
Docket Item:

Approve new permanent rule OAR 715-012-0005, establishing provisions for the reimbursement of costs for part-time faculty health care.

- New Rule Temporary
 Amend Existing Rule Permanent
 Repeal Rule

Prompted by:

- State law changes
 Federal law changes
 Other

These changes go into effect on adoption.

Summary:

In the 2021 legislative session, the Legislative Assembly adopted Senate Bill 551, requiring institutions of higher education make available employee-only, medical-only health care to qualifying part-time faculty members. The bill allows institutions to receive reimbursements for 90% of the total cost of coverage, and appropriated funds to the HECC to administer a reimbursements process. This proposed rule governs the reimbursement process.

The rule establishes a window for the submission of reimbursement requests, allowable costs, responsibility for determining employee eligibility for coverage, and provisions for prorating reimbursements in the event appropriations are insufficient.

There is disagreement over the legislative intent of some of the provisions of the authorizing legislation, specifically whether the legislation authorizes reimbursement for dental and vision coverage, and whether the legislature intended to reimburse institutions for costs currently incurred for certain part-time faculty under existing collective bargaining agreements (CBAs).

Staff determined dental and vision coverage is not eligible for reimbursement, as the legislative language is not clear, and the legislature appropriated funds based on estimates for medical and prescription coverage only. Staff also determined that the employee-only, medical/Rx-only costs for CBA covered employees are eligible for reimbursement, as the law merely requires employees to designate a home institution to be eligible for reimbursed coverage, and does not differentiate between covered and non-covered employees. It is likely there will be follow-up legislation on these issues in 2022.

Staff received multiple comments on the proposed rule:

Multiple commenters requested a ‘not before’ date for the submission of reimbursement requests as well as a request that reimbursements be prorated for the quarter where legislative appropriations are not sufficient to cover total costs. Staff accepted both of these requests and modified the rule.

One commenter requested clarity regarding what counts as ‘incurred’ expenses. Staff made technical corrections to ensure that expenses for a quarter can be incurred outside of the quarter in question.

One commenter requested language to ensure that in the event the cost of dental or vision coverage could not be separated out from the cost of a bundled plan, that HECC allow reimbursement for the

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total cost of the bundled plan. Staff rejected this request, as currently the only bundled plan available to institutions (Kaiser) is able to determine such costs and staff have determined that reimbursement for such costs is not allowable under the authorizing legislation.

Material:

Rules text.

Staff Recommendation:

Staff recommends approving the permanent rule as drafted.

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**CHAPTER 715 – Higher Education Coordinating Commission
DIVISION 12 – Administration of Statewide Initiatives**

715-012-0005 – Reimbursement of Part-Time Faculty Healthcare Premiums

- (1) Not earlier than seven calendar days prior to the close of a fiscal quarter, and not later than 60 calendar days following the close of a fiscal quarter, a public institution of higher education shall submit to the Commission, in a form established by the Commission, a request for reimbursement of expenses incurred for the purpose of paying insurance premiums in such quarter for part-time faculty health care benefits for eligible part-time faculty pursuant to Chapter 583, Oregon Laws 2021.
- (2) The request for reimbursement shall include only actual premium costs for medical benefits paid by the institution, not to exceed 90% of the total medical premium costs for coverage of any individual employee. For plans that are inclusive of non-medical premium costs, the Commission shall advise institutions at the beginning of the benefit plan year of any discounting that must occur in reimbursements to account for the inclusion of such costs.
- (3) The public institution of higher education may not request reimbursement for:
 - (a) Dental, vision, or other non-medical premium costs; or
 - (b) Administrative or other non-premium costs associated with providing health care benefits to eligible employees.
- (4) Premium costs paid by a public institution of higher education that meet the requirements of this rule are eligible for reimbursement if they are paid by such institution following a semiannual determination of part-time faculty member eligibility.
- (5) It shall be the sole responsibility of the public institution of higher education to determine employee eligibility for coverage.
- (6) In addition to the form established by the Commission, the Commission may request supplemental information required to verify appropriate reimbursement amounts.
- (7) In the event the monies available in the Part-Time Faculty Insurance Fund are insufficient to fully reimburse all institutions in a given quarter, the Commission shall provide prorated reimbursements. Subject to available appropriations and applicable law, the Commission may then provide payment for the remainder of the reimbursement request in a subsequent quarter.
- (8) The Commission shall provide reimbursement for eligible expenses incurred during or after the fiscal quarter beginning October 1, 2021.

Statutes Authorized: Chapter 583, Oregon Laws 2021

Statutes Implemented: Chapter 583, Oregon Laws 2021