
Public Employees' Benefit Board Oregon Educators Benefit Board

Presented to
Joint Committee on Ways and Means
Subcommittee on Human Services
March 19, 2019

Shaun Parkman, Chairman, PEBB Board
Geoff Brown, Chairman, OEGB Board
Ali Hassoun, PEBB and OEGB Director

The logo for the Oregon Health Authority. It features the word "Oregon" in a smaller, orange, serif font, positioned above the word "Health" in a larger, blue, serif font. Below "Health" is the word "Authority" in a smaller, orange, serif font. A thin blue horizontal line is positioned between "Health" and "Authority".

Oregon
Health
Authority

Why PEBB and OEGB

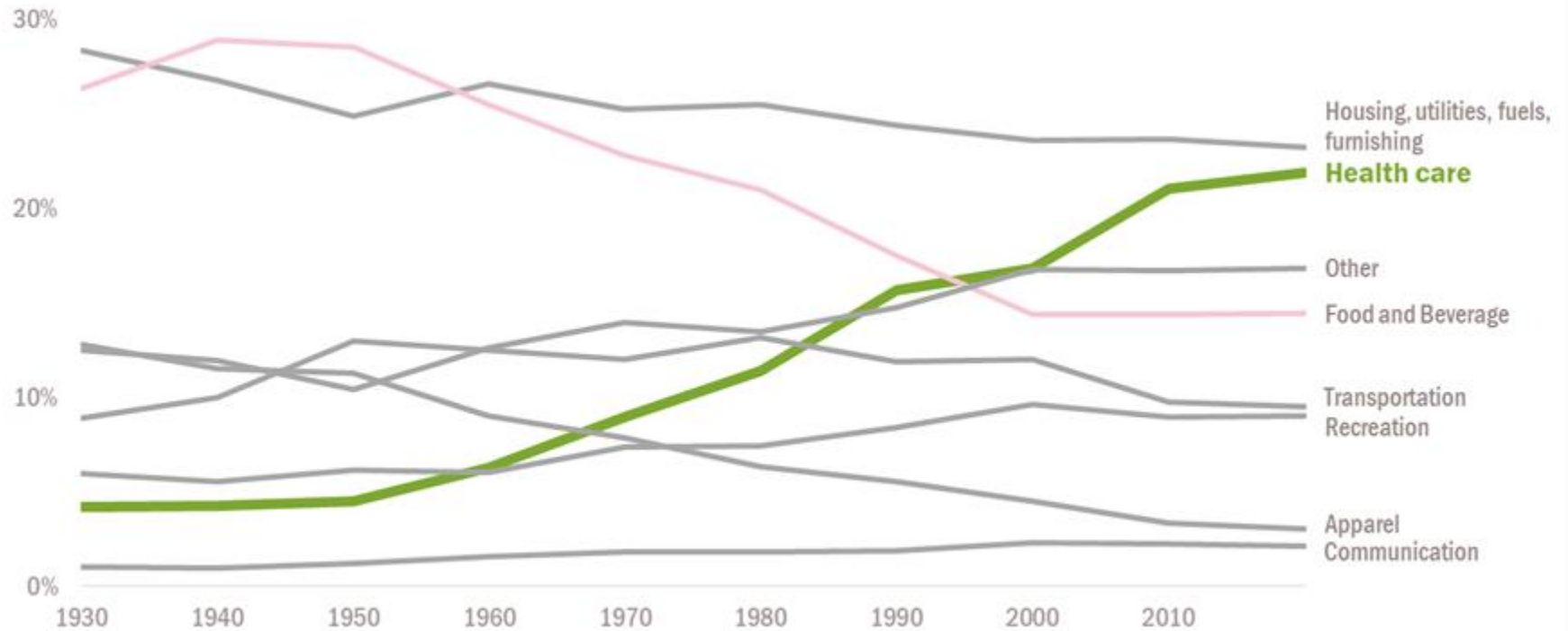
What PEBB and OEGB Do

Strategies and Successes

Challenges

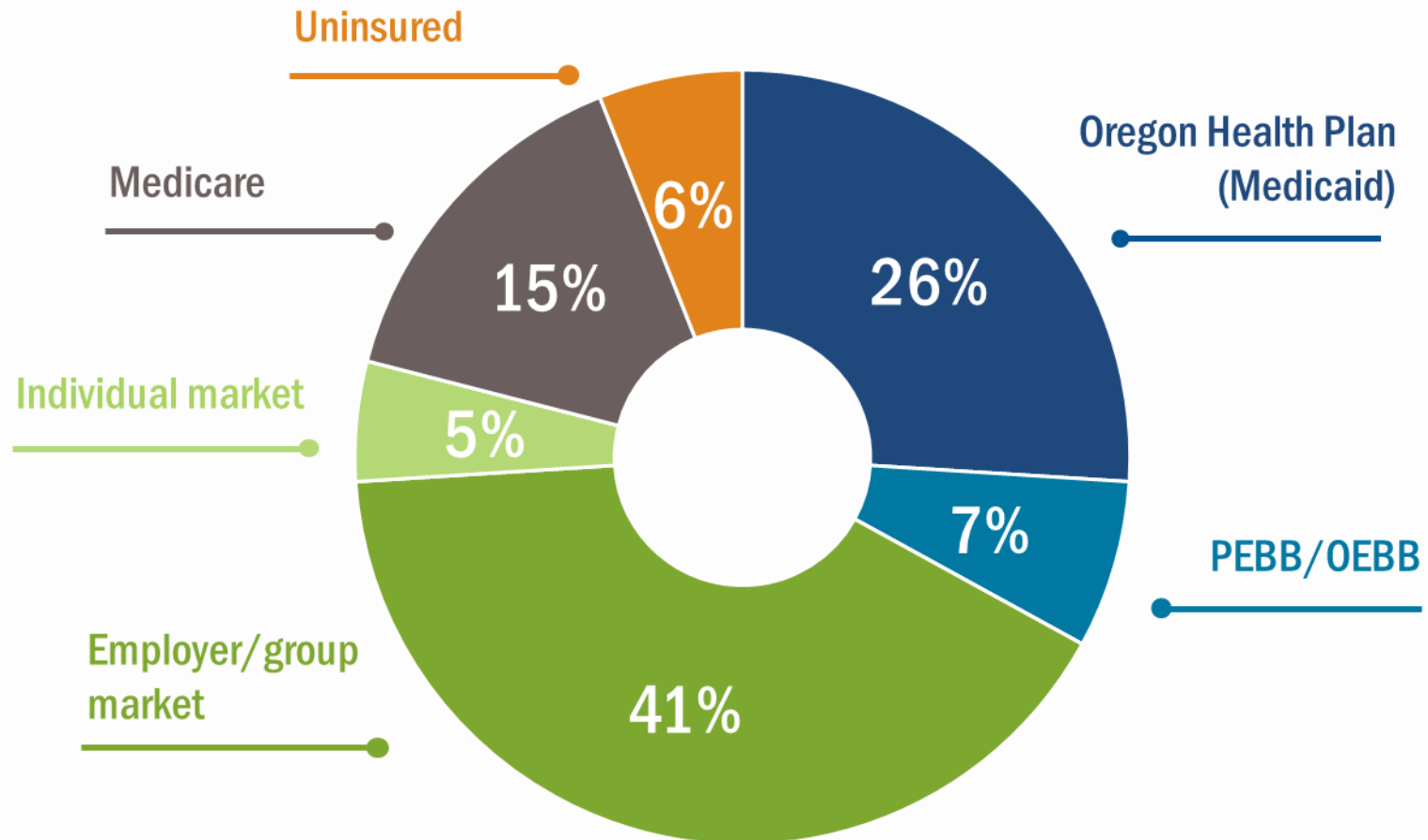
Proposed Budget

Health Care as a Percentage of Household Spending Continues to Increase



Source: BEA, Table 2.5.5. Personal Consumption Expenditures by Function

PEBB and OEBB can Align with CCO 2.0 to Leverage Purchasing Power and Advance Health System Transformation



The Triple Aim for Health Care

1 Better health

2 Better care

3 Lower costs

Why PEBB and OEGB

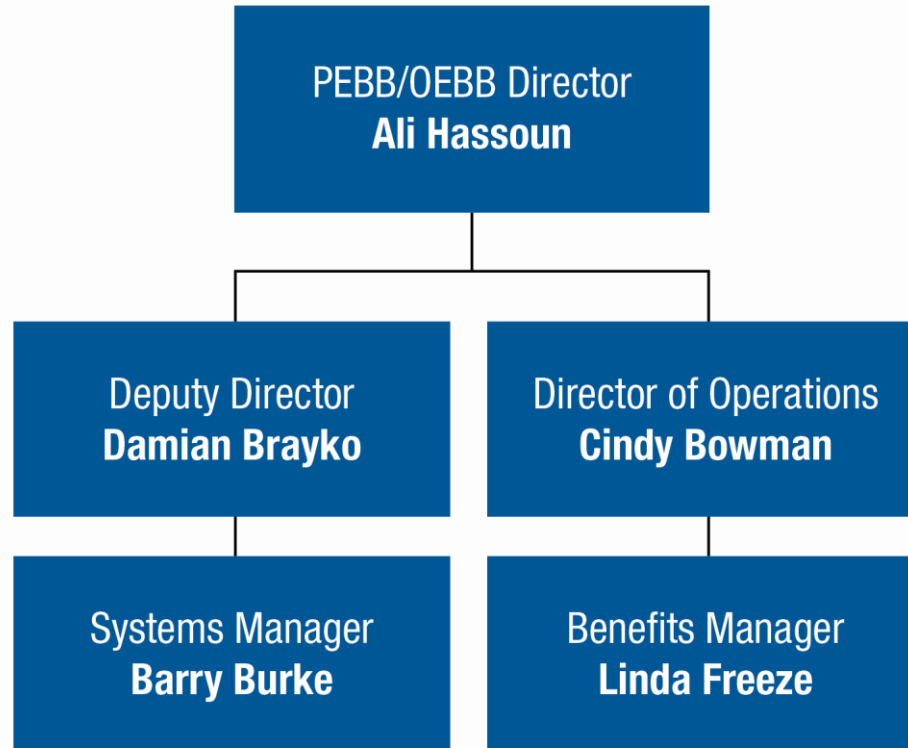
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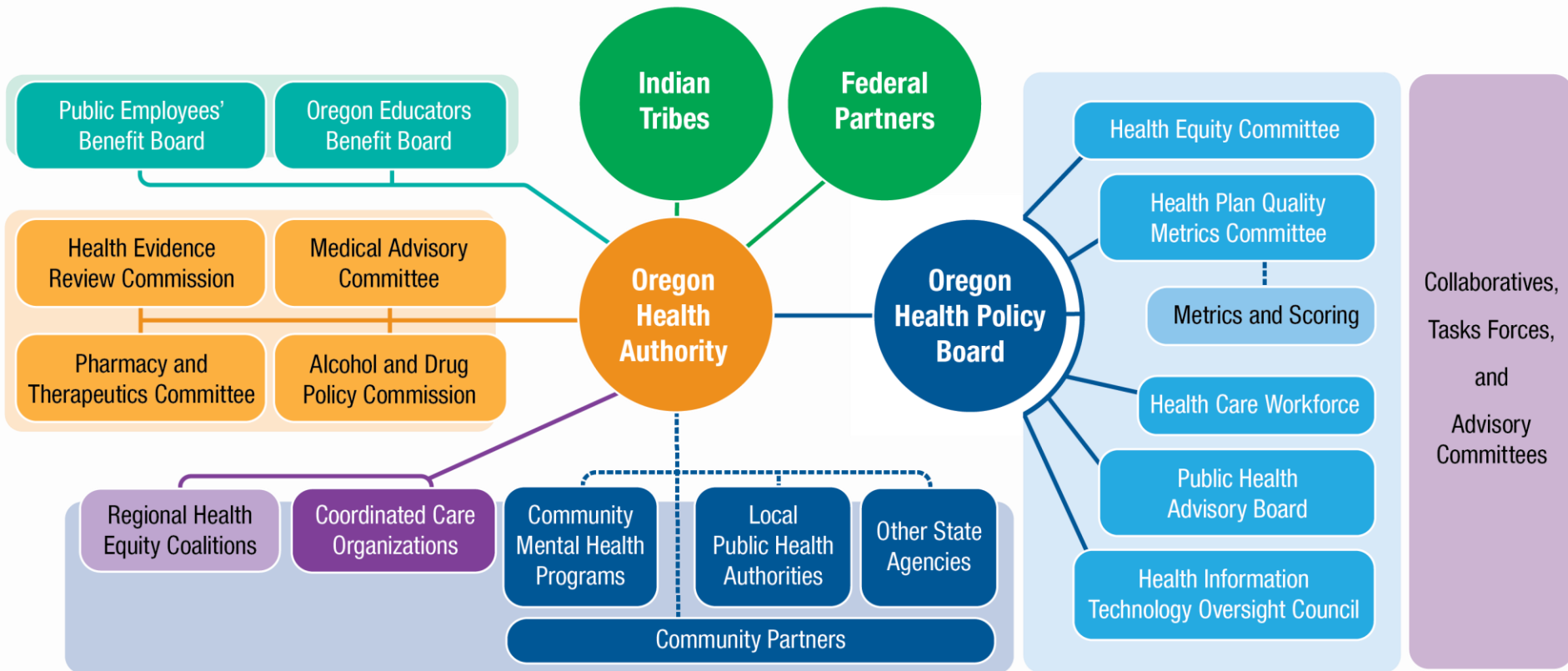
Challenges

Proposed Budget

PEBB and OEBB Organizational Chart



PEBB and OEBB are Fully Engaged in OHA's Committees and Strategic Initiatives



PEBB and OEBB Vision Statements

PEBB Vision: “We seek optimal health for our members through a system-of-care that is patient-centered, focused on wellness, coordinated, efficient, effective, accessible and affordable.”

OEBB Vision: “OEBB will work collaboratively with participating entities, members, carriers and providers to offer value-added benefit plans that support improvement in members health status hold carriers and providers accountable for outcomes, and provide affordable benefits and services.”

PEBB and OEBB Background



Plan Year

January 1 – December 31

October 1 – September 30

Employers

200+ state agencies, universities, state lottery, semi-independent agencies

240 school districts, community colleges, education service districts, counties

Member Enrollment

54,544 employees/subscribers,
139,473 total lives covered

63,003 employees/subscribers,
152,585 total lives covered

Employer Contribution

Agencies pay 95% or 99%, and universities pay 95% or 97%, depending on plan choice

Each employer determines contribution amount

Plan Offerings

IRS Section 125 Cafeteria Plan – all employers must offer all plans to all employees

Operates like an “Exchange of Plans” – each employer can choose to offer a subset of plans, or all plans, to employees

PEBB and OEBB Board Members

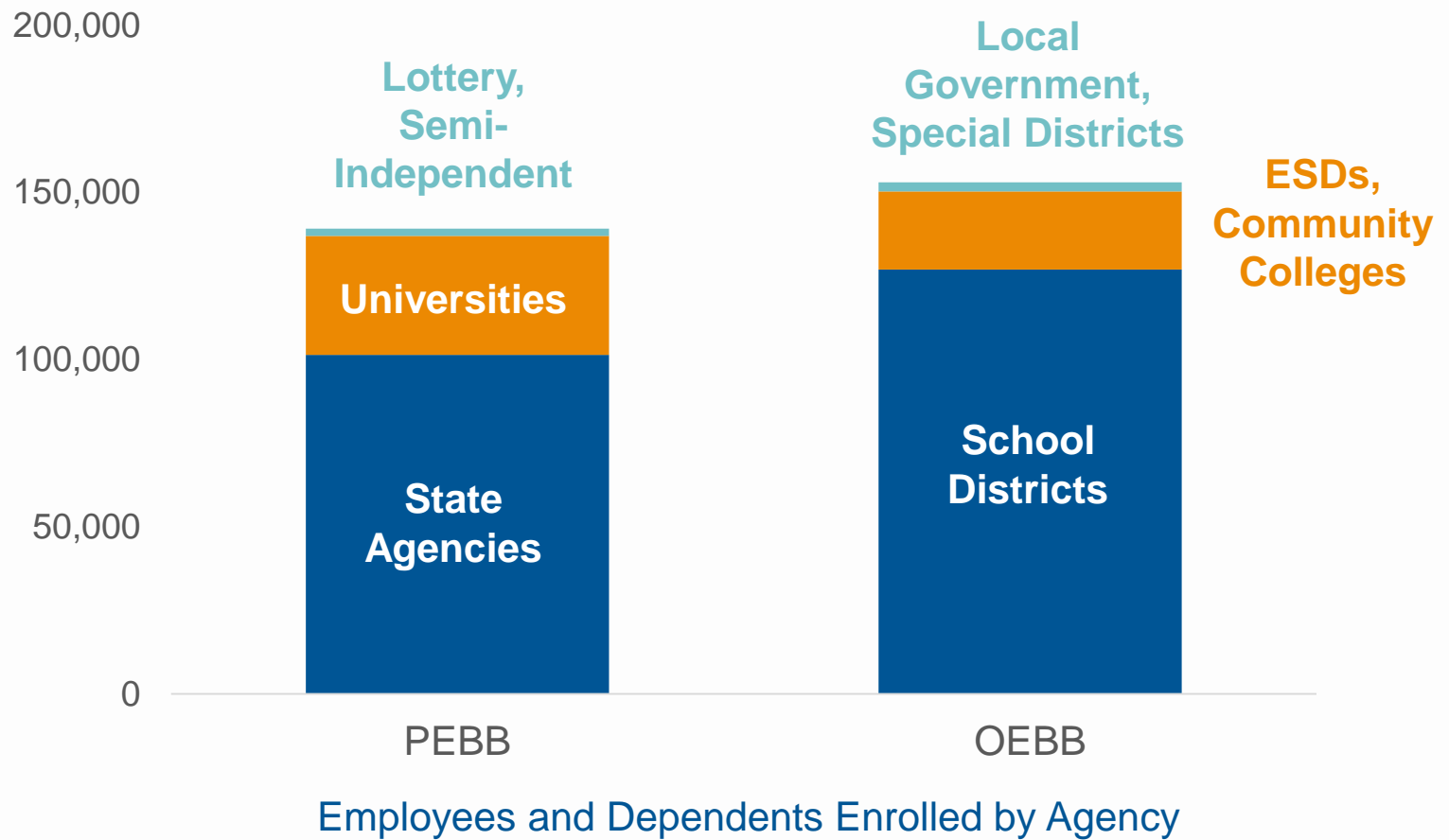
PEBB

- Four representing management
- Four representing labor
- Two non-voting advisory members (legislators)

OEBB

- Two representing school boards
- Two representing education management
- Two representing education non-management
- Two health policy experts
- One representing local government management
- One representing local government non-management

PEBB and OEBB Together Serve Nearly 300,000 Oregonians



PEBB and OEBB Benefits

- Core Benefits
- Optional Benefits
- Wellness Initiatives

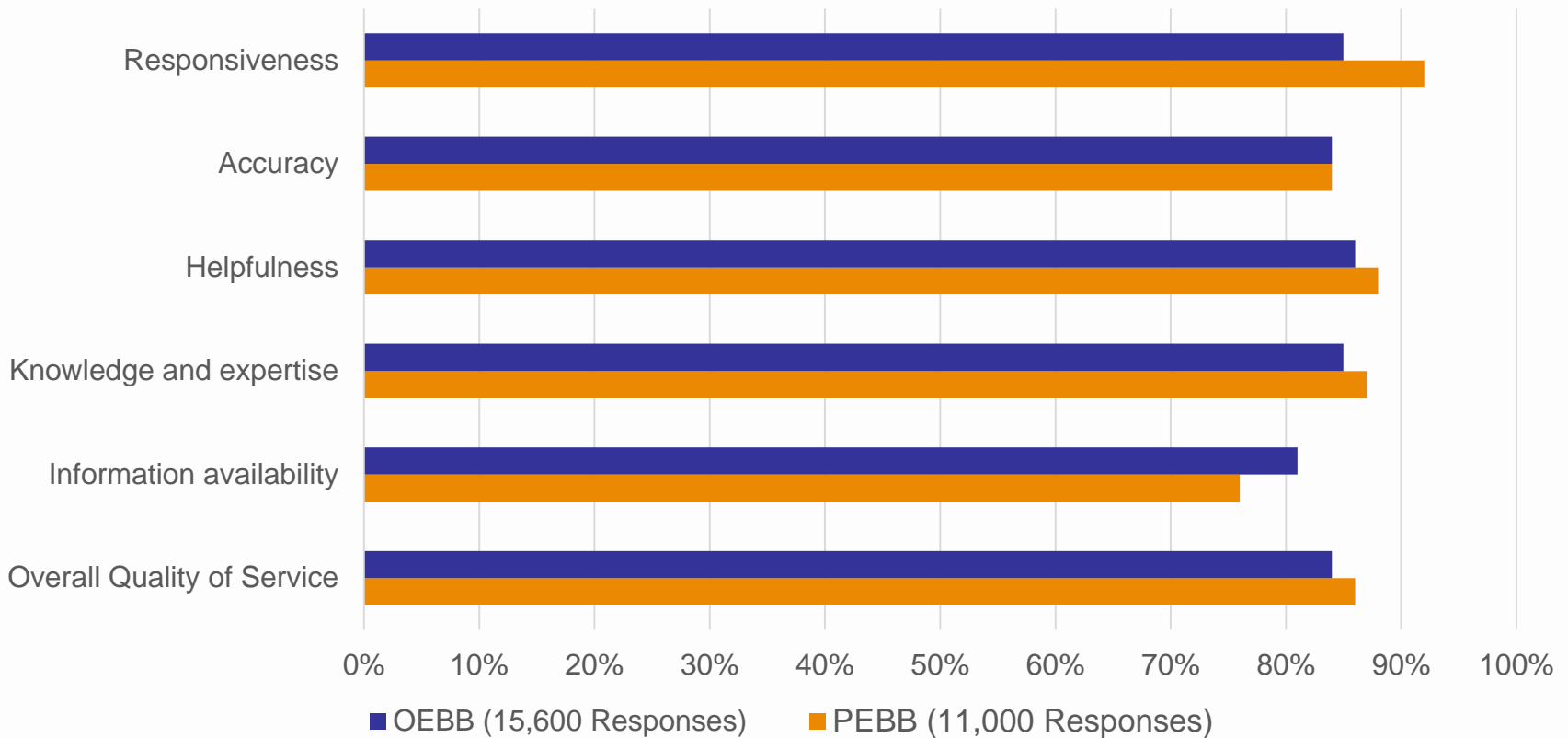
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PEBB and OEBB Strategies

- Provide equitable, world-class customer service to all members located anywhere in the state
- Improve member health with fully-covered preventive services and wellness programs
- Enhance quality of care through the Coordinated Care Model (CCM)
- Contain costs by maintaining a sustainable rate of budget growth under 3.4% annually
- Advance health care transformation in alignment with CCO 2.0 in Value-Based Purchasing and Metrics

Provide Equitable, World-class Customer Service to Members Across Oregon

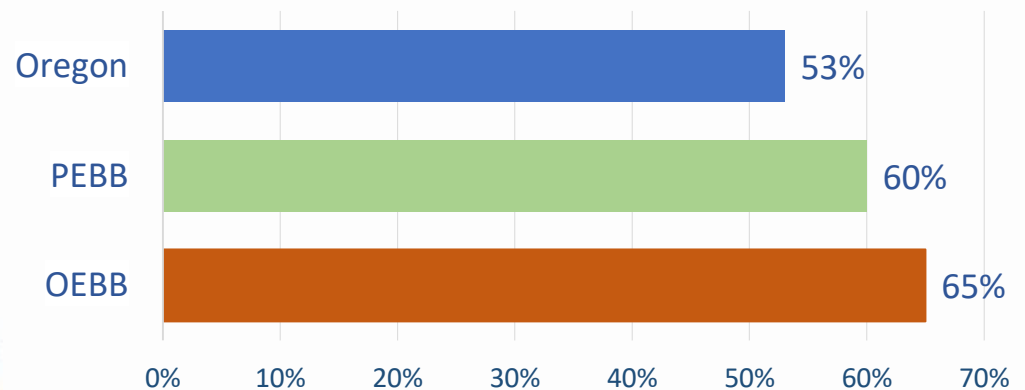
Percent of Responses with a Good or Excellent Rating



Improve Member Health With Fully-covered Preventive Services and Wellness Programs



Percent of members who rate their health excellent/very good:

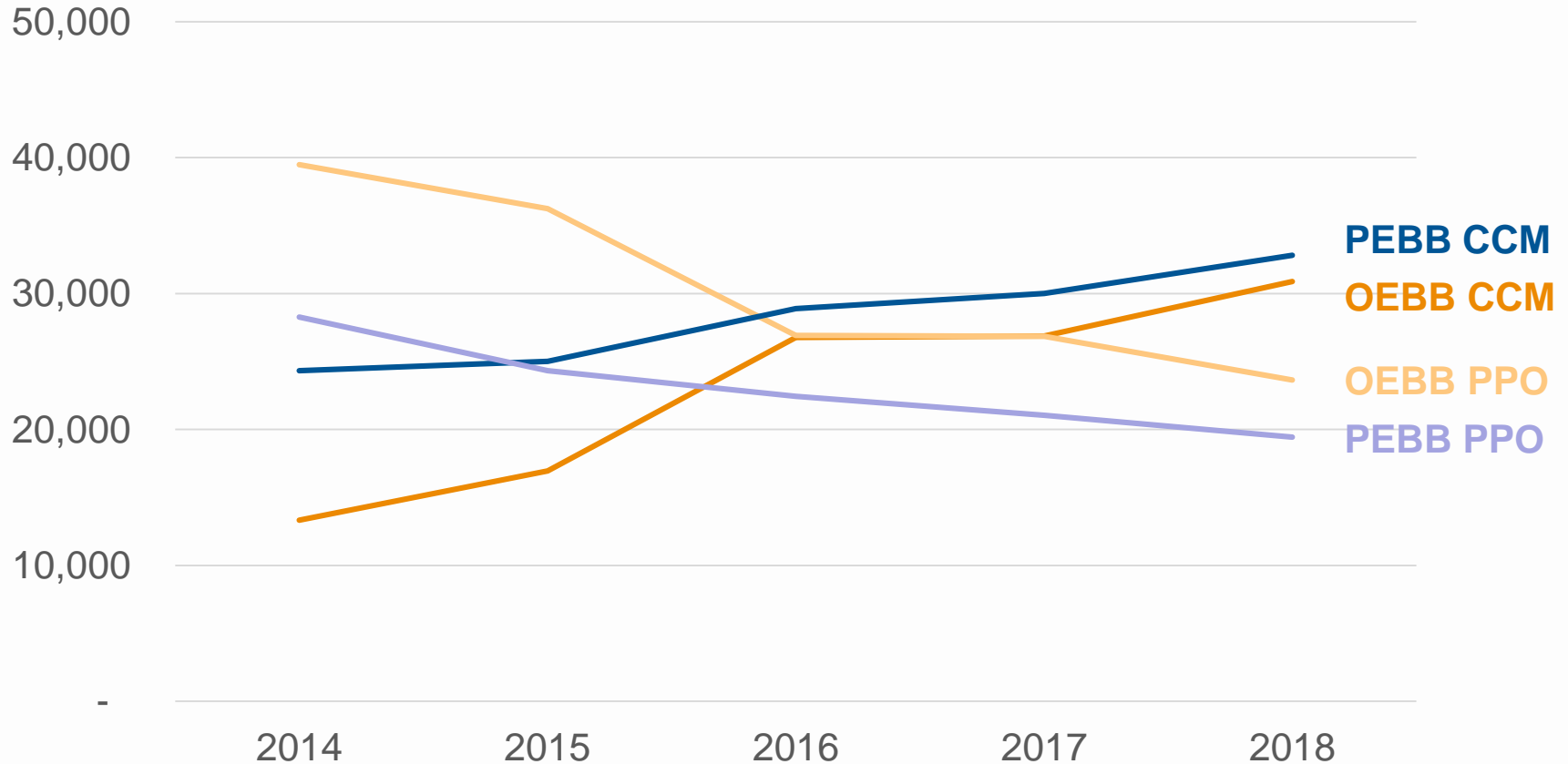


Enhance Quality of Care Through the Coordinated Care Model (CCM)

Plans selected through PEBB and OEGB's most recent medical RFP's were required to have the vision and ability to implement coordinated care model plans. These requirements included:

- Promoting alternative payment methodologies such as risk sharing and global payments for obstetrics and joint replacements
- Integrating behavioral and physical health
- Supporting the use of medical homes
- Increasing payments for primary care
- Putting fees at risk for meeting agreed upon outcome metrics
- Managing costs to a 3.4% increase

CCM Plans are Now More Popular Than PPO Plans



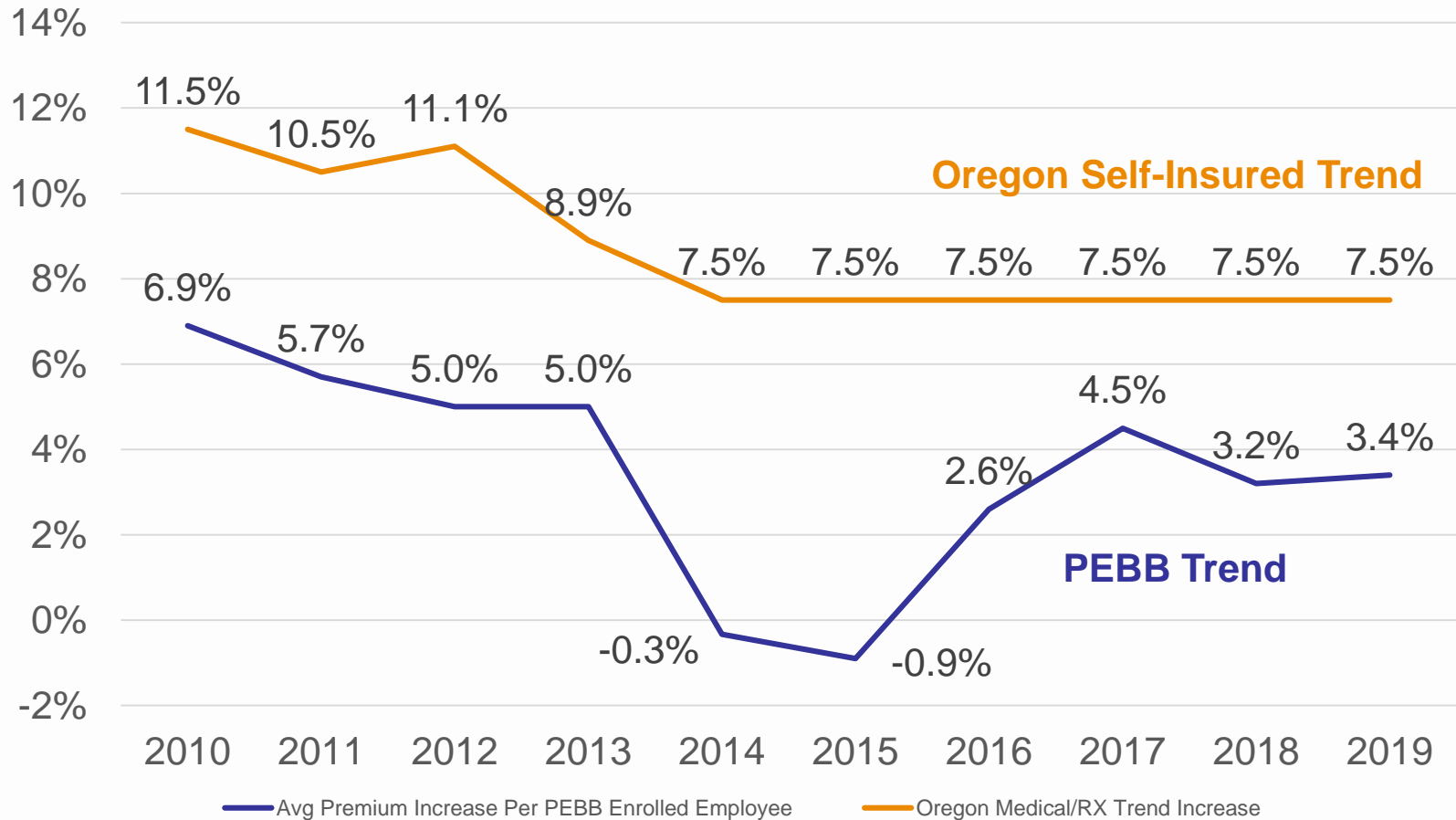
Employees and Dependents Enrolled by Plan Type

Contain Costs by Maintaining a Sustainable Budget Growth Under 3.4%

ORS 243.135 (8)

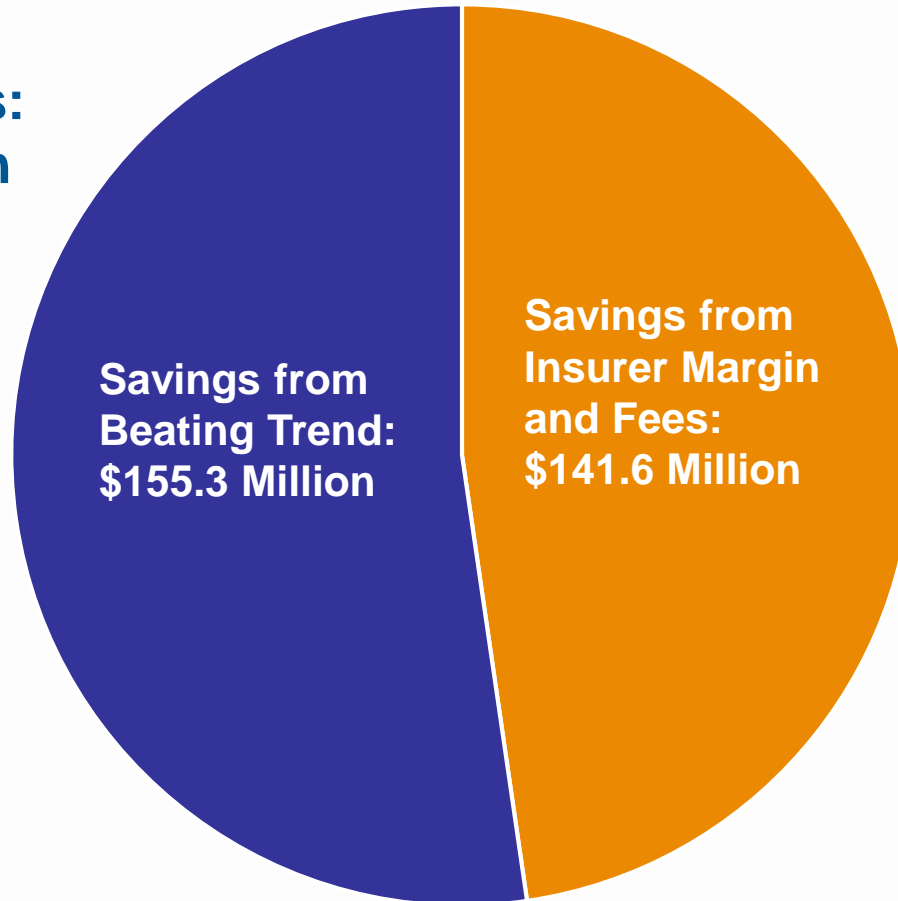
- (a) The board shall use payment methodologies in self-insured health benefit plans offered by the board that are designed to **limit the growth in per-member expenditures** for health services to no more than 3.4 percent per year.
- (b) The board shall adopt policies and practices designed to **limit the annual increase in premium amounts** paid for contracted health benefit plans to 3.4 percent.

PEBB Cost Trend Against “Self Insurance” Trend

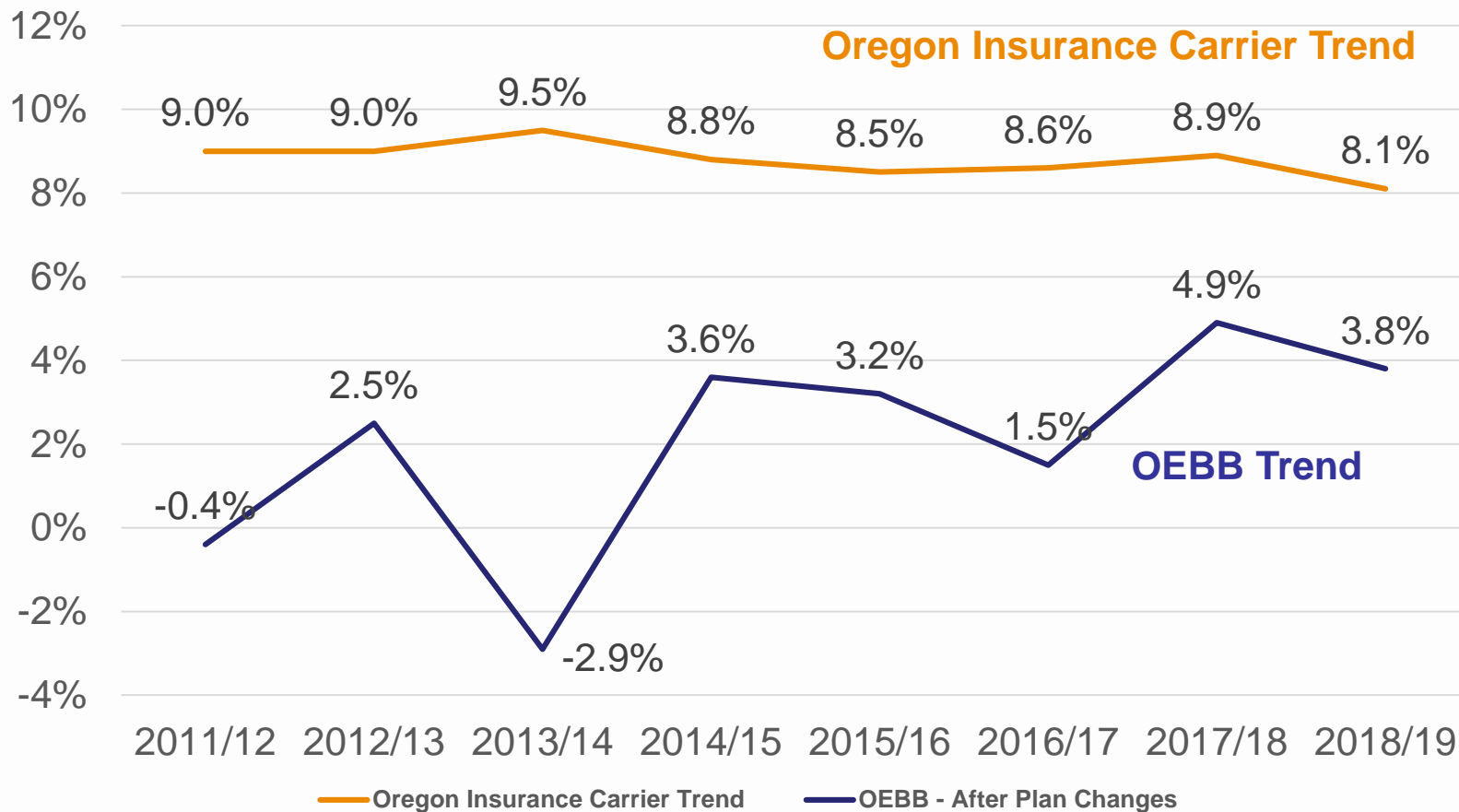


PEBB Self Insurance Savings, 2010-2016

**Total Savings:
\$296.7 Million**



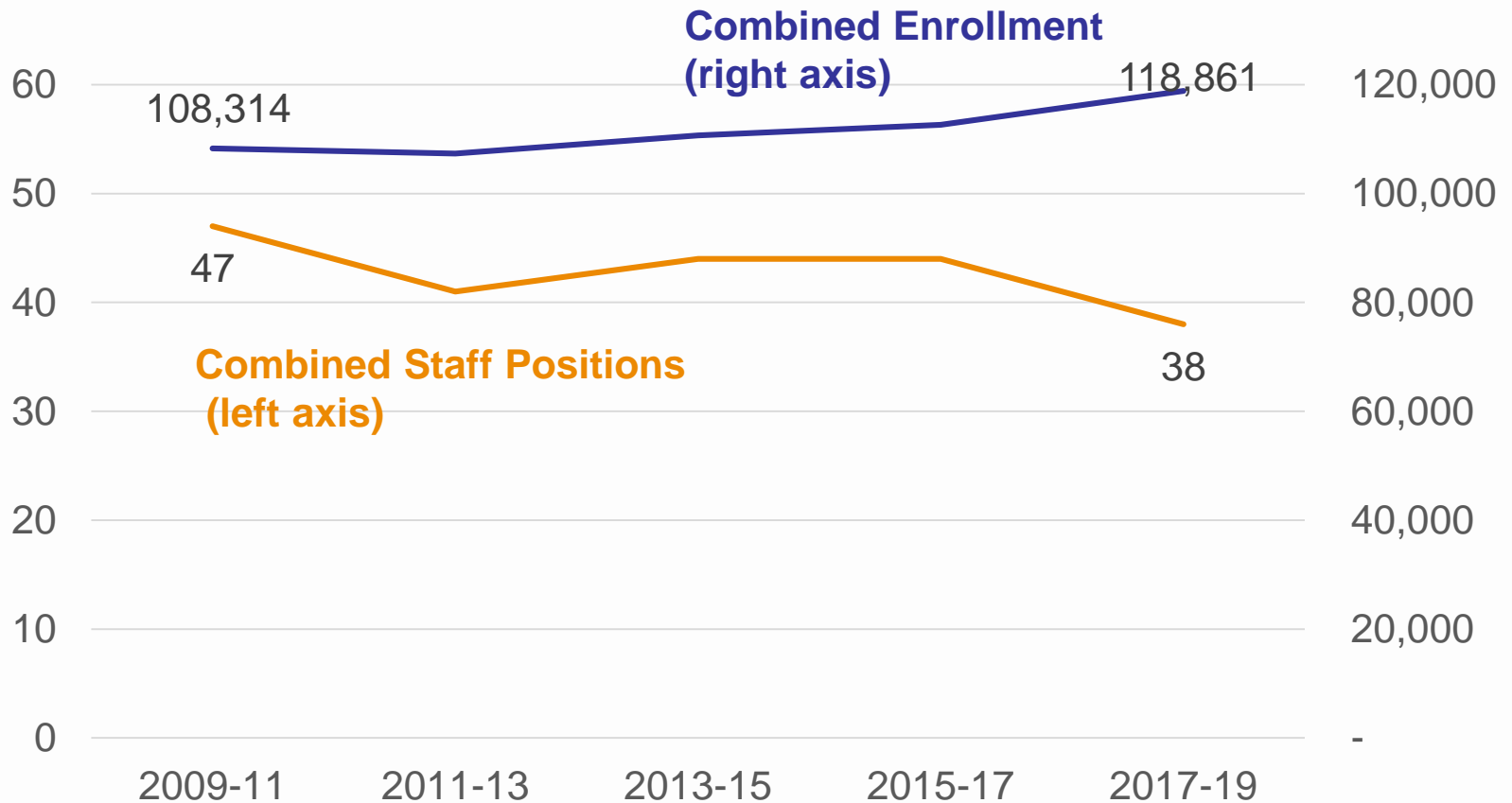
OEBB Cost Trend Against Commercial Trend



Other Cost Containment initiatives of SB 1067

- Appoint an executive director over both programs/boards
- Combine administrative functions and operations of both boards
- Prohibit duplicate health benefit plan coverage by public employees under both programs
- Eliminate opt-out payments for employees dual-covered under PEBB and/or OEGB
- Limit PEBB and OEGB payments to network hospitals to 200% of Medicare allowable

PEBB and OEBB Program Efficiencies

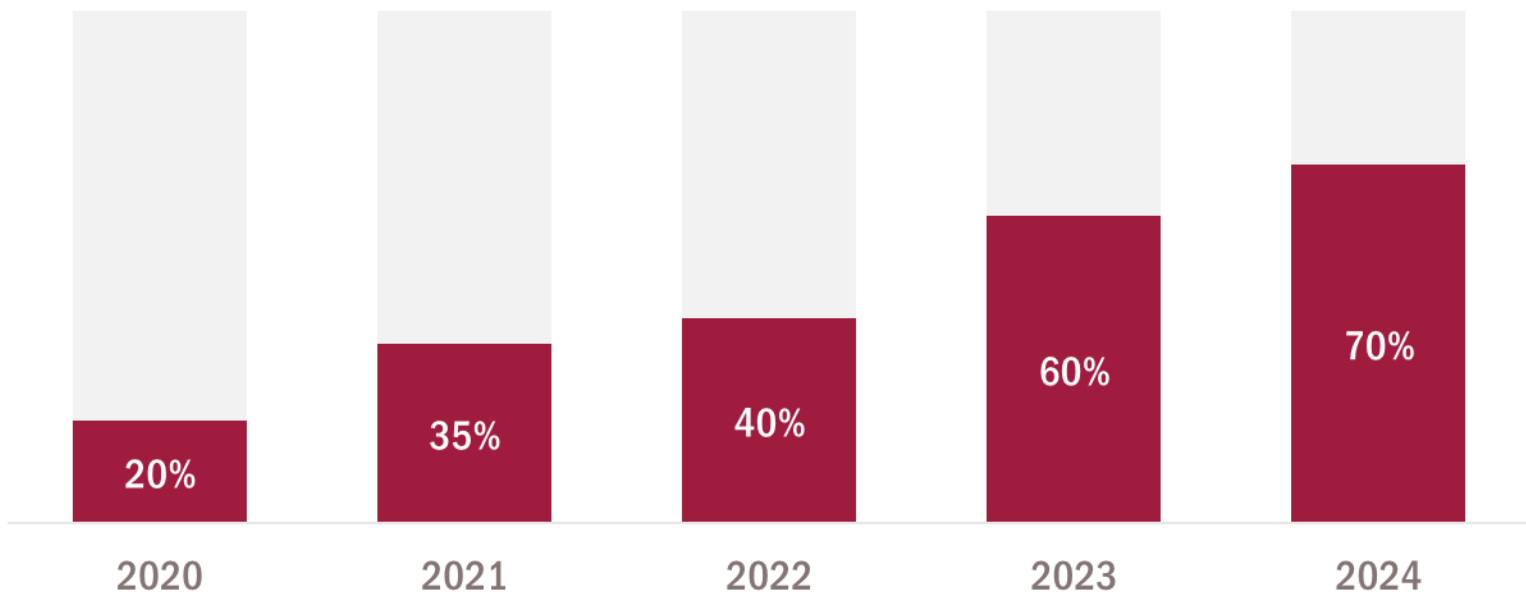


Joint Innovation Workgroup

- Collaborative Workgroup of PEBB/OEBB Board members and legislators created out of SB 1067 (2017) charged with identifying innovations to transform health care
- Initial focus on Value-Based Payments (VBPs) and alignment with OHA's CCO 2.0 on targets and approach including:
 - Tie greater proportion of health care provider payments to outcomes
 - Focus on key care delivery areas and cost drivers
 - Develop targets for medical plans and phased timeline for increasing the percentage of plan dollars paid under Value-Based Payment arrangements
 - Will recommend specific targets and requirements to PEBB and OEBB Boards for inclusion in health plan contracts

PEBB and OEBB are Making the Move to Value-based Payments a Priority

In 2.0, CCOs are required to **increase annually the level of payments that are value-based.**



Why PEBB and OEBC

What PEBB and OEBC Do

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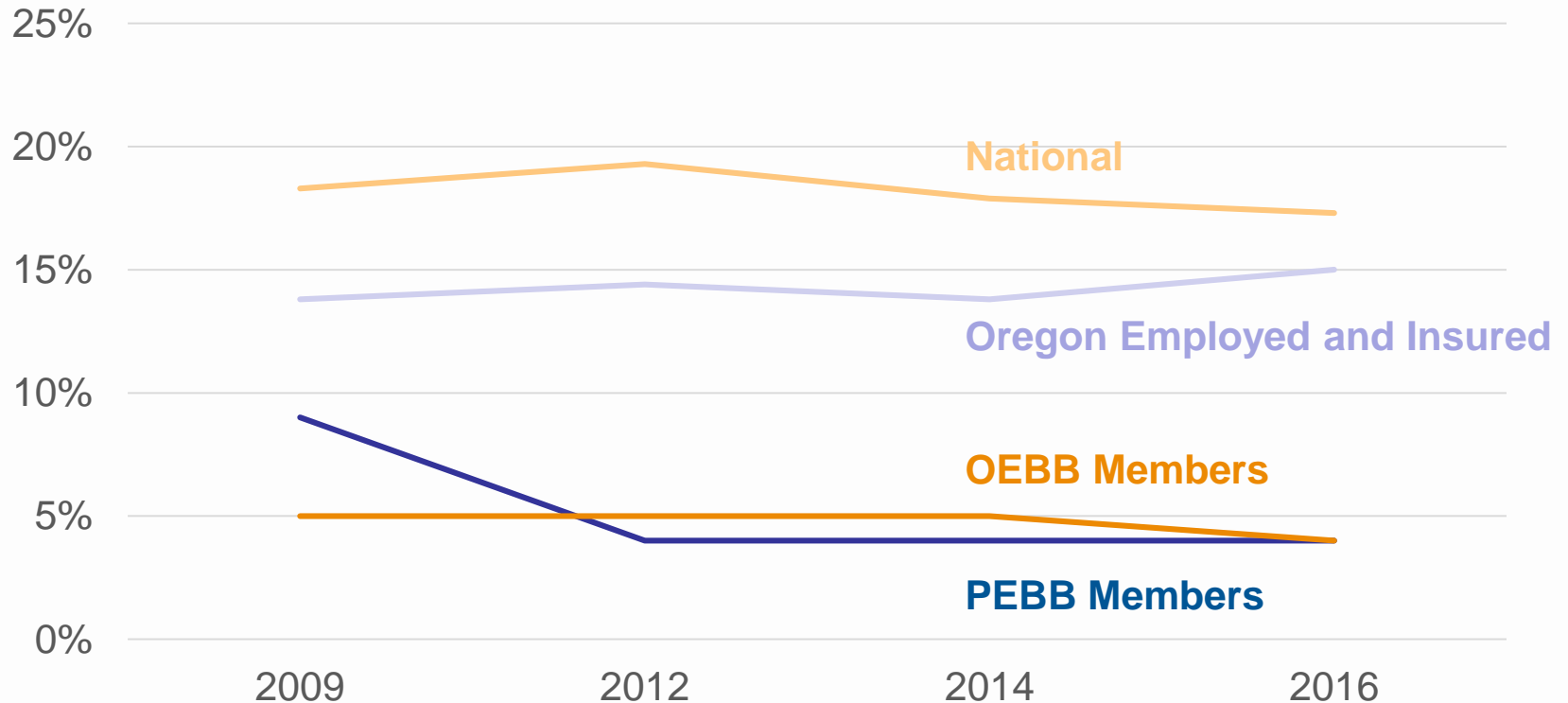
PEBB and OEBB

Major Budget Drivers and Risks

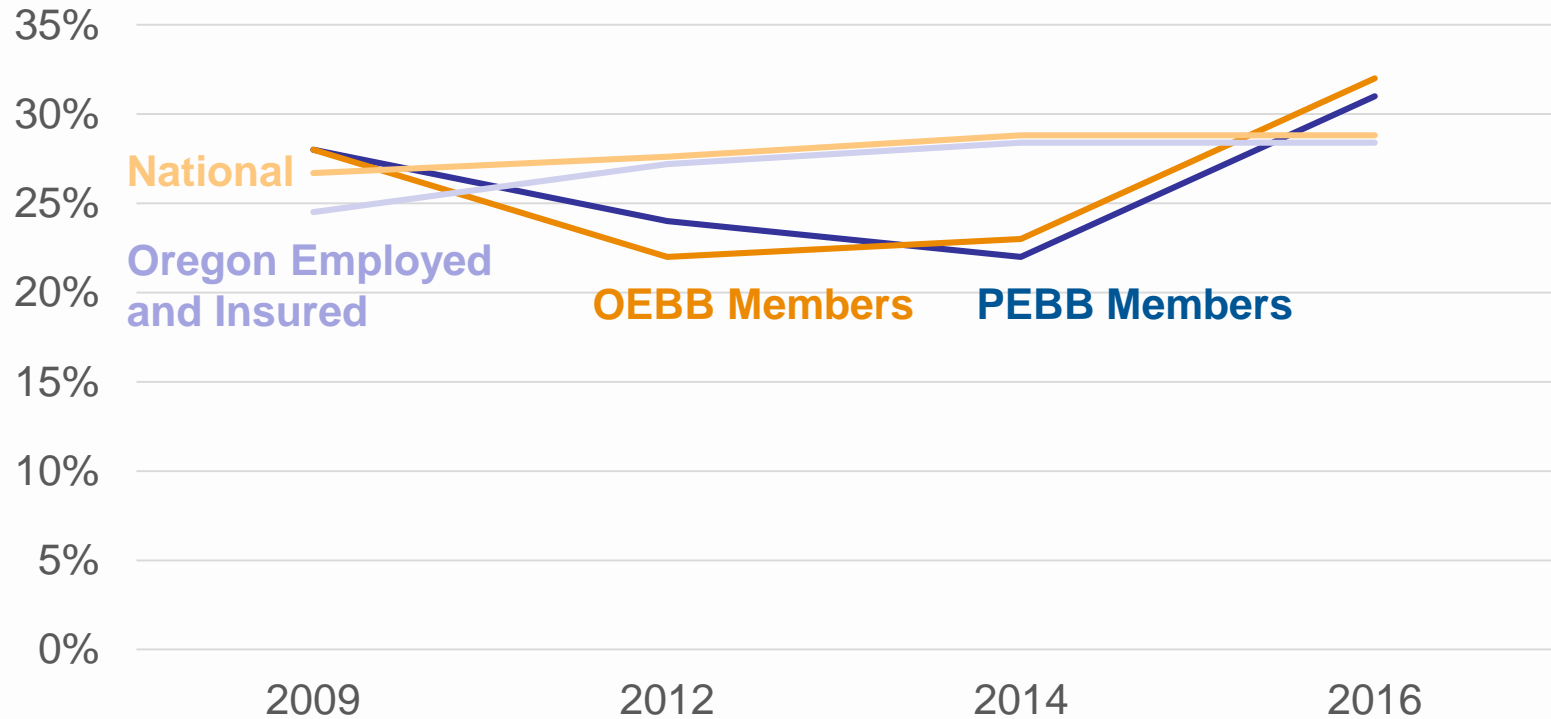
Controlling premium costs:

- Health care costs and trend drive program costs
- Aging populations
- Biennial health risk survey shows both groups have
 - About 10% of population with chronic conditions
 - Majority have sedentary occupations
- Aging infrastructure (IT system)

PEBB and OEGB Self-Reported Health Status: Current Cigarette Smokers



PEBB and OEBB Self-Reported Health Status: Obesity

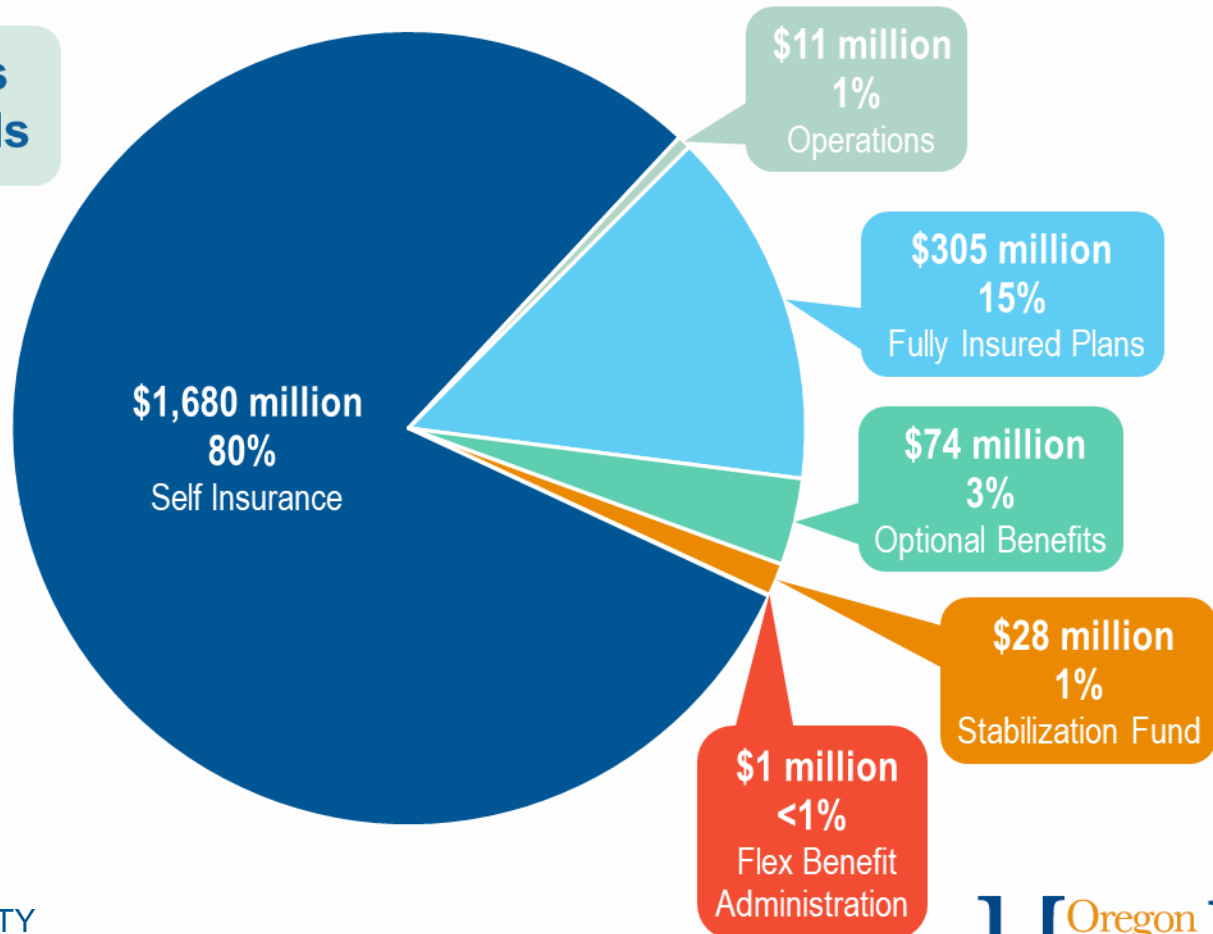


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2019-21 Governor's Budget

Public Employees Benefit Board (PEBB)
\$2,100 million Total Funds

**PEBB's budget is
100% Other Funds**

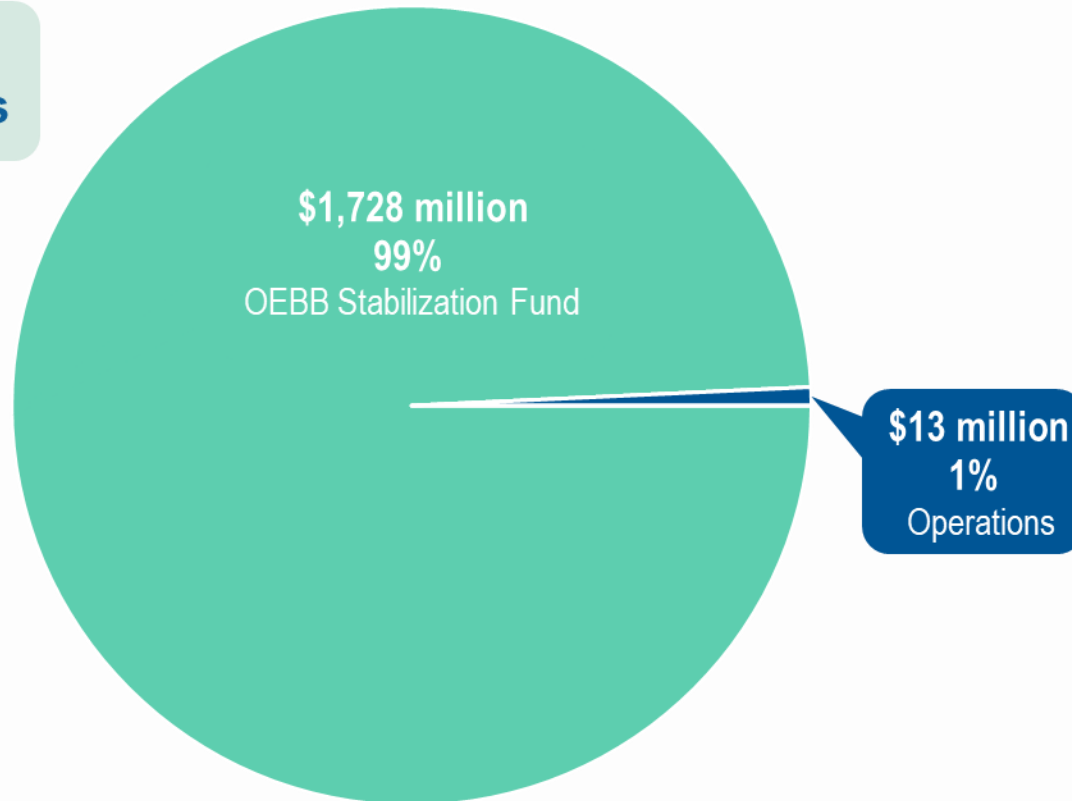


21 Positions
20.50 FTE

2019-21 Governor's Budget

Oregon Educators Benefit Board (OEBB)
\$1,740 million Total Funds

**OEBB's budget is
100% Other Funds**



21 Positions
21.00 FTE

PEBB/OEBB Legislative Concepts

LC377 HB2036: Allow Firefighters and Police Officers to Participate in the Public Employees' Benefit Board and/or The Oregon Educators Benefit Board

LC 378 HB2037: Allow Public Employees' Benefit Board and Oregon Educators Benefit Board to make available long term care insurance plans at the boards' discretion rather than as a statutory requirement.

LC 379 HB2038: Update the Public Employees' Benefit Board and the Oregon Educators Benefit Board contacting statutes to add confidentiality provisions currently found in the public contracting codes.

LC 380 HB2039: Transfers responsibility to the Public Employees' Benefit Board and the Oregon Educators Benefit Board to conduct eligibility audits to determine health benefit plan enrollees' continued coverage as spouses or dependents.

POP 421: Joint Benefit Management System

- Facilitate further consolidation of administrative reductions
- Enables Connectivity Anytime, Anywhere, in Multiple Ways
 - Offer expanded capabilities to better meet member, staff, and partner needs through inclusion of mobile devices
- Provide a single, robust solution which eliminates obsolete technologies and addresses security vulnerabilities
- Eliminates single vendor reliance to foster more competitive maintenance arrangements

	General Fund	Total Funds	Positions
POP 421	-	\$1.8 M	4

Thank You

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