

Senate Bill 224

Sponsored by Senators DEVLIN, JOHNSON (Presession filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Requires Public Employees' Benefit Board and Oregon Educators Benefit Board to provide benefit plan option that includes Oregon Health and Science University as in-network provider.

A BILL FOR AN ACT

1
2 Relating to Oregon Health and Science University as an in-network provider for state benefit plans;
3 amending ORS 243.105, 243.135, 243.860 and 243.866.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 243.105 is amended to read:

6 243.105. As used in ORS 243.105 to 243.285, unless the context requires otherwise:

7 (1) "Benefit plan" includes, but is not limited to:

8 (a) Contracts for insurance or other benefits, including medical, dental, vision, life, disability and
9 other health care recognized by state law, and related services and supplies;

10 (b) Comparable benefits for employees who rely on spiritual means of healing; and

11 (c) Self-insurance programs managed by the Public Employees' Benefit Board.

12 (2) "Board" means the Public Employees' Benefit Board.

13 (3) "Carrier" means an insurance company or health care service contractor holding a valid
14 certificate of authority from the Director of the Department of Consumer and Business Services, or
15 two or more companies or contractors acting together pursuant to a joint venture, partnership or
16 other joint means of operation, or a board-approved guarantor of benefit plan coverage and com-
17 pensation.

18 (4)(a) "Eligible employee" means an officer or employee of a state agency or local government
19 who elects to participate in one of the group benefit plans described in ORS 243.135. The term in-
20 cludes, but is not limited to, state officers and employees in the exempt, unclassified and classified
21 service, and state officers and employees, whether or not retired, who:

22 (A) Are receiving a service retirement allowance, a disability retirement allowance or a pension
23 under the Public Employees Retirement System or are receiving a service retirement allowance, a
24 disability retirement allowance or a pension under any other retirement or disability benefit plan
25 or system offered by the State of Oregon for its officers and employees;

26 (B) Are eligible to receive a service retirement allowance under the Public Employees Retire-
27 ment System and have reached earliest retirement age under ORS chapter 238;

28 (C) Are eligible to receive a pension under ORS 238A.100 to 238A.250, and have reached earliest
29 retirement age as described in ORS 238A.165; or

30 (D) Are eligible to receive a service retirement allowance or pension under another retirement
31 benefit plan or system offered by the State of Oregon and have attained earliest retirement age

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 under the plan or system.

2 (b) "Eligible employee" does not include individuals:

3 (A) Engaged as independent contractors;

4 (B) Whose periods of employment in emergency work are on an intermittent or irregular basis;

5 (C) Who are employed on less than half-time basis unless the individuals are employed in posi-
6 tions classified as job-sharing positions, unless the individuals are defined as eligible under rules of
7 the board;

8 (D) Appointed under ORS 240.309;

9 (E) Provided sheltered employment or make-work by the state in an employment or industries
10 program maintained for the benefit of such individuals;

11 (F) Provided student health care services in conjunction with their enrollment as students at a
12 public university listed in ORS 352.002; or

13 (G) Who are members of a collective bargaining unit that represents police officers or fire-
14 fighters.

15 (5) "Family member" means an eligible employee's spouse and any unmarried child or stepchild
16 within age limits and other conditions imposed by the board with regard to unmarried children or
17 stepchildren.

18 **(6) "In-network" means performed by a provider or provider group that has directly**
19 **contracted with the insurer.**

20 [(6)] (7) "Local government" means any city, county or special district in this state or any
21 intergovernmental entity created under ORS chapter 190.

22 [(7)] (8) "Payroll disbursing officer" means the officer or official authorized to disburse moneys
23 in payment of salaries and wages of employees of a state agency or local government.

24 [(8)] (9) "Premium" means the monthly or other periodic charge for a benefit plan.

25 [(9)] (10) "State agency" means every state officer, board, commission, department or other ac-
26 tivity of state government.

27 **SECTION 2.** ORS 243.135 is amended to read:

28 243.135. (1) Notwithstanding any other benefit plan contracted for and offered by the Public
29 Employees' Benefit Board, the board shall contract for a health benefit plan or plans best designed
30 to meet the needs and provide for the welfare of eligible employees, the state and the local gov-
31 ernments. In considering whether to enter into a contract for a plan, the board shall place emphasis
32 on:

33 (a) Employee choice among high quality plans;

34 (b) A competitive marketplace;

35 (c) Plan performance and information;

36 (d) Employer flexibility in plan design and contracting;

37 (e) Quality customer service;

38 (f) Creativity and innovation;

39 (g) Plan benefits as part of total employee compensation; and

40 (h) The improvement of employee health.

41 (2) The board may approve more than one carrier for each type of plan contracted for and of-
42 fered but the number of carriers shall be held to a number consistent with adequate service to eli-
43 gible employees and their family members.

44 (3) Where appropriate for a contracted and offered health benefit plan, the board shall provide
45 options under which an eligible employee may arrange coverage for family members.

1 (4) Payroll deductions for costs that are not payable by the state or a local government may be
 2 made upon receipt of a signed authorization from the employee indicating an election to participate
 3 in the plan or plans selected and the deduction of a certain sum from the employee's pay.

4 (5) In developing any health benefit plan, the board may provide an option of additional cover-
 5 age for eligible employees and their family members at an additional cost or premium.

6 (6) Transfer of enrollment from one plan to another shall be open to all eligible employees and
 7 their family members under rules adopted by the board. Because of the special problems that may
 8 arise in individual instances under comprehensive group practice plan coverage involving acceptable
 9 physician-patient relations between a particular panel of physicians and particular eligible employ-
 10 ees and their family members, the board shall provide a procedure under which any eligible em-
 11 ployee may apply at any time to substitute a health service benefit plan for participation in a
 12 comprehensive group practice benefit plan.

13 (7) The board shall evaluate a benefit plan that serves a limited geographic region of this state
 14 according to the criteria described in subsection (1) of this section.

15 **(8) The board shall ensure that eligible employees and their family members have the**
 16 **option to select a benefit plan that includes Oregon Health and Science University as an in-**
 17 **network provider.**

18 **SECTION 3.** ORS 243.135, as amended by section 4, chapter 389, Oregon Laws 2015, is amended
 19 to read:

20 243.135. (1) Notwithstanding any other benefit plan contracted for and offered by the Public
 21 Employees' Benefit Board, the board shall contract for a health benefit plan or plans best designed
 22 to meet the needs and provide for the welfare of eligible employees, the state and the local gov-
 23 ernments. In considering whether to enter into a contract for a plan, the board shall place emphasis
 24 on:

25 (a) Employee choice among high quality plans;

26 (b) A competitive marketplace;

27 (c) Plan performance and information;

28 (d) Employer flexibility in plan design and contracting;

29 (e) Quality customer service;

30 (f) Creativity and innovation;

31 (g) Plan benefits as part of total employee compensation;

32 (h) The improvement of employee health; and

33 (i) Health outcome and quality measures, described in ORS 413.017 (4), that are reported by the
 34 plan.

35 (2) The board may approve more than one carrier for each type of plan contracted for and of-
 36 fered but the number of carriers shall be held to a number consistent with adequate service to eli-
 37 gible employees and their family members.

38 (3) Where appropriate for a contracted and offered health benefit plan, the board shall provide
 39 options under which an eligible employee may arrange coverage for family members.

40 (4) Payroll deductions for costs that are not payable by the state or a local government may be
 41 made upon receipt of a signed authorization from the employee indicating an election to participate
 42 in the plan or plans selected and the deduction of a certain sum from the employee's pay.

43 (5) In developing any health benefit plan, the board may provide an option of additional cover-
 44 age for eligible employees and their family members at an additional cost or premium.

45 (6) Transfer of enrollment from one plan to another shall be open to all eligible employees and

1 their family members under rules adopted by the board. Because of the special problems that may
 2 arise in individual instances under comprehensive group practice plan coverage involving acceptable
 3 provider-patient relations between a particular panel of providers and particular eligible employees
 4 and their family members, the board shall provide a procedure under which any eligible employee
 5 may apply at any time to substitute a health service benefit plan for participation in a comprehen-
 6 sive group practice benefit plan.

7 (7) The board shall evaluate a benefit plan that serves a limited geographic region of this state
 8 according to the criteria described in subsection (1) of this section.

9 **(8) The board shall ensure that eligible employees and their family members have the**
 10 **option to select a benefit plan that includes Oregon Health and Science University as an in-**
 11 **network provider.**

12 **SECTION 4.** ORS 243.860 is amended to read:

13 243.860. As used in ORS 243.860 to 243.886, unless the context requires otherwise:

14 (1) "Benefit plan" includes but is not limited to:

15 (a) Contracts for insurance or other benefits, including medical, dental, vision, life, disability and
 16 other health care recognized by state law, and related services and supplies;

17 (b) Self-insurance programs managed by the Oregon Educators Benefit Board; and

18 (c) Comparable benefits for employees who rely on spiritual means of healing.

19 (2) "Carrier" means an insurance company or health care service contractor holding a valid
 20 certificate of authority from the Director of the Department of Consumer and Business Services, or
 21 two or more companies or contractors acting together pursuant to a joint venture, partnership or
 22 other joint means of operation, or a board-approved provider or guarantor of benefit plan coverage
 23 and compensation.

24 (3) "District" means a common school district, a union high school district, an education service
 25 district, as defined in ORS 334.003, or a community college district, as defined in ORS 341.005.

26 (4)(a) "Eligible employee" includes:

27 (A) An officer or employee of a district or a local government who elects to participate in one
 28 of the benefit plans described in ORS 243.864 to 243.874; and

29 (B) An officer or employee of a district or a local government, whether or not retired, who:

30 (i) Is receiving a service retirement allowance, a disability retirement allowance or a pension
 31 under the Public Employees Retirement System or is receiving a service retirement allowance, a
 32 disability retirement allowance or a pension under any other retirement or disability benefit plan
 33 or system offered by the district or local government for its officers and employees;

34 (ii) Is eligible to receive a service retirement allowance under the Public Employees Retirement
 35 System and has reached earliest service retirement age under ORS chapter 238;

36 (iii) Is eligible to receive a pension under ORS 238A.100 to 238A.250 and has reached earliest
 37 retirement age as described in ORS 238A.165; or

38 (iv) Is eligible to receive a service retirement allowance or pension under any other retirement
 39 benefit plan or system offered by the district or local government and has attained earliest retire-
 40 ment age under the plan or system.

41 (b) Except as provided in paragraph (a)(B) of this subsection, "eligible employee" does not in-
 42 clude an individual:

43 (A) Engaged as an independent contractor;

44 (B) Whose periods of employment in emergency work are on an intermittent or irregular basis;

45 or

1 (C) Who is employed on less than a half-time basis unless the individual is employed in a posi-
 2 tion classified as a job-sharing position or unless the individual is defined as eligible under rules of
 3 the Oregon Educators Benefit Board or under a collective bargaining agreement.

4 (5) "Family member" means an eligible employee's spouse or domestic partner and any unmar-
 5 ried child or stepchild of an eligible employee within age limits and other conditions imposed by the
 6 Oregon Educators Benefit Board with regard to unmarried children or stepchildren.

7 **(6) "In-network" means performed by a provider or provider group that has directly**
 8 **contracted with the insurer.**

9 [(6)] (7) "Local government" means any city, county or special district in this state.

10 [(7)] (8) "Payroll disbursing officer" means the officer or official authorized to disburse moneys
 11 in payment of salaries and wages of officers and employees of a district or a local government.

12 [(8)] (9) "Premium" means the monthly or other periodic charge, including administrative fees
 13 of the Oregon Educators Benefit Board, for a benefit plan.

14 **SECTION 5.** ORS 243.866 is amended to read:

15 243.866. (1) The Oregon Educators Benefit Board shall contract for benefit plans best designed
 16 to meet the needs and provide for the welfare of eligible employees, the districts and local govern-
 17 ments. In considering whether to enter into a contract for a benefit plan, the board shall place em-
 18 phasis on:

- 19 (a) Employee choice among high-quality plans;
- 20 (b) Encouragement of a competitive marketplace;
- 21 (c) Plan performance and information;
- 22 (d) District and local government flexibility in plan design and contracting;
- 23 (e) Quality customer service;
- 24 (f) Creativity and innovation;
- 25 (g) Plan benefits as part of total employee compensation; and
- 26 (h) Improvement of employee health.

27 (2) The board may approve more than one carrier for each type of benefit plan offered, but the
 28 board shall limit the number of carriers to a number consistent with adequate service to eligible
 29 employees and family members.

30 (3) When appropriate, the board shall provide options under which an eligible employee may
 31 arrange coverage for family members under a benefit plan.

32 (4) A district or a local government shall provide that payroll deductions for benefit plan costs
 33 that are not payable by the district or local government may be made upon receipt of a signed au-
 34 thorization from the employee indicating an election to participate in the benefit plan or plans se-
 35 lected and allowing the deduction of those costs from the employee's pay.

36 (5) In developing any benefit plan, the board may provide an option of additional coverage for
 37 eligible employees and family members at an additional premium.

38 (6) The board shall adopt rules providing that transfer of enrollment from one benefit plan to
 39 another is open to all eligible employees and family members. Because of the special problems that
 40 may arise involving acceptable physician-patient relations between a particular panel of physicians
 41 and a particular eligible employee or family member under a comprehensive group practice benefit
 42 plan, the board shall provide a procedure under which any eligible employee may apply at any time
 43 to substitute another benefit plan for participation in a comprehensive group practice benefit plan.

44 (7) An eligible employee who is retired is not required to participate in a health benefit plan
 45 offered under this section in order to obtain dental benefit plan coverage. The board shall establish

1 by rule standards of eligibility for retired employees to participate in a dental benefit plan.

2 (8) The board shall evaluate a benefit plan that serves a limited geographic region of this state
3 according to the criteria described in subsection (1) of this section.

4 **(9) The board shall ensure that eligible employees and their family members have the**
5 **option to select a benefit plan that includes Oregon Health and Science University as an in-**
6 **network provider.**

7 **SECTION 6.** ORS 243.866, as amended by section 5, chapter 389, Oregon Laws 2015, is amended
8 to read:

9 243.866. (1) The Oregon Educators Benefit Board shall contract for benefit plans best designed
10 to meet the needs and provide for the welfare of eligible employees, the districts and local govern-
11 ments. In considering whether to enter into a contract for a benefit plan, the board shall place em-
12 phasis on:

13 (a) Employee choice among high-quality plans;

14 (b) Encouragement of a competitive marketplace;

15 (c) Plan performance and information;

16 (d) District and local government flexibility in plan design and contracting;

17 (e) Quality customer service;

18 (f) Creativity and innovation;

19 (g) Plan benefits as part of total employee compensation;

20 (h) Improvement of employee health; and

21 (i) Health outcome and quality measures, described in ORS 413.017 (4), that are reported by the
22 plan.

23 (2) The board may approve more than one carrier for each type of benefit plan offered, but the
24 board shall limit the number of carriers to a number consistent with adequate service to eligible
25 employees and family members.

26 (3) When appropriate, the board shall provide options under which an eligible employee may
27 arrange coverage for family members under a benefit plan.

28 (4) A district or a local government shall provide that payroll deductions for benefit plan costs
29 that are not payable by the district or local government may be made upon receipt of a signed au-
30 thorization from the employee indicating an election to participate in the benefit plan or plans se-
31 lected and allowing the deduction of those costs from the employee's pay.

32 (5) In developing any benefit plan, the board may provide an option of additional coverage for
33 eligible employees and family members at an additional premium.

34 (6) The board shall adopt rules providing that transfer of enrollment from one benefit plan to
35 another is open to all eligible employees and family members. Because of the special problems that
36 may arise involving acceptable provider-patient relations between a particular panel of providers
37 and a particular eligible employee or family member under a comprehensive group practice benefit
38 plan, the board shall provide a procedure under which any eligible employee may apply at any time
39 to substitute another benefit plan for participation in a comprehensive group practice benefit plan.

40 (7) An eligible employee who is retired is not required to participate in a health benefit plan
41 offered under this section in order to obtain dental benefit plan coverage. The board shall establish
42 by rule standards of eligibility for retired employees to participate in a dental benefit plan.

43 (8) The board shall evaluate a benefit plan that serves a limited geographic region of this state
44 according to the criteria described in subsection (1) of this section.

45 **(9) The board shall ensure that eligible employees and their family members have the**

1 **option to select a benefit plan that includes Oregon Health and Science University as an in-**
2 **network provider.**

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