

House Bill 3075

Sponsored by Representatives SALINAS, GORSEK, WITT; Representatives BARKER, CLEM, DOHERTY, FINDLEY, GOMBERG, MITCHELL, PILUSO, REARDON, RESCHKE, SCHOUTEN, SMITH DB, SOLLMAN, WALLAN, Senators DEMBROW, FREDERICK, PROZANSKI, ROBLAN, WAGNER

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**.

Permits duplicate health benefit plan coverage for public employees.

Deletes provision requiring Oregon Educators Benefit Board to use payment methodologies in self-insured health benefit plans offered by board that are designed to limit growth in per-member expenditures for health services to no more than 3.4 percent per year.

Deletes provision requiring Oregon Educators Benefit Board to adopt policies and practices designed to limit annual increase in premium amounts paid for contracted health benefit plans to 3.4 percent.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to coverage of family members under state-sponsored health benefit plans; amending ORS
3 243.135 and 243.866; and prescribing an effective date.

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

5 **SECTION 1.** ORS 243.135, as amended by section 27, chapter 746, Oregon Laws 2017, is
6 amended to read:

7 243.135. (1) Notwithstanding any other benefit plan contracted for and offered by the Public
8 Employees' Benefit Board, the board shall contract for a health benefit plan or plans best designed
9 to meet the needs and provide for the welfare of eligible employees, the state and the local gov-
10 ernments. In considering whether to enter into a contract for a plan, the board shall place emphasis
11 on:

12 (a) Employee choice among high quality plans;

13 (b) A competitive marketplace;

14 (c) Plan performance and information;

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

16 (e) Quality customer service;

17 (f) Creativity and innovation;

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

19 (h) The improvement of employee health; and

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

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

25 (3) Where appropriate for a contracted and offered health benefit plan, the board shall provide
26 options under which an eligible employee may arrange coverage for family members [*who are not*
27 *enrolled in another health benefit plan offered by the board or the Oregon Educators Benefit Board*].

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 *An eligible employee who declines coverage in a health benefit plan offered by the Public Employees'*
 2 *Benefit Board or the Oregon Educators Benefit Board and who is enrolled as a spouse or family*
 3 *member in another health benefit plan offered by the Public Employees' Benefit Board or the Oregon*
 4 *Educators Benefit Board may not be paid the employer contribution for the plan that was declined].*

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

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

10 (6) Transfer of enrollment from one plan to another shall be open to all eligible employees and
 11 their family members under rules adopted by the board. Because of the special problems that may
 12 arise in individual instances under comprehensive group practice plan coverage involving acceptable
 13 provider-patient relations between a particular panel of providers and particular eligible employees
 14 and their family members, the board shall provide a procedure under which any eligible employee
 15 may apply at any time to substitute a health service benefit plan for participation in a comprehen-
 16 sive group practice benefit plan.

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

19 (8)(a) The board shall use payment methodologies in self-insured health benefit plans offered by
 20 the board that are designed to limit the growth in per-member expenditures for health services to
 21 no more than 3.4 percent per year.

22 (b) The board shall adopt policies and practices designed to limit the annual increase in pre-
 23 mium amounts paid for contracted health benefit plans to 3.4 percent.

24 (9) A carrier or third party administrator that contracts with the board to provide or administer
 25 a health benefit plan shall, at least once each plan year, conduct an audit of the health benefit plan
 26 enrollees' continued eligibility for coverage as spouses or dependents or any other basis that would
 27 affect the cost of the premium for the plan.

28 (10) By January 1, 2023, the board shall spend at least 12 percent of its total medical expen-
 29 ditures in self-insured health benefit plans on payments for primary care.

30 (11) No later than February 1 of each year, the board shall report to the Legislative Assembly
 31 on the board's progress toward achieving the target of spending at least 12 percent of total medical
 32 expenditures in self-insured health benefit plans on payments for primary care.

33 **SECTION 2.** ORS 243.135, as amended by section 16, chapter 489, Oregon Laws 2017, and sec-
 34 tion 27, chapter 746, Oregon Laws 2017, is amended to read:

35 243.135. (1) Notwithstanding any other benefit plan contracted for and offered by the Public
 36 Employees' Benefit Board, the board shall contract for a health benefit plan or plans best designed
 37 to meet the needs and provide for the welfare of eligible employees, the state and the local gov-
 38 ernments. In considering whether to enter into a contract for a plan, the board shall place emphasis
 39 on:

- 40 (a) Employee choice among high quality plans;
- 41 (b) A competitive marketplace;
- 42 (c) Plan performance and information;
- 43 (d) Employer flexibility in plan design and contracting;
- 44 (e) Quality customer service;
- 45 (f) Creativity and innovation;

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

2 (h) The improvement of employee health; and

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

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

8 (3) Where appropriate for a contracted and offered health benefit plan, the board shall provide
9 options under which an eligible employee may arrange coverage for family members [*who are not*
10 *enrolled in another health benefit plan offered by the board or the Oregon Educators Benefit Board.*
11 *An eligible employee who declines coverage in a health benefit plan offered by the Public Employees'*
12 *Benefit Board or the Oregon Educators Benefit Board and who is enrolled as a spouse or family*
13 *member in another health benefit plan offered by the Public Employees' Benefit Board or the Oregon*
14 *Educators Benefit Board may not be paid the employer contribution for the plan that was declined*].

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

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

20 (6) Transfer of enrollment from one plan to another shall be open to all eligible employees and
21 their family members under rules adopted by the board. Because of the special problems that may
22 arise in individual instances under comprehensive group practice plan coverage involving acceptable
23 provider-patient relations between a particular panel of providers and particular eligible employees
24 and their family members, the board shall provide a procedure under which any eligible employee
25 may apply at any time to substitute a health service benefit plan for participation in a comprehen-
26 sive group practice benefit plan.

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

29 (8)(a) The board shall use payment methodologies in self-insured health benefit plans offered by
30 the board that are designed to limit the growth in per-member expenditures for health services to
31 no more than 3.4 percent per year.

32 (b) The board shall adopt policies and practices designed to limit the annual increase in pre-
33 mium amounts paid for contracted health benefit plans to 3.4 percent.

34 (9) A carrier or third party administrator that contracts with the board to provide or administer
35 a health benefit plan shall, at least once each plan year, conduct an audit of the health benefit plan
36 enrollees' continued eligibility for coverage as spouses or dependents or any other basis that would
37 affect the cost of the premium for the plan.

38 (10) If the board spends less than 12 percent of its total medical expenditures in self-insured
39 health benefit plans on payments for primary care, the board shall implement a plan for increasing
40 the percentage of total medical expenditures spent on payments for primary care by at least one
41 percent each year.

42 (11) No later than February 1 of each year, the board shall report to the Legislative Assembly
43 on any plan implemented under subsection (10) of this section and on the board's progress toward
44 achieving the target of spending at least 12 percent of total medical expenditures in self-insured
45 health benefit plans on payments for primary care.

1 **SECTION 3.** ORS 243.866, as amended by section 28, chapter 746, Oregon Laws 2017, is
 2 amended to read:

3 243.866. (1) The Oregon Educators Benefit Board shall contract for benefit plans best designed
 4 to meet the needs and provide for the welfare of eligible employees, the districts and local govern-
 5 ments. In considering whether to enter into a contract for a benefit plan, the board shall place em-
 6 phasis on:

- 7 (a) Employee choice among high-quality plans;
- 8 (b) Encouragement of a competitive marketplace;
- 9 (c) Plan performance and information;
- 10 (d) District and local government flexibility in plan design and contracting;
- 11 (e) Quality customer service;
- 12 (f) Creativity and innovation;
- 13 (g) Plan benefits as part of total employee compensation;
- 14 (h) Improvement of employee health; and
- 15 (i) Health outcome and quality measures, described in ORS 413.017 (4), that are reported by the
 16 plan.

17 (2) The board may approve more than one carrier for each type of benefit plan offered, but the
 18 board shall limit the number of carriers to a number consistent with adequate service to eligible
 19 employees and family members [*who are not enrolled in another health benefit plan offered by the*
 20 *board or the Public Employees' Benefit Board. An eligible employee who declines coverage in a health*
 21 *benefit plan offered by the Oregon Educators Benefit Board or the Public Employees' Benefit Board*
 22 *and who is enrolled as a spouse or family member in another health benefit plan offered by the Oregon*
 23 *Educators Benefit Board or the Public Employees' Benefit Board may not be paid the employer con-*
 24 *tribution for the plan that was declined].*

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

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

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

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

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

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

44 [(9)(a) *The board shall use payment methodologies in self-insured health benefit plans offered by*
 45 *the board that are designed to limit the growth in per-member expenditures for health services to no*

1 *more than 3.4 percent per year.]*

2 *[(b) The board shall adopt policies and practices designed to limit the annual increase in premium*
3 *amounts paid for contracted health benefit plans to 3.4 percent.]*

4 *[(10)] (9) A carrier or third party administrator that contracts with the board to provide or ad-*
5 *minister a health benefit plan shall, at least once each plan year, conduct an audit of the health*
6 *benefit plan enrollees' continued eligibility for coverage as spouses or dependents or any other basis*
7 *that would affect the cost of the premium for the plan.*

8 *[(11)] (10) By January 1, 2023, the board shall spend at least 12 percent of its total medical*
9 *expenditures in self-insured health benefit plans on payments for primary care.*

10 *[(12)] (11) No later than February 1 of each year, the board shall report to the Legislative As-*
11 *sembly on the board's progress toward achieving the target of spending at least 12 percent of total*
12 *medical expenditures on payments for primary care.*

13 **SECTION 4.** ORS 243.866, as amended by section 17, chapter 489, Oregon Laws 2017, and sec-
14 tion 28, chapter 746, Oregon Laws 2017, 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;

26 (h) Improvement of employee health; and

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

29 (2) The board may approve more than one carrier for each type of benefit plan offered, but the
30 board shall limit the number of carriers to a number consistent with adequate service to eligible
31 employees and family members *[who are not enrolled in another health benefit plan offered by the*
32 *board or the Public Employees' Benefit Board. An eligible employee who declines coverage in a health*
33 *benefit plan offered by the Oregon Educators Benefit Board or the Public Employees' Benefit Board*
34 *and who is enrolled as a spouse or family member in another health benefit plan offered by the Oregon*
35 *Educators Benefit Board or the Public Employees' Benefit Board may not be paid the employer con-*
36 *tribution for the plan that was declined].*

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

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

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

45 (6) The board shall adopt rules providing that transfer of enrollment from one benefit plan to

1 another is open to all eligible employees and family members. Because of the special problems that
 2 may arise involving acceptable provider-patient relations between a particular panel of providers
 3 and a particular eligible employee or family member under a comprehensive group practice benefit
 4 plan, the board shall provide a procedure under which any eligible employee may apply at any time
 5 to substitute another benefit plan for participation in a comprehensive group practice benefit plan.

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

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

11 *[(9)(a) The board shall use payment methodologies in self-insured health benefit plans offered by
 12 the board that are designed to limit the growth in per-member expenditures for health services to no
 13 more than 3.4 percent per year.]*

14 *[(b) The board shall adopt policies and practices designed to limit the annual increase in premium
 15 amounts paid for contracted health benefit plans to 3.4 percent.]*

16 *[(10)]* (9) A carrier or third party administrator that contracts with the board to provide or ad-
 17 minister a health benefit plan shall, at least once each plan year, conduct an audit of the health
 18 benefit plan enrollees' continued eligibility for coverage as spouses or dependents or any other basis
 19 that would affect the cost of the premium for the plan.

20 *[(11)]* (10) If the board spends less than 12 percent of its total medical expenditures in self-
 21 insured health benefit plans on payments for primary care, the board shall implement a plan for in-
 22 creasing the percentage of total medical expenditures spent on payments for primary care by at
 23 least one percent each year.

24 *[(12)]* (11) No later than February 1 of each year, the board shall report to the Legislative As-
 25 sembly on any plan implemented under subsection *[(11)]* (10) of this section and on the board's
 26 progress toward achieving the target of spending at least 12 percent of total medical expenditures
 27 on payments for primary care.

28 **SECTION 5. This 2019 Act takes effect on the 91st day after the date on which the 2019**
 29 **regular session of the Eightieth Legislative Assembly adjourns sine die.**