
Public Employees' Benefit Board Oregon Educators Benefit Board 2017-2019

Presentation to the Human Services Legislative
Subcommittee on Ways and Means

Kathy Loretz, PEBB and OEGB Director
Mark Fairbanks, Chairman, PEBB Board

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OHA Mission: Helping people and communities achieve optimum physical, mental and social well-being through partnerships, prevention and access to quality, affordable health care.

PEBB & OEBB Goals and Purpose

- PEBB and OEBB plans cover 6% of Oregon's population
 - 270,000 members - employees and dependents
- Members live and work in every Oregon county



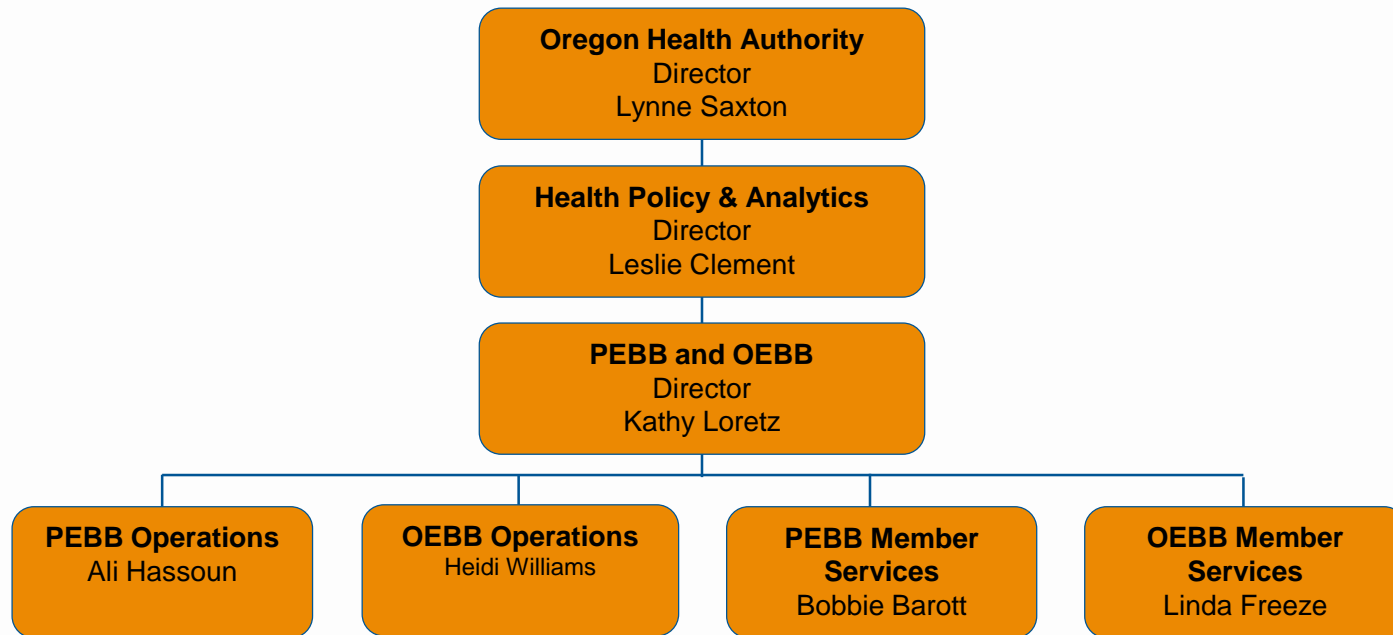
Goals

- Improve member health with fully-covered preventive services and wellness programs
- Enhance quality care through the Coordinated Care Model (CCM)
- Contain costs by maintaining a sustainable budget rate of growth
- Advance health care transformation

PEBB and OEGB: Strategic Plan

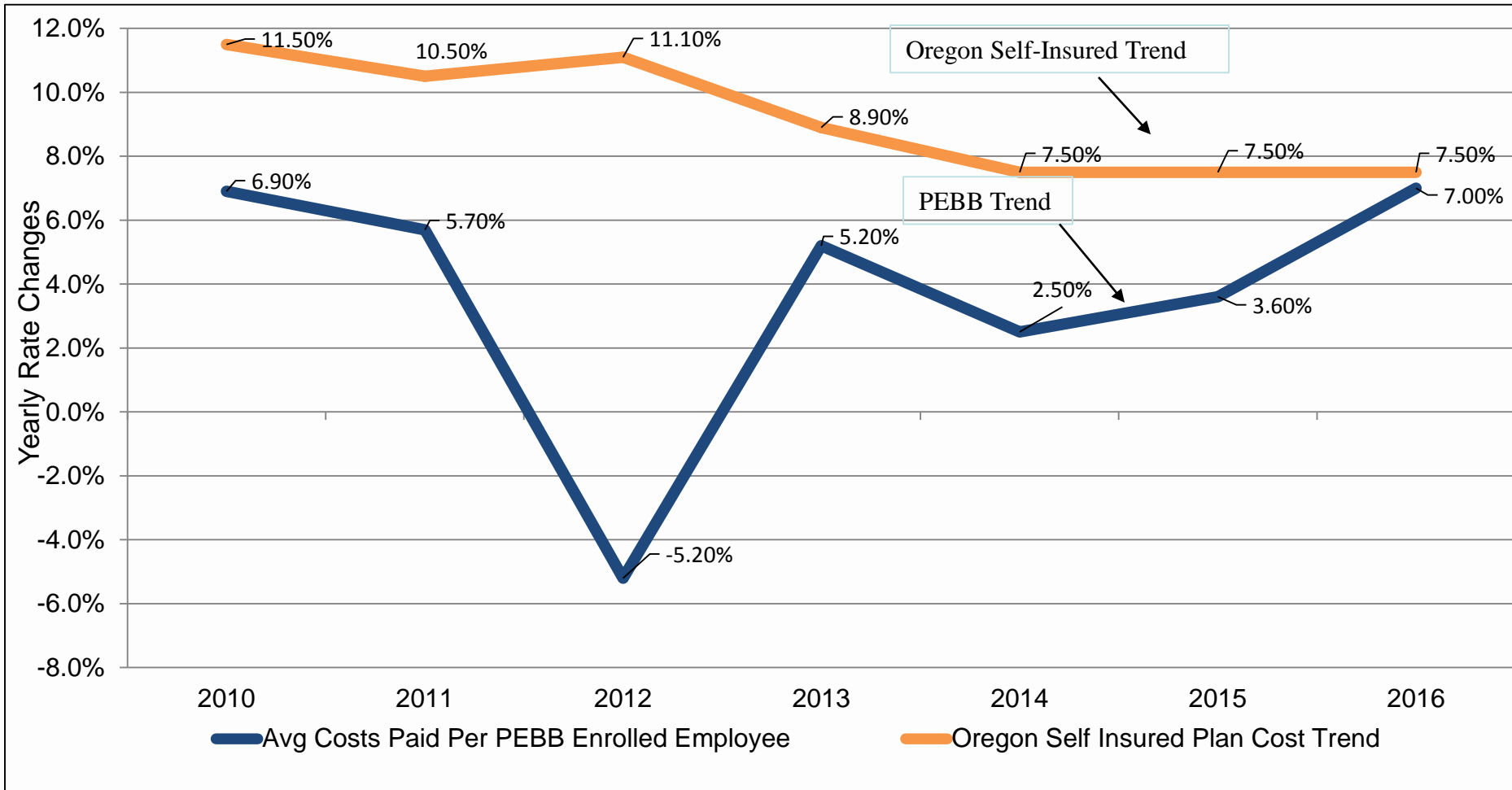
- Advance health care transformation with plans that
 - Coordinate care and improve access to services
 - Hold growth at 3.4%
 - Integrate coordinated, patient-centered care – physical, mental and dental
 - Demonstrate better health outcomes
 - Embrace alternative payment models
 - Support new partnerships and strengthen existing ones

2017-19 PEBB and OEBB Organizational Chart

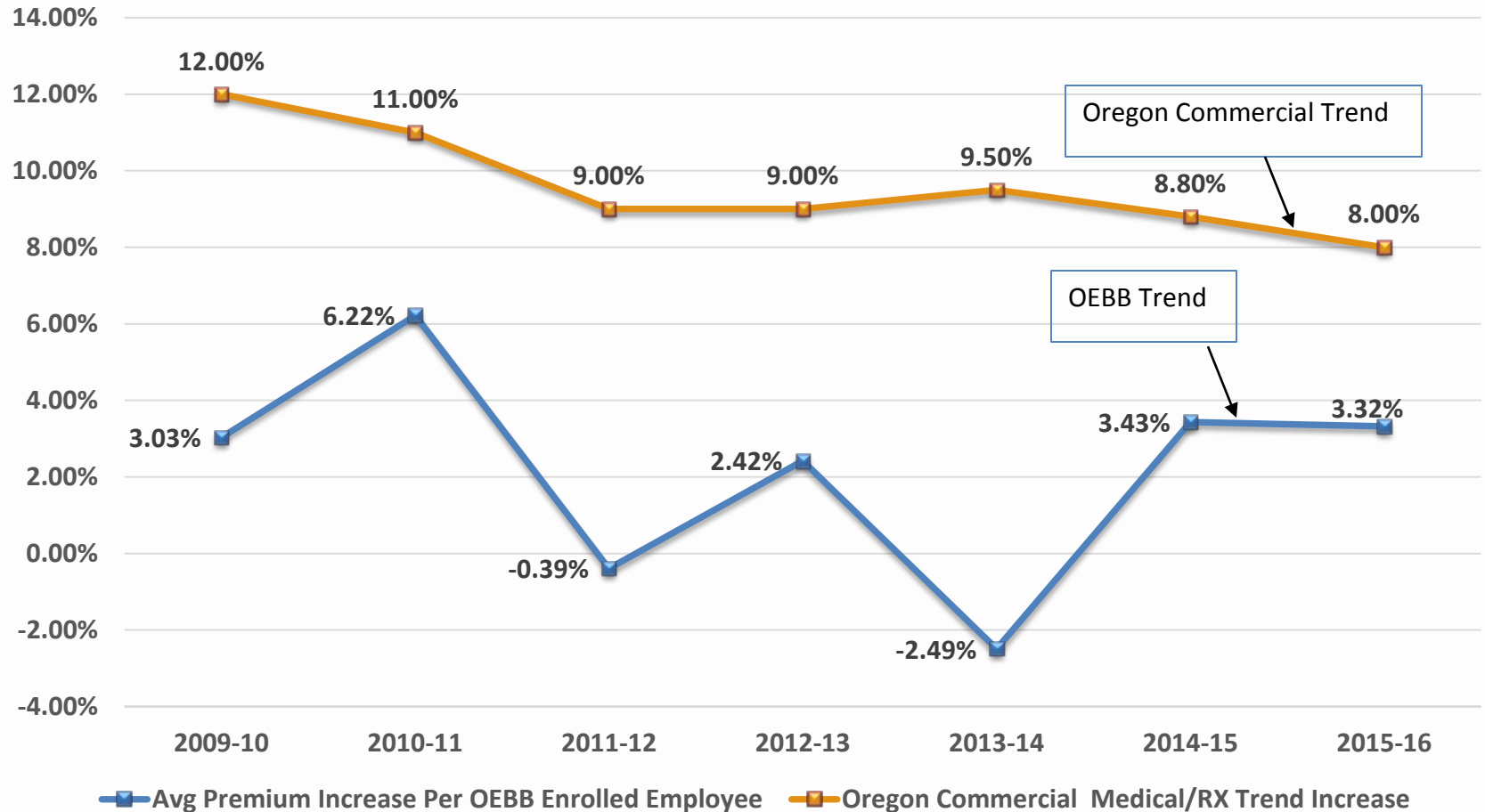


17-19 Positions: 39
FTE: 38.5

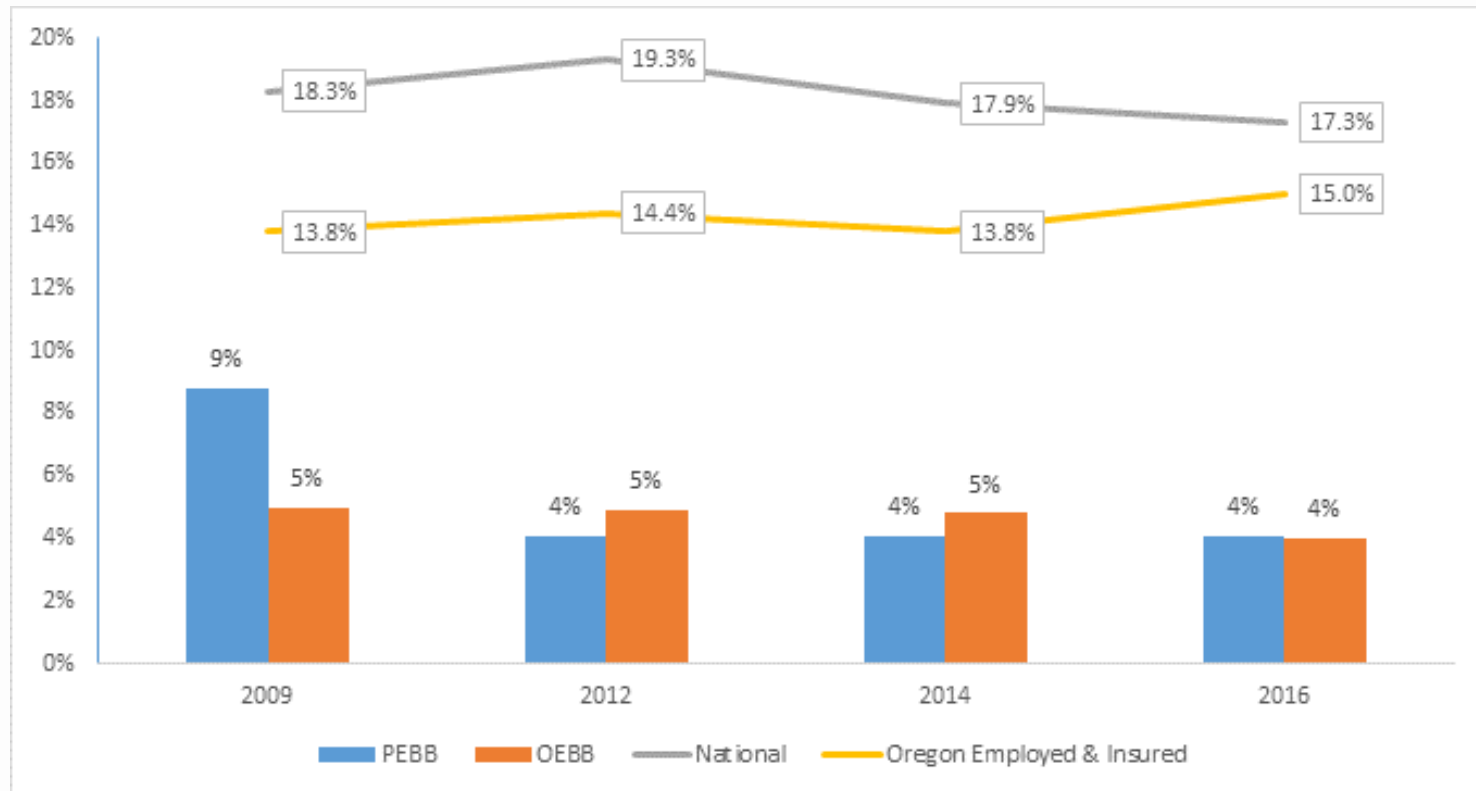
PEBB Cost Trend Against Commercial Trend



OEBB Cost Trend Against Commercial Trend

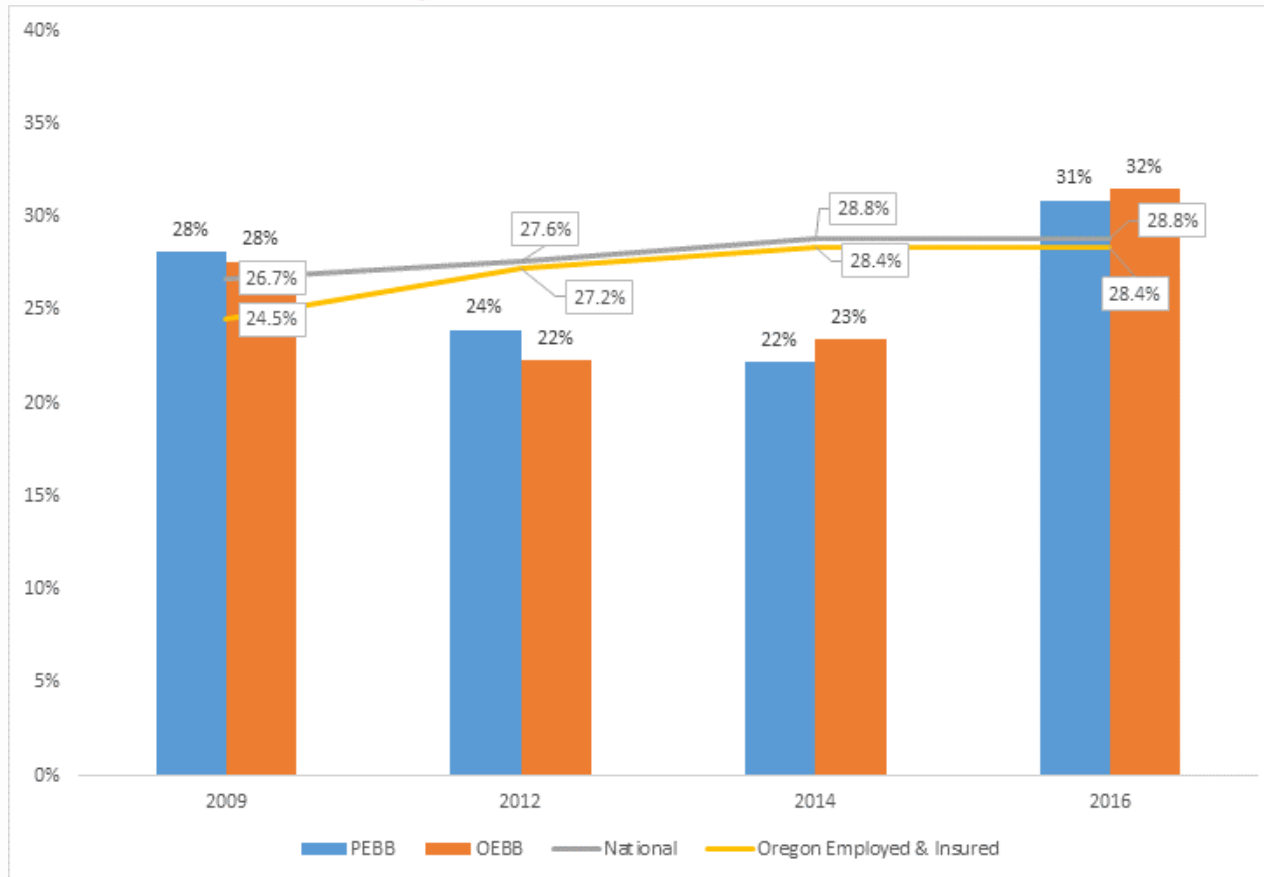


PEBB & OEBB Self-reported Health Status- Current Cigarette Smokers



Member smoking rate of 4% is significantly lower than Oregon employed and insured (15%) and U.S. population (17.3%).

PEBB & OEBB Self-reported Health Status- Obesity



Obesity rates among PEBB and OEBB covered employees appear to be slightly above the state rate for employed and insured individuals (28.4%) and the national rate (28.8%).



Public Employees' Benefit Board 2017-19 Budget Overview

Public Employees' Benefit Board (PEBB)

Four members representing management:

- Mark Fairbanks, Chair
- Bill Barr
- Jim Rickards, MD
- Vacant

Four members representing labor:

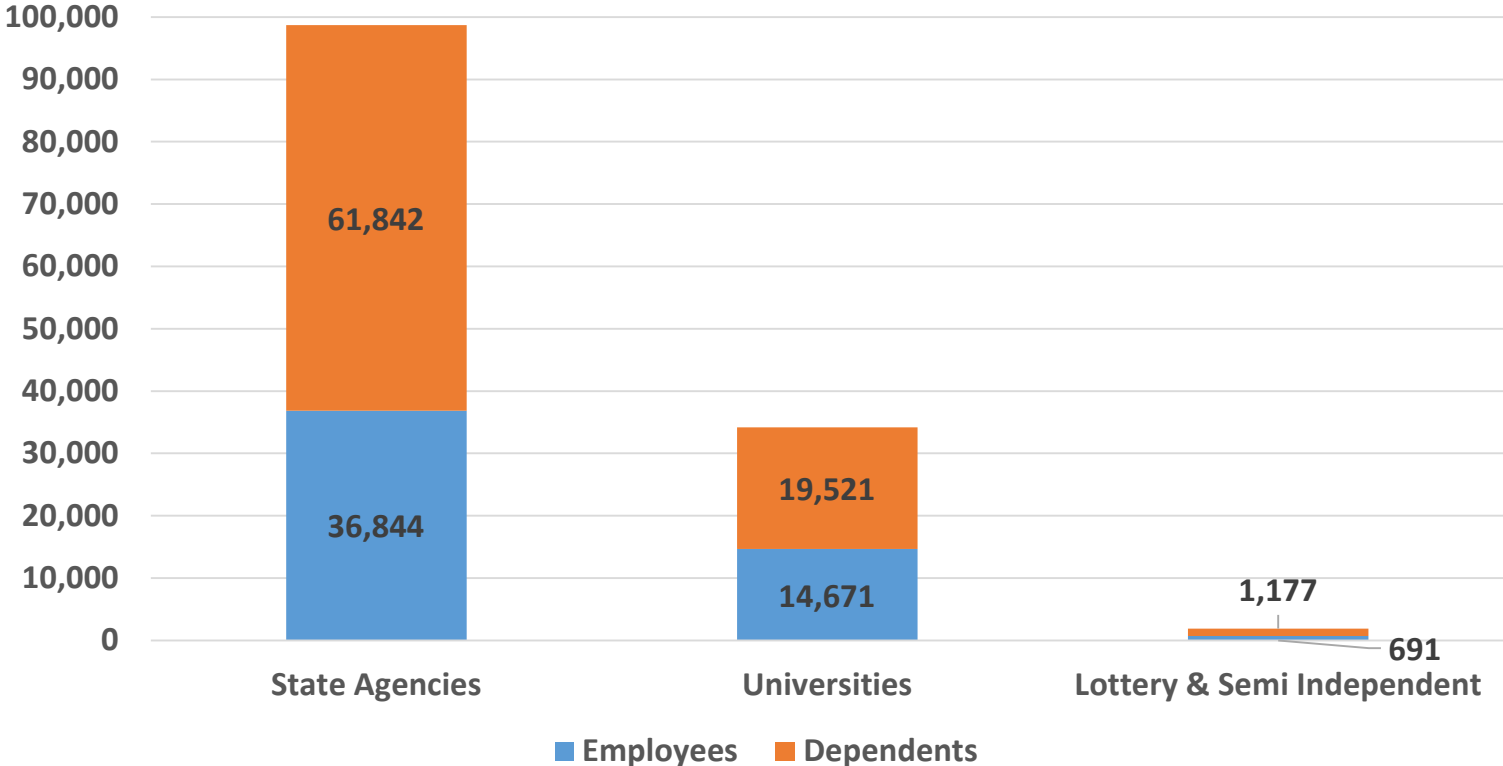
- Shaun Parkman, Vice-Chair
- Stacy Chamberlain, JD
- Paul McKenna
- Mark Perlman, PHD

Two non-voting advisory members:

- Member of the Senate: Sen. Betsy Johnson
- Member of the House of Representatives: Rep. Mitch Greenlick

Whom PEBB Serves

2016 PEBB Active Enrollments

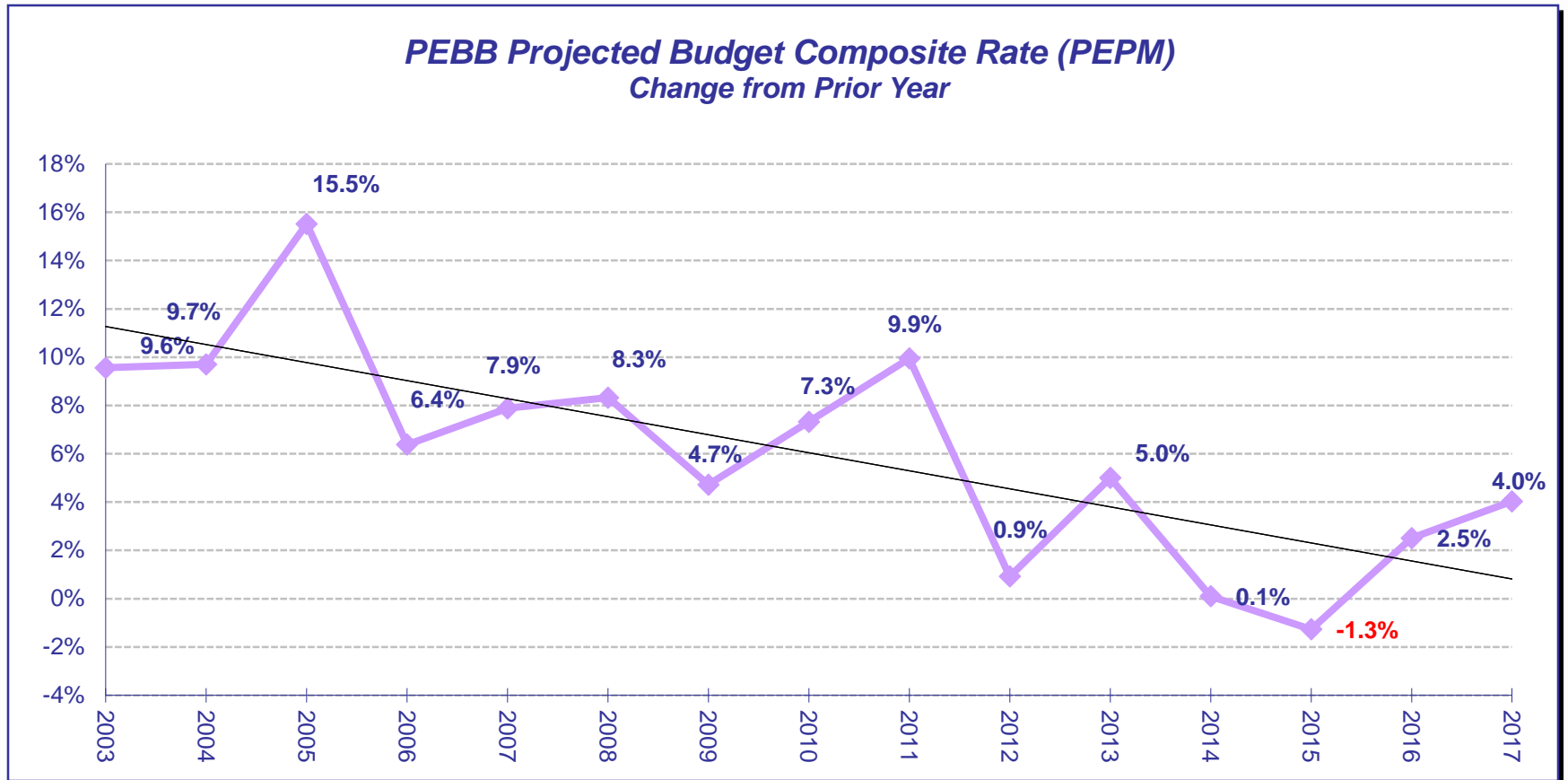


PEBB Composite Rate History

PEBB Plan Year	2011	2012	2013	2014	2015	2016	2017
Composite Rate	\$1,263	\$1,275	\$1,338	\$1,340	\$1,322	\$1,356	\$1,416

Composite Rate: PEBB's composite rate is a weighted average cost for an employee enrolled in medical, dental, vision and basic life insurance. It is used for budgeting purposes only.

PEBB Budget Efficiencies



PEBB Core Benefits

- **Health Plans**
 - Medical
 - Dental
 - Vision
- **Basic Employee Life Insurance**
- **Employee Assistance Program**

Premium cost shared by employee and employer

PEBB Optional Benefits

Insurance

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

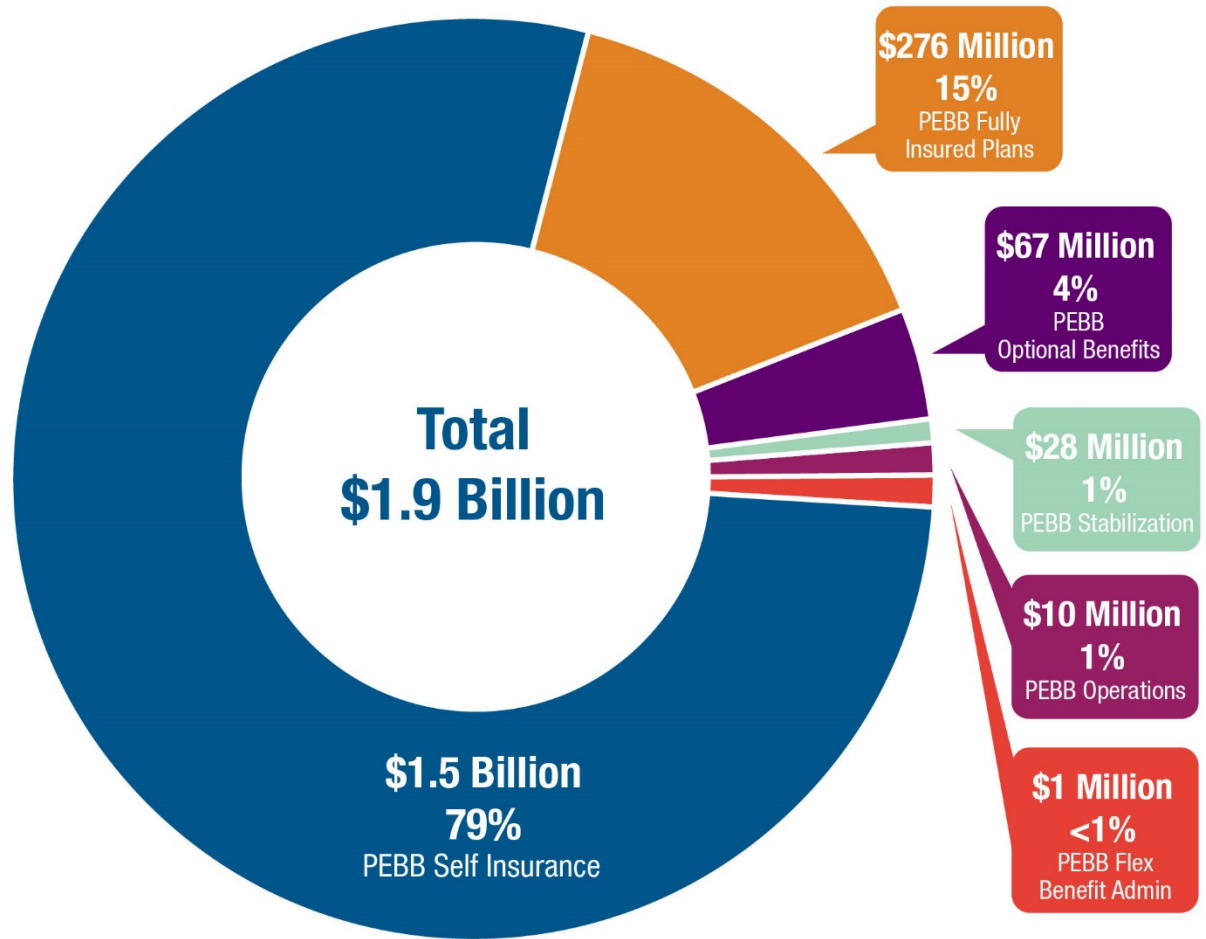
Flexible spending accounts: Health and dependent care

Commuter accounts: Parking and transit

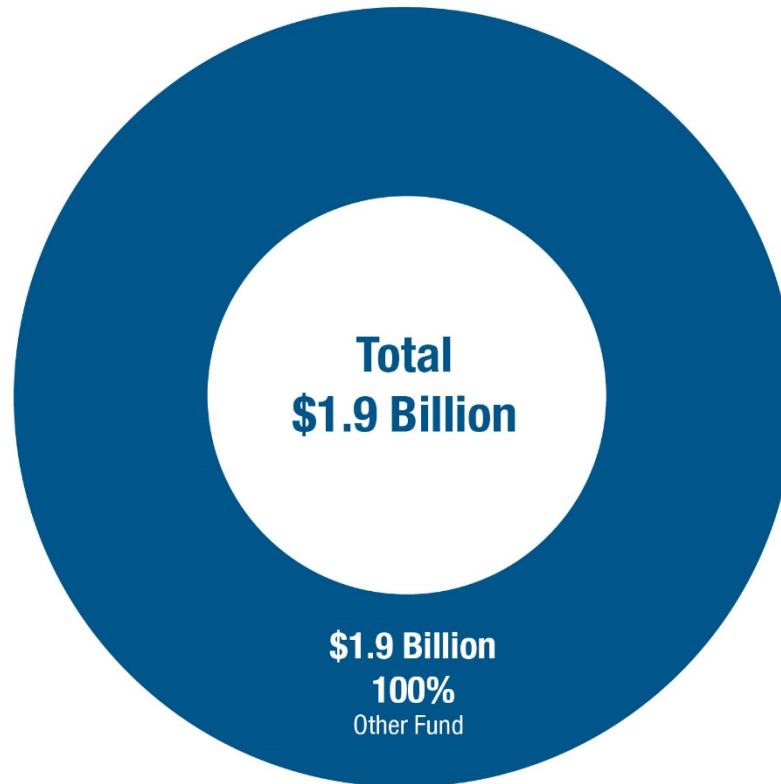
Premium paid entirely by employee

PEBB 2017-19 Budget

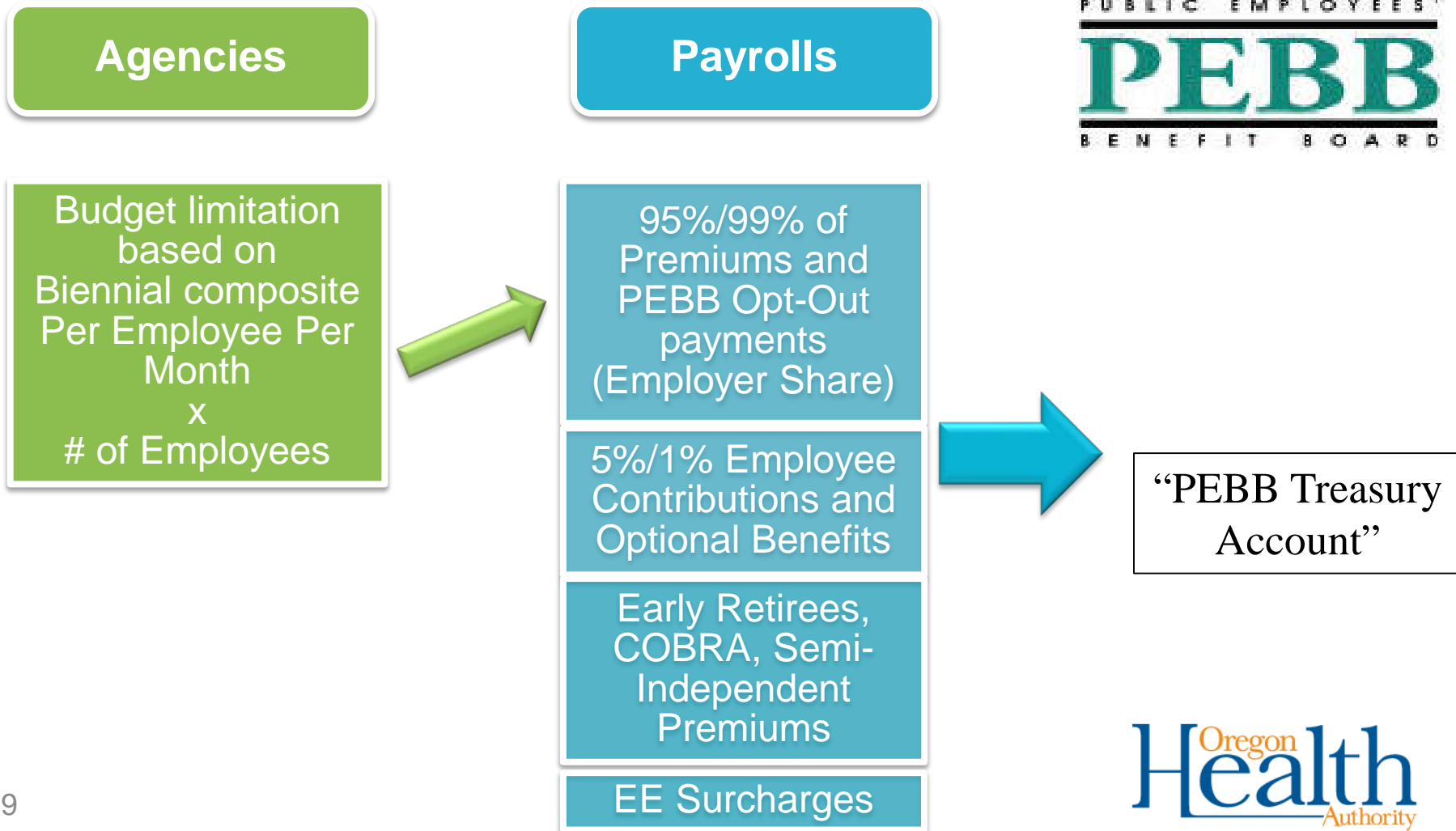
PEBB 2017-19 Governor's budget by Program



PEBB 2017-19 Governor's budget by Fund Type



PEBB Premium Funding “Inflows”



PEBB Expenditure Outflows



“PEBB Treasury Account”



- Fully-Insured Premiums
- Self-insured Costs
- Optional Benefit Plan Costs
- Health Engagement Model Payments
- PEBB Operations
- Stabilization Fund

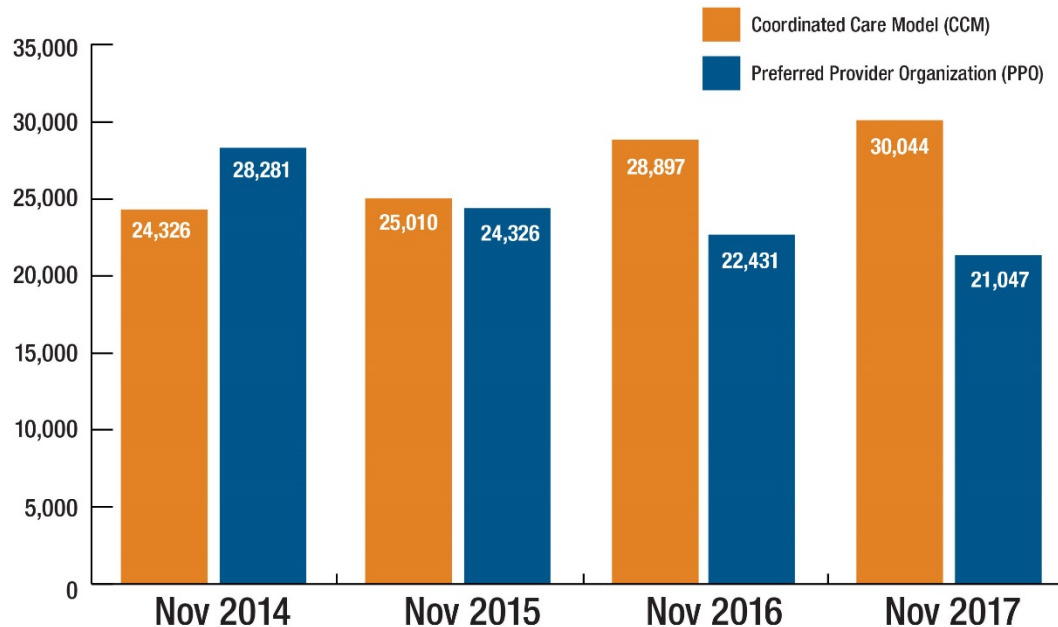
PEBB Major Program Changes

- Governor's Executive Order: Statewide Wellness Coordinator
- Removed deductible for in-network outpatient mental health services
- Expanded plan geographic coverage areas
- PEBB medical plan contracts now include quality and outcome measures that closely align with the incentive metrics OHA has established for CCOs
- Inflation growth capped at 3.4 percent annually

PEBB Enrollment Migration

- Members moving from preferred provider organization (PPO) plan
- Members choosing coordinated care model (CCM) plans with lower premium share

Member Migration Between Plan Types 2014-2017



KPM: PEBB 2016 Customer Service Survey

- Employee Helpfulness: 86% of PEBB survey responders rated PEBB employees as “good/excellent” for employee helpfulness
- Employee Knowledge: 86% of PEBB survey responders rated PEBB employees’ knowledge and expertise as “good/excellent”
- Overall Quality of Service: 85% of PEBB survey responders rated PEBB’s overall quality of service as “good/excellent”



Oregon Educators Benefit Board 2017-19 Budget Overview

Oregon Educators Benefit Board (OEBB)

Two members representing school boards:

- Ron Gallinat
- Nancy MacMorris-Adix, Chair

Two members representing education management:

- Bob Stewart
- Heather Cordie, PhD

Four members representing education non-management:

- John Larson
- Rick Shidaker
- Cherie Maas-Anderson, Vice-Chair
- Holly Spruance

Two health policy experts:

- Geoffrey Brown
- Tom Syltebo, MD

One member representing local government management

- Jonian “JJ” Scofield

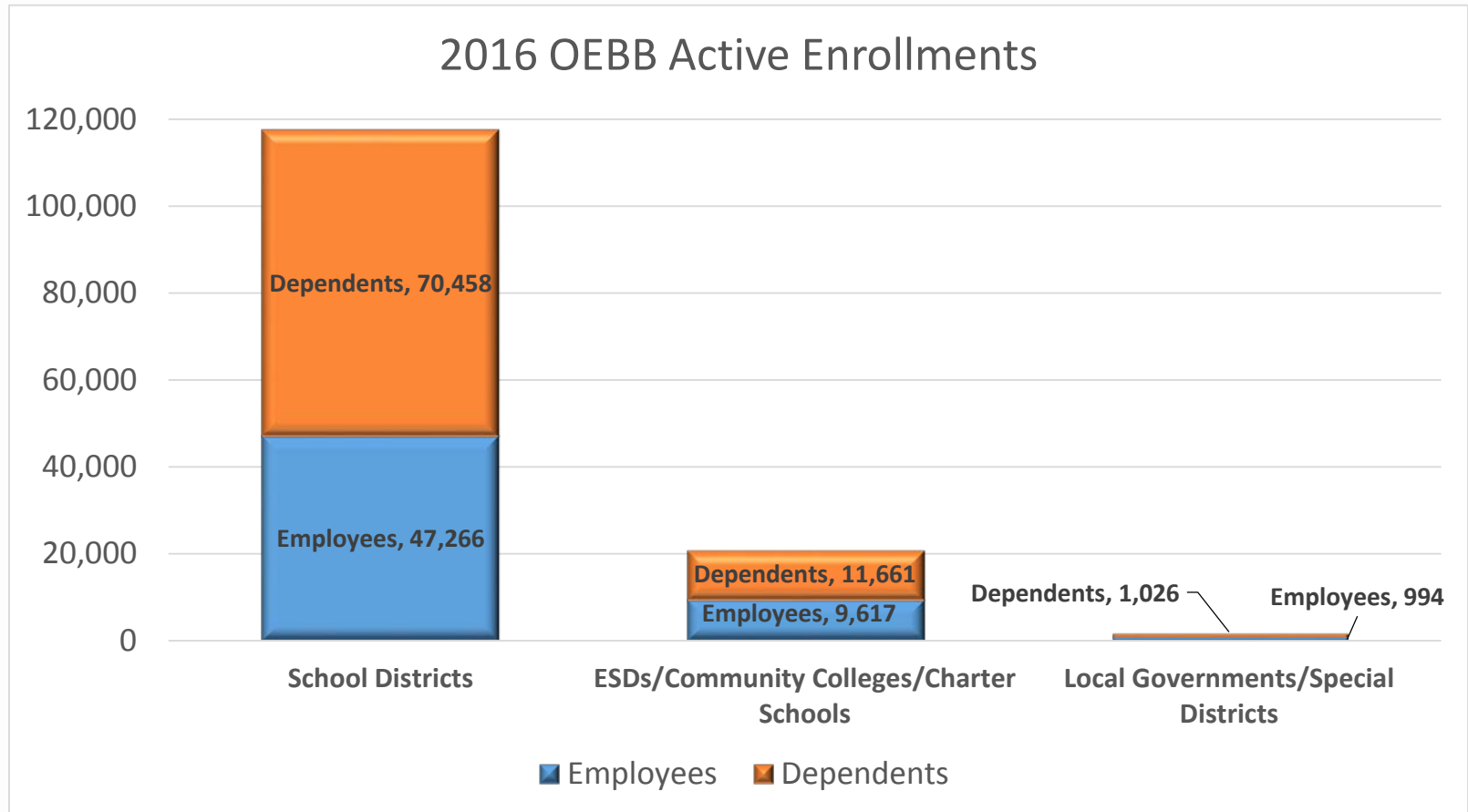
One member representing local government non-management

- Vacant

Whom OEBS Serves

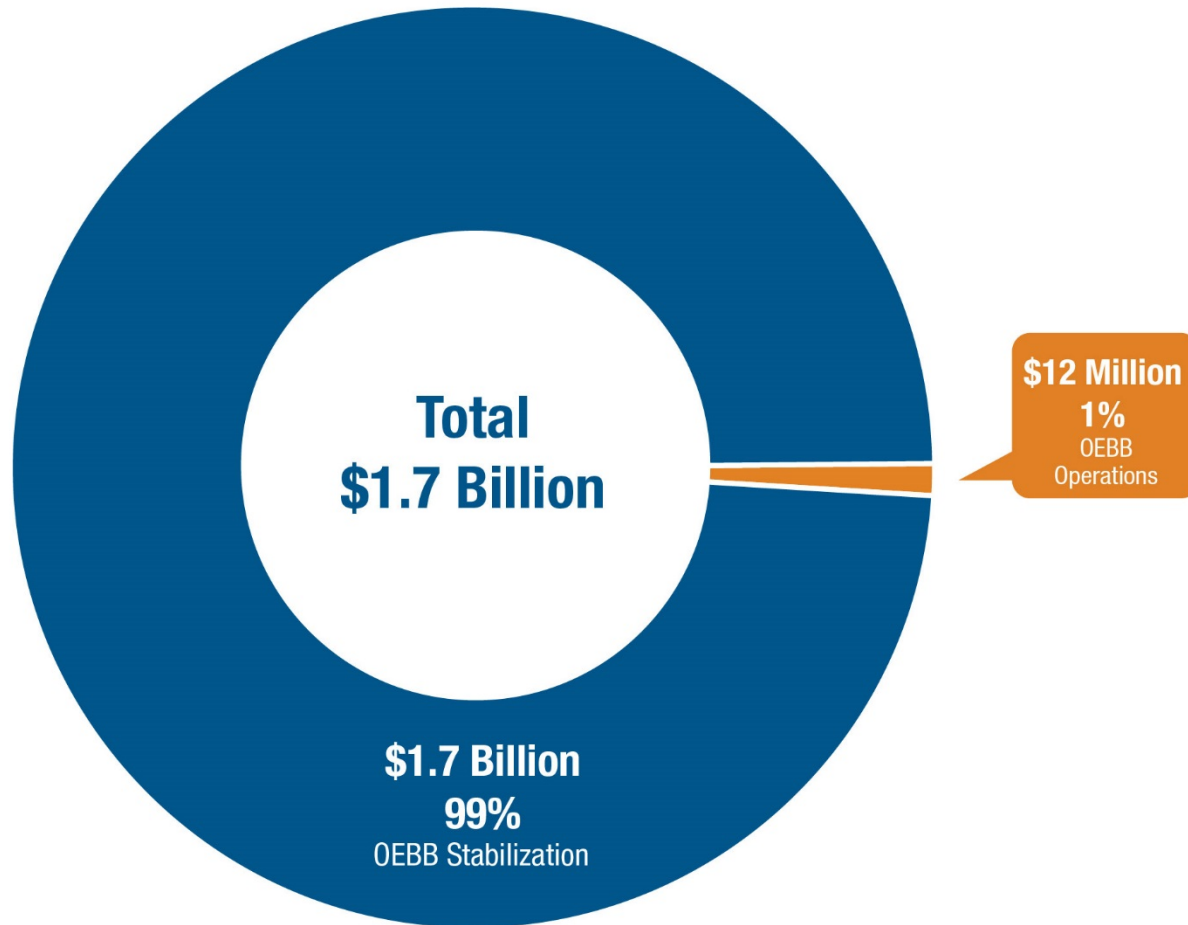
- School Districts (188)
- Educational Service Districts (19)
- Charter Schools (20)
- Community Colleges (16)
- Local Government (2)
- Special districts (3)

OEBB Member Enrollments

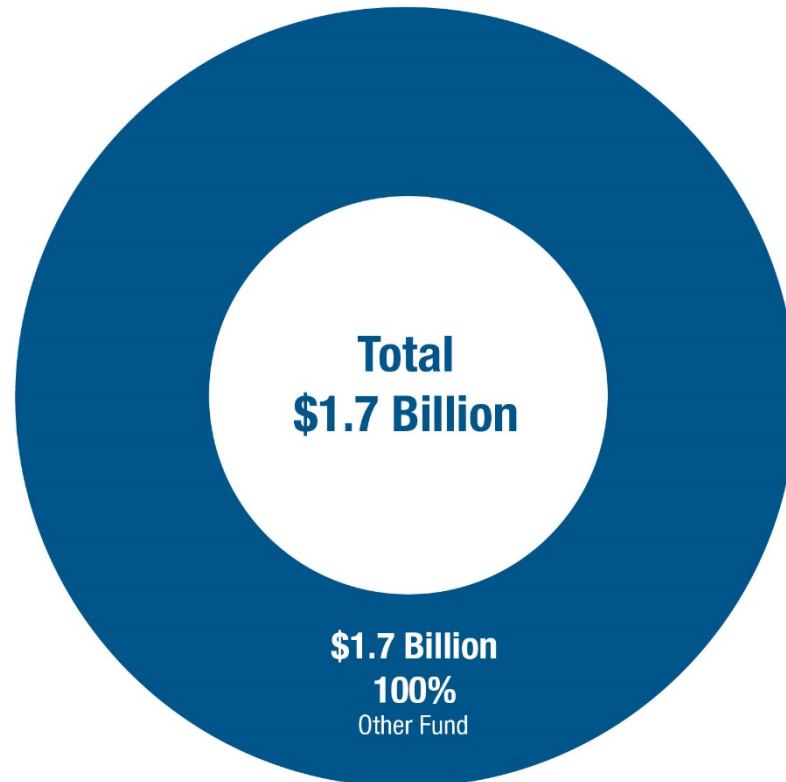


OEBB 2017-19 Budget

OEGB 2017-19 Governor's budget by Program



OEBB 2017-19 Governor's budget by Fund Type



OEBB Medical Plan Highlights

Most offer

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

All 2016 medical plans

- Cover nationally recommended preventive services
- Limit out-of-pocket costs
- Data-driven benefit designs

OEBB Core Benefit Options

- **Medical plans**
 - 4 statewide PPO options
 - 5 CCM options
 - 3 regional HMO options
 - All include high deductible health plan
- **Pharmacy plans**
 - 1 statewide Oregon Prescription Drug Program (OPDP) plan
 - 1 regional HMO plan
- **Premiums shared between employer and employee**

OEGB Core Benefit Options

- **Dental plans**
 - Five statewide indemnity plans
 - One regional managed care plan
 - One regional HMO plan
- **Vision plans**
 - Three statewide fully insured plans
 - One regional fully insured HMO plan
- **Employee Assistance Program**
- **Premiums shared between employer and employee**

OEBB Optional Benefits

Insurance

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

Health Savings Account with qualified high deductible health plan (HDHP)

Flexible Spending Accounts: Health and dependent care

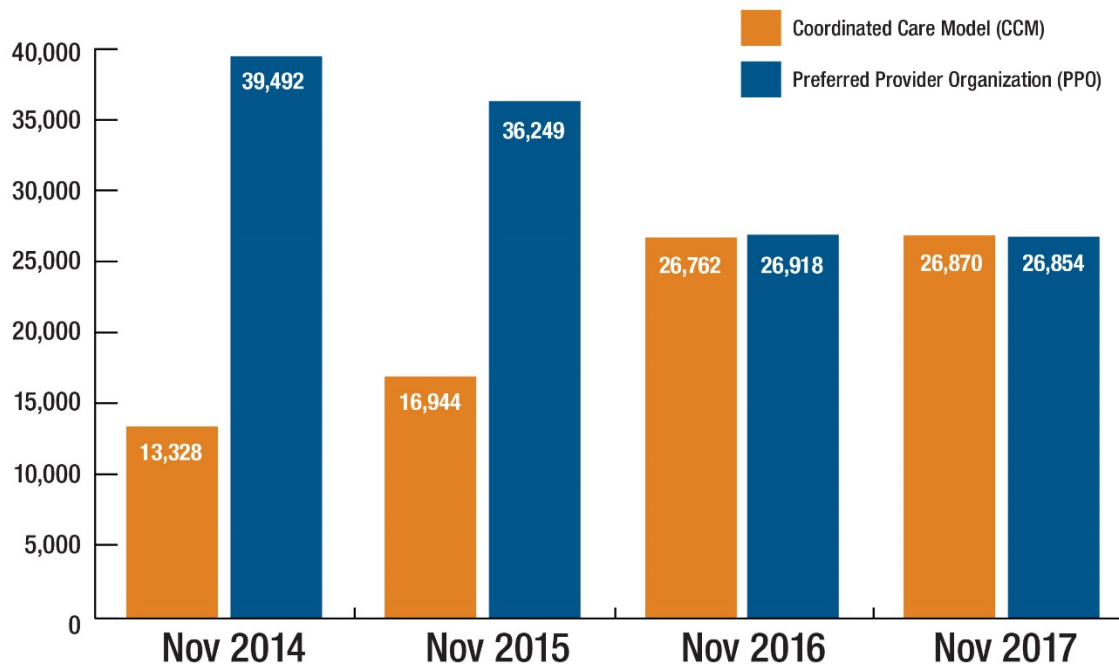
Commuter Accounts: Parking and transit

Premiums paid entirely by employee

OEBB Enrollment Migration

- Members moving from preferred provider organization (PPO) plan
- Members choosing coordinated care model (CCM) plans with lower premium share

Member Migration Between Plan Types 2014-2017



KPM: OEBB 2016 Customer Service Survey

- Employee Helpfulness: 83% of OEBB survey responders rated OEBB employees as “good/excellent” for employee helpfulness
- Employee Knowledge: 83% of OEBB survey responders rated OEBB employees’ knowledge and expertise as “good/excellent”
- Overall Quality of Service: 81% of OEBB survey responders rated OEBB’s overall quality of service as “good/excellent”

PEBB and OEBB

Major Budget Drivers and Risks

- Controlling cost drivers
 - Pharmaceuticals: specialty drugs
 - Uncertainty in federal policy
 - Chronic conditions in an aging workforce
- Engaging members in
 - Healthier choices
 - More-coordinated care

Questions?