Public Employees' Benefit Board
Oregon Educators Benefit Board
2015–2017 Budget Overview

Presentation to the Human Services Legislative Subcommittee on Ways and Means

March 30, 2015

Lynne Saxton, OHA Director

Kathy Loretz, PEBB and OEBB Interim Administrator

Paul McKenna, PEBB Chair

Rick Shidaker, OEBB Chair

Oregon Health Authority

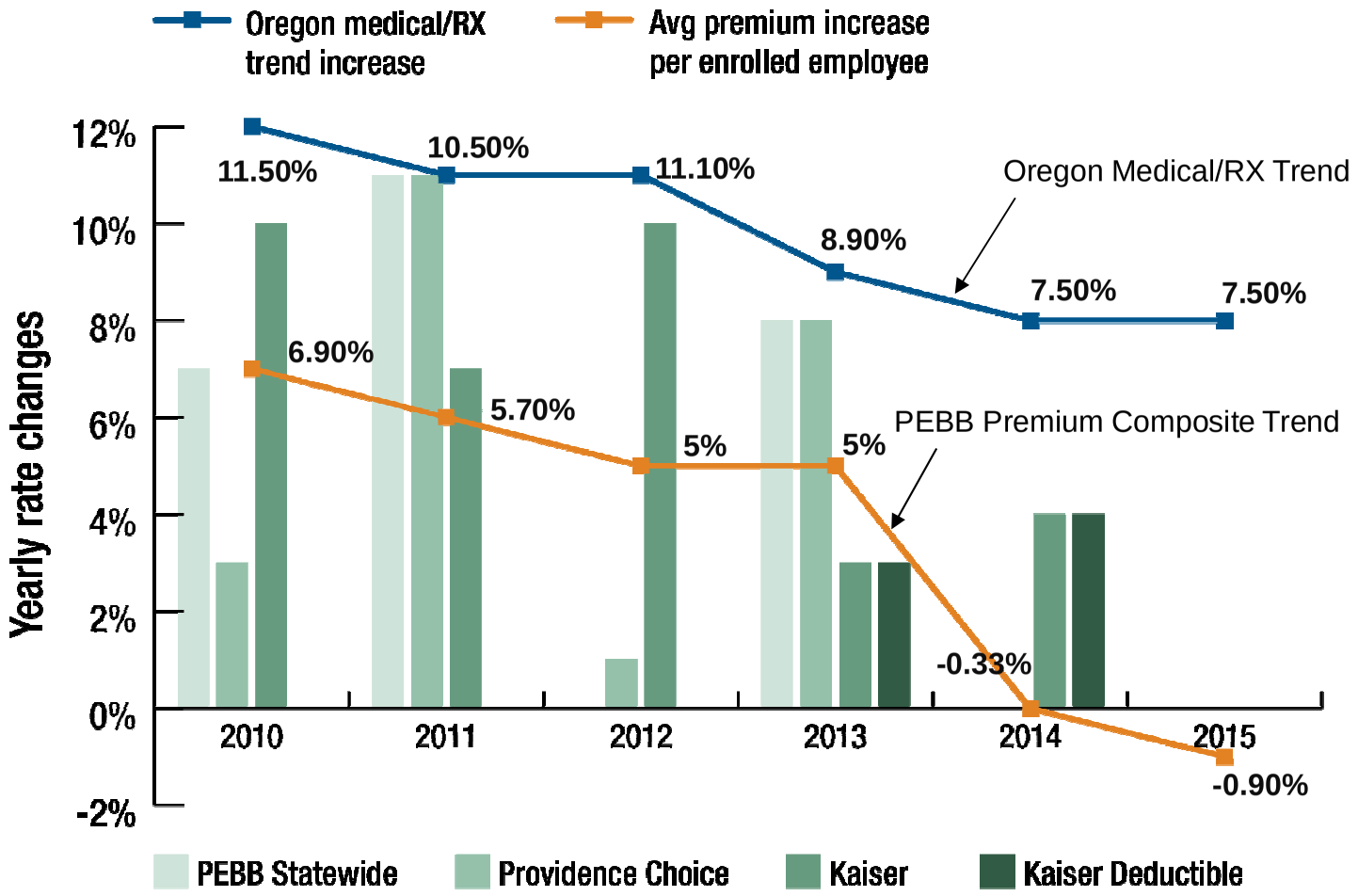
PUBLIC EMPLOYEES' PEBB BENEFIT BOARD

OREGON EDUCATORS OEBB BENEFIT BOARD

Transforming health care in Oregon

Oregon Health Authority

PEBB's Success: beating the trend



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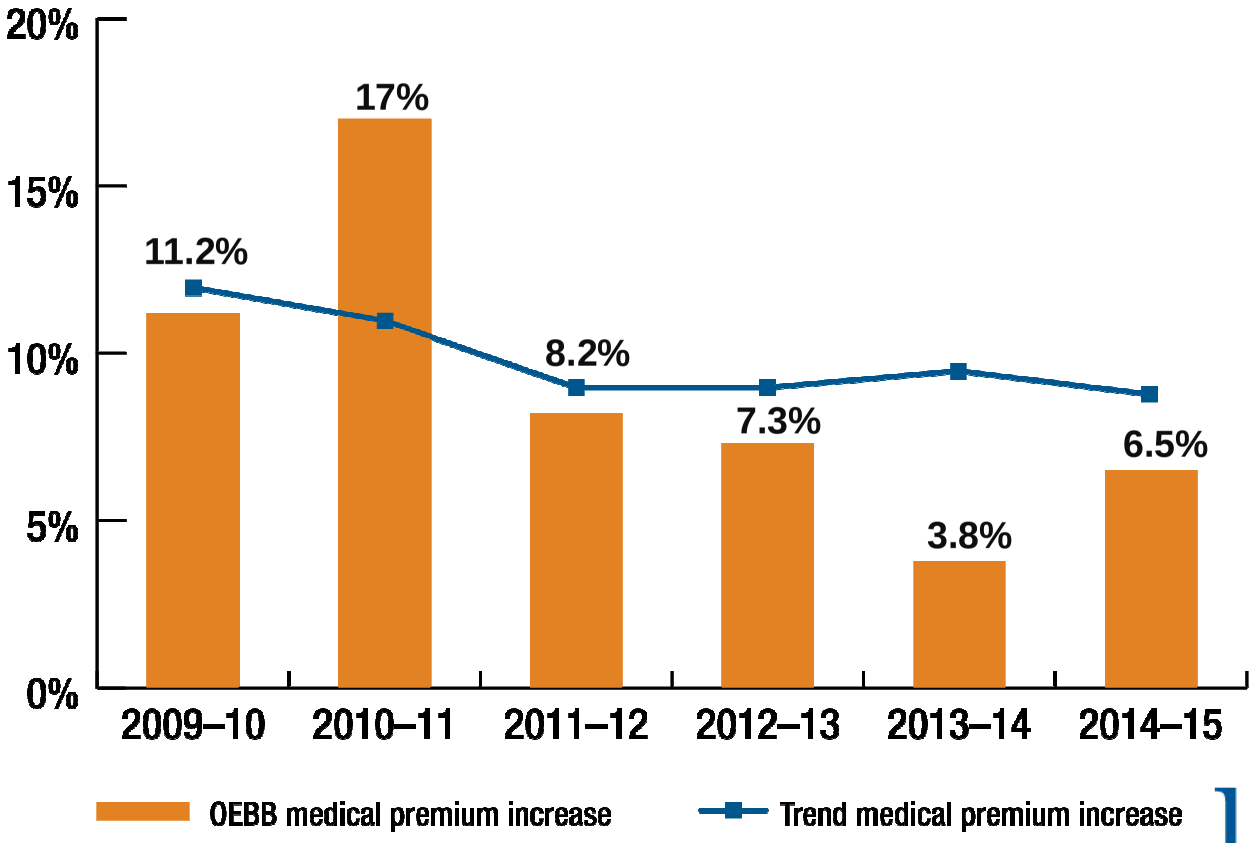
OEBB's Success: beating the trend

OEBB has stayed below Oregon's medical trend for all but one of its plan years.



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Benefit boards align with better health, better care, lower costs

Oregon Health Authority's vision of a healthy Oregon and improving member health by:

- Advancing the patient-centered primary care home structure
- Supporting prevention and wellness
- Encouraging wise use of health care resources
- Promoting alternative payment methodologies pilots

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Benefit boards align with better health, better care, lower costs

Oregon Health Authority's vision of a healthy Oregon and enhancing quality of care by:

- Promoting quality care based on evidence and outcomes
- Using quality measures in the 2015 medical contracts
- Contracting with health systems that are accountable for performance
- Modifying vendor and carrier contracts

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Benefit boards align with better health, better care, lower costs

Oregon Health Authority's vision of a healthy Oregon and lowering or controlling costs by:

- Designing value-based benefits that encourage consideration of effective alternatives
- Using reference-based pricing
- Enhancing benefit management systems
- Aligning with OHA in contracting and purchasing

Oregon Health Authority

Challenges

Controlling premium costs:

- Inflation in health care costs and medical trend drive program costs
- Aging populations
- Biennial health risk survey shows both groups have
    - About 10 percent of population with chronic conditions
    - Majority have sedentary occupations

Member engagement and education:

- Helping members understanding the value of better care coordination
- Encouraging members to fully use available health and wellness programs to:
    - Improve their health
    - Reduce health risks

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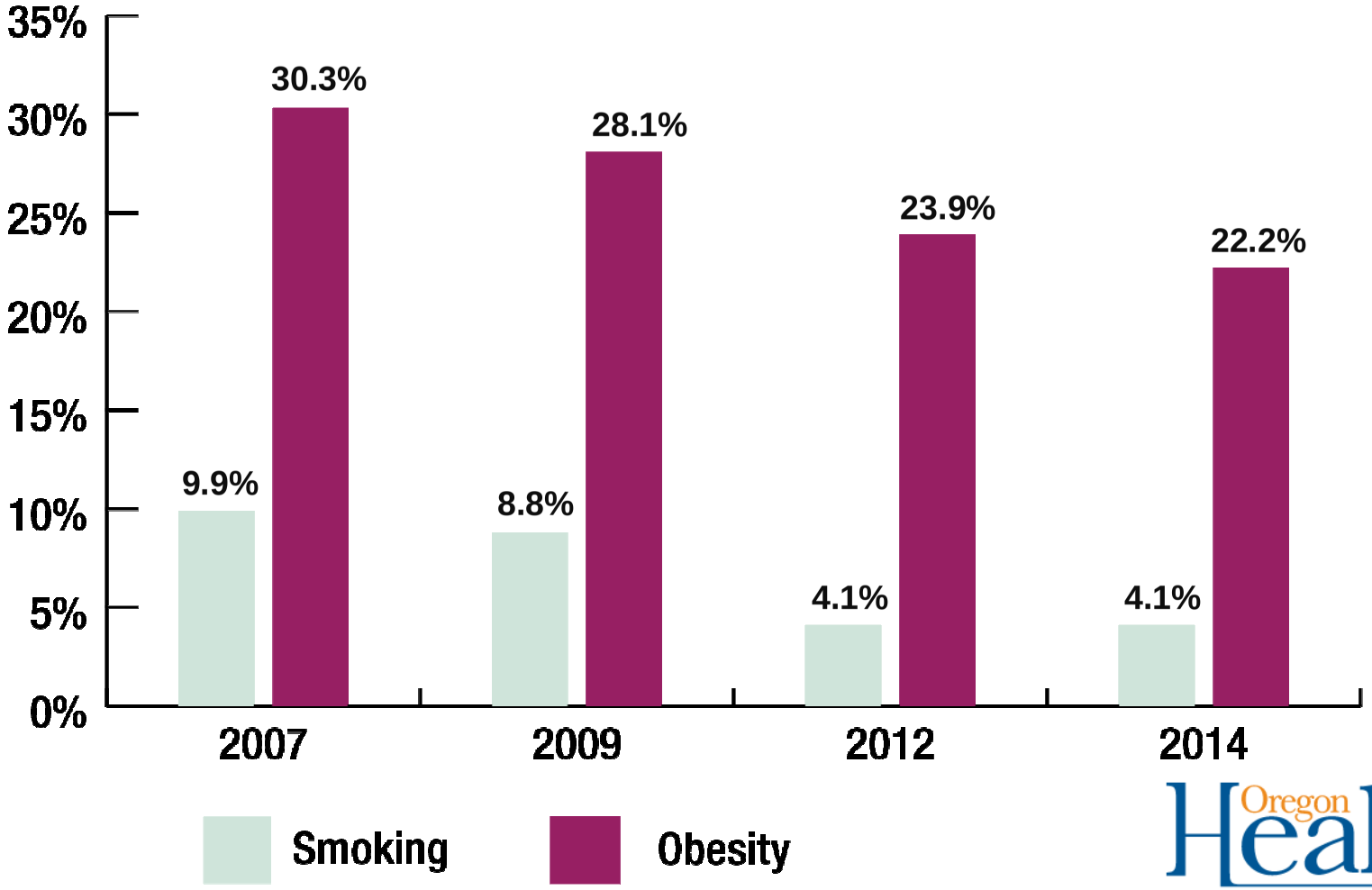
Behavioral Risk Factor Surveillance System for state employees (BSSE) – PEBB cigarette smoking and obesity



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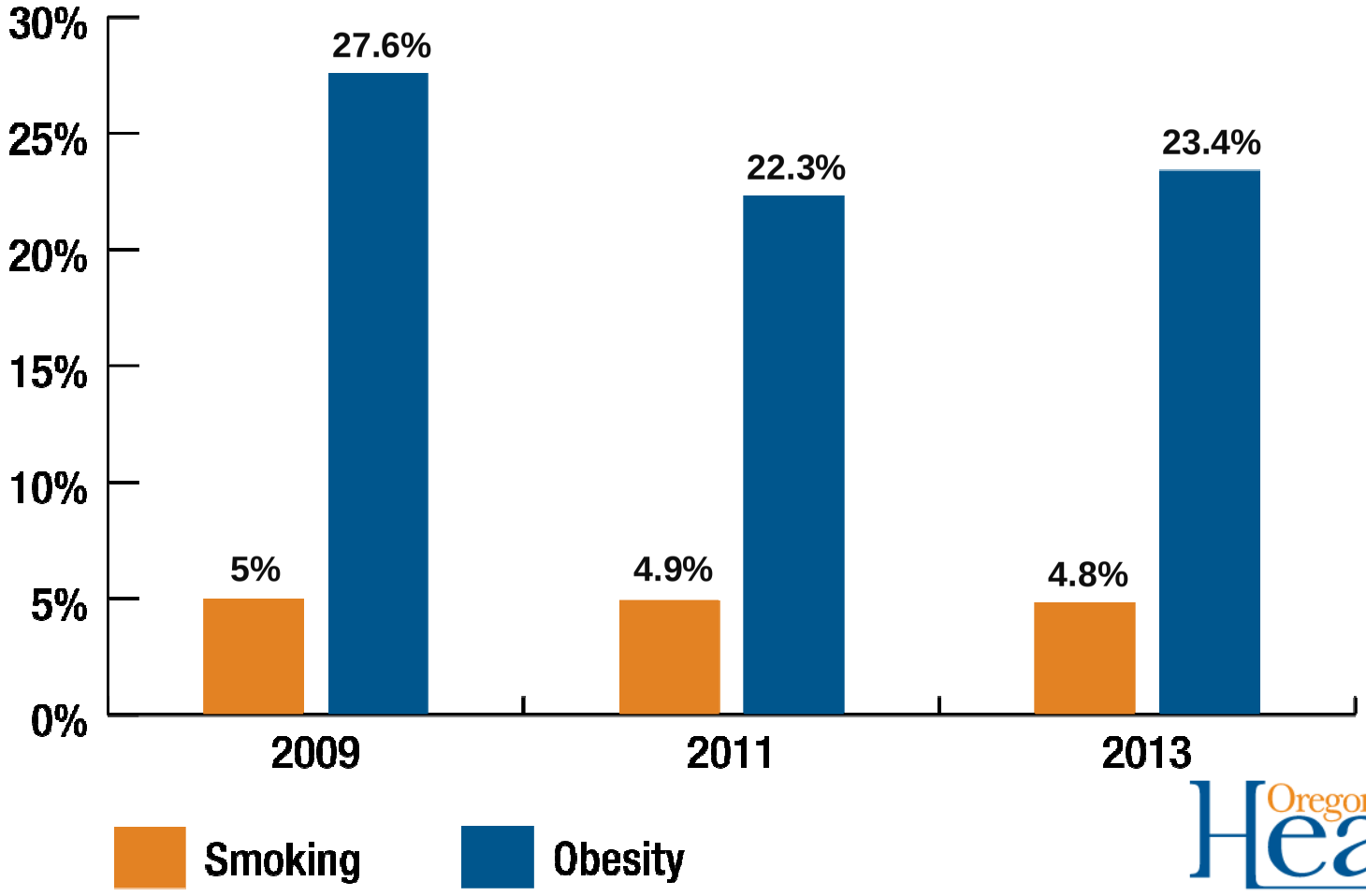
Behavioral Risk Factor Surveillance System for school employees (BSSE) – OEBB cigarette smoking and obesity



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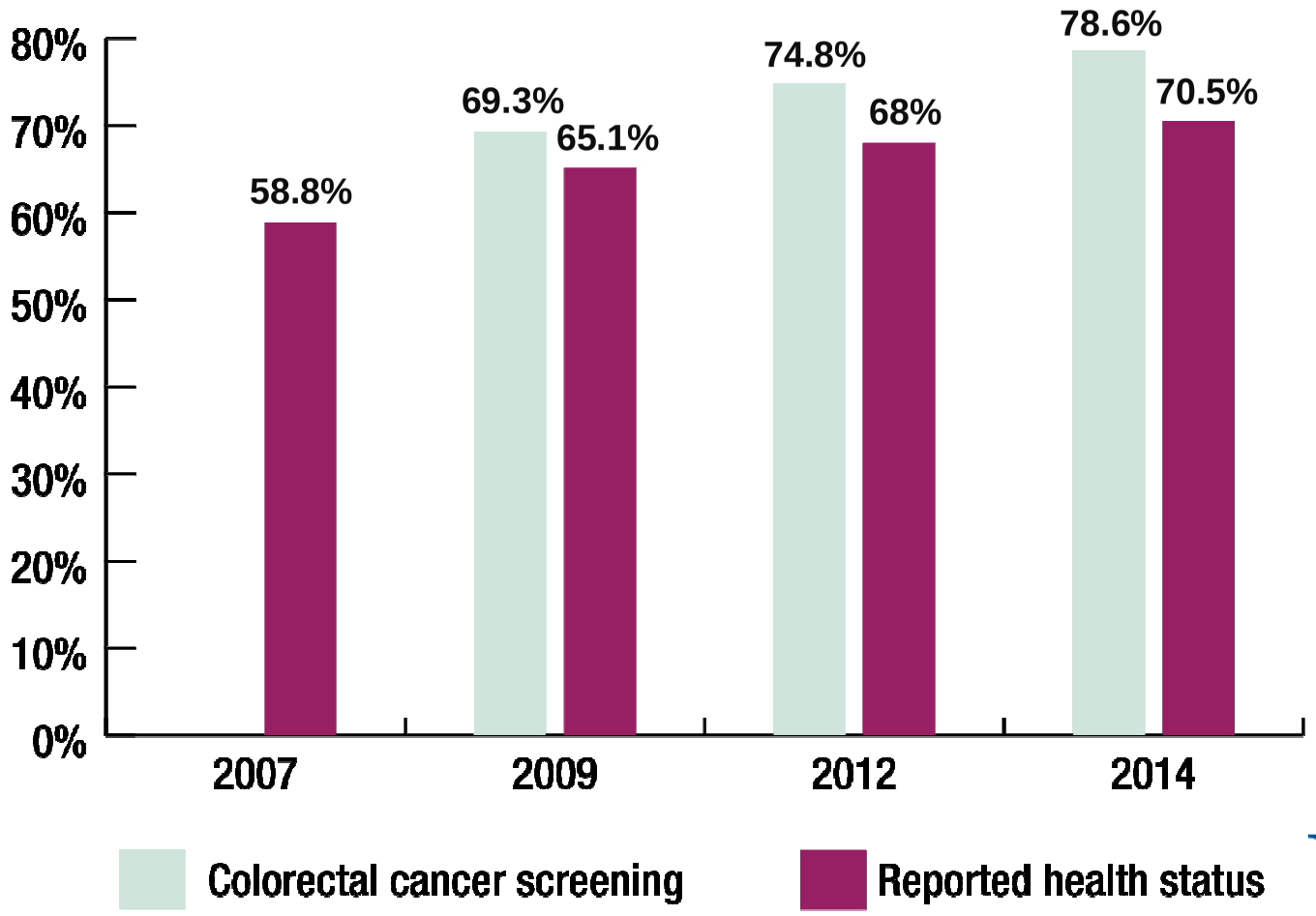
Behavioral Risk Factor Surveillance System for state employees (BSSE)- PEBB Colorectal screening and health status



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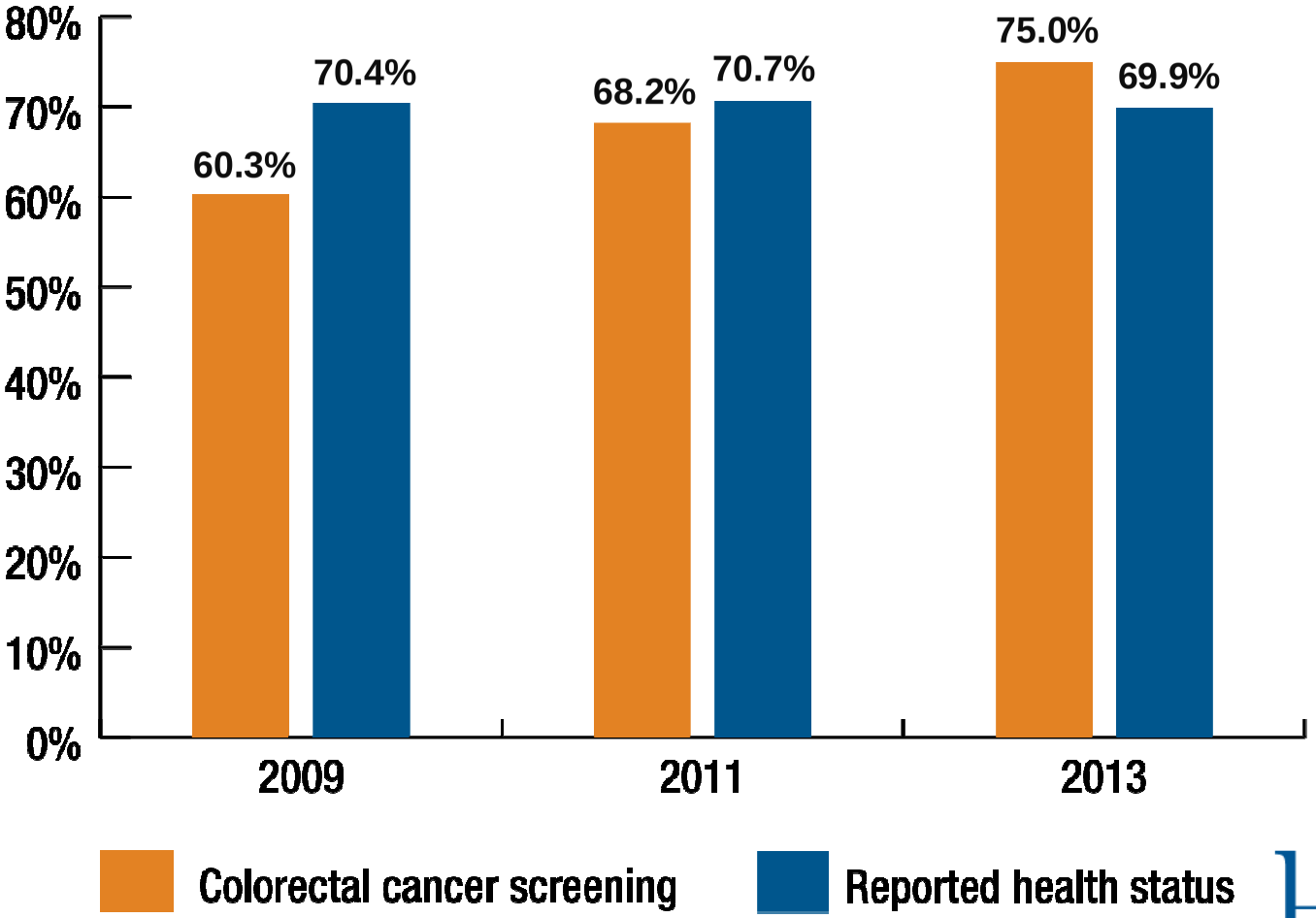

PUBLIC EMPLOYEES'
PEBB
BENEFIT BOARD

Public Employees' Benefit Board
2015–2017 Budget overview

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Public Employees' Benefit Board (PEBB)

Four members representing management:

- Jeanene Smith, M.D., M.P.H.
- Sean Kolmer, M.P.H.
- Clyde Saiki
- Vacant

Four members representing labor:

- Paul McKenna
- Stacy Chamberlain, J.D.
- Rich Peppers;
- Vacant

Two non-voting advisory members:

- One member of the Senate; Senator Betsy Johnson
- One member of the House of Representatives; Representative Brian Clem

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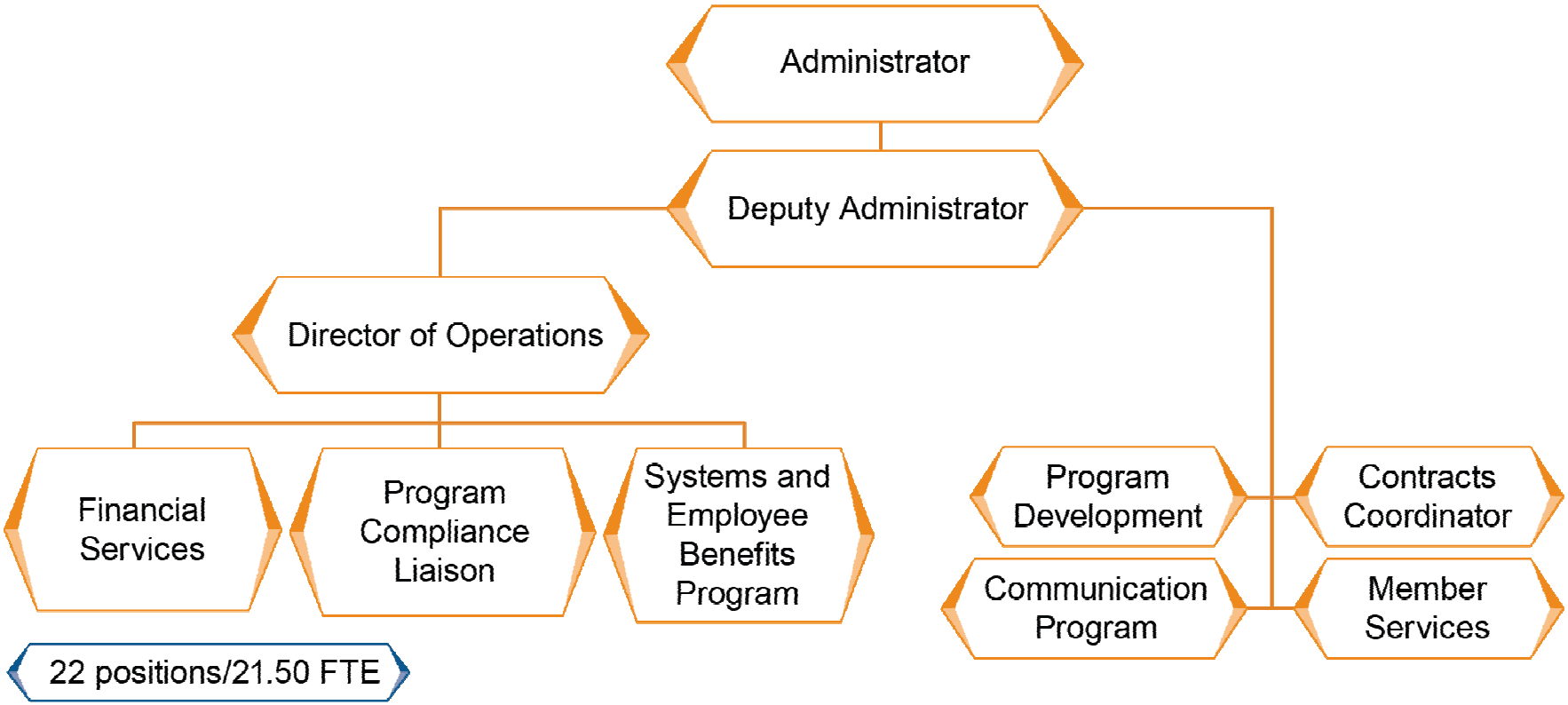
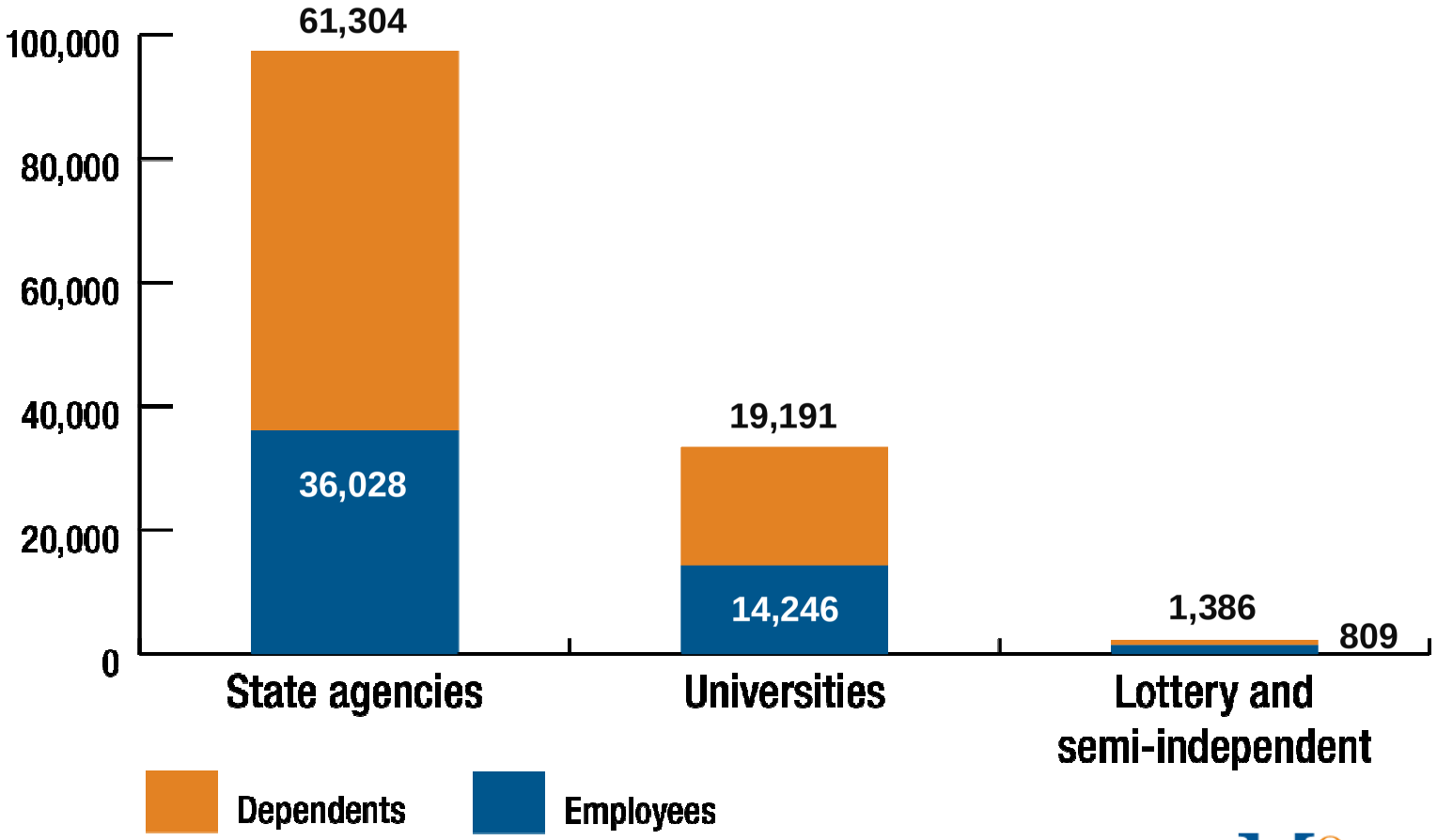
2015–17 PEBB organization structure



Who PEBB serves …

2014 PEBB active enrollments



PEBB revenue sources

- **Public Employees' Benefit Account**
  - Revenue - Other Funds (transfer of benefits from state payroll system)
  - Administrative assessment added to medical and dental premiums

- **Public Employees' Revolving Fund**
  - Pay premiums, provide for self-insurance and subsidize premiums
  - Accounts in Revolving Fund
    - Self-insurance Reserve
    - Flexible Spending Account Administration

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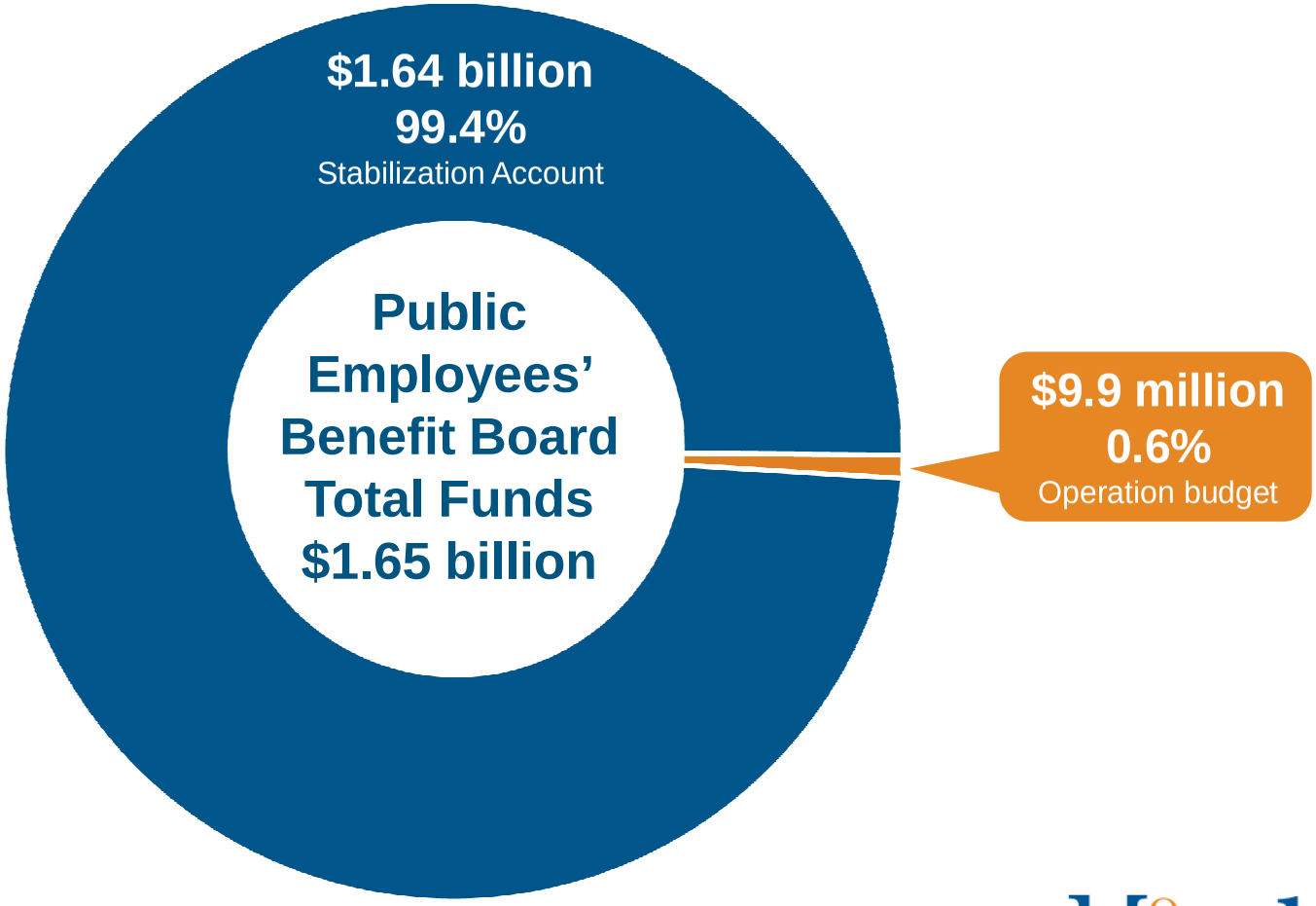
PEBB 2015–17 Governor's budget



New in 2015 - Improved care coordination

- PEBB members now have a choice between two or more medical plans in all 36 Oregon counties.
- Most plan choices are available at a lower cost to both members and the state.
- Plans are required to meet and report high quality measures of care by:
  - Prioritizing health and prevention services
  - Managing costs by cutting waste and requiring health plans and providers to be efficient, coordinated and focused on the patient

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PEBB medical plan highlights

Most 2015 medical plans:

- Offer the first four visits to primary care, with no deductible
- Cover the full cost of certain chronic condition visits, with no deductible, copayment or coinsurance

All 2015 medical plans:

- Cover nationally recommended preventive services
- Limit out-of-pocket costs:
  - $ 600/person, up to $1,200/family – Kaiser
  - $1,500/person, up to $4,500/family – all other plans

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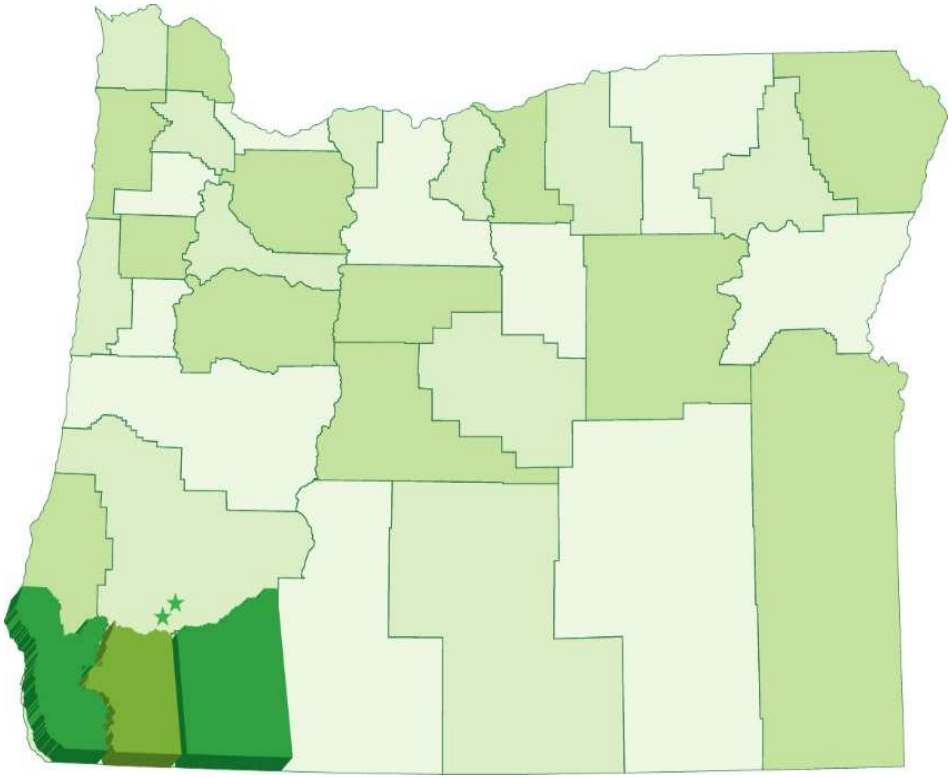
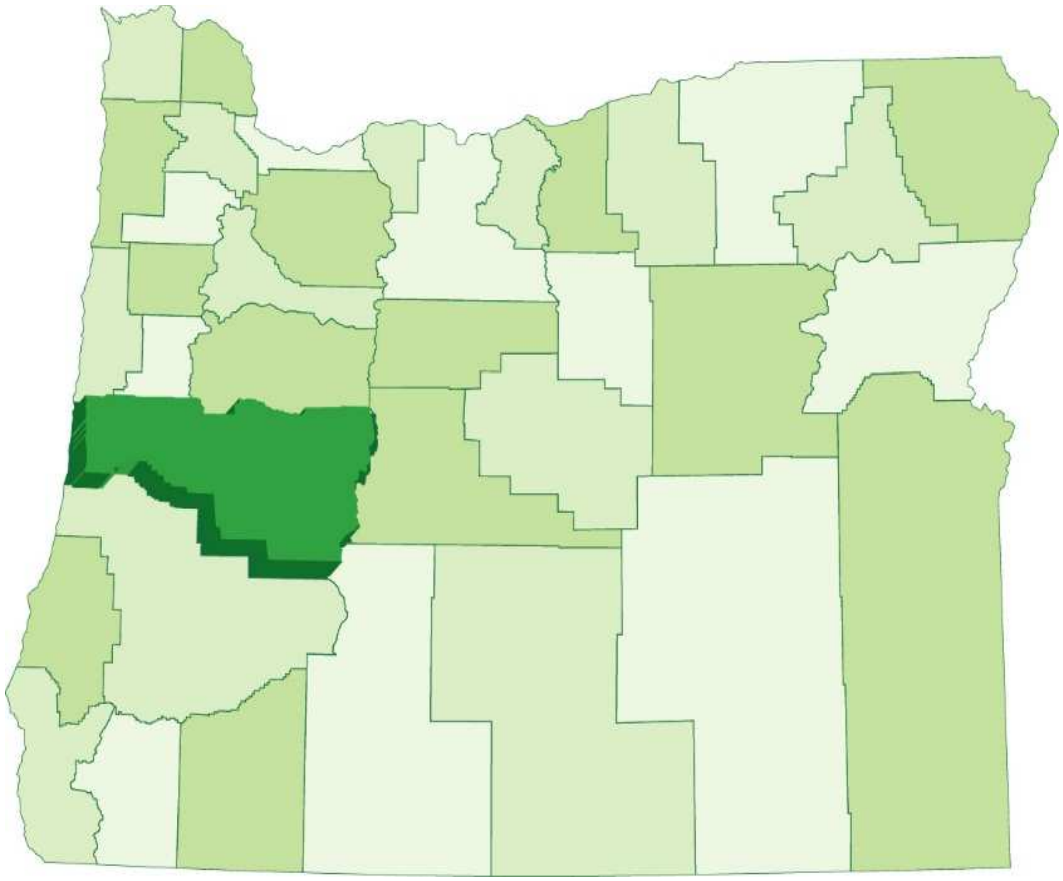
AllCare PEBB service area

Curry, Jackson, Josephine and cities of Glendale, Azalea in Douglas



Balance by Trillium service area

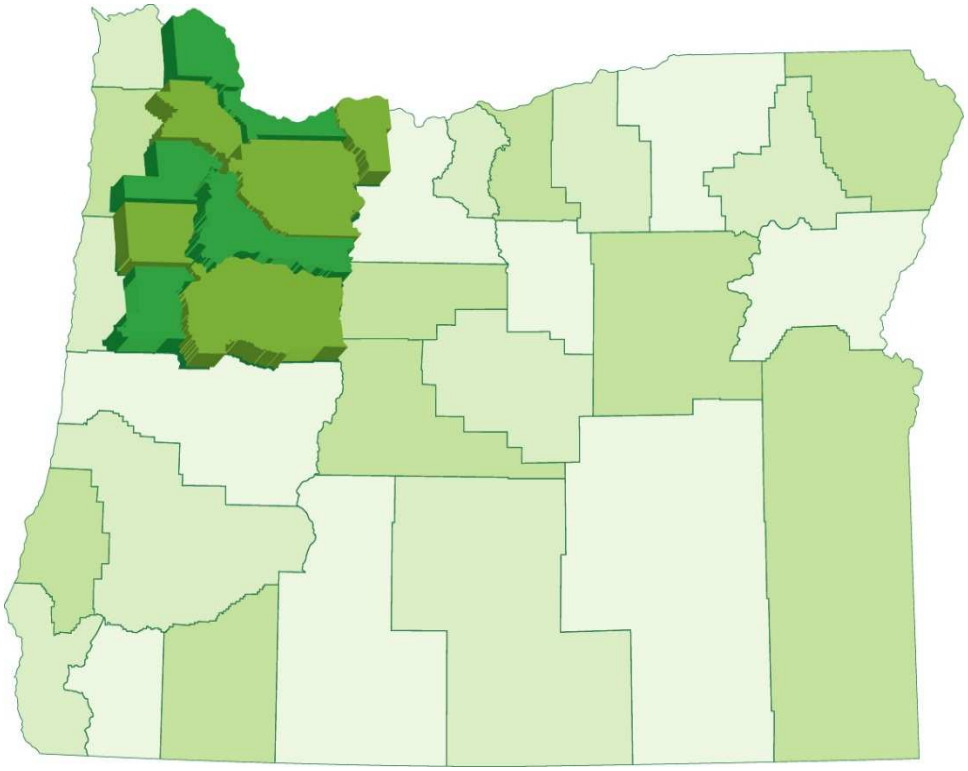
Lane County



Kaiser service area

ZIP codes in Benton, Clackamas, Columbia, Hood River, Linn, Marion, Multnomah, Polk, Washington and Yamhill

Clark, Cowlitz, Lewis, Skamania and Wahkiakum in Washington



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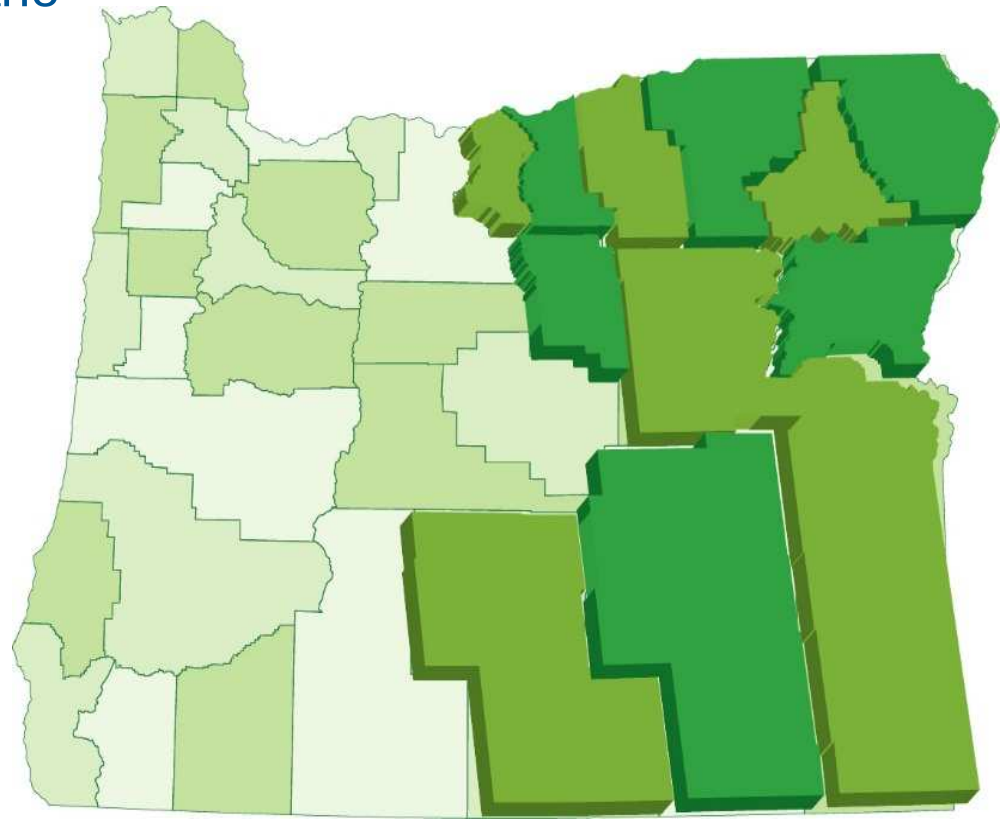
Moda Summit service area

Baker, Gilliam, Grant, Harney, Lake, Malheur, Morrow, Sherman, Umatilla, Union, Wallowa and Wheeler

Payette in Idaho



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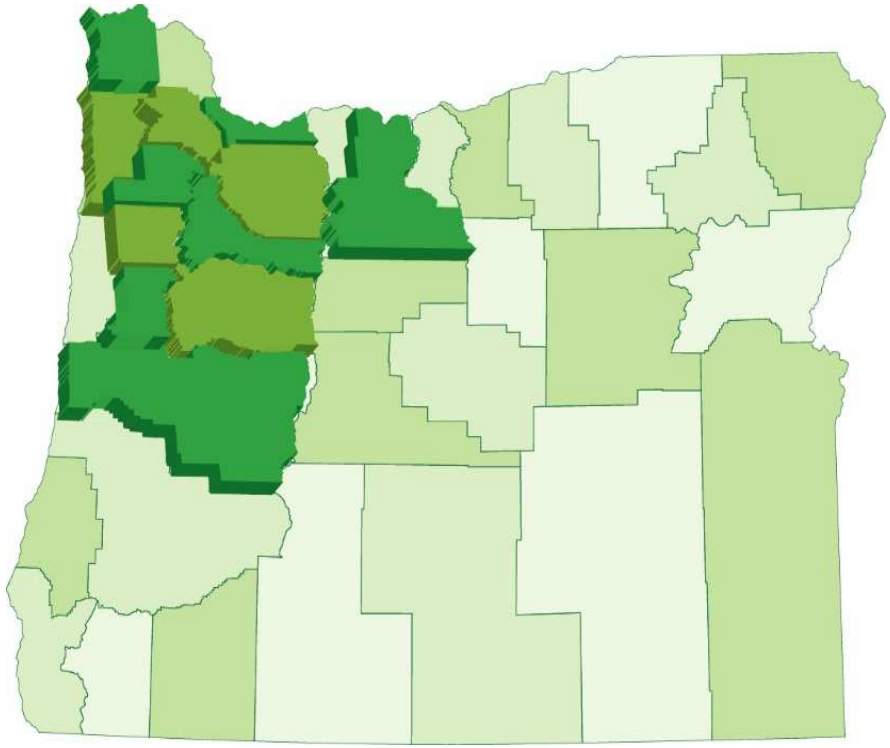
Moda Synergy service area

Benton, Clackamas, Clatsop, Lane, Linn, Marion, Multnomah, Polk, Tillamook, Wasco, Washington and Yamhill

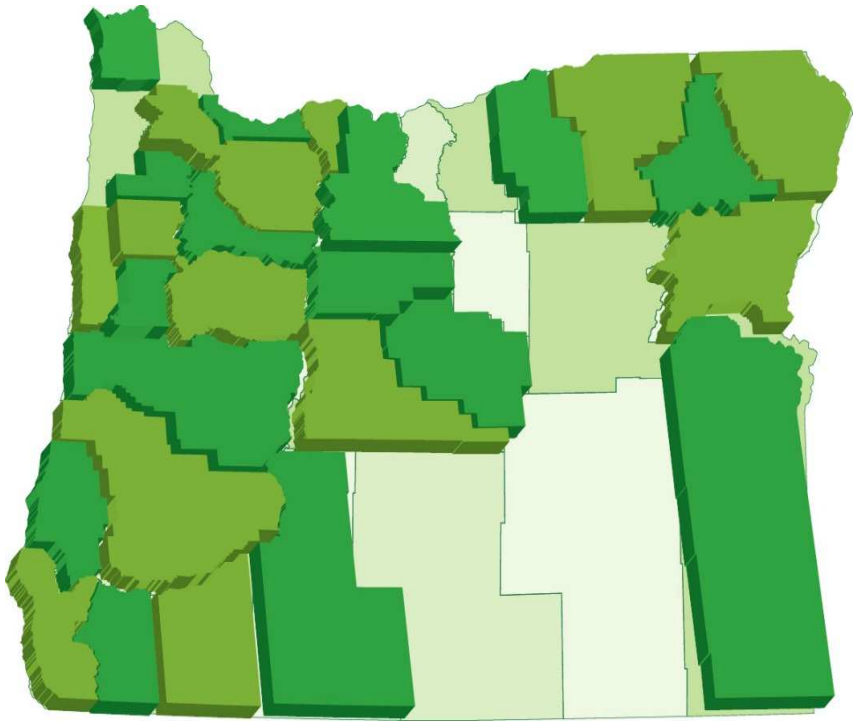
Clark in Washington



Providence Choice service area

Baker, Benton, Clackamas, Clatsop, Coos, Crook, Curry, Deschutes, Douglas, Hood River, Jackson, Jefferson, Josephine, Klamath, Lane, Lincoln, Linn, Malheur, Marion, Morrow, Multnomah, Polk, Umatilla, Union, Wallowa, Wasco, Washington and Yamhill

Payette in Idaho; Clark, Walla Walla in Washington



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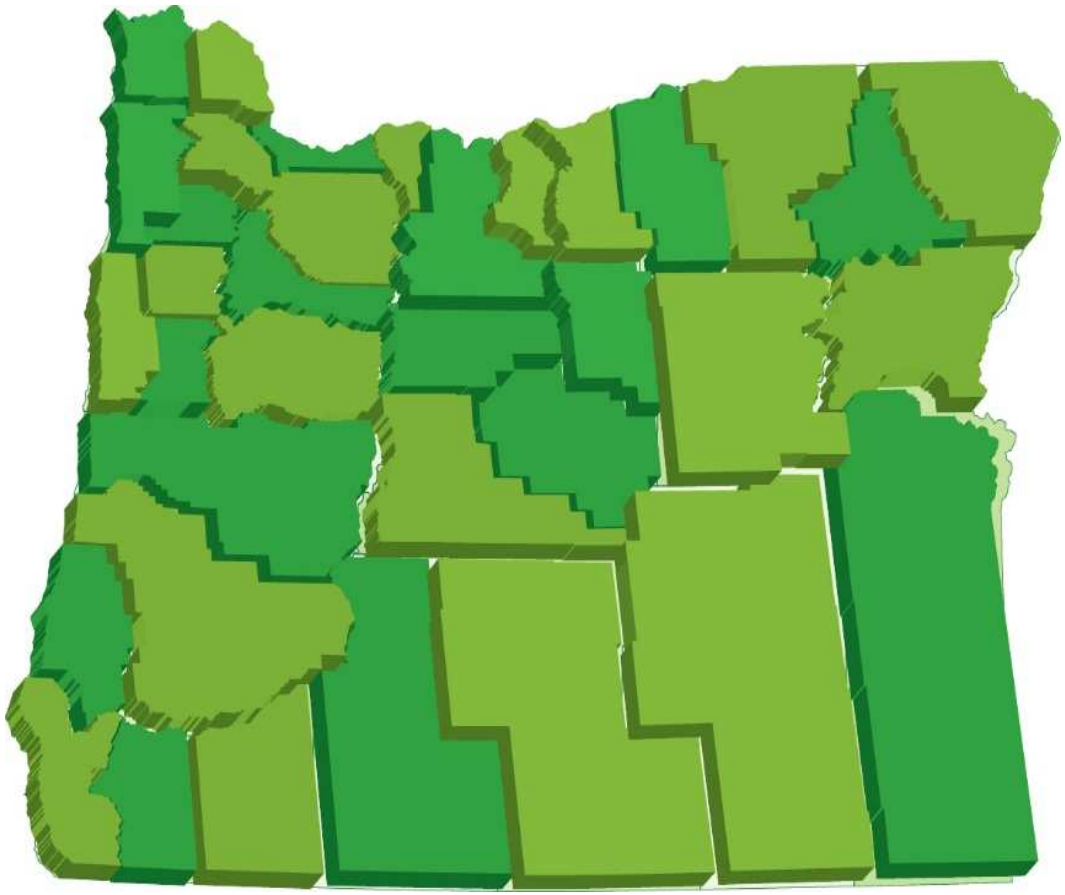
Providence Statewide service area

Statewide and nationwide



PEBB core benefits

- Medical
- Dental
- Vision
- Basic employee life plan

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PEBB optional benefits

Insurance

- Life
- Accidental death and dismemberment
- Long- and short-term disability
- Long-term care

Flexible spending accounts for health care, dependent care and commuter benefits

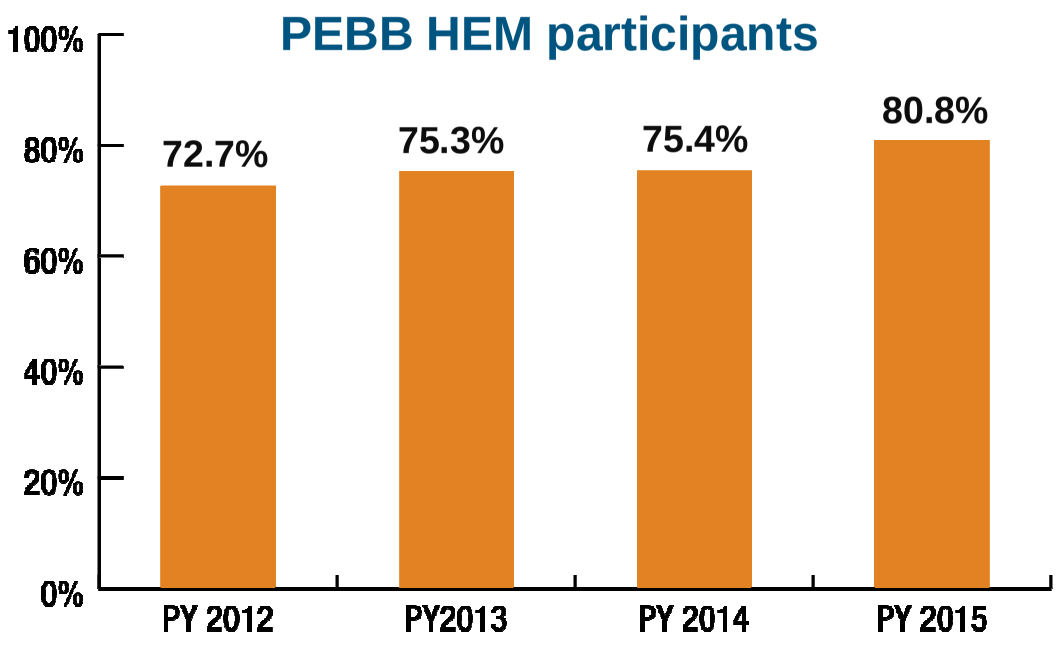
Employee assistance program

Oregon Health Authority

PEBB Health Engagement Model (HEM)

Engage people to improve health, contain costs. PEBB offers members:

- Financial incentives to participate in the program
- A private health assessment on plan's secure website
- The opportunity to learn more about ways to reduce health risks
- A variety of healthy activities to choose from to improve health



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2015–17 Governor's budget Stabilization Fund

- Total 2015–17 budget: $1.64 billion
- Inflation growth is capped at 3.4 percent annually
- 2015–17 Governor's budget actions:
  - Healthiest state challenge in partnership with Oregon businesses
  - $120 million in Stabilization Fund Reserve transferred to General Fund to offset compensation changes in the Special Purpose Appropriation to the Emergency Fund
  - Net Stabilization Fund Reserve is still an adequate working capital balance for PEBB's self-insured plans.

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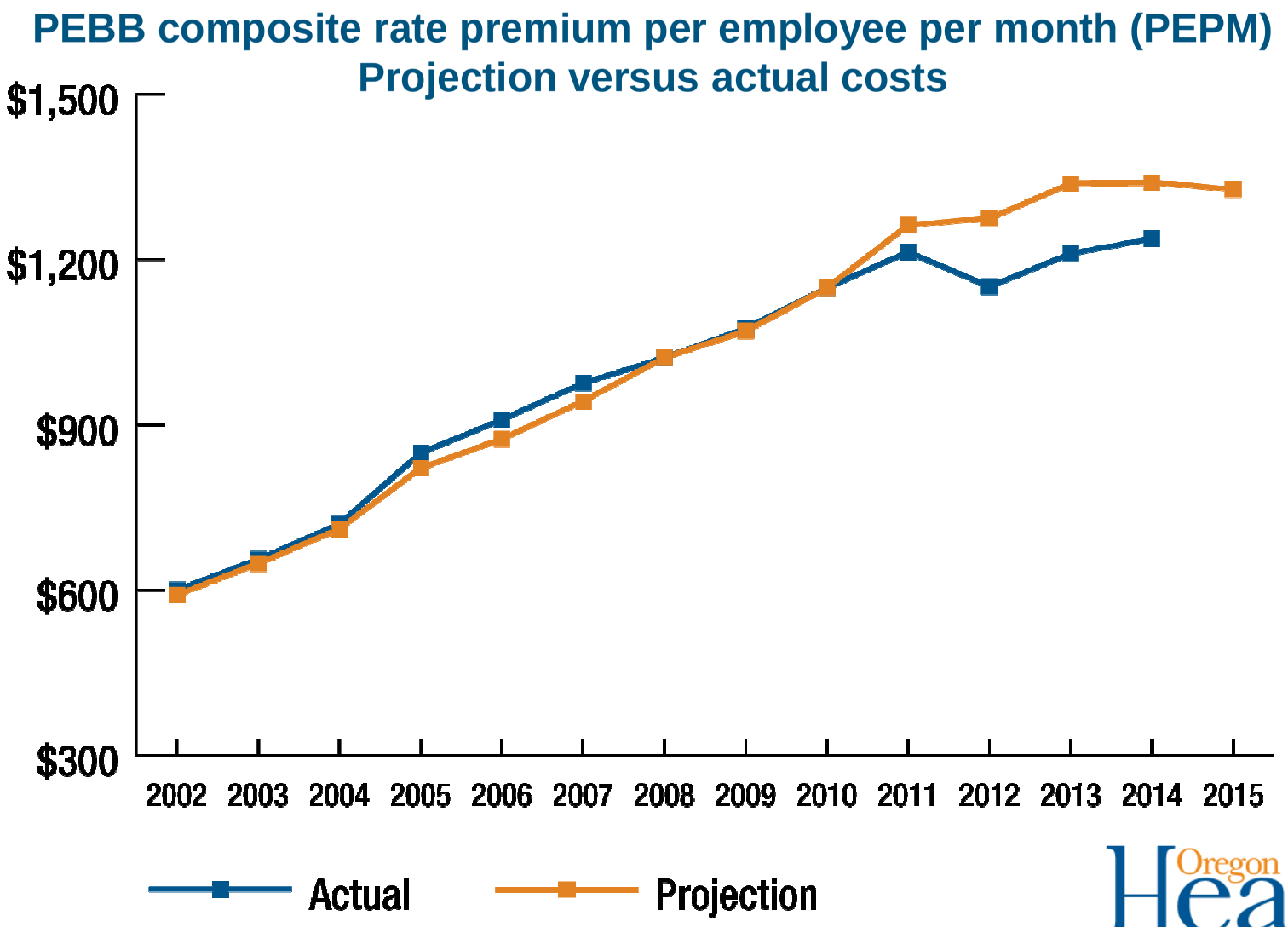
Composite rate per PEBB employee



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Oregon Educators Benefit Board
2015–2017 Budget overview

Oregon Educators Benefit Board (OEBB)

Two members representing school boards:
- Ron Gallinat
- Nancy MacMorris-Adix

Two members representing education management:
- Bob Stewart
- Heather Cordie, PhD

Four members representing education non-management:
- Dave Fiore
- Rick Shidaker
- Cherie Maas-Anderson
- Vacant

Two health policy experts:
- Vacant
- Vacant

One member representing local government management
- Vacant

One member representing local government non-management
- Jaimie Sorenson

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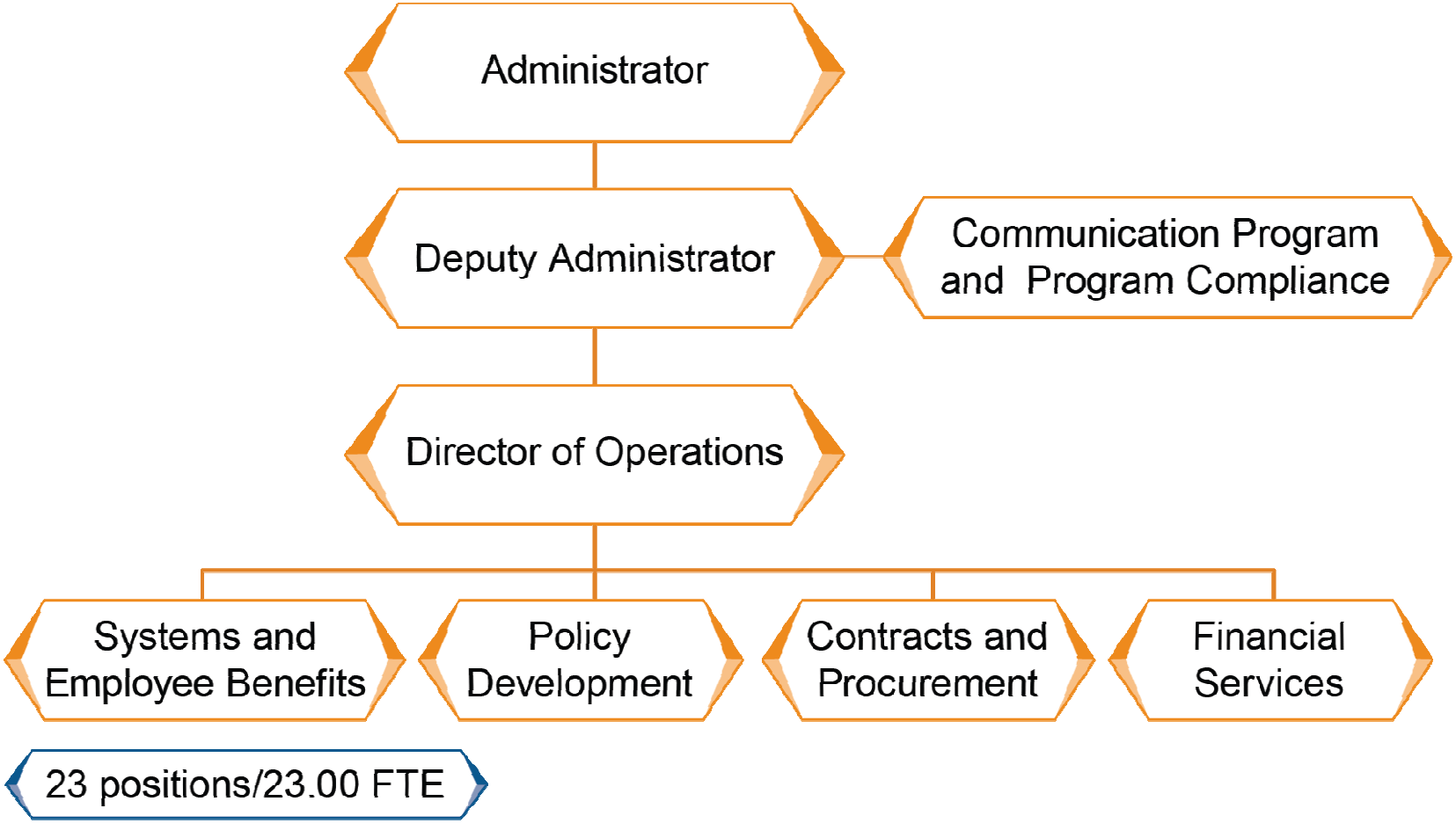
2015–17 OEBB organization structure



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Who OEBB Serves

The Oregon Educators Benefit Board (OEBB) administers medical, vision, dental, long term care, and optional benefits available to Oregon:

- School Districts (190)
- Educational Service Districts (20)
- Charter Schools (20)
- Community Colleges (13)
- Counties (2)
- Special districts (2)

Passage of House Bill 2279 (2013) enabled cities, counties and special districts to join the OEBB & PEBB benefit programs effective January 1, 2014.

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OEBB revenue sources

- **Oregon Educators Benefit Account** operating funds
  - Generated through administrative assessment built into medical, dental and vision premiums
    - Capped at 2 percent of total monthly premiums
    - Currently at 0.90 percent
- **Oregon Educators Revolving Fund**
  - Pay premiums, control expenditures, provide for self-insurance and subsidize premiums
  - Only dedicated revenue source is interest earnings retained on premium-collection pass-through

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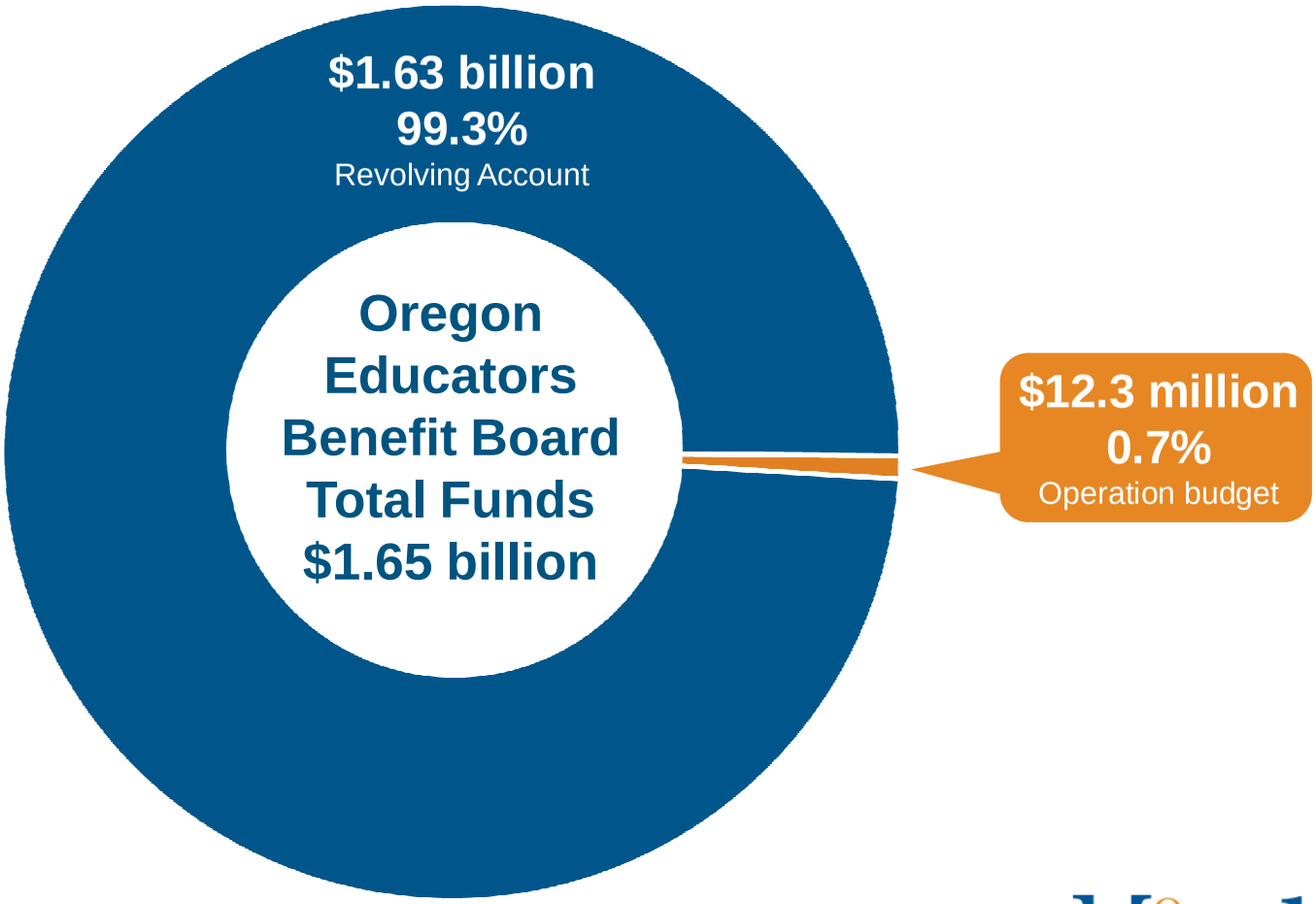
OEBB 2015–17 Governor's budget



New in 2015 – major program changes

- Expanded plan options in areas with few or no systems of care
  - Moda Synergy network coordinated care model
  - Moda Summit network coordinated care model
- A high deductible health plan (HDHP) option through Kaiser Permanente
  - A consumer-driven health plan option within a traditional managed care organization

OEBB medical plan highlights

Most 2015 medical plans:

- Offer primary care office visits with low copays
- Lowered copayments for certain chronic condition office visits - no deductible or coinsurance

All 2015 medical plans:

- Cover nationally recommended preventive services
- Limit out-of-pocket costs

Data driven benefit decisions

OEBB benefits

- **Medical plans**
  - Eight statewide PPO plans, including one qualified HDHP
  - Eight CCM plans, including one qualified HDHP
  - Three regional HMO plans, including one qualified HDHP

- **Pharmacy plans**
  - One statewide Oregon Prescription Drug Program (OPDP) plan
  - One regional HMO plan

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OEBB benefits

- **Dental plans**
  - Five statewide indemnity plans
  - One regional managed care plan
  - One regional HMO plan

- **Vision plans**
  - Four statewide fully insured plans
  - One regional fully insured HMO plan

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Kaiser service area

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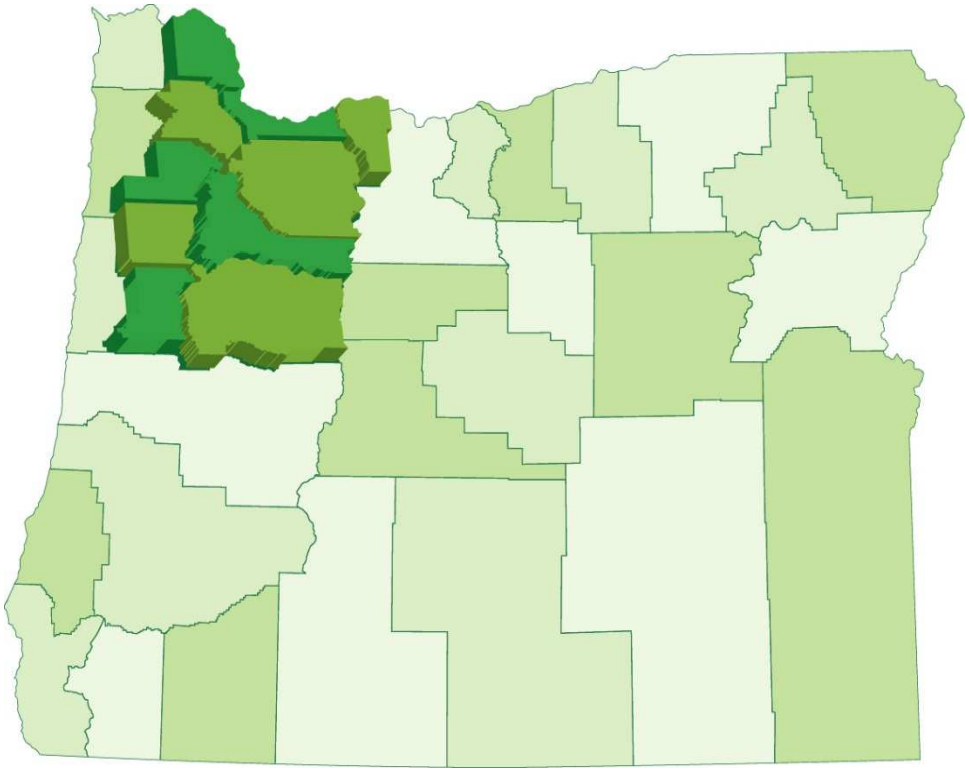

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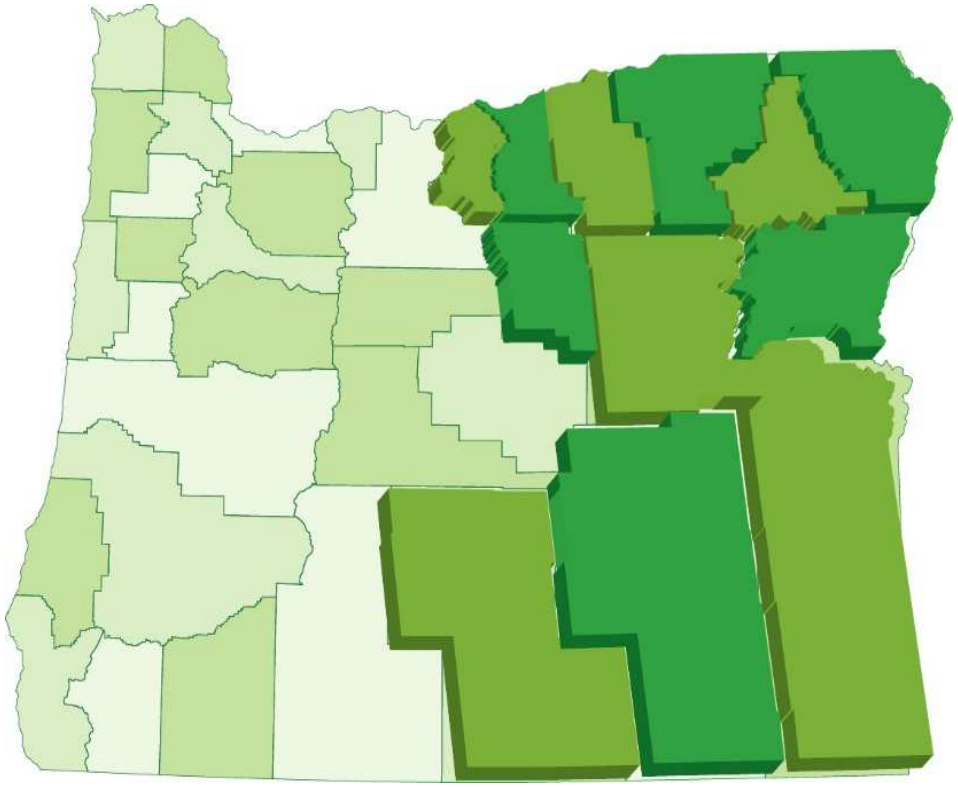

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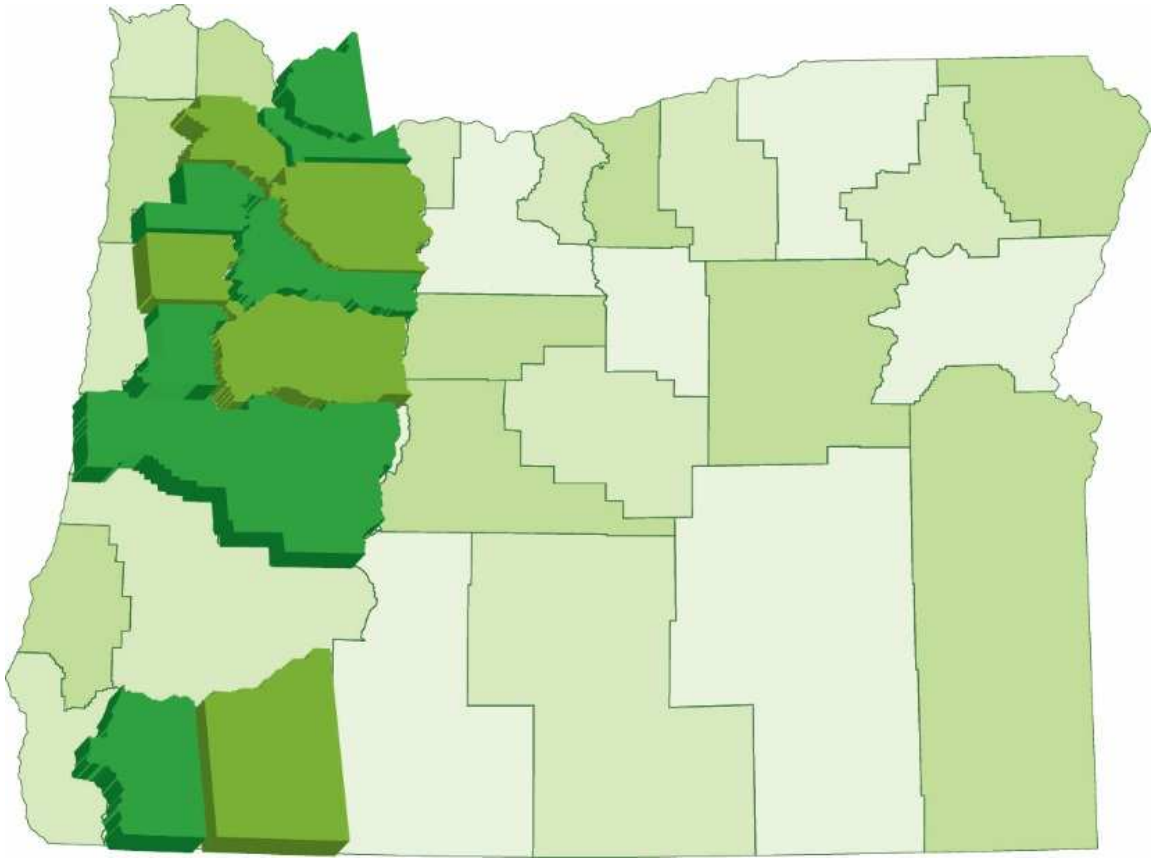
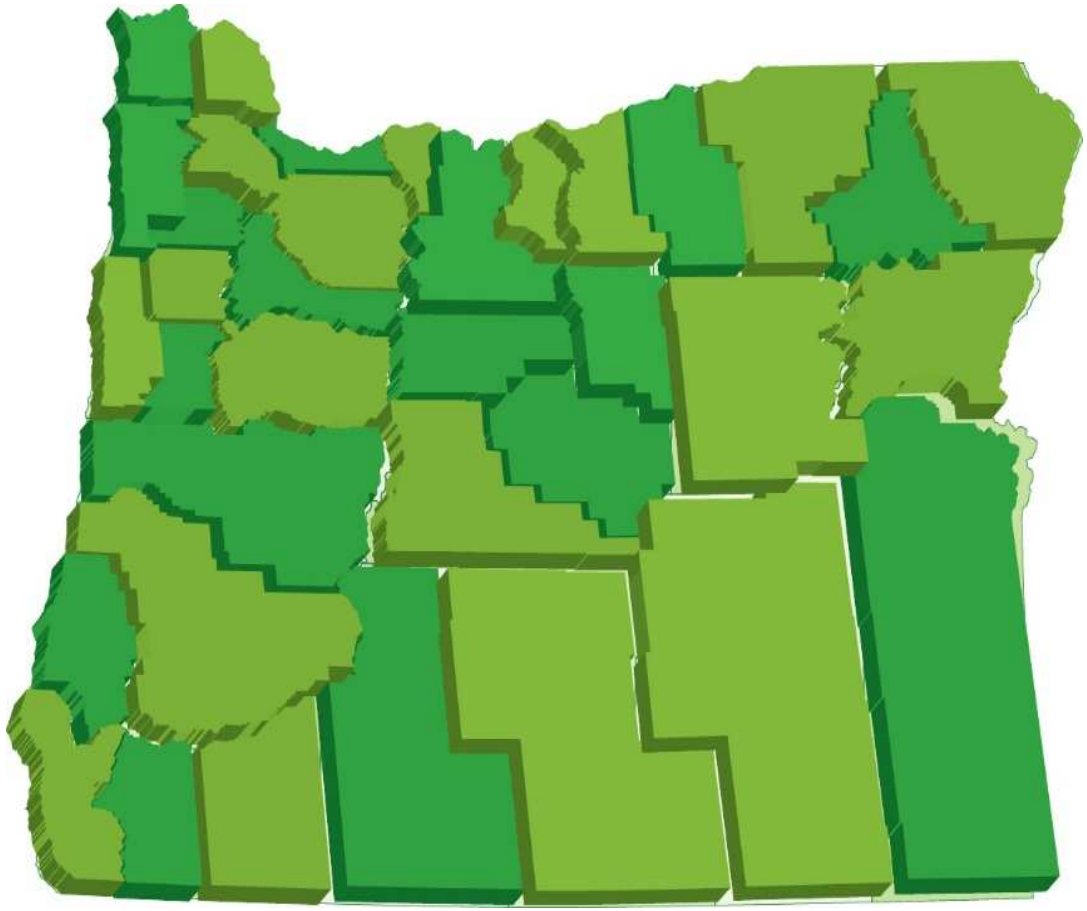


Moda Statewide service area

Statewide and nationwide



OEBB optional benefits

Insurance

- Life
- Accidental death and dismemberment
- Long- and short-term disability
- Long-term care

Health savings account - A financial account to be used with a qualified high deductible health plan (HDHP)

Flexible spending accounts for health and dependent care (commuter benefit available beginning October 1, 2015)

Employee assistance program

Oregon Health Authority

OEBB Healthy Futures Program

Engaging people to improve health, contain costs

- Access to medical plans with lowered deductibles or office visit copays
- Complete private health assessment on plan's secure website
- Learn more about ways to reduce health risk
- Take additional health actions to improve health
- Participation is currently at 10 percent

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Thank you

Oregon Health Authority