

Comparison of Employee Cost Containment Proposals for PEBB/OEBB: OBC and SB 1067

PEBB/OEBB Merger

Provisions	Proposal	SB 1067
Board Composition	Includes health care and insurance experts along with labor, management and OHA	Equal number of PEBB and OEBB Board members
Accountabilities	Includes accountability for implementing solutions to lower employee health care costs: <ul style="list-style-type: none"> - Plan designs - Provider reimbursement - Rating structure 	Administration of the Board functions and operations
Transition Plan	Governor appointed transition team to recommend by 3/1/18: <ul style="list-style-type: none"> - Plan offerings - Contribution strategies - Cost containment strategies - If the pools should merge - Governance structure 	Executive Committee to Report to Ways and Means by 2/1/18 how to merge the functions and operations of the two Boards
Role of Executive Director	-Responsible for administration and efficiency of the operations -Accountable for implementing solutions to slow the rate of growth	Responsible for administrative functions and efficiency of operations of the new Board

Annual Growth Rate Limits for Health Benefits

Provisions	Proposal	SB 1067
Annual Rate of Growth in health care and premium spending	-Does not specify a target -Sets state contribution for health benefits at 110% of the national average	Limits annual growth in health care services and premiums to 3.4%
Limitation on non-primary care rates	-Moves to risk based arrangements for total cost of care and quality -Only caps traditional fee for service if unable to get risk based contracts or global budgets	-Sets hospital based reimbursement at 200% Medicare for in-network hospitals; 185% for out-of-network. -Applies to Fee for service and risk based contracts -Does not include A/B or critical access hospitals -Can't balance bill above the cap -Premiums reflect reduced payment
Employer Contributions	-Establishes a per employee per month expenditure target and defined contribution for the state. -Freezes the state contribution for state/school employees until the state achieves 110% of the national average. -Increases dependent monthly cost sharing to the lesser of the private sector or 25% of family premiums	No Change
Plan Offerings/Networks	-Offer broad range of plan designs -Create incentives providers/employees to control health care costs	No Change

