

House Bill 3140

Sponsored by Representative NOSSE

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**.

Removes requirement that Public Employees' Benefit Board and Oregon Educators Benefit Board solicit new bids for actuarial or technical support every three years.

A BILL FOR AN ACT

1
2 Relating to benefits for public employees; amending ORS 243.125 and 243.864.

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

4 **SECTION 1.** ORS 243.125 is amended to read:

5 243.125. (1) The Public Employees' Benefit Board shall prescribe rules for the conduct of its
6 business and for carrying out ORS 243.256. The board shall study all matters connected with the
7 providing of adequate benefit plan coverage for eligible employees on the best basis possible with
8 relation both to the welfare of the employees and to the state and local governments. The board
9 shall design benefits, devise specifications, analyze carrier responses to advertisements for bids and
10 decide on the award of contracts. Contracts shall be signed by the chairperson on behalf of the
11 board.

12 (2) In carrying out its duties under subsection (1) of this section, the goal of the board shall be
13 to provide a high quality plan of health and other benefits for employees at a cost affordable to both
14 the employer and the employees.

15 (3) Subject to ORS chapter 183, the board may make rules not inconsistent with ORS 243.105 to
16 243.285 and 292.051 to determine the terms and conditions of eligible employee participation and
17 coverage.

18 (4)(a) The board shall prepare specifications, invite bids and do acts necessary to award con-
19 tracts for health benefit plan and dental benefit plan coverage of eligible employees in accordance
20 with the criteria set forth in ORS 243.135 (1).

21 (b) Premium rates established by the board for a self-insured health benefit plan and premium
22 rates negotiated by the board with a carrier that offers a health benefit plan to eligible employees
23 must take into account any reduction in the cost of hospital services and supplies anticipated to
24 result from the application of ORS 243.256.

25 (5) The executive director of the board shall report to the Director of the Oregon Health Au-
26 thority.

27 (6) The board may retain consultants, brokers or other advisory personnel when necessary and,
28 subject to the State Personnel Relations Law, shall employ such personnel as are required to per-
29 form the functions of the board. If the board contracts for actuarial or technical support to manage
30 the functions of the board, the board shall[, *no less than every three years,*] solicit invitations to bid
31 and the proposals must include all of the following:

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 (a) An explanation of how the bidder has assisted other clients in creating incentives to improve
2 the quality of care provided to enrollees;

3 (b) An explanation of how the bidder will support the board's efforts to maximize provider effi-
4 ciencies and achieve more organized systems of care; and

5 (c) A description of the bidder's experience in assisting other clients in structuring contracts
6 that use risk-based networks of providers and alternative provider reimbursement methodologies.

7 **SECTION 2.** ORS 243.864 is amended to read:

8 243.864. (1) The Oregon Educators Benefit Board:

9 (a) Shall adopt rules for the conduct of its business and for carrying out ORS 243.879; and

10 (b) May adopt rules not inconsistent with ORS 243.860 to 243.886 to determine the terms and
11 conditions of eligible employee participation in and coverage under benefit plans.

12 (2) The board shall study all matters connected with the provision of adequate benefit plan
13 coverage for eligible employees on the best basis possible with regard to the welfare of the em-
14 ployees and affordability for the districts and local governments. The board shall design benefits,
15 prepare specifications, analyze carrier responses to advertisements for bids and award contracts.
16 Contracts shall be signed by the chairperson on behalf of the board.

17 (3) In carrying out its duties under subsections (1) and (2) of this section, the goal of the board
18 is to provide high-quality health, dental and other benefit plans for eligible employees at a cost af-
19 fordable to the districts and local governments, the employees and the taxpayers of Oregon.

20 (4)(a) The board shall prepare specifications, invite bids and take actions necessary to award
21 contracts for health and dental benefit plan coverage of eligible employees in accordance with the
22 criteria set forth in ORS 243.866 (1).

23 (b) Premium rates established by the board for a self-insured health benefit plan and premium
24 rates negotiated by the board with a carrier that offers a health benefit plan to eligible employees
25 must take into account any reduction in the cost of hospital services and supplies anticipated to
26 result from the application of ORS 243.879.

27 (c) The Public Contracting Code does not apply to contracts for benefit plans provided under
28 ORS 243.860 to 243.886. The board may not exclude from competition to contract for a benefit plan
29 an Oregon carrier solely because the carrier does not serve all counties in Oregon.

30 (5) The board may retain consultants, brokers or other advisory personnel when necessary and
31 shall employ such personnel as are required to perform the functions of the board. If the board
32 contracts for actuarial or technical support to manage the functions of the board, the board shall,
33 *no less than every three years,*] solicit invitations to bid and the proposals must include all of the
34 following:

35 (a) An explanation of how the bidder has assisted other clients in creating incentives to improve
36 the quality of care provided to enrollees;

37 (b) An explanation of how the bidder will support the board's efforts to maximize provider effi-
38 ciencies and achieve more organized systems of care; and

39 (c) A description of the bidder's experience in assisting other clients in structuring contracts
40 that use risk-based networks of providers and alternative provider reimbursement methodologies.

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