
MEMORANDUM

Legislative Fiscal Office
900 Court St. NE, Room H-178
Salem, Oregon 97301
Phone 503-986-1828
FAX 503-373-7807

To: Human Services Subcommittee

From: Linda Ames, Legislative Fiscal Office
(503) 986-1816

Date: June 5, 2015

Subject: SB 5526: Oregon Health Authority – Oregon Educators Benefit Board
Work Session Recommendations

Oregon Health Authority – Oregon Educators Benefit Board

	2011-13 Actual	2013-15 Legislatively Approved	2015-17 Current Service Level	2015-17 LFO Recommended
General Fund	9,015			
Other Funds	9,508,012	11,692,737	11,514,734	1,557,630,028
Other Funds NL	1,438,904,026	1,628,294,000	1,715,787,088	0
Total Funds	\$1,448,421,053	\$1,639,986,737	\$1,727,301,822	\$1,557,630,028
Positions	25	24	22	25
FTE	22.75	24.00	22.00	25.00

Attached are the recommendations from the Legislative Fiscal Office for the Oregon Health Authority – Oregon Educators Benefit Board (OEBB). The LFO recommended budget for total funds is 5.0% lower than the 2013-15 legislatively approved budget. The reason for that decrease is that the limitation provided for the 2013-15 biennium was significantly higher than will actually be spent. The 2015-17 recommendation is calculated off actual costs for the 2014-15 plan year. The recommended budget contains the following:

- Caps OEBB expenditure growth at 3.4% per employee per year, consistent with the Public Employees' Benefit Board (PEBB) and the Oregon Health Plan.
- Eliminates all Nonlimited Other Funds authority, and instead moves all expenditure limitation to Other Funds Limited.
- Package 409: Transparency and Engagement for \$450,000 Other Funds, which will enable OEBB to continue to make its online plan selection tool available to employees, as well as allow enhancements.
- One new position to address workload related to implementation of HB 2279, allowing cities, counties, and other municipalities to participate in OEBB or PEBB, as well as work to align OEBB with the coordinated care model.

Adjustments to Current Service Level:

See attached "SB 5526 Work Session" spreadsheet dated 6/5/15.

LFO recommends the Subcommittee approve a 2015-17 OHA Oregon Educators Benefit Board preliminary budget of:

\$1,557,630,028 Other Funds

25 Positions

25.00 FTE

Accept LFO Recommendation

Move the LFO preliminary budget recommendations to SB 5526.

Performance Measures

All agency performance measures will be presented for approval as part of the final action on the OHA budget.

Recommended Changes to Appropriation Bill:

The Oregon Educators Benefit Board budget is part of SB 5526, which is the budget bill for the entire Oregon Health Authority. The recommended amendments to SB 5526 will be presented after work sessions are completed on all parts of the budget.

Oregon Educators Benefit Board Total Program Expenditures

Year	PEPM Rate	Percent Change	Core Program Expenditures		
			Number of Employees	Estimated Expenditures	
Actuals:					
2008-09	874.24		57,537	603,546,524	
2009-10	1,017.47	16.4%	57,304	699,664,053	
2010-11	1,074.18	5.6%	55,825	719,592,789	
2011-12	1,089.49	1.4%	52,852	690,979,662	
2012-13	1,109.57	1.8%	52,405	697,763,663	
2013-14	1,079.49	-2.7%	52,114	675,080,669	
2014-15	1,115.83	3.4%	52,548	703,612,826	
Projections:					
2015-16	1,153.77	3.4%	52,900	732,412,066	
2016-17	1,193.00	3.4%	53,200	761,608,863	2015-17 Biennium
2017-18	1,233.56	3.4%	53,500	791,944,374	1,508,904,006
				Optionals:	35,721,171
				Total Program Budget:	1,544,625,177
				OEBB Operations:	13,004,851
				TOTAL:	1,557,630,028

Notes:

PEPM = Per Employee Per Month

OEBB plan year runs from October 1 through September 30.

Number of employees includes number of active enrolled employees in medical plans, as well as retirees.

Core Program Expenditures include total costs of core benefits (medical/RX, dental, vision, basic life) as well as admin (ASO) fees, other taxes and fees.

Core Program Expenditures exclude optional employee-paid benefits (life, disability, LTC), They are added at the end, as Optionals.

OEBB Operations are also added at the end.

The PEPMs for 2015-16 and 2016-17 are capped at the percent increases shown in the box.

**OREGON HEALTH AUTHORITY: OREGON EDUCATORS BENEFIT BOARD
2015-17 RECOMMENDED BUDGET**

	GEN FUND	LOTTERY	OTHER	FEDERAL	NL Other Funds	NL Fed Funds	Total Funds	POS	FTE	Comments
2013-15 Legislatively Approved Budget (As of May 2015)	-	-	11,692,737	-	1,628,294,000	-	1,639,986,737	24	24.00	
2015-17 Current Service Level Estimate	-	-	11,514,734	-	1,715,787,088	-	1,727,301,822	22	22.00	
2015-17 Governor's Budget	-	-	1,645,739,370	-	-	-	1,645,739,370	23	23.00	
2015-17 LFO RECOMMENDED BUDGET	-	-	1,557,630,028	-	-	-	1,557,630,028	25	25.00	

2015-17 WORKING BUDGET ADJUSTMENTS DETAIL

1	2015-17 Current Service Level Estimate	-	-	11,514,734	-	1,715,787,088	-	1,727,301,822	22	22.00	
2	LFO Recommendations of Existing Packages										
3	Pkg 082: December 2014 EBoard actions	-	-	287,548	-	-	-	287,548	1	1.00	
4	Pkg 090: Switch Non-limited to Limited expenditures and	-	-	1,544,625,177	(1,715,787,088)	-	-	(171,161,911)	-	-	
5	Pkg 409: Transparency and engagement	-	-	450,000	-	-	-	450,000	-	-	
6											
7	Other Recommended Adjustments										
8	Pkg 801: LFO Analyst Adjustments										
9	Transfers	-	-	713,113	-	-	-	713,113	2	2.00	Oregon Prescription Drug Program
10	Adjustment to CSL for Attorney General rates	-	-	39,456	-	-	-	39,456	-	-	End of Session bill will adjust
11											
12	Total Adjustments from CSL	-	-	1,546,115,294	(1,715,787,088)	-	-	(169,671,794)	3	3.00	
13											
14	TOTAL 2015-17 Recommended Budget	-	-	1,557,630,028	-	-	-	1,557,630,028	25	25.00	
15											
16	Change from 2013-15 Approved							(82,356,709)	1	1.00	
17	Change from 2015-17 CSL Estimate							(169,671,794)	3	3.00	
18	Change from 2015-17 Governor's Budget							(88,109,342)	2	2.00	
19											
20	% Change from 2013-15 Approved							-5.0%	4.2%	4.2%	
21	% Change from 2015-17 CSL Estimate							-9.8%	13.6%	13.6%	
22	% Change from 2015-17 Governor's Budget							-5.4%	8.7%	8.7%	