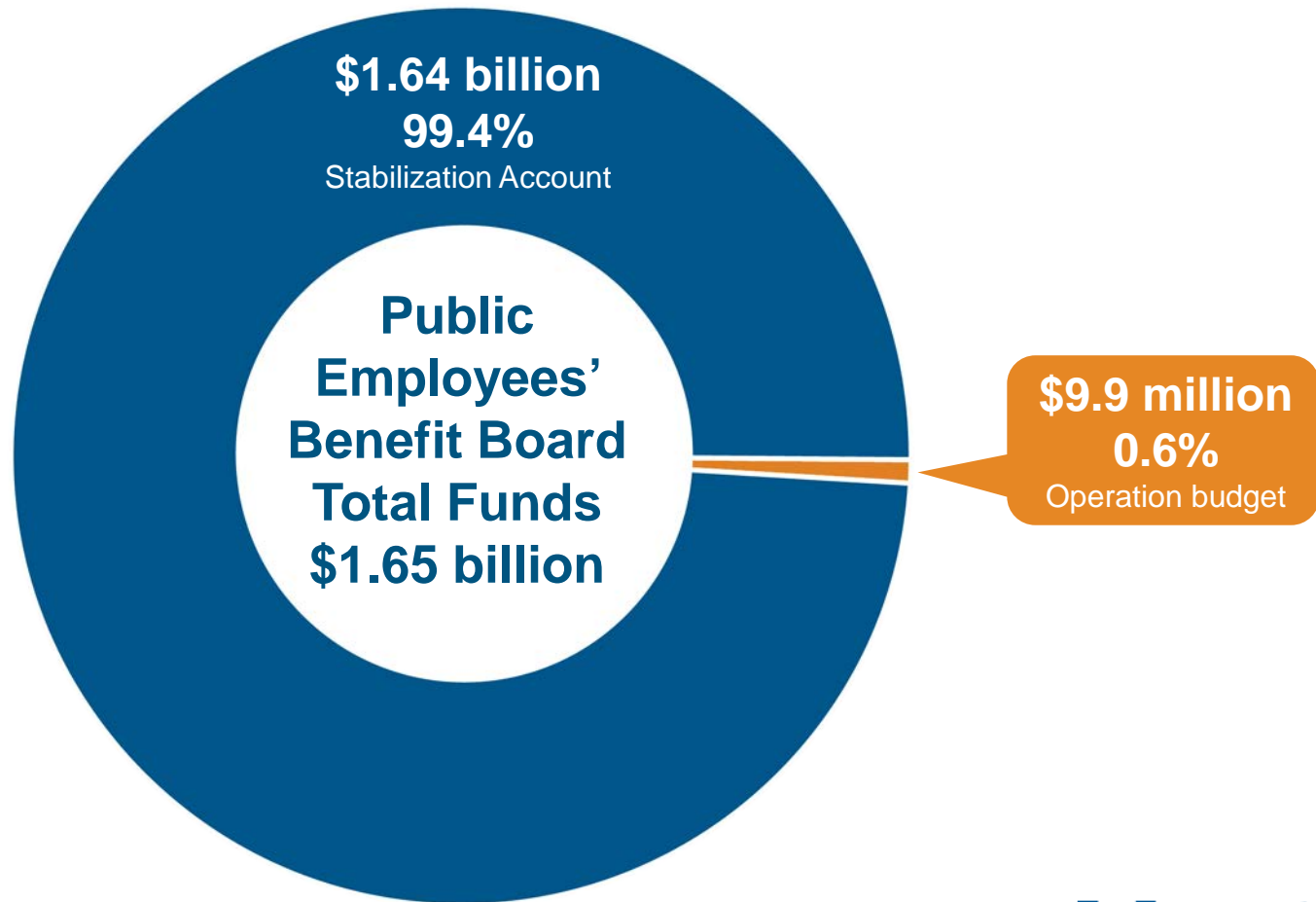


PEBB revenue sources

- **Public Employees' Benefit Account**
 - Revenue - Other Funds (transfer of benefits from state payroll system)
 - Administrative assessment added to medical and dental premiums
- **Public Employees' Revolving Fund**
 - Pay premiums, provide for self-insurance and subsidize premiums
 - Accounts in Revolving Fund
 - Self-insurance Reserve
 - Flexible Spending Account Administration



PEBB 2015–17 Governor’s budget



New in 2015 - Improved care coordination

- PEBB members now have a choice between two or more medical plans in all 36 Oregon counties.
- Most plan choices are available at a lower cost to both members and the state.
- Plans are required to meet and report high quality measures of care by:
 - Prioritizing health and prevention services
 - Managing costs by cutting waste and requiring health plans and providers to be efficient, coordinated and focused on the patient



PEBB medical plan highlights

Most 2015 medical plans:

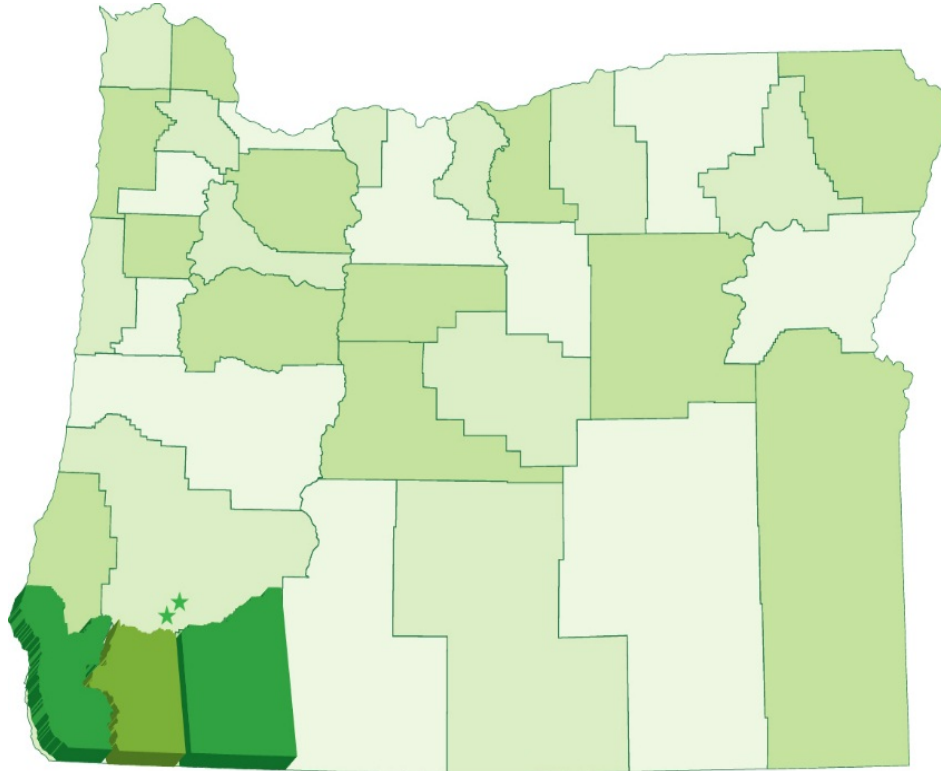
- Offer the first four visits to primary care, with no deductible
- Cover the full cost of certain chronic condition visits, with no deductible, copayment or coinsurance

All 2015 medical plans:

- Cover nationally recommended preventive services
- Limit out-of-pocket costs:
 - \$ 600/person, up to \$1,200/family – Kaiser
 - \$1,500/person, up to \$4,500/family – all other plans

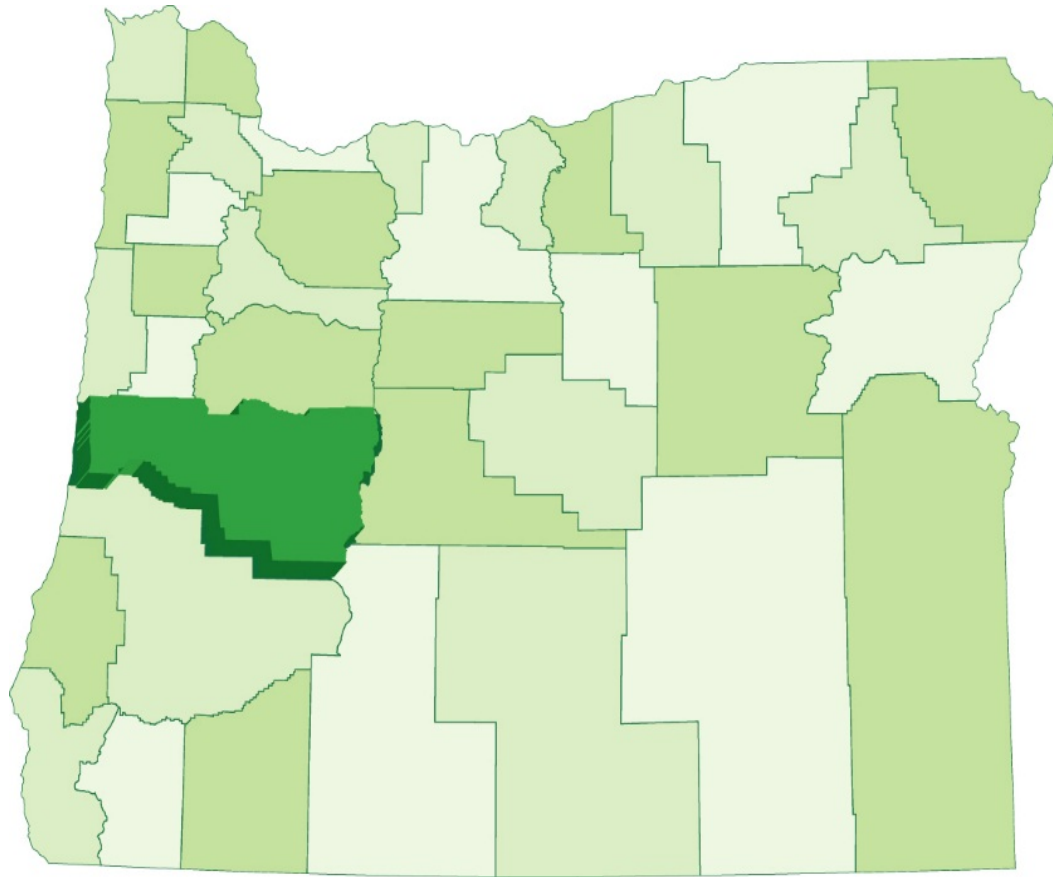
AllCare PEBB service area

Curry, Jackson, Josephine and cities of Glendale, Azalea in Douglas



Balance by Trillium service area

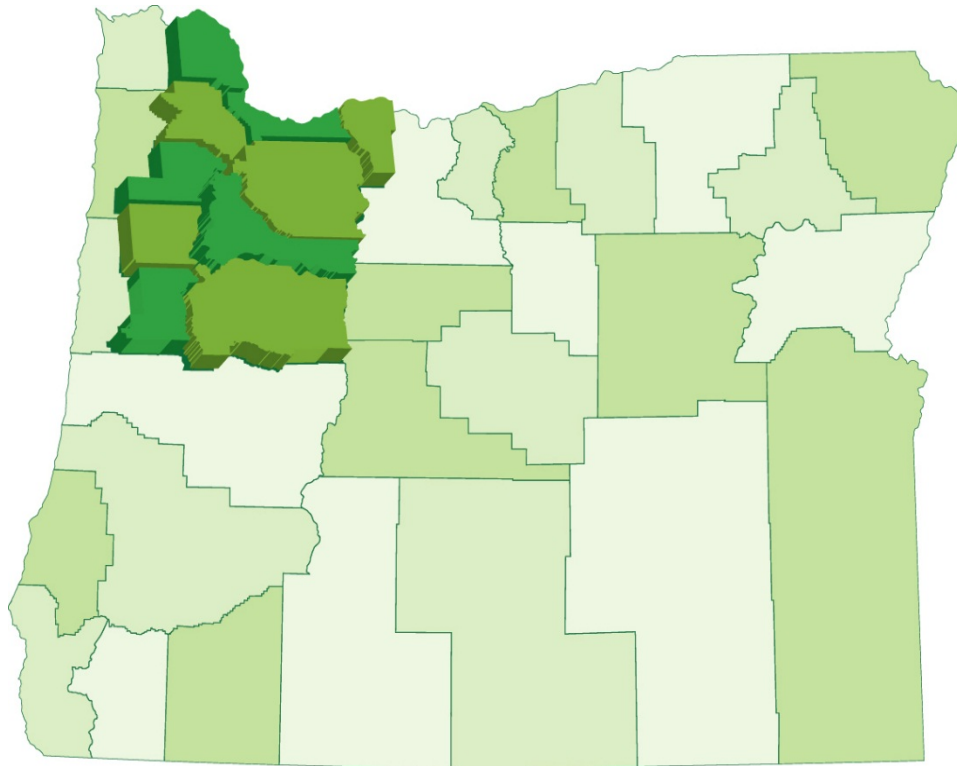
Lane County



Kaiser service area

ZIP codes in Benton, Clackamas, Columbia, Hood River, Linn, Marion, Multnomah, Polk, Washington and Yamhill

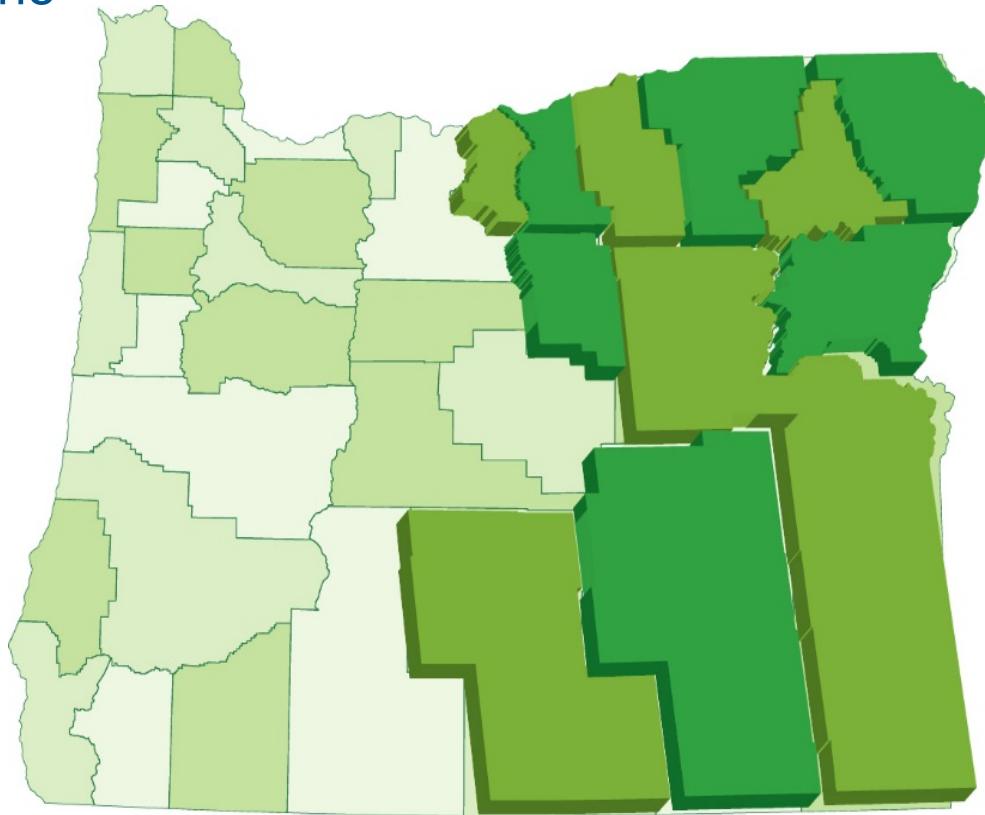
Clark, Cowlitz, Lewis, Skamania and Wahkiakum in Washington



Moda Summit service area

Baker, Gilliam, Grant, Harney, Lake, Malheur, Morrow, Sherman,
Umatilla, Union, Wallowa and Wheeler

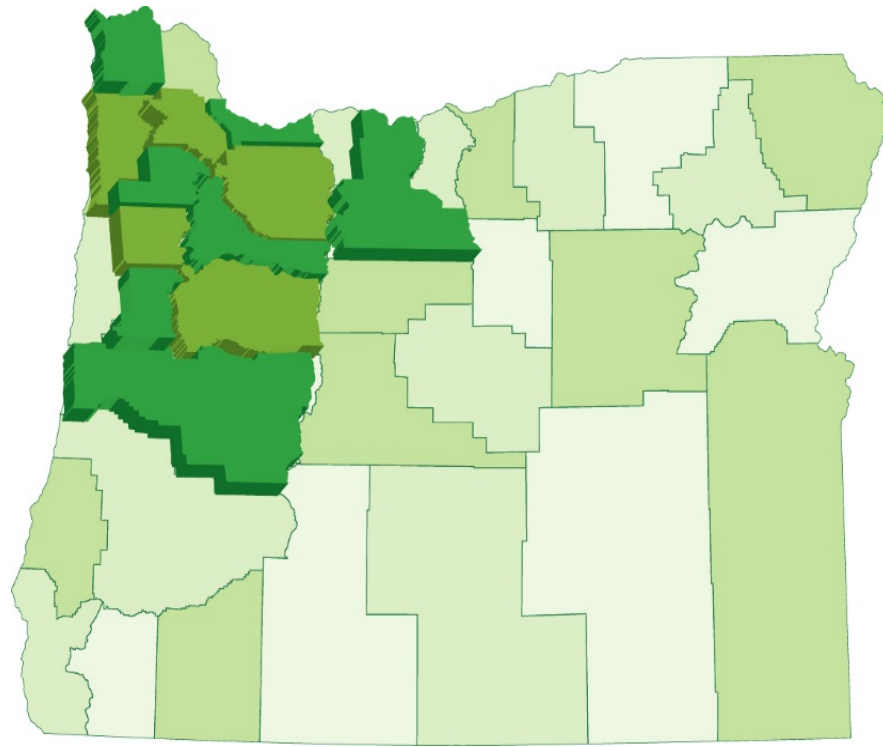
Payette in Idaho



Moda Synergy service area

Benton, Clackamas, Clatsop, Lane, Linn, Marion, Multnomah, Polk,
Tillamook, Wasco, Washington and Yamhill

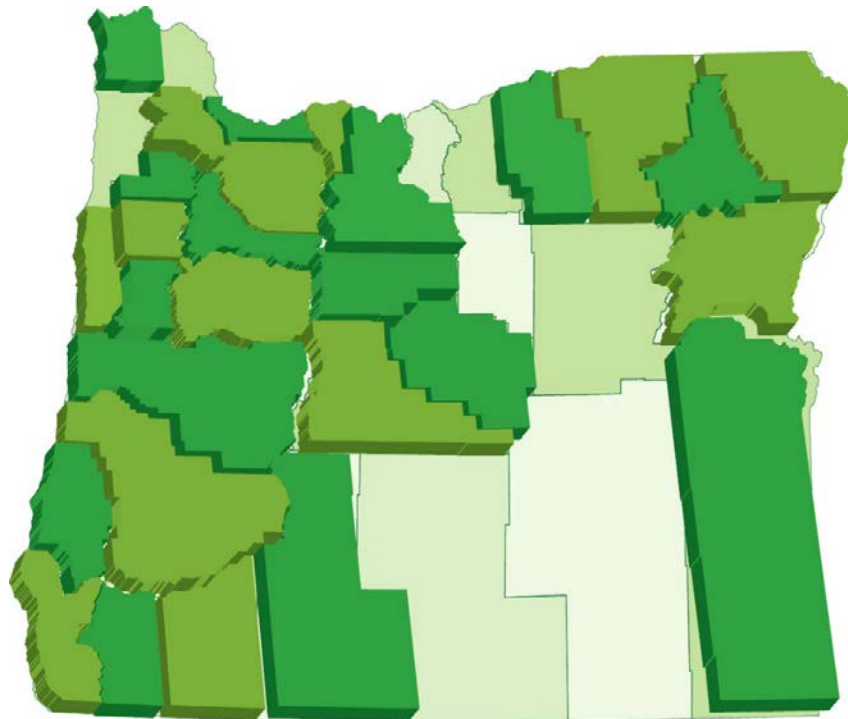
Clark in Washington



Providence Choice service area

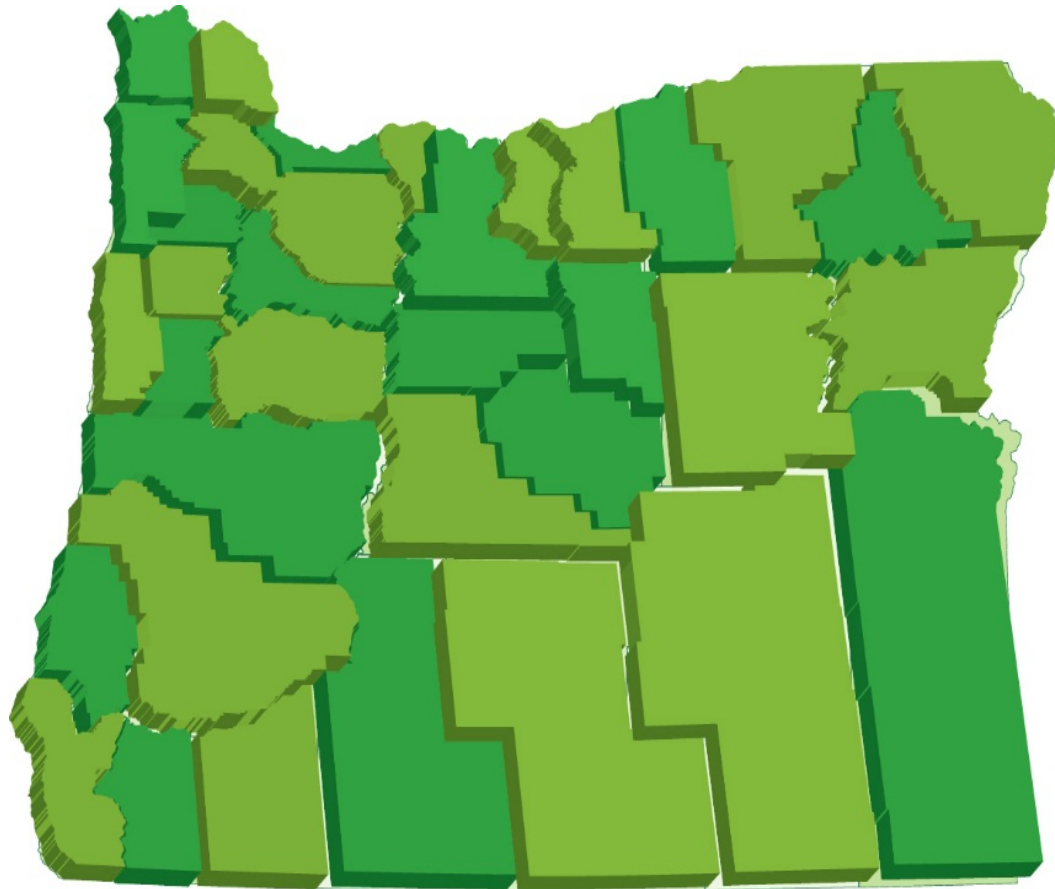
Baker, Benton, Clackamas, Clatsop, Coos, Crook, Curry, Deschutes, Douglas, Hood River, Jackson, Jefferson, Josephine, Klamath, Lane, Lincoln, Linn, Malheur, Marion, Morrow, Multnomah, Polk, Umatilla, Union, Wallowa, Wasco, Washington and Yamhill

Payette in Idaho; Clark, Walla Walla in Washington



Providence Statewide service area

Statewide and nationwide



PEBB core benefits

- Medical
- Dental
- Vision
- Basic employee life plan



PEBB optional benefits

Insurance

- Life
- Accidental death and dismemberment
- Long- and short-term disability
- Long-term care



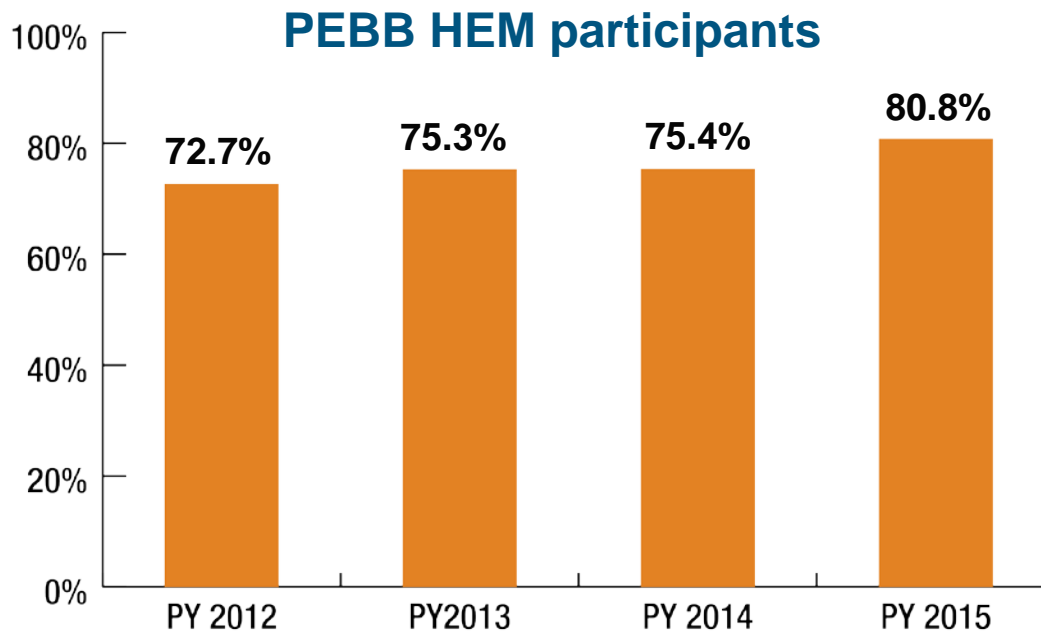
Flexible spending accounts for health care, dependent care and commuter benefits

Employee assistance program

PEBB Health Engagement Model (HEM)

Engage people to improve health, contain costs. PEBB offers members:

- Financial incentives to participate in the program
- A private health assessment on plan's secure website
- The opportunity to learn more about ways to reduce health risks
- A variety of healthy activities to choose from to improve health

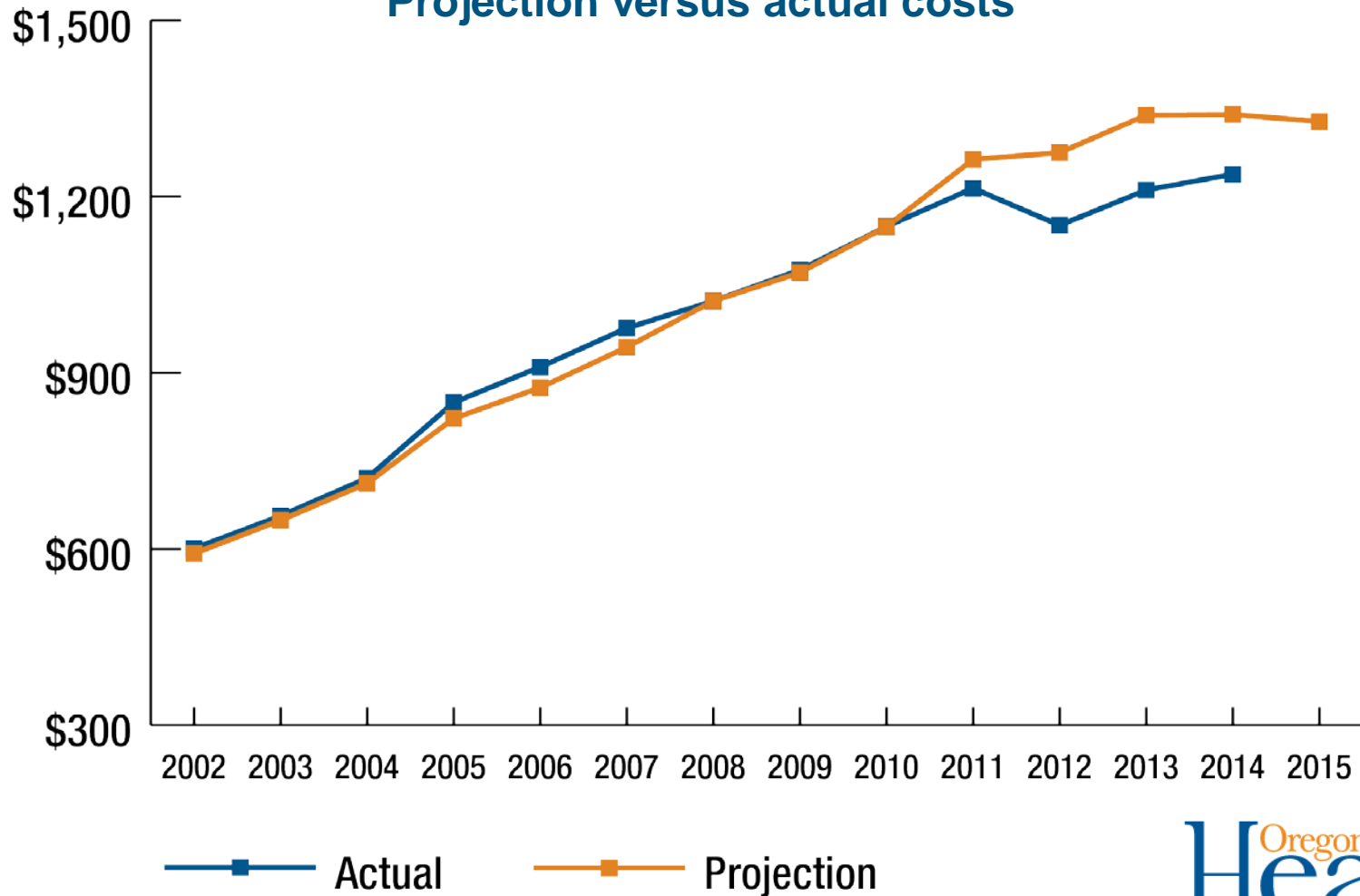


2015–17 Governor’s budget Stabilization Fund

- Total 2015–17 budget: \$1.64 billion
- Inflation growth is capped at 3.4 percent annually
- 2015–17 Governor’s budget actions:
 - Healthiest state challenge in partnership with Oregon businesses
 - \$120 million in Stabilization Fund Reserve transferred to General Fund to offset compensation changes in the Special Purpose Appropriation to the Emergency Fund
 - Net Stabilization Fund Reserve is still an adequate working capital balance for PEBB’s self-insured plans.

Composite rate per PEBB employee

PEBB composite rate premium per employee per month (PEPM)
Projection versus actual costs





Oregon Educators Benefit Board 2015–2017 Budget overview



Oregon Educators Benefit Board (OEBB)

Two members representing school boards:

- Ron Gallinat
- Nancy MacMorris-Adix

Two members representing education management:

- Bob Stewart
- Heather Cordie, PhD

Four members representing education non-management:

- Dave Fiore
- Rick Shidaker
- Cherie Maas-Anderson
- Vacant

Two health policy experts:

- Vacant
- Vacant

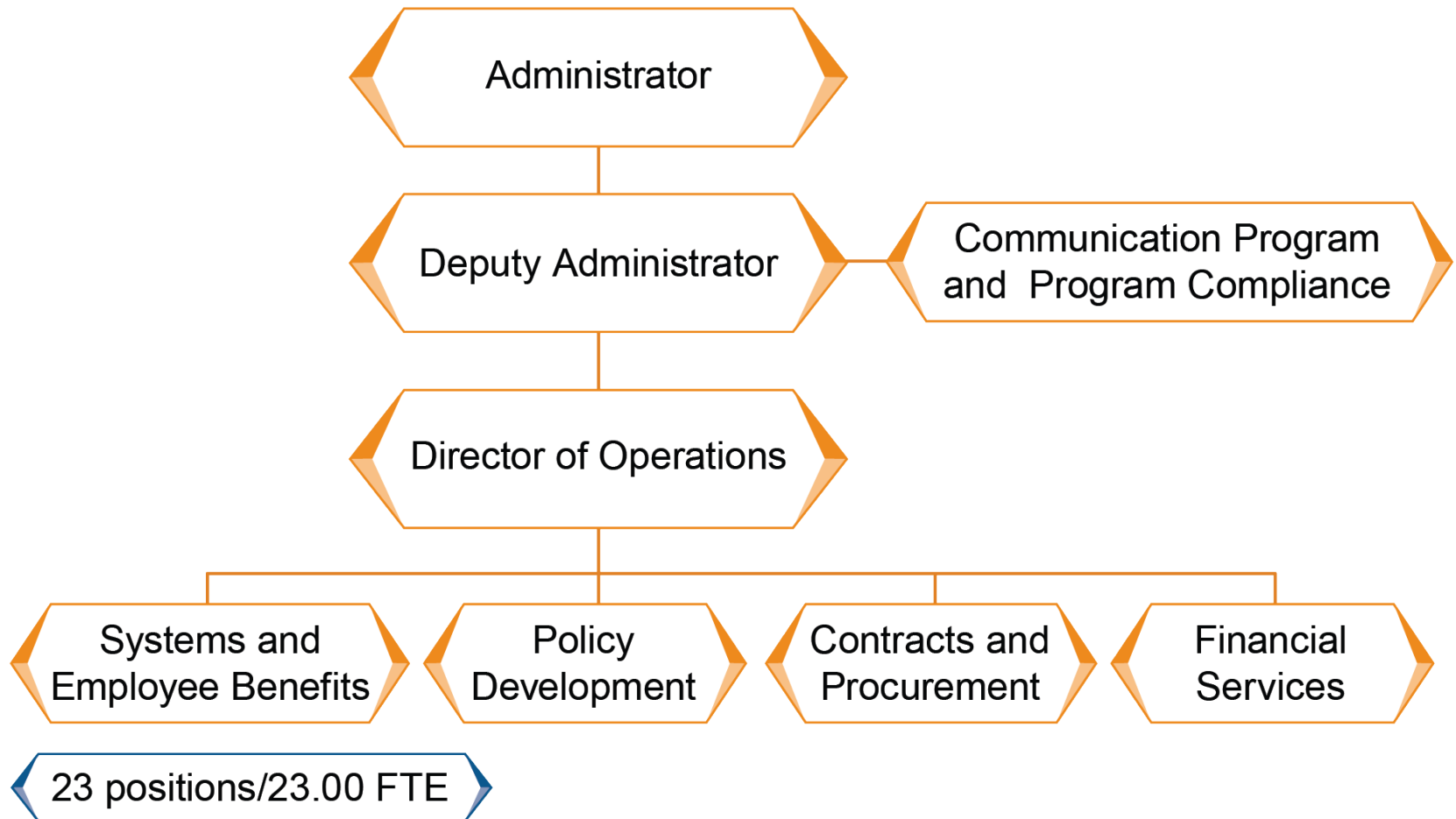
One member representing local government management

- Vacant

One member representing local government non-management

- Jaimie Sorenson

2015–17 OEGB organization structure



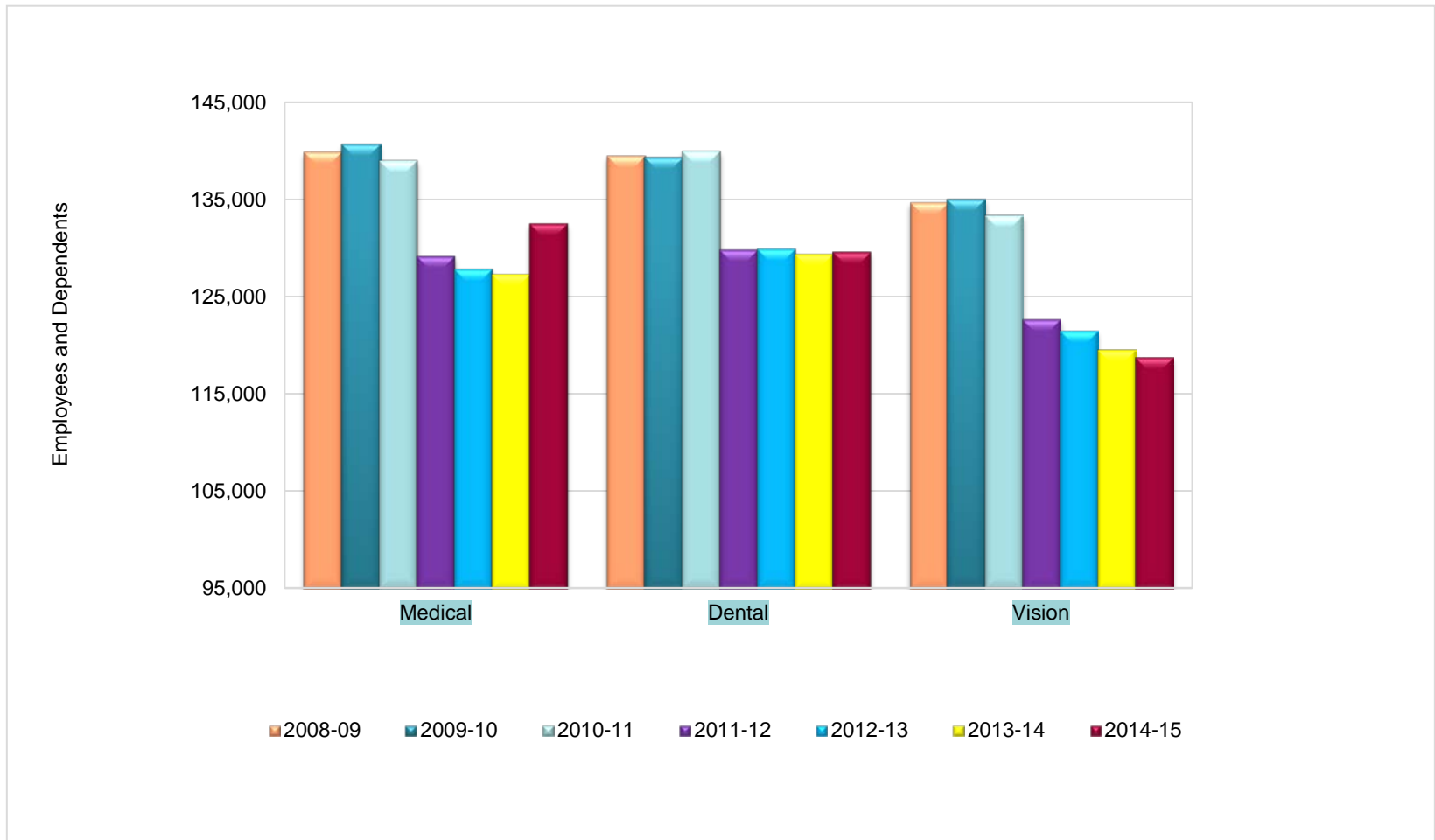
Who OEBB Serves

The Oregon Educators Benefit Board (OEBB) administers medical, vision, dental, long term care, and optional benefits available to Oregon:

- School Districts (190)
- Educational Service Districts (20)
- Charter Schools (20)
- Community Colleges (13)
- Counties (2)
- Special districts (2)

Passage of House Bill 2279 (2013) enabled cities, counties and special districts to join the OEBB & PEBB benefit programs effective January 1, 2014.

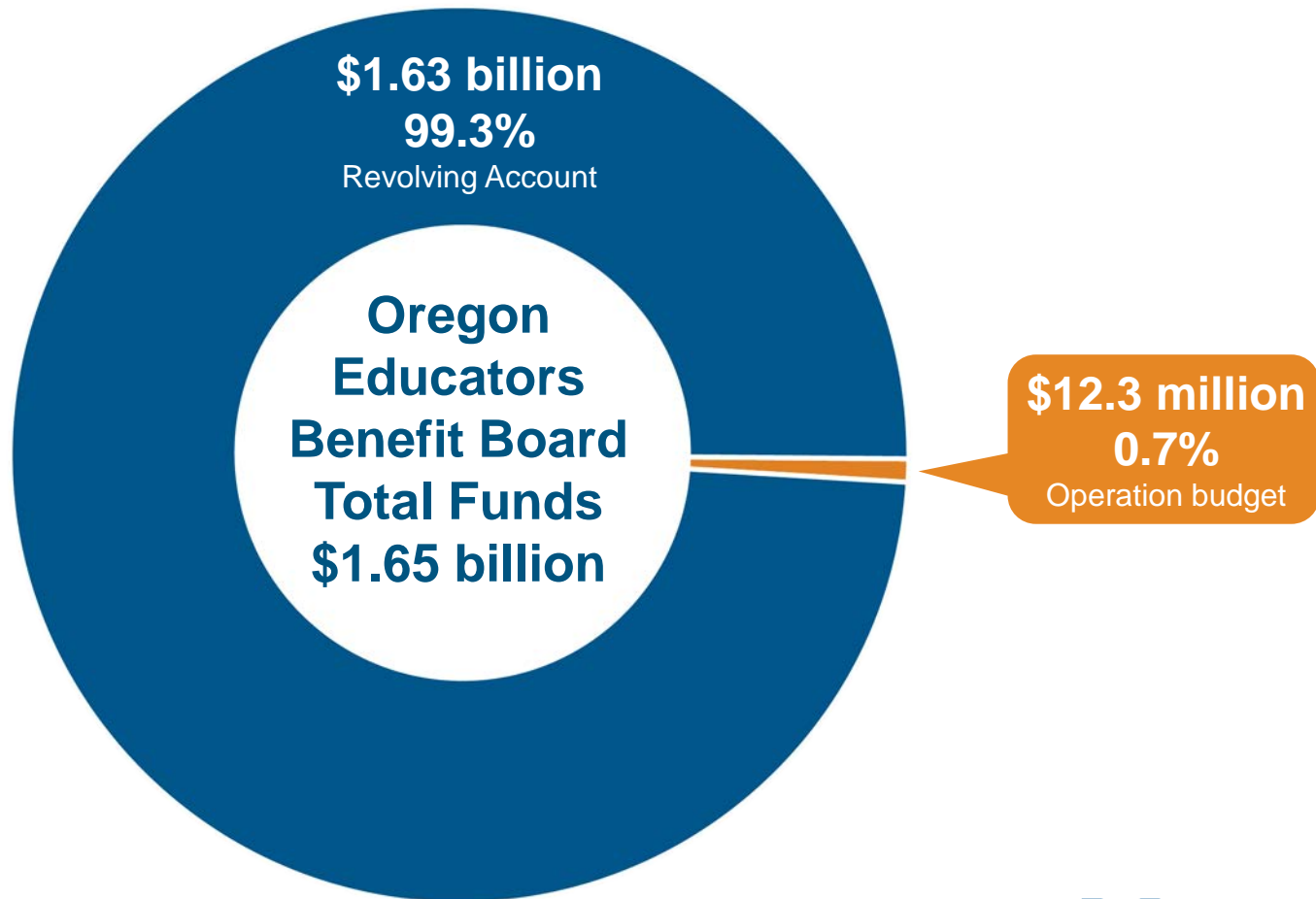
OEBB Member Enrollment



OEBB revenue sources

- **Oregon Educators Benefit Account** operating funds
 - Generated through administrative assessment built into medical, dental and vision premiums
 - Capped at 2 percent of total monthly premiums
 - Currently at 0.90 percent
- **Oregon Educators Revolving Fund**
 - Pay premiums, control expenditures, provide for self-insurance and subsidize premiums
 - Only dedicated revenue source is interest earnings retained on premium-collection pass-through

OEBB 2015–17 Governor's budget



New in 2015 – major program changes

- Expanded plan options in areas with few or no systems of care
 - Moda Synergy network coordinated care model
 - Moda Summit network coordinated care model
- A high deductible health plan (HDHP) option through Kaiser Permanente
 - A consumer-driven health plan option within a traditional managed care organization



OEBB medical plan highlights

Most 2015 medical plans:

- Offer primary care office visits with low copays
- Lowered copayments for certain chronic condition office visits - no deductible or coinsurance

All 2015 medical plans:

- Cover nationally recommended preventive services
- Limit out-of-pocket costs

Data driven benefit decisions



OEBB benefits

- **Medical plans**

- Eight statewide PPO plans, including one qualified HDHP
- Eight CCM plans, including one qualified HDHP
- Three regional HMO plans, including one qualified HDHP



- **Pharmacy plans**

- One statewide Oregon Prescription Drug Program (OPDP) plan
- One regional HMO plan

OEBB benefits

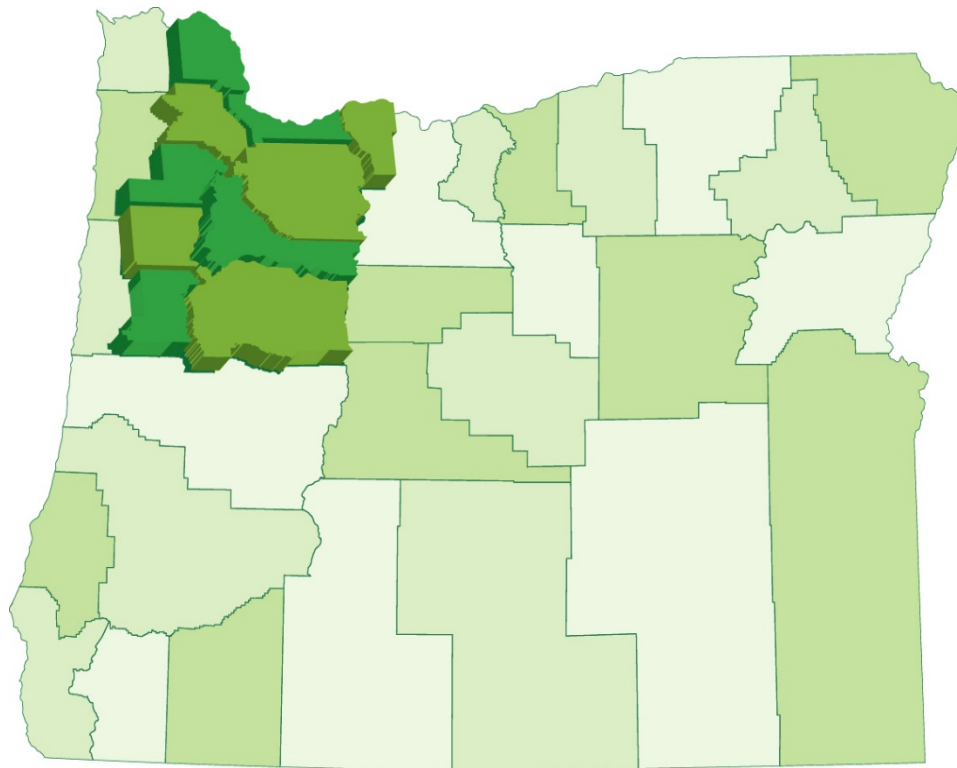
- **Dental plans**
 - Five statewide indemnity plans
 - One regional managed care plan
 - One regional HMO plan
- **Vision plans**
 - Four statewide fully insured plans
 - One regional fully insured HMO plan



Kaiser service area

ZIP codes in Benton, Clackamas, Columbia, Hood River, Linn, Marion, Multnomah, Polk, Washington and Yamhill

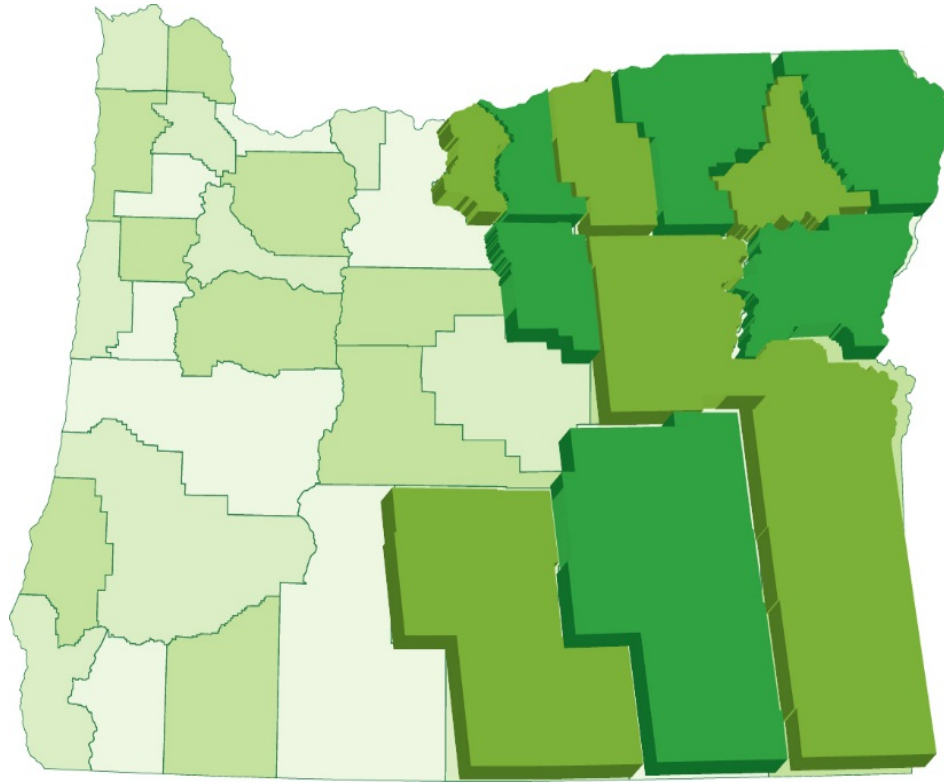
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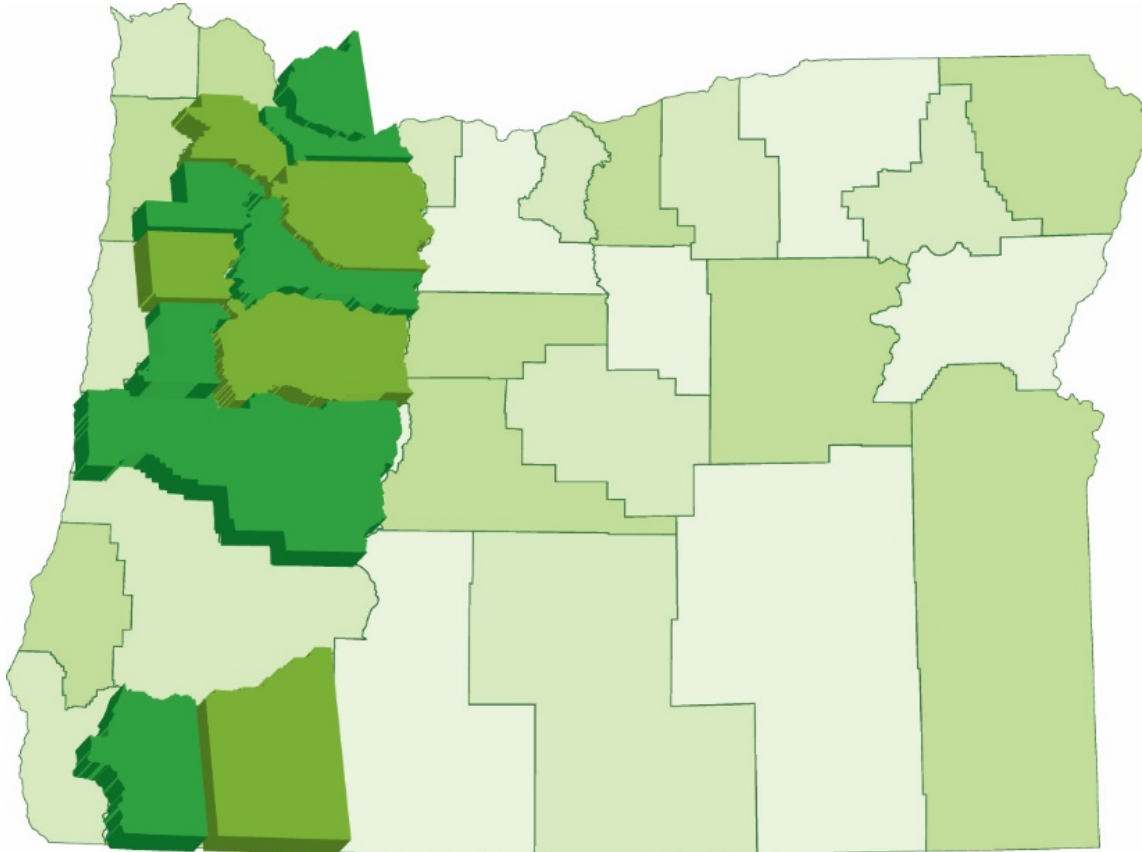
Payette in Idaho



Moda Synergy service area

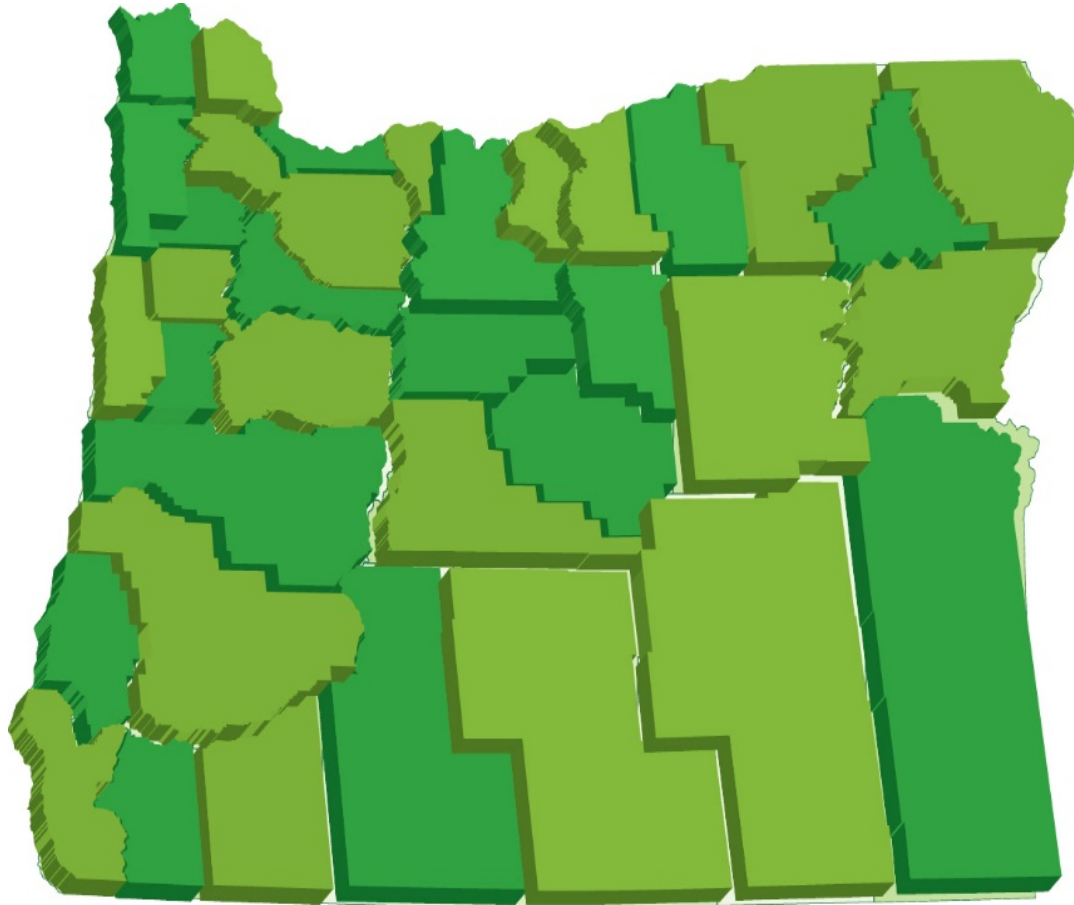
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Clark in Washington



Moda Statewide service area

Statewide and nationwide



OEBB optional benefits

Insurance

- Life
- Accidental death and dismemberment
- Long- and short-term disability
- Long-term care

Health savings account - A financial account to be used with a qualified high deductible health plan (HDHP)

Flexible spending accounts for health and dependent care (commuter benefit available beginning October 1, 2015)

Employee assistance program

OEBB Healthy Futures Program

Engaging people to improve health, contain costs

- Access to medical plans with lowered deductibles or office visit copays
- Complete private health assessment on plan's secure website
- Learn more about ways to reduce health risk
- Take additional health actions to improve health
- Participation is currently at 10 percent



Thank you