Oregon

Kate Brown, Governor

Public Employees Retirement System
Headquarters:
11410 S.W. 68th Parkway, Tigard, OR
Mailing Address:
P.O. Box 23700
Tigard, OR 97281-3700
(503) 598-7377
TTY (503) 603-7766
www.oregon.gov/pers

March 30, 2015

TO: Members of the PERS Board

FROM: Stephanie Vaughn, Manager, Policy Analysis & Compliance Section

SUBJECT: Adoption of Health Insurance Program Rule:
OAR 459-035-0070, *Enrollment*

OVERVIEW

- Action: Adopt modifications to the PERS Health Insurance Program (PHIP) rule.
- Reason: Clarify the enrollment requirements for the PHIP dental insurance program.
- Policy Issue: No policy issues were identified.

BACKGROUND

Retired members who are eligible to enroll in PHIP are also eligible to enroll in PERS dental insurance. A retired member must enroll in PHIP to be eligible to enroll in the dental program and is only eligible to enroll in the dental program at the same time as PHIP. If a retired member discontinues participation in the dental insurance program, that member can only re-enroll in the dental insurance program during an available enrollment period and subject to the same qualifications. The proposed rule modifications clarify that the enrollment requirements are the same for both the health insurance and dental insurance programs.

SUMMARY OF MODIFICATIONS TO RULE SINCE NOTICE

The new language in Section (2)(a) was changed from "That enrollment…" to "Enrollment in a PERS-sponsored dental insurance plan..." This edit was made to avoid ambiguity associated with the word "that."

PUBLIC COMMENT AND HEARING TESTIMONY

A rulemaking hearing was held February 24, 2015, at 2:00 p.m. at PERS headquarters in Tigard. No members of the public attended. The public comment period ended March 6, 2015, at 5:00 p.m. No public comment was received.

LEGAL REVIEW

The attached rule was submitted to the Department of Justice for legal review and any comments or changes are incorporated in the rule as presented for adoption.

IMPACT

Mandatory: No.

Impact: Provides direction to retirees regarding enrolling in the dental insurance program.

Cost: There are no discrete costs attributable to the rule changes.

RULEMAKING TIMELINE

January 15, 2015	Staff began the rulemaking process by filing Notice of Rulemaking with the Secretary of State.
January 30, 2015	PERS Board notified that staff began the rulemaking process.
February 1, 2015	*Oregon Bulletin* published the Notice. Notice was sent to employers, legislators, and interested parties. Public comment period began.
February 24, 2015	Rulemaking hearing held at 2:00 p.m. at PERS in Tigard.
March 6, 2015	Public comment period ended at 5:00 p.m.
March 30, 2015	Board may adopt the permanent rule modifications.

BOARD OPTIONS

The Board may:

1. Pass a motion to "adopt modifications to the Health Insurance Program rule, as presented."
2. Direct staff to make other changes to the rule or explore other options.

STAFF RECOMMENDATION

Staff recommends the Board choose Option #1.

- Reason: Clarify the enrollment requirements for the PHIP dental insurance program.

If the Board does not adopt: Staff would return with rule modifications that more closely fit the Board's policy direction if the Board determines that a change is warranted.

B.4. Attachment 1 - OAR 459-035-0070, *Enrollment*