

SECTION 1: ELIGIBILITY, ENROLLMENT AND DATES OF COVERAGE

Who is Eligible

Eligible Employees

An eligible employee means an employee of a PEBB participating organization, and state officials in an exempt, unclassified, classified, or management position, who meet the following criteria:

- Are expected to work at least 90 days; and
- Work at least half time or in a position classified as job share.

Employers of eligible employees are:

- Oregon state government agencies
- The Oregon University System (OUS)
- Semi-independent state agencies.

PEBB's administrative rules contain its eligibility rules: 101-015. Review PEBB's administrative rules at the PEBB Web site: <http://oregon.gov/das/pebb>.

Eligible Full-time Employees

(Including Limited Duration Employees)

The current monthly benefit amount from the employer fully covers the premium amount for the core benefits of medical, dental and basic life insurance coverage for full-time employees. The amount covers these premiums on all enrollment tiers: employee only, employee and spouse or domestic partner; employee and children; and family.

Current full-time employees must work at least half time during the preceding month to be eligible for benefits the next month. Half time means employed and work or receive 80 paid regular hours per month, or 0.5 FTE for OUS employees, 80 paid regular hours per month and in a .5 FTE position for the Oregon Judicial Department, or as defined by collective bargaining agreements.

New full-time employees are not required to work at least half time in the month they are hired to be eligible for benefits the next month, but they will need to meet this requirement in following months.

Benefit Options

- All available medical and dental plans (except for part-time and retiree plans), according to where you live or work (at least 50 percent of the time)
- Basic life insurance coverage of \$25,000
- All available optional benefits.

These employees may opt out of medical coverage if they have other employer-sponsored group coverage as defined by PEBB. [*Effective Jan. 1, 2010 Employees* must provide proof this coverage to their agency within five days of enrollment.] Other group coverage does not include Medicare, TRICARE, Medicaid, Veterans Administration Health Benefits, or Student Health Insurance. [*Effective Jan. 1, 2010 Members* who opt out will receive a monthly payment of \$233 (prorated for part-time employees according to hours worked compared with full-time).] The cost of their

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mandatory dental and basic life premiums will be deducted from that amount pretax. The balance will be added to their monthly pay as taxable income.

These employees may also decline all benefits. If you decline all benefits, you choose not to participate in the PEBB program, and you receive no portion of the monthly benefit amount from the employer.

Eligibility when on extended leave

The type of leave you take – family medical leave, active duty military leave, job-related-injury leave, etc. – and whether it is a paid or unpaid leave may affect your eligibility and how you pay for and receive benefits. Contact your payroll, human resources or benefits office, or PEBB to discuss these issues prior to taking the leave.

Eligible Part-time Employees

(Including Limited Duration and Job Share)

The current monthly benefit amount for eligible part-time employees is pro-rated based on hours worked in the month compared with full time hours.

To be eligible for benefits, part-time employees must:

- Work or receive 80 paid regular hours per month or be in a job share position;
- Hold 0.5 FTE for an OUS employer:
- Work or receive 80 paid regular hours per month and be in a .5 FTE position for the Oregon Judicial Department: or
- Fit the definition by collective bargaining agreements.

New part-time employees are not required to work at least half time in the month they are hired to be eligible for benefits the next month, but they will need to meet this requirement in following months.

Part-time employees receive a pro-rated monthly benefit amount from the employer for the core benefits of medical, dental and basic life insurance coverage. For most part-time employees, the pro-rated amount is based on the number of hours worked in the previous month. For job-share employees, the amount is fixed by their share of the FTE.

Part-time employees must pay the difference between the benefit amount they receive and the plan premium amount. They may choose to purchase either part-time and retiree, or full-time medical and dental plans. Coverage is effective at the beginning of each month. When available, part-time employees who choose a part-time and retiree plan will receive a state subsidy.

Benefit Options:

- All available medical and dental plans, according to where you live or work (at least 50 percent of the time)
- Basic life insurance coverage of \$25,000
- All optional benefits.

These employees may opt out of medical coverage if they have other employer-sponsored group coverage as defined by PEBB. [Effective Jan. 1, 2010 Employees must provide proof of this coverage to their agency within five days of enrollment] Other group coverage does not include Medicare, TRICARE, Medicaid, Veterans Administration Health Benefits, or Student Health Insurance. [Effective Jan. 1, 2010 Members who opt out will receive a monthly payment of \$233

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(prorated for part-time employees according to hours worked compared with full-time).] The cost of their mandatory dental and basic life premiums will be deducted from that amount pretax. The balance will be added to their monthly pay as taxable income.

These employees may also decline all benefits. If you decline all benefits, you choose not to participate in the PEBB program, and you receive no portion of the monthly benefit amount from the employer.

New Seasonal Employees

(Full-time, Part-time, Job Share)

Seasonal employees may receive PEBB benefits if the employer expects them to work at least 90 consecutive days in full-time, half time, or job-share status.

Seasonal employees expected to work fewer than 90 days are not eligible for PEBB benefits. If the agency extends the length of the seasonal position, the employee is eligible for benefits retroactive to 60 days from the date of hire.

Benefit Options

- **Full-time seasonal employees:** All available medical and dental plans (except for part-time and retiree plans), according to where you live or work (at least 50 percent of the time)
- **Part-time seasonal employees:** All available medical and dental plans, according to where you live or work (at least 50 percent of the time)
- Basic life insurance coverage of \$25,000
- All optional benefits except short term and long term disability insurance.

These employees may opt out of medical coverage if they have other employer-sponsored group coverage as defined by PEBB. [*Effective Jan. 1, 2010* Beginning with enrollments for plan year 2010, employees must provide proof of this coverage to their agency within five days of enrollment.] Other group coverage does not include Medicare, TRICARE, Medicaid, Veterans Administration Health Benefits, or Student Health Insurance. [*Effective Jan. 1, 2010* Members who opt out will receive a monthly payment of \$233 (prorated for part-time employees according to hours worked compared with full-time).] The cost of their mandatory dental and basic life premiums will be deducted from that amount pretax. The balance will be added to their monthly pay as taxable income.

These employees may also decline all benefits. If you decline all benefits, you choose not to participate in the PEBB program, and you receive no portion of the monthly benefit amount from the employer.

Returning Seasonal Employees

Previously ineligible seasonal employee who return to work are eligible for benefit plans once they accumulate 60 calendar days of employment within the current or immediately previous plan year. The 60 calendar days do not need to be consecutive. Seasonal employees who had PEBB benefits before starting leave and who return to work within 12 months will have benefits reinstated the first of the month following their return-to-work date.

Benefit Options

- Full-time seasonal employees: All available medical and dental plans (except for part-time and retiree plans), according to where you live or work (at least 50 percent of the time)

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- Part-time seasonal employees: All available medical and dental plans, according to where you live or work (at least 50 percent of the time)
- Basic \$25,000 life insurance
- All optional benefits except short term and long term disability insurance.

These employees may opt out of medical coverage if they have other employer-sponsored group coverage as defined by PEBB. [*Effective Jan. 1, 2010* Employees must provide proof of this coverage to their agency within five days of enrollment.] Other group coverage does not include Medicare, TRICARE, Medicaid, Veterans Administration Health Benefits, or Student Health Insurance. [*Effective Jan. 1, 2010* Members who opt out will receive a monthly payment of \$233 (prorated for part-time employees according to hours worked compared with full-time).] The cost of their mandatory dental and basic life premiums will be deducted from that amount pretax. The balance will be added to their monthly pay as taxable income.

These employees may also decline all benefits. If you decline all benefits, you choose not to participate in the PEBB program, and you receive no portion of the monthly benefit amount from the employer.

Most benefits are reinstated for returning seasonal employees. Reinstated means to reactivate prior medical, dental, and life insurance enrollments within 12 months when the employee returns from a leave or a termination of employment. Exceptions are flexible spending accounts and the long term care plan. Returning seasonal employees must re-enroll if they want these plans.

Eligible Retirees

Active employees enrolled in PEBB immediately prior to retirement may continue in PEBB medical and dental plans when they retire if they are not eligible for Medicare.

Keep in mind that if you enroll in PEBB benefits as a retiree, you must self pay the premiums; the state does not provide a benefit amount.

Medical and dental options

As a PEBB retiree you may choose from all available medical and dental plans, including all full-time and part-time and retiree plans, available in your service area. You may change medical or dental plans when you enroll as PEBB retiree. You and your dependents may choose medical only, dental only, or medical and dental coverage; however, when you choose only dental coverage you cannot add medical coverage at a later time, and vice versa.

Eligibility

To be eligible for PEBB retiree coverage, you must be:

- Eligible to receive a retirement benefit through a state of Oregon retirement system, and
- Enrolled in a PEBB medical or dental plan.

You may also cover your

- Non-Medicare eligible spouse or domestic partner who is covered on your plans at the time of retirement,
- Dependent children who are covered on your plans at the time of retirement, if they are still eligible according to PEBB rules.

How to enroll

BenefitHelp Solutions (BHS) is PEBB's third-party administrator for retiree plans. Complete and submit to BHS the PEBB Enrollment Form, Eligible Retiree and Dependents.

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When to enroll as a PEBB Retiree

PEBB coverage must be continuous. **You must enroll within 60 days of when your active PEBB coverage ends.** Contact your employing agency for the date your active PEBB coverage will end. The enrollment deadline is 60 days from that date. If you enroll and pay premiums during this 60-day window, coverage is retroactive to the date your PEBB employee coverage ended.

Exceptions:

- If you have coverage under a spouse or partner's active PEBB plan, you may enroll in the PEBB retiree plan later if you lose the current coverage.
- If you choose COBRA continuation coverage, you can transfer to the retiree group during or at the end of the COBRA period.

Changing Plans

You may make plan changes only during the Plan Change Period. The Board sets the Plan Change Period for retirees.

The Plan Change Period allows you the opportunity to change plans; **it does not allow you to add coverage you did not already have.** For example, if you chose not to enroll in medical coverage when you retired, you may not enroll for medical coverage during subsequent Plan Change Periods. You may not add dependents during this period. You may add dependents only within 60 days of and consistent with a qualified midyear status change.

Effective dates

PEBB retiree coverage must be effective immediately following the transition from PEBB employee coverage or COBRA coverage.

If you relocate outside a plan's service area

If you leave a plan's service area, you may enroll in a new plan. You must do so within 60 days. If you fail to enroll within 60 days, you may apply to PEBB for late enrollment.

If a dependent loses other coverage

If a domestic partner or family member not currently enrolled on your retiree plan loses other employer group coverage, you may enroll the spouse or domestic partner, or dependent child for coverage in your plan, if they meet the PEBB eligibility. You must do so within 60 days. If you fail to submit the correct forms within 60 days of this qualified change, you may apply to PEBB for late enrollment.

Coverage Duration

Coverage continues as long as:

- You are not eligible for Medicare (except those with end-stage renal disease)
- You pay premiums timely
- PEBB continues to offer retiree coverage.

Continuing life and long term care insurance after retirement

The Standard Insurance Company guarantees your acceptance without submitting evidence of insurability if you enroll in conversion coverage or PEBB retiree life insurance portability coverage within 60 days from the date of your retirement. Please contact The Standard Insurance Company for more information about this option.

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If you have long term care insurance, you must convert the policy to an individual plan to continue the coverage. Contact UNUM Provident for more information about this option.

Continuation of other optional benefits

You cannot continue PEBB dependent life, spouse or domestic partner life, disability, or accidental death and dismemberment insurance.

Optional healthcare insurance for retirees

PERS. Contact the PERS Health Insurance Program for more information.

COBRA. The federal COBRA law allows you to continue the same coverage you had as an employee. You must self pay your premium. However, there are some important differences to keep in mind.

- COBRA usually allows continuation of your participation in the active-employee group for only 18 months. If you have a qualified Social Security disability or become qualified within the first 60 days of COBRA coverage, you may be eligible for an additional 11 months of COBRA coverage, for a total of 29 months.
- COBRA coverage for you ends if you:
 - Become eligible for Medicare in the 18-month period (except those with end-stage renal disease)
 - Become covered by another group medical plan that does not exclude or limit coverage for pre-existing conditions
 - Fail to make a timely premium payment.
- In the event of your death, COBRA coverage may continue for dependents up to 36 months from the time you began to pay your own premium. Other provisions may apply for COBRA coverage. Contact BHS for more information.

If you choose COBRA coverage, you may enroll as a PEBB retiree at any time during your COBRA coverage.

Portability Coverage or Oregon Medical Insurance Program. The [*Discontinues Jan. 1, 2010* Regence] and Kaiser HMO medical plan offers portability. Portability means that you may purchase an individual medical plan offered by the company on a guaranteed issue basis within 63 days after leaving the PEBB group. To be eligible you must:

- Have 180 days of continuous employer group medical coverage
- Be an Oregon resident
- Not be eligible for Medicare
- Not be currently enrolled in another medical plan.

In the case of your death your dependents may continue coverage if they continue to meet the eligibility requirements. For portability information and rates, call the plan directly.

The [*Effective Jan. 1, 2010* PEBB Statewide Plan] and Providence Choice medical plan are self-insured medical plans. If you leave a self-insured plan, you may be able to access coverage through the Oregon Medical Insurance Program (OMIP). To apply for coverage through OMIP, you must first exhaust your COBRA coverage. Contact OMIP for more information.

Medicare Coverage. Medicare covers:

- People 65 years of age and older
- Certain people younger than 65 with disabilities.

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When you become eligible for Medicare, you are no longer eligible to participate in PEBB retiree plans (unless you have end-stage renal disease). When you become eligible for Medicare but your spouse or partner and dependents are not, these family members may continue PEBB retiree coverage if they were enrolled in your coverage when you became eligible for Medicare.

For information about individual plans to supplement Medicare coverage, contact the Senior Health Insurance Benefits Assistance program at (800) 722-4134.

Retirees Returning to Active Employee Status

Retirees returning to work in a benefit-eligible position are eligible for PEBB benefits. You must work the equivalent of at least half time during the month to be eligible for benefits for the following month. Job-share employees are not required to work half time.

For retirees returning within 12 months of their retirement date, benefits are reinstated. You will not need to work half time the month you return to work to be eligible for benefits the following month. However, you must work at least half time each month after that to qualify for benefits the following month. Reinstatement means to reactivate all previous medical, dental, life and disability insurance policies, if available, on a guaranteed basis. You will have 60 days from the date you return to work to change your elections. Approved changes are effective the first of the month following receipt of the forms by the agency. An employee returning to paid regular status within 30 days without a break in coverage will have their previous coverage reinstated and may not make benefit plan changes.

Retirees who return beyond 12 months from their retirement date must re-enroll for all benefits.

Full-time employees are not eligible for part-time and retiree plans. Part-time employees receive a pro-rated benefit amount (based on the hours worked) and may choose from all the medical and dental plans.

Retirees returning to work and enrolled with Benefit Help Solutions (BHS), the third-party administrator, may suspend self-pay coverage while in active employee status by notifying BHS. To restart your self pay coverage, you must notify BHS when you are no longer an active employee who meets the half time work requirement. Remember, your coverage must be continuous to remain eligible to participate in PEBB plans.

Non-Medicare-eligible retirees may decline active employee benefits. Medicare-enrolled retirees cannot opt-out of the PEBB medical plans and must enroll in the PEBB active employee plans because of the Medicare secondary payer rules.

NOTE: Special conditions apply to Standard Life insurance coverage if you converted or ported coverage you had as an employee. Contact Standard and your payroll office to ensure your life insurance information is correct.

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COBRA Participants

Former PEBB members may continue their coverage in PEBB healthcare plans through the Consolidated Omnibus Budget Reconciliation Act (COBRA).

COBRA gives employees along with their spouses, domestic partners, dependents and domestic partner's dependents a chance to continue coverage under an employer's group health plan. Participants must experience a "triggering event" for COBRA to apply. In general, individuals receive the opportunity to elect only the healthcare coverage they were receiving immediately before the event. You must self pay the premiums for this benefit coverage; the state does not provide a benefit amount.

See Section 5 for more information regarding your COBRA rights and qualifying events.

BenefitHelp Solutions (BHS) administers the COBRA program for PEBB. For more information, contact BHS.

Other Self-pay Participants

The following individuals may participate in PEBB.

- Blind Business Enterprise agents
- State-certified foster parents
- Oregon Liquor Control Commission agents
- Oregon State University and University of Oregon post doctorates and J1 Visa recipients.
- Nurses who teach or work less than half-time

These self-pay participants may enroll only in the PEBB medical and dental plans that are available to full-time state employees. The part-time and retiree plans are not an option. Blind Business Enterprise agents may enroll in a medical plan, only. All other self-pay participants may enroll in medical and dental plans. They must enroll in a medical plan to enroll in a dental plan. Self-pay participants may also enroll their spouse or domestic partner and eligible dependents for coverage.

Self-pay participants do not receive a monthly benefit amount. Participants self-pay all premium costs.

BenefitHelp Solutions (BHS) administers the Self-pay Participant program. To enroll, contact BHS.