



March 23, 2017

TO: The Honorable Laurie Monnes Anderson, Chair  
Senate Committee on Health Care

FROM: Kathy Loretz  
Director  
Oregon Educators Benefits Board  
Public Employees' Benefits Board  
Oregon Health Authority

RE: Senate Bill 46

Chair Monnes Anderson and members of the Committee; I am Kathy Loretz, Director for both the Oregon Educators Benefits Board (OEBB) and Public Employees' Benefits Board (PEBB). Thank you for having me here this afternoon to speak to Senate Bill 46.

Senate Bill 46 is a simple bill; it only proposes to move references to OEBB and PEBB currently in the Oregon Insurance Code (Chapter 743) to the ORS 243, the Chapter that covers OEBB and PEBB. The rationale behind this proposed change is also simple, both OEBB and PEBB are not under the jurisdiction of the Oregon Insurance Division or Department of Consumer and Business Services and current statutory references to those plans in the Insurance Code confuse which state agency bears the responsibility for ensuring that OEBB and PEBB plans are in compliance with statutory mandates. Current references to PEBB in the Insurance Code are particularly confusing as self-funded plans, as most PEBB plans are, are exempt under federal law (ERISA) from state insurance mandates.

Senate Bill 46 only seeks to move 3 current references in the Oregon Insurance Code:

- ORS 743A.058 – dealing with coverage of telemedicine;
- ORS 743B.601 – dealing with “synchronizing” prescription drug refills; and
- ORS 743B.810 – dealing coordination for enrollees covered by workers' compensation

Senate Bill 46 will not remove the obligation of OEBB and PEBB to comply with these provisions; it only will consolidate regulation of PEBB and OEBB plans in one place in statute, Chapter 243.

Although OEBB and PEBB do not fall under the Insurance Division's jurisdiction, both have worked cooperatively with the division to ensure that changes in insurance regulations are implemented by their plans. Both OEBB and PEBB also work with the Insurance Division to respond to any requests or complaints made to the Division by plan members. This collaboration will continue under Senate Bill 46, but will simplify and clarify statutory oversight

of OEGB and PEBB. In addition to this immediate clean-up, OEGB and PEBB hope that the changes in Senate Bill 46 will ensure that future legislation proposing to impact both entities covered by the Insurance Code and OEGB/PEBB is properly placed in statute.

Thank you for your time and consideration of Senate Bill 46. I am happy to answer any questions you may have.