



March 14, 2023

The Honorable Rob Nosse, Chair
House Behavioral Health and Health Care Committee
900 Court St. NE
Salem, Oregon 97301

SUBJECT: HB 3140 - Removes requirement that Public Employees' Benefit Board and Oregon Educators Benefit Board solicit new bids for actuarial or technical support every three years.

Dear Chair Nosse and Members of the Committee:

The Oregon Health Authority (OHA) has been tracking HB 3140 closely and wanted to provide information on the bill's impact on the Public Employees Benefit Board and Oregon Educators Benefit Board. The Public Employees Benefit Board (PEBB) and Oregon Educators Benefit Board (OEGB) design, contract and administer a program of benefits for almost 300,000 lives across the state, university, and public education communities as well as participating local governments. The benefits include medical, dental, vision and prescription drug coverage; life, accident, disability, and long-term care insurance; and flexible spending accounts.

HB 3140 would remove the current requirement that PEBB and OEGB solicit bids every three years through Request for Proposals (RFP) for actuarial/consulting services. The bill retains the requirements that the bidding proposals include experience with other clients, ability to assist PEBB/OEGB with coordinated care and provider efficiencies, and experience with alternative payment methodologies. It is important to note that conducting RFPs can assist in identifying the most qualified and cost-effective vendors for services, thereby providing savings to the organization.

The three-year RFP requirement for PEBB/OEGB consulting contracts was implemented in 2017 through SB 1076. Removing the three-year limit would have the following impacts on PEBB/OEGB:

- The current three-year RFP requirement requires that significant staff resources be shifted from other priorities and projects to conduct the consulting RFP. The timeline from starting an RFP through selection of a winner, negotiation of the contract and transitioning from one consultant to another is a three-year process. Removing the three-year RFP requirement will allow PEBB/OEGB to devote staff resources needed for three-year consulting RFPs to fulfill projects and priorities that were put aside or delayed due to the consulting RFP.
- Historically, PEBB and OEGB have used their consultants to achieve a number of actuarial, technical and policy projects including implementing OHA policies and

March 14, 2023

Page 2 of 2

priorities such as health system innovation and removing health inequities. Consultants play a key role that requires a detailed understanding and background in the Boards' needs, programs, and goals as well as the benefit plans and programs. HB 3140 would provide the PEBB/OEBB consultant more time to amass detailed knowledge of the Boards' programs, members and OHA policy directives. Many Board initiatives to advance payment reform and improved member health are long-term and require multi-year strategies. Potential transition to new consultants/actuaries every three years impacts the ability to advance and maintain momentum on multi-year initiatives.

In summary, HB 3140 would allow PEBB/OEBB to redirect staff resources that are needed to fulfill the three-year consulting RFPs to other needs and projects. It would also allow the PEBB/OEBB consultant to amass the detailed knowledge and background of the Boards, members and OHA needs. Even with the removal of the three-year RFP requirement the Boards would still have the statutory authority to issue an RFP for consulting/actuarial services at any time if it they feel it was necessary to seek service bids from other available vendors that are more cost effective.

Thank you for the opportunity to provide information on HB 3140.

Sincerely,

A handwritten signature in black ink, appearing to read "Ali Hassoun". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Ali Hassoun
Interim Director
Health Policy & Analytics Division
Oregon Health Authority.