

SB 1067-28
(LC 4525)
7/1/17 (LHF/ps)

Requested by JOINT COMMITTEE ON WAYS AND MEANS

**PROPOSED AMENDMENTS TO
SENATE BILL 1067**

1 On page 1 of the printed bill, line 3, after “173.420,” insert “238.229,”.

2 On page 3, line 11, delete “biennial” and insert “quarterly”.

3 In line 12, delete “vacant” and after “positions” insert “that have re-
4 mained vacant for a continuous period of six months”.

5 On page 5, line 22, before “Each” insert “(1)”.

6 In line 24, after the first “infrastructure” delete the rest of the line.

7 Delete line 25.

8 In line 26, delete “fined in ORS 341.005,”.

9 After line 27, insert:

10 “(2) As used in this section, ‘state-owned buildings and infrastructure’
11 does not include:

12 “(a) Buildings and infrastructure owned by or for the use of a public
13 university listed in ORS 352.002 or a community college as defined in ORS
14 341.005; or

15 “(b) Transportation infrastructure, including roads and bridges.”.

16 On page 7, after line 17, insert:

17 **“SECTION 10a.** ORS 238.229 is amended to read:

18 “238.229. (1) If a participating public employer is grouped with any other
19 public employer for the purpose of computing employer contributions under
20 ORS 238.225 and the individual public employer makes a lump sum payment
21 that is in addition to the normal employer contribution of the public em-

1 ployer, the Public Employees Retirement Board shall adjust the amount of
2 employer contributions to be made by the individual public employer to en-
3 sure that the benefit of the lump sum payment accrues only to the individual
4 public employer making the payment. An individual public employer that
5 makes a lump sum payment under the provisions of this subsection shall re-
6 main grouped with other public employers as provided by ORS 238.227 and
7 238A.220 for the purpose of all liabilities of the employer that are not paid
8 under this subsection. The board by rule may establish a minimum lump sum
9 payment that must be made by an individual public employer before adjust-
10 ing employer contributions under this subsection. Notwithstanding any
11 minimum lump sum payment established by the board, the board must allow
12 an individual public employer to make a lump sum payment under this sub-
13 section if the payment is equal to the full amount of the individual public
14 employer's accrued unfunded liabilities under this section and ORS chapter
15 238A.

16 “(2) The board shall establish [a] **one or more** separate [account] **ac-**
17 **counts** within the Public Employees Retirement Fund for [each] **one or**
18 **more** lump sum [payment] **payments** made under this section by an indi-
19 vidual public employer. The board shall credit to each account all interest
20 and other income received from investment of the account funds during the
21 calendar year. Except as provided in subsection (3) of this section, the board
22 may not collect any administrative expense or other charge from the account
23 or from earnings on the account. Except as provided in subsections (5) and
24 (6) of this section, the account shall be used to offset contributions to the
25 system that the public employer would otherwise be required to make for the
26 liabilities against which the lump sum payment is applied.

27 “(3) The board may charge a participating public employer expenses for
28 administration of an account established under subsection (2) of this section
29 in an amount not to exceed \$2,500 for the calendar year in which the account
30 is established and for the immediately following two calendar years, and in

1 an amount not to exceed \$1,000 per year for all subsequent years.

2 “(4) If a participating public employer has any liabilities that are attrib-
3 utable to creditable service by employees of the employer before the partic-
4 ipating public employer was grouped with other public employers under ORS
5 238.227, whether under this section or pursuant to board rule, any lump sum
6 payment made under this section must be applied first against those liabil-
7 ities, with the oldest liability being paid first. Any amounts remaining after
8 application under this subsection must be deposited in a separate account
9 established under subsection (2) of this section.

10 “(5) Except as provided in subsection (6) of this section, if the board de-
11 termines at any time after an actuarial study that the amounts in an account
12 established under subsection (2) of this section exceed the amounts necessary
13 to fund the employer’s actuarial liabilities under the system, upon request
14 of the employer, the board shall apply the excess amounts to offset contri-
15 butions to the individual account program that the employer has agreed to
16 pay under ORS 238A.335 or 238A.340. The board may apply excess amounts
17 to offset contributions to the individual account program under this sub-
18 section only to the extent that the application will not result in the balance
19 in the account being reduced to less than the outstanding principal balance
20 owed on the bonds issued to fund the account. If the request is made by a
21 school district, the school district must attach to the request a copy of a
22 resolution adopted by the district school board for the district authorizing
23 the request. The board shall adopt rules governing offsets under the pro-
24 visions of this subsection.

25 “(6) The board shall apply any excess amounts in an account established
26 under subsection (2) of this section to offset contributions to the individual
27 account program pursuant to subsection (5) of this section only if the board
28 has determined that applying the excess amounts does not cause the system
29 or the Public Employees Retirement Fund to lose qualification as a qualified
30 governmental retirement plan and trust under the Internal Revenue Code and

1 under regulations adopted pursuant to the Internal Revenue Code.”.

2 On page 8, line 45, before “The” insert “(1)”.

3 On page 9, line 6, delete “(1)” and insert “(a)”.

4 In line 10, delete “(2)” and insert “(b)” and delete “, except” and insert a
5 period.

6 Delete line 11 and insert:

7 “(2) This section does not require the Legislative Assembly to prohibit:

8 “(a) Borrowing for ongoing operating expenditures of the state as au-
9 thorized under ORS 286A.045;

10 “(b) Borrowing to finance pension obligations under ORS 238.692 to
11 238.698;

12 “(c) Borrowing to finance activities related to environmental remediation;

13 “(d) The use of bond proceeds to pay for administration or management
14 of projects or programs funded by the bond proceeds; or

15 “(e) The use of interest or investment earnings on bond proceeds for on-
16 going operating expenditures.”.

17 On page 14, after line 24, insert:

18 “(2) If a state agency reports under subsection (1) of this section that the
19 total ending balance of its liquidated and delinquent accounts is \$50 million
20 or greater, the state agency shall, not later than three months after it sub-
21 mits the report under subsection (1) of this section, submit an additional
22 report to the committees or interim committees of the Legislative Assembly
23 related to ways and means that:

24 “(a) Describes major categories of liquidated and delinquent accounts held
25 by the state agency;

26 “(b) Describes circumstances under which the state agency writes off or
27 adjusts liquidated and delinquent amounts or removes an account from liq-
28 uidated and delinquent status;

29 “(c) Describes actions undertaken by the state agency to reduce the
30 amount of liquidated and delinquent debt owed to it at the end of each fiscal

1 year; and

2 “(d) Sets forth a plan for future actions that will reduce the amount of
3 liquidated and delinquent debt owed to the state agency at the end of each
4 fiscal year and describes any additional resources that are necessary to carry
5 out the plan.”.

6 In line 25, delete “(2)” and insert “(3)”.

7 In line 30, delete “(3)” and insert “(4)” and delete “(2)” and insert “(3)”.

8 In line 42, delete “(4)” and insert “(5)”.

9 On page 18, line 23, after “(1)” insert “In order to promote efficiency and
10 avoid duplication of effort, the Public Employees’ Benefit Board and the
11 Oregon Educators Benefit Board shall develop a plan for merger as described
12 in this section.

13 “(2)”.

14 In line 27, delete “(2)” and insert “(3)”.

15 In line 31, delete “(3)” and insert “(4)”.

16 In line 33, after “subsection” insert “, as well as a cost-benefit analysis
17 of the plan,”.

18 After line 41, insert:

19 “(3) At least once each year, the executive director shall report to the
20 interim committees of the Legislative Assembly related to health on the
21 status of the merger of the functions and operations of the boards and
22 actions taken by the executive director to carry out the plan developed under
23 section 25 of this 2017 Act.”.

24 On page 19, line 21, after “members” insert “who are not enrolled in an-
25 other health benefit plan offered by the board or the Oregon Educators
26 Benefit Board. An eligible employee who declines coverage in a health ben-
27 efit plan offered by the Public Employees’ Benefit Board or the Oregon Ed-
28 ucators Board and who is enrolled as a spouse or family member in another
29 health benefit plan offered by the Public Employees’ Benefit Board or the
30 Oregon Educators Benefit Board may not be paid the employer contribution

1 for the plan that was declined”.

2 After line 40, insert:

3 “(9) A carrier or third party administrator that contracts with the board
4 to provide or administer a health benefit plan shall, at least once each plan
5 year, conduct an audit of the health benefit plan enrollees’ continued eligi-
6 bility for coverage as spouses or dependents or any other basis that would
7 affect the cost of the premium for the plan.”.

8 On page 20, line 14, after “members” insert “who are not enrolled in an-
9 other health benefit plan offered by the board or the Public Employees’
10 Benefit Board. An eligible employee who declines coverage in a health ben-
11 efit plan offered by the Oregon Educators Benefit Board or the Public
12 Employees’ Benefit Board and who is enrolled as a spouse or family member
13 in another health benefit plan offered by the Oregon Educators Benefit
14 Board or the Public Employees’ Benefit Board may not be paid the employer
15 contribution for the plan that was declined”.

16 After line 38, insert:

17 “(10) A carrier or third party administrator that contracts with the board
18 to provide or administer a health benefit plan shall, at least once each plan
19 year, conduct an audit of the health benefit plan enrollees’ continued eligi-
20 bility for coverage as spouses or dependents or any other basis that would
21 affect the cost of the premium for the plan.”.

22 On page 21, line 36, delete the second “or”.

23 In line 37, after “315.613” insert “; or

24 “(c) A hospital:

25 “(A) Located in a county with a population of less than 70,000 on the ef-
26 fective date of this 2017 Act;

27 “(B) Classified as a sole community hospital by the Centers for Medicare
28 and Medicaid Services; and

29 “(C) With Medicare payments composing at least 40 percent of the
30 hospital’s total annual patient revenue”.

1 On page 22, line 20, after the period insert “If the board contracts for
2 actuarial or technical support to manage the functions of the board, the
3 board shall, no less than every three years, solicit invitations to bid and the
4 proposals must include all of the following:

5 “(a) An explanation of how the bidder has assisted other clients in cre-
6 ating incentives to improve the quality of care provided to enrollees;

7 “(b) An explanation of how the bidder will support the board’s efforts to
8 maximize provider efficiencies and achieve more organized systems of care;
9 and

10 “(c) A description of the bidder’s experience in assisting other clients in
11 structuring contracts that use risk-based networks of providers and alterna-
12 tive provider reimbursement methodologies.”

13 On page 23, line 16, delete the second “or”.

14 In line 17, after “315.613” insert “; or

15 “(c) A hospital:

16 “(A) Located in a county with a population of less than 70,000 on the ef-
17 fective date of this 2017 Act;

18 “(B) Classified as a sole community hospital by the Centers for Medicare
19 and Medicaid Services; and

20 “(C) With Medicare payments composing at least 40 percent of the
21 hospital’s total annual patient revenue”.

22 In line 44, after the period insert “If the board contracts for actuarial or
23 technical support to manage the functions of the board, the board shall, no
24 less than every three years, solicit invitations to bid and the proposals must
25 include all of the following:

26 “(a) An explanation of how the bidder has assisted other clients in cre-
27 ating incentives to improve the quality of care provided to enrollees;

28 “(b) An explanation of how the bidder will support the board’s efforts to
29 maximize provider efficiencies and achieve more organized systems of care;
30 and

1 “(c) A description of the bidder’s experience in assisting other clients in
2 structuring contracts that use risk-based networks of providers and alterna-
3 tive provider reimbursement methodologies.”

4 On page 24, delete lines 6 through 11 and insert:

5 **“SECTION 34. (1)(a) The amendments to ORS 243.125 by section 30**
6 **of this 2017 Act apply to health benefit plans offered by the Public**
7 **Employees’ Benefit Board on or after January 1, 2018.**

8 **“(b) The amendments to ORS 243.135 and 243.256 by sections 27 and**
9 **29 of this 2017 Act apply to health benefit plans offered by the Public**
10 **Employees’ Benefit Board for plan years beginning after July 1, 2019.**

11 **“(2)(a) The amendments to ORS 243.864 by section 32 of this 2017**
12 **Act apply to health benefit plans offered by the Oregon Educators**
13 **Benefit Board on or after January 1, 2018.**

14 **“(b) The amendments to ORS 243.866 and 243.879 by sections 28 and**
15 **31 of this 2017 Act apply to health benefit plans offered by the Oregon**
16 **Educators Benefit Board for plan years beginning after July 1, 2019.”.**

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