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Ways & Means Presentation
Public Employees' Benefit Board (PEBB)
and
Oregon Educators Benefit Board (OEBB)

Presented to
Joint Ways & Means Subcommittee on Human Services
February 12, 2025

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Bill Graupp, OEBB Board Chair
Dawn Mautner, MD, PEBB Board Chair

Overview

- What are PEBB & OEGB?
 - Overview
 - How PEBB & OEGB advance OHA's Strategic Plan
 - Organizational structure
 - Partnerships
- Key Successes
 - Primary impacts and outcomes
- Budget Overview
 - How PEBB & OEGB services are delivered
 - Budget drivers and major program changes
 - 2025-27 Governor's Budget request
 - 2025-27 Focus areas
- Policy Option Packages

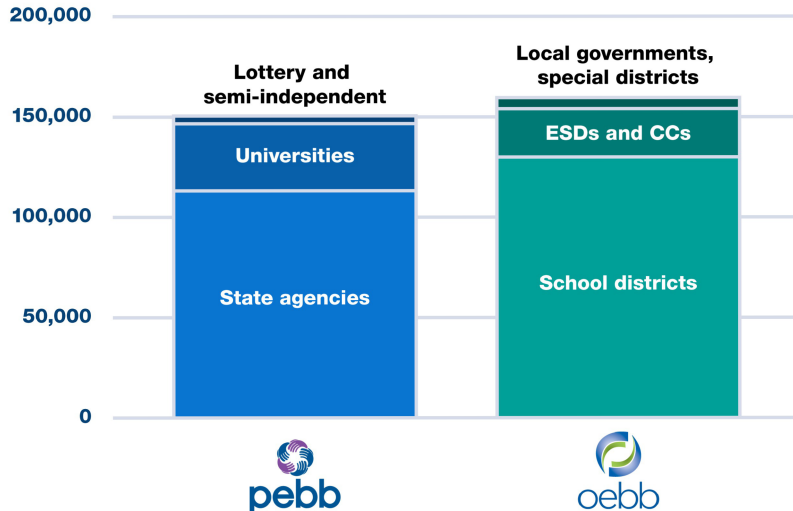


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What are PEBB & OEBB?

What are PEBB & OEBB?

PEBB and OEBB Together Serve More Than 300,000 Oregonians



Growth of more than 19,000 members since the 2023 Ways & Means Presentation

What are PEBB & OEBB?



Plan Year	January 1—December 31	October 1—September 30
Employers	100+ state agencies, universities, state lottery, semi-independent agencies	260+ school districts, community colleges, education service districts, and counties
Enrollment	155,446 total medical members enrolled	151,549 total medical members enrolled
Insurance Type	80% self funded, 20% fully insured	100% fully insured
Board	2 State Mgmt, 2 SEIU, 1 AFSCME, 1 Represented Employee (Non AFSCME, Non SEIU), 1 Director OHA (or designee), 1 HPA Administrator (or designee), 1 Representative, 1 Senator (vacant)	2 District Board, 2 District Mgmt, 1 OSEA, 2 OEA, 1 Non-Mgmt Non-Represented, 1 Local Gov't Non-Mgmt (vacant), 1 Local Gov't Mgmt, 1 Health Policy, 1 Classified Staff
Employer Contribution	Agencies pay 95% or 99%, and universities pay 95% or 97%, depending on plan choice	Each employer determines a flat dollar contribution amount
Plan Offerings	IRS Section 125 Cafeteria Plan—all employers must offer all plans to all employees	Operates like an “Exchange of Plans” where each employer can choose to offer a subset of plans, or all plans, to employees

OHA's Strategic Plan



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Strategic Goal

Eliminate health inequities
in Oregon by 2030

Transforming
behavioral health

Strengthening
access to
affordable
care for all

Fostering healthy
families and
environments

Achieving
healthy Tribal
communities

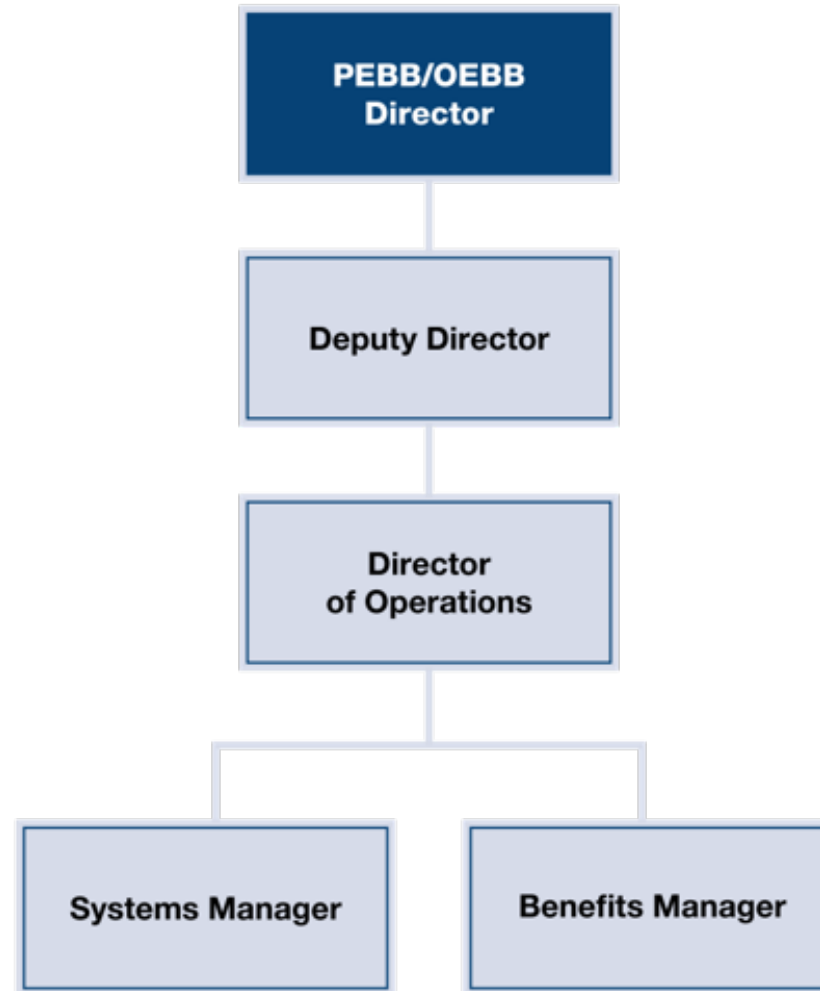
Building OHA's
internal capacity
and commitment
to eliminate
health inequities

PEBB & OEBB and OHA's Strategic Plan

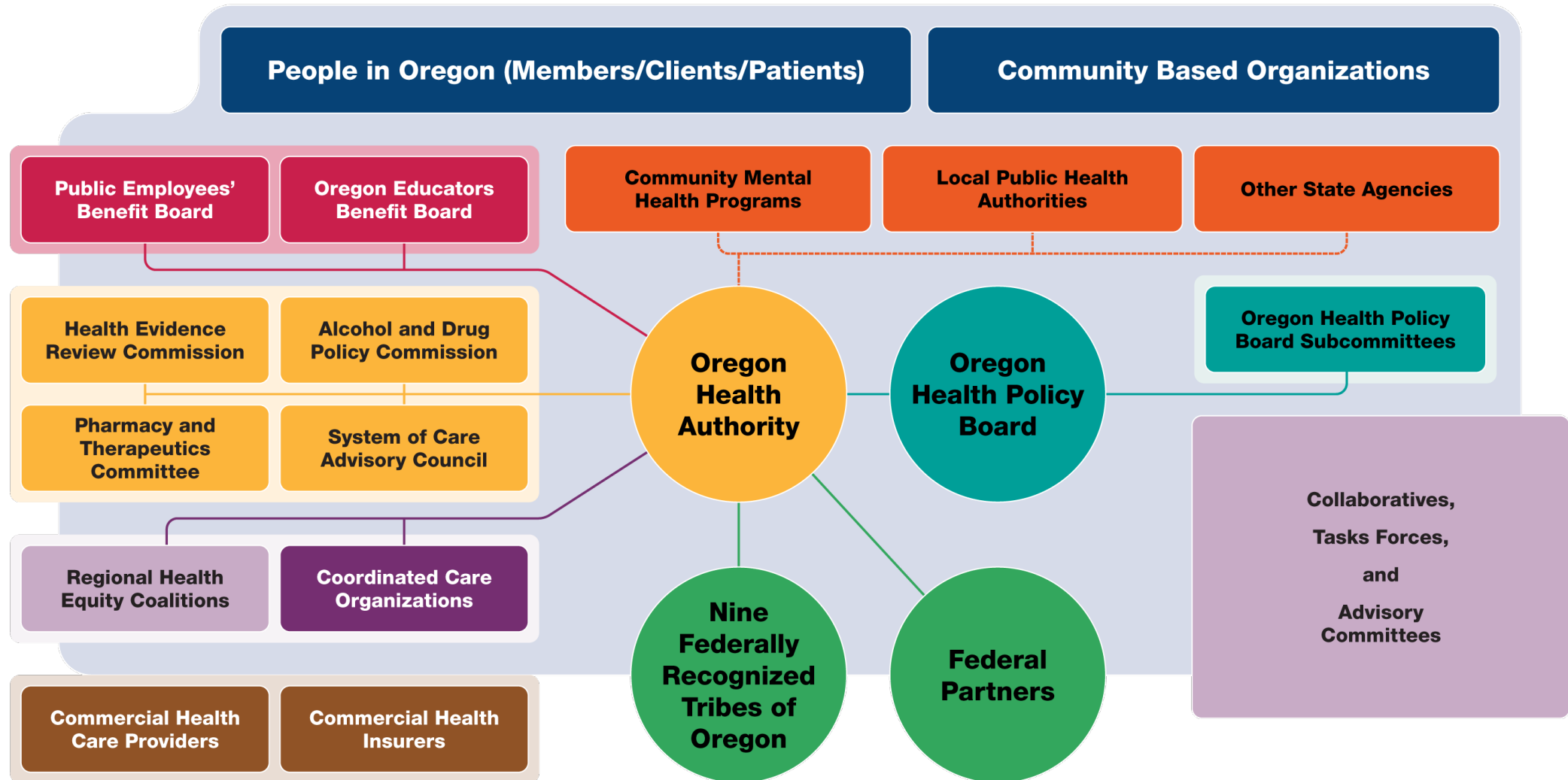
Leaning Into Health Equity

- **The Process:** Since 2020 when both boards identified health equity as a guiding principle, they have been exploring strategies to center their policy work around health equity, aligning with the Oregon Health Policy Board.
- **Education:** Board members have attended retreats focused on learning about health disparities, health equity, and related concepts to define and address the issue of how they can eliminate inequities.
- **Framework:** The Boards have established a joint Health Equity Workgroup to examine health equity in their policies, benefits and administrative processes.
- **Tools:** Consultants have developed a specialized tool to facilitate evaluating health equity in potential benefit changes at an in-depth level.
- **Goals:** The boards will consider all policy and operational decisions by leading with health equity and will strive to create and maintain a diverse board composition.

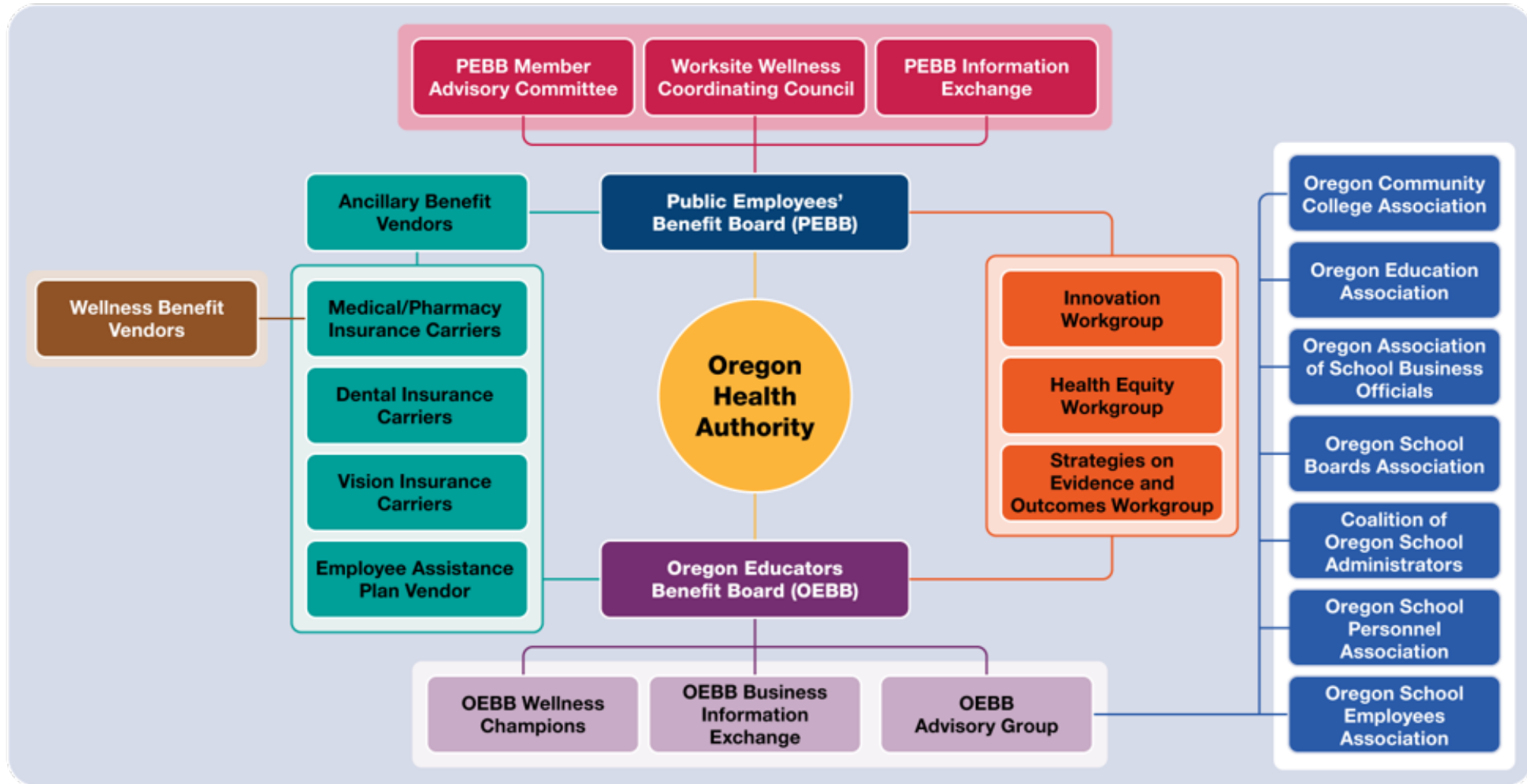
Organizational Structure – PEBB & OEBB



External Partnerships



PEBB and OEBB Partnerships

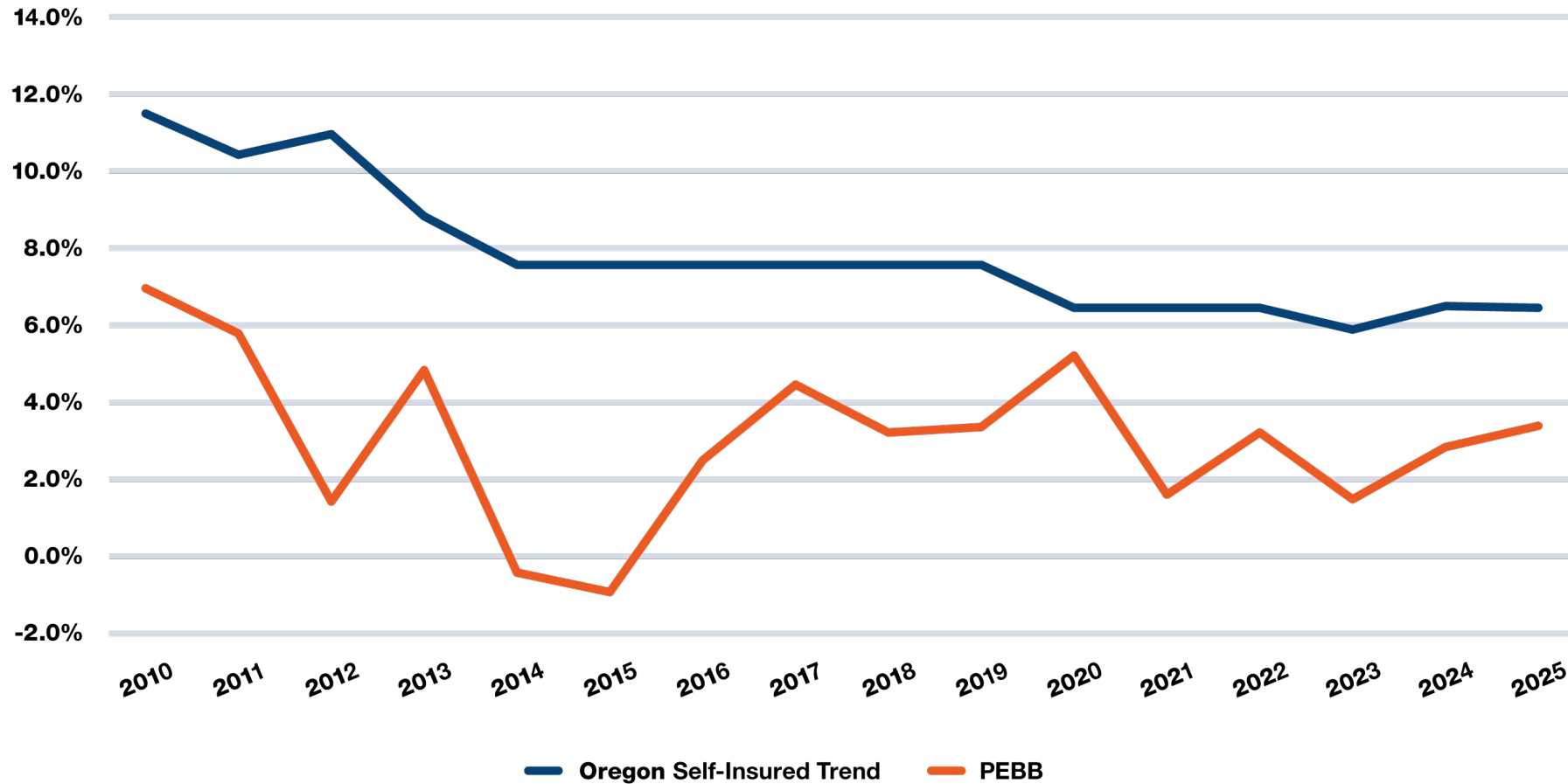




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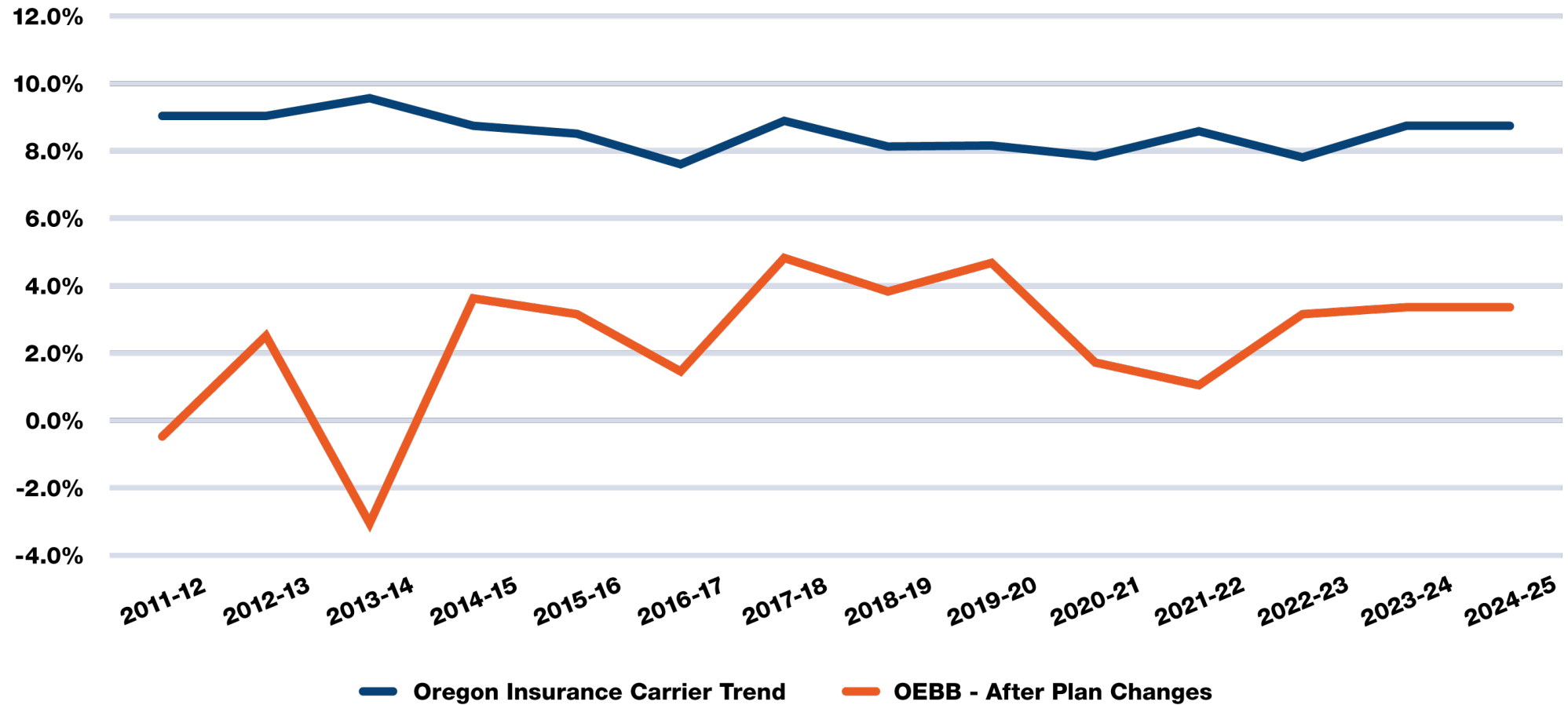
Key Successes

PEBB has remained well under the 3.4% cost cap and commercial market self-insured trend



Strategic Plan Goal Area: Strengthening access to affordable care for all

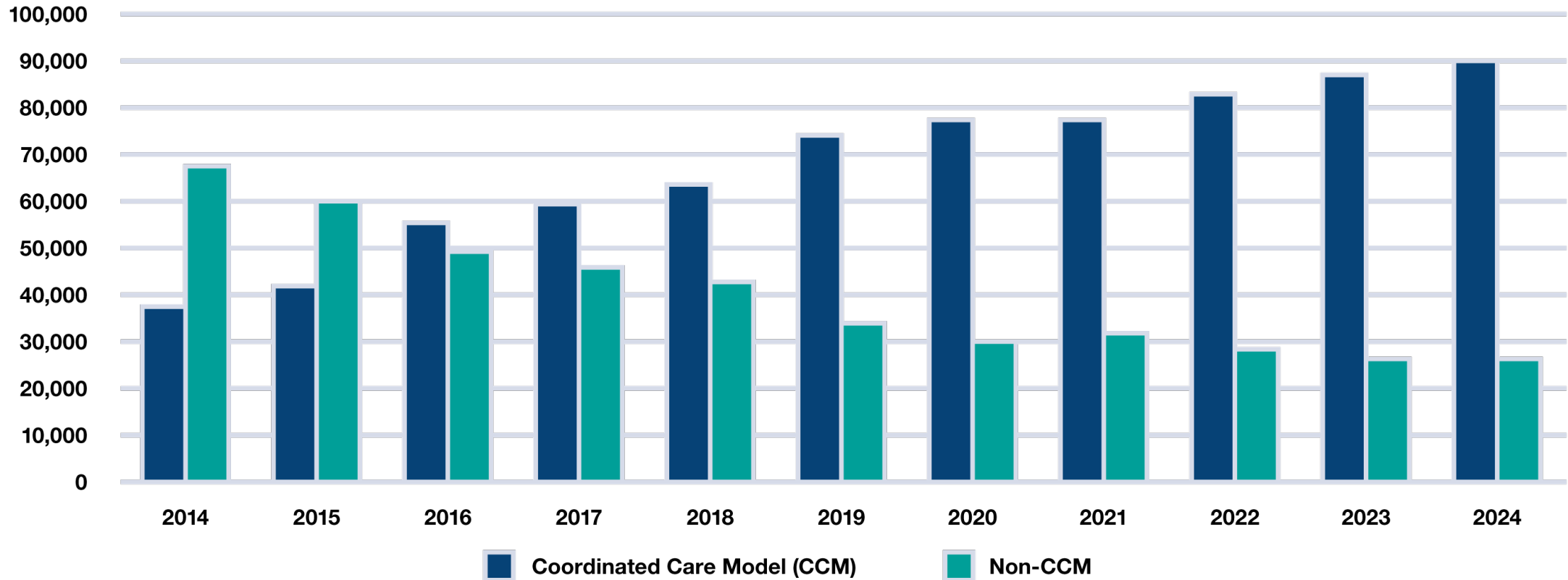
OEBB has remained well under the 3.4% cost cap and commercial market trend



Strategic Plan Goal Area: Strengthening access to affordable care for all

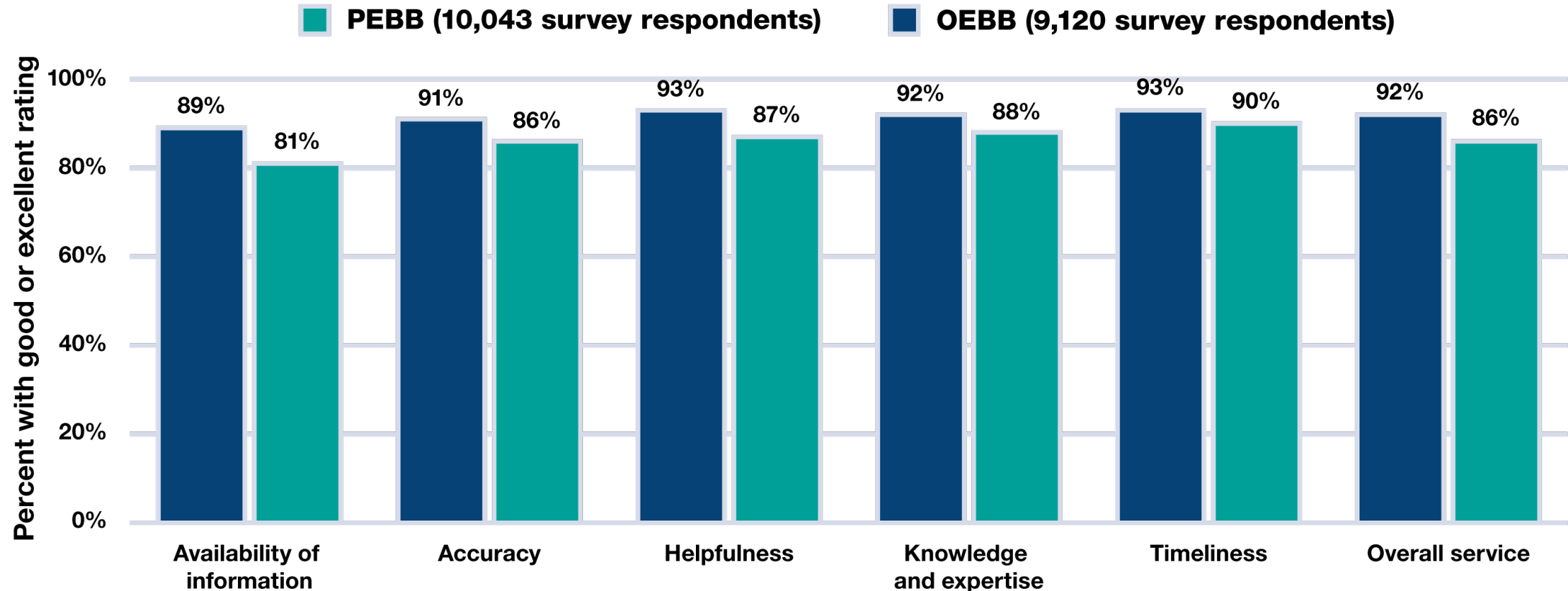
Enhancing quality of care through the coordinated care model (CCM)

Combined PEBB and OEBB Subscriber Migration from Non-CCM to CCM Plans



Strategic Plan Goal Area: Strengthening access to affordable care for all

Prioritizing service to our members



Strategic Plan Goal Area: Strengthening access to affordable care for all

Containing costs

Legislative Cost Containment Directives (SB 1067 of 2017)

- 3.4% Cost Caps
- Double Coverage Surcharge
- 200% of Medicare Hospital Payment Cap
- Continuous eligibility verification of dependents
- Administrative Merger

Measuring progress

- Potential joint procurements with independent decision making for the Boards
- Single actuarial consulting firm for both Boards
- Implementing single Benefits Administration System
- Joint work to leverage analysis and outcomes

Strategic Plan Goal Area: Strengthening access to affordable care for all

Committed to working together

Joint PEBB/OEBB Health Equity Workgroup

- In-depth analysis of new and existing benefits, exclusions, and policies to ensure we better serve those who have historically experienced health inequities

Joint PEBB/OEBB Innovation Workgroup

- Leveraging Joint data - Recommends approaches to the Boards for increasing quality of care, member experience and cost containment, while eliminating or reducing health inequities
- Areas examined have included deep analysis of program cost drivers, performance metrics, and value-based payments
- Long-term sustainability modeling

Joint PEBB/OEBB Strategies on Evidence & Outcomes Workgroup

- In-depth study of benefit and program effectiveness and health equity
- Driving towards uniform performance metrics across PEBB & OEBB

Strategic Plan Goal Area: Strengthening access to affordable care for all

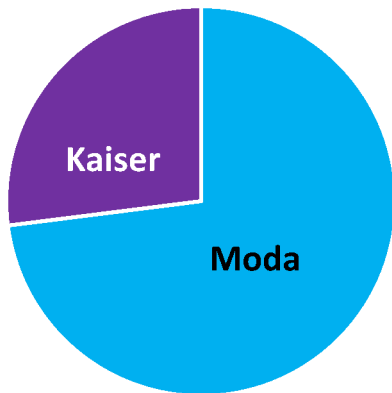


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Budget Overview

How PEBB & OEGB Services are Delivered

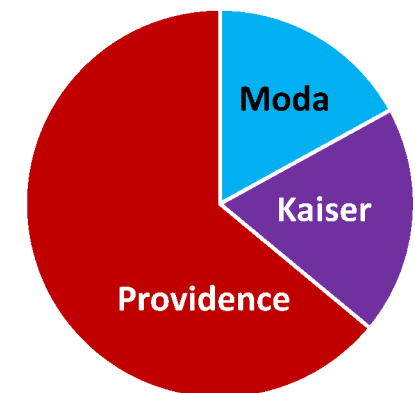
Medical Enrollment



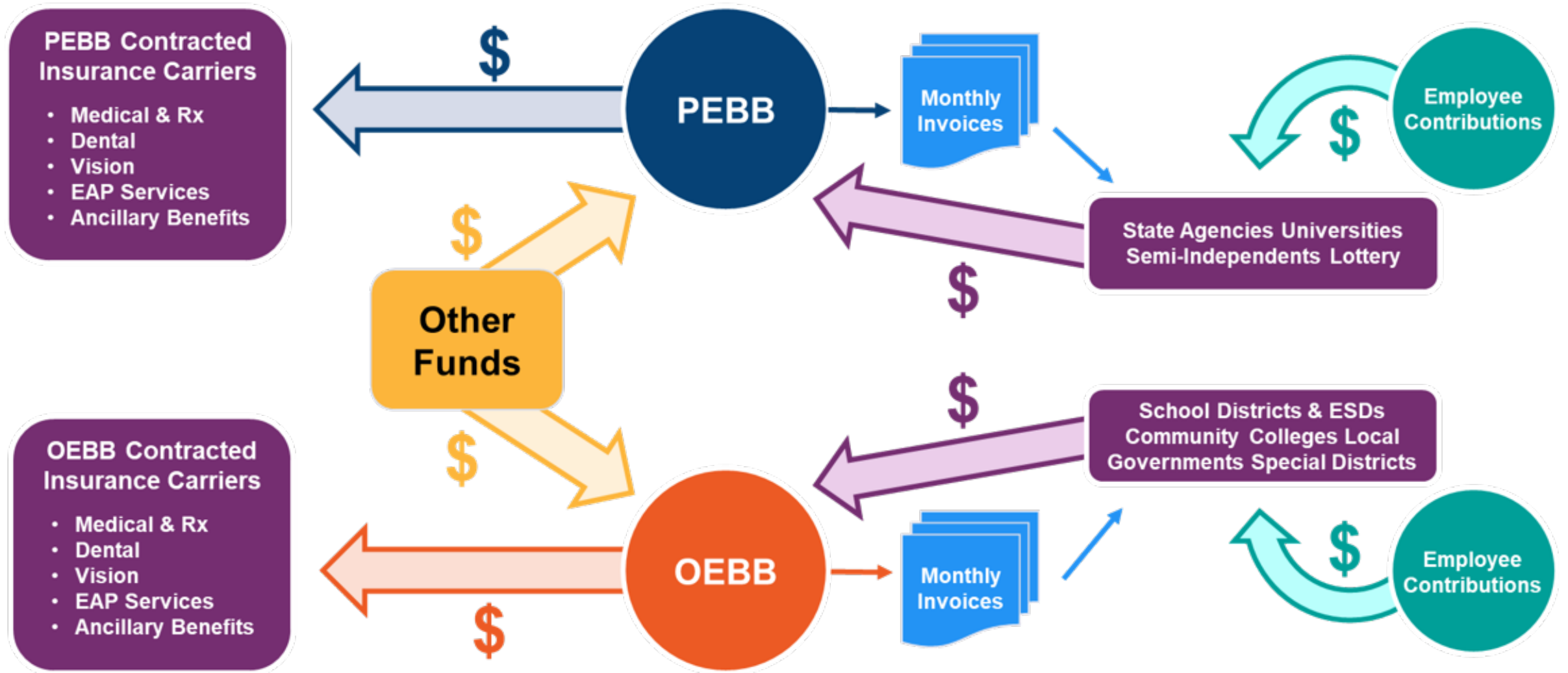
OEGB Plans	
Moda Medical	7
Kaiser Medical	4
Delta Dental (Moda)	5
Willamette Dental	1
Kaiser Dental	1
VSP Vision	2
Kaiser Vision	1
Moda Vision	3

PEBB Plans	
Moda Medical	1
Kaiser Medical	2
Providence Medical	2
Delta Dental	2
Willamette Dental	1
Kaiser Dental	1
VSP Vision	2
Kaiser Vision	1

Medical Enrollment

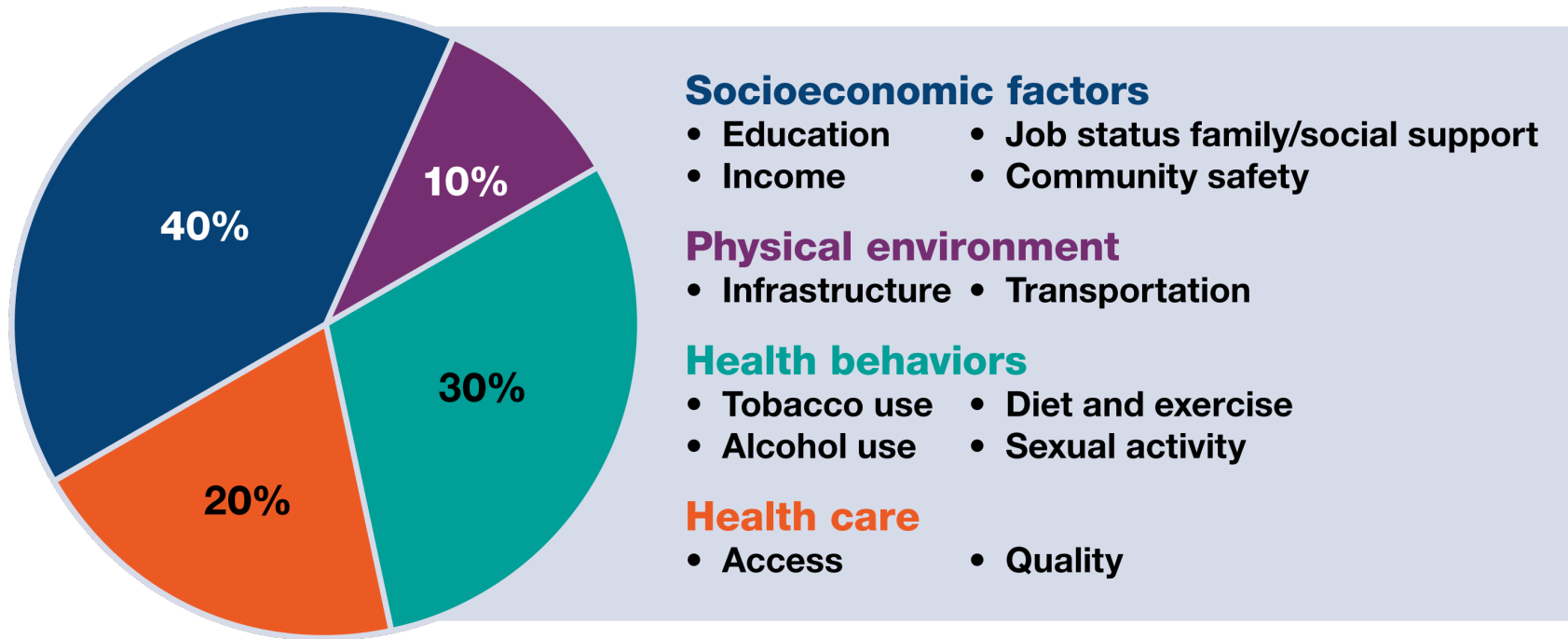


How Services are Delivered (Funding)



Budget Drivers

Challenge: Focusing on factors that determine health



Only 20% of the determining factors of health include those moments in a healthcare environment.

Employer plans traditionally focus on what they can affect:
Health care and health behaviors

Budget Drivers

Challenge: The cost of healthcare

■ Extreme ■ High ■ Moderate ■ Low ■ No claims

PEBB percent of members driving costs:



OEBB percent of members driving costs:



40% of the cost is driven by 4%-5% of the members

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

Percentage of total allowed claims costs

1% of the population accounts for around 20% of the cost

Budget Drivers

Challenge: How do we approach innovation



Pay for less services

- Favorable contracted rates via health plans or vendor contract terms
- Site-neutral payment
- Steerage, such as Centers of Excellence and narrow networks
- Implement reference-based pricing, usually based on Medicare fee schedule
- Conduct request for proposals (RFPs)



Pay for fewer services

- Avoid non value-added services, e.g., the Waste Calculator and Choosing Wisely
- Avoid service duplication
- Implement efficient bundles
- Increase scrutiny for fraud, waste, and abuse detection and avoidance
- Increase focus with prior authorization and medical management



Need fewer services

- Effective programs to support healthy behaviors and resiliency
- Decreasing risk factors for disease and injury
- Early identification of health conditions
- Maximize chronic condition management
- Proactive population health management
- Systematic implementation of evidence-based clinical guidelines

Major PEBB & OEGB Program Changes

Program changes occurring in the last three biennia

Additions:

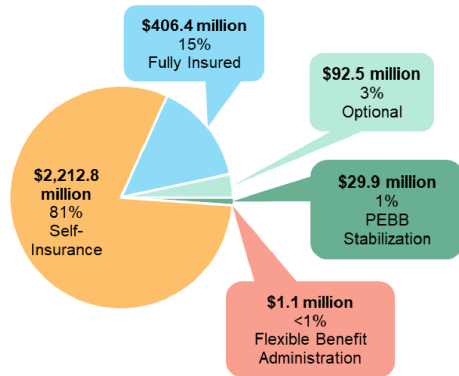
- New unified Benefit Management System
- Release of a Medical and Pharmacy Services RFP for PEBB
- PEBB now part of Strategies of Evidence and Outcomes Workgroup)
- Single Employee Assistance Program vendor for both PEBB and OEGB
- Addition of Health Equity Workgroup to support both boards

Reductions:

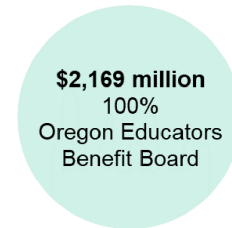
- Retirement of outdated PEBB Benefit Management System
- Retirement of outdated OEGB Benefit Management System
- Non-renewal of OEGB Employee Assistance Program vendor
- Administrative merger to remove redundancies and reduce FTE costs by 15%

2025-27 Governor's Budget, by Program Area

Public Employees' Benefit Board by Program
\$2,742.6 million Total Funds



Oregon Educators Benefit Board by Program
\$2,169 million Total Funds



2025-27 Governor's Budget, by Fund Type

Public Employees' Benefit Board by Program
\$2,742.6 million Total Funds



Oregon Educators Benefit Board by Program
\$2,169 million Total Funds



Revenue Sources: Insurance premiums and program changes

2025-27 Focus Areas

Administration: PEBB and OEGB Benefit management systems (BMS) no longer serve all business needs and are at the end of their lifecycles, supported by obsolete technology.

Quality: Additional resources would support necessary claims audits and clinical audits. Through these audits, the Boards can ensure benefit plans are being administered appropriately, legally, and equitably.

Cost Control: The Boards periodically seek to issue RFPs as a cost containment measure and to ensure PEBB and OEGB get the best benefit deals but must do so at the expense of other necessary work. Dedicated consultant resources require dedicated additional funding.

Collaboration: Lack of sufficient limitation prevents OEGB and PEBB from appropriately funding the three joint workstreams responsible for recommendations to eliminate health inequities: the Health Equity Workgroup (HEW), the Innovation Workgroup (IWG) and the Strategies on Evidence & Outcomes Workgroup (SEOW).



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Priority Investments

POP #423 – PEBB OEGB Program Integrity and Development

Challenge:

- The current budget limitation for consulting services for PEBB and OEGB has no funding for necessary RFP support, claims audits, clinical audits and support for the Joint Health Equity Workgroup (HEW), and is underfunded for supporting joint PEBB and OEGB work through the Innovation Workgroup (IWG) and Strategies on Evidence and Outcomes Workgroup (SEOW).

Proposal:

- Clinical and claims audits would greatly enhance the equity work of the Boards as the audit data is paired with available REAL-D/SOGI data to identify areas of concern. These are critical to ensure benefit plans and services are being administered appropriately and according to the law.

Desired outcomes:

- Provide support for RFPs, such that the boards would no longer need to divert funds from IWG and SEOW support. Furthermore, the HEW would be able to broaden its scope and reach without impacting other crucial initiatives.

	General Fund	Total Funds	Positions	FTE
POP #423	\$0	\$5,275,071	0	0

POP #425 – Benefits Management System Replacement

Challenge:

- Current separate benefit management systems used by OEBC and PEBB no longer support all current business needs.
- Both systems are at the end of their lifecycles and continue to be supported with obsolete technologies.

Proposal:

- New system integrates the administration and support of the two systems, with improved user experience and customer care, into a single platform to meet the legislative direction provided under SB 1067 (2017).

Desired outcomes:

- Addresses security vulnerabilities and provides greater functionality and capability to further automate and streamline essential business processes, with a smooth go-live deemed highly successful.

	General Fund	Total Funds	Positions	FTE
POP #425	\$0	\$6,188,956	3	1.62

Thank you

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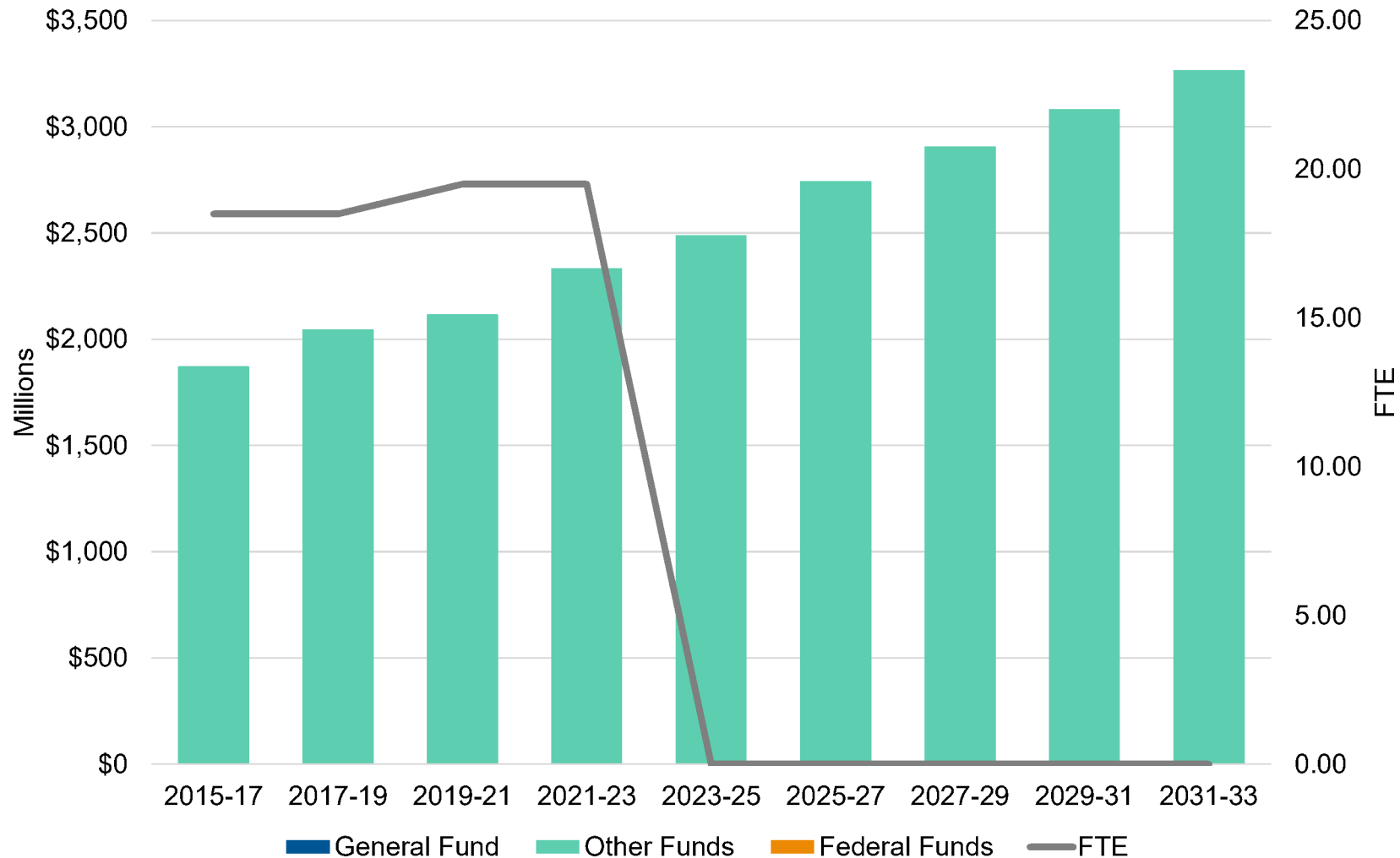




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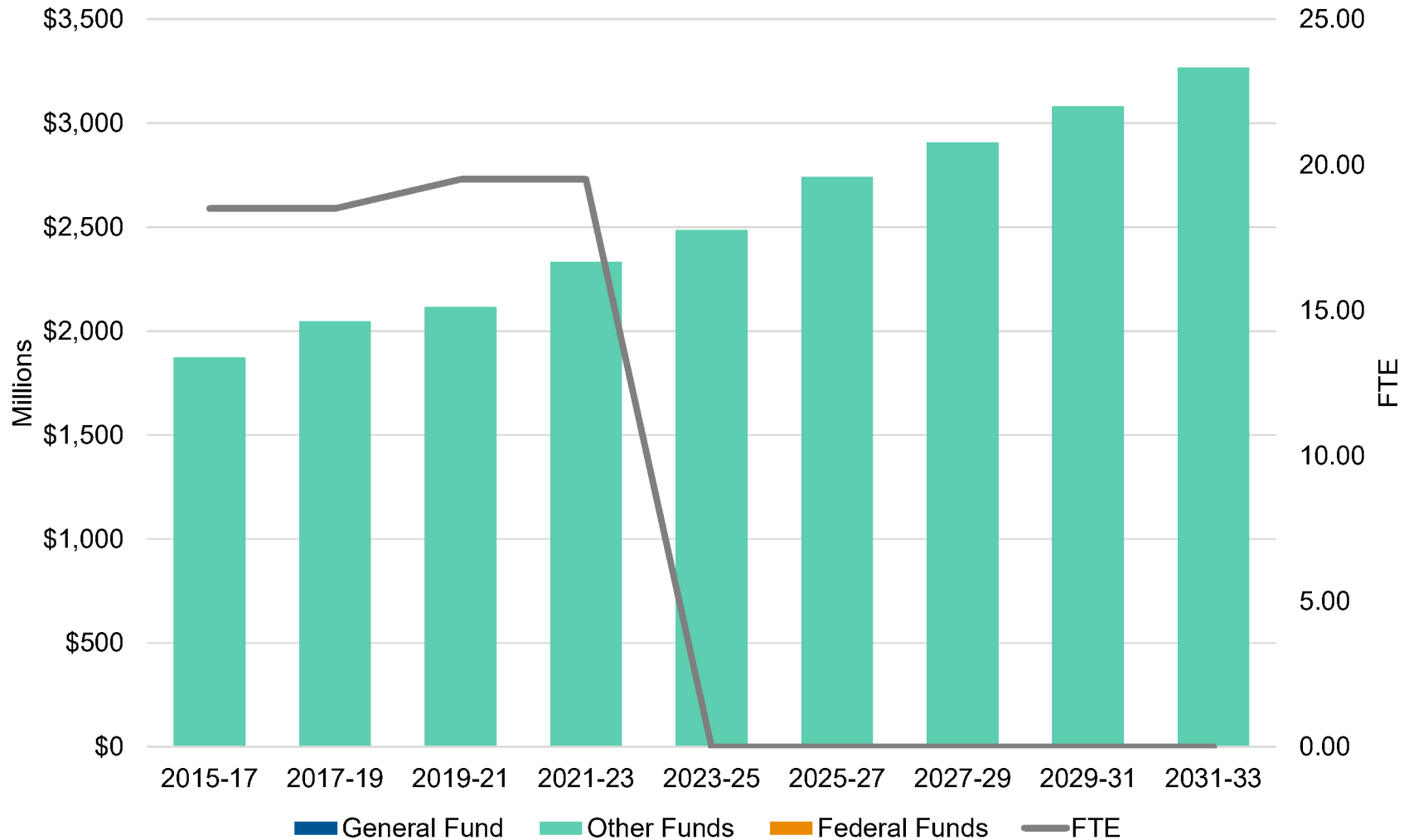
Appendix

PEBB Funding



*PEBB FTE were moved to the HPA budget in 2023-25

OEBB Funding



*OEBB FTE were moved to the HPA budget in 2023-25