

DIVISION 5

PROCUREMENT AND CONTRACTING FOR BENEFIT PLANS AND SERVICES

111-005-0010

Policy

The policy of the Oregon Educators Benefit Board (OEBB) is to select ~~e~~Contractors and ~~e~~Consultants in an expeditious, fair, and efficient manner that is consistent with the goal of delivering high-quality benefits and other services at a cost that is affordable to the Eligible Employees, Dependents, Eligible Domestic Partners, and Eligible Early Retirees and their Dependents and Educational Entities, and meets the requirements of ORS 243.866. The Board may enter into more than one ~~e~~Contract for each type of ~~b~~Benefit ~~p~~Plan or other service sought.

111-005-0015

Renewal, Screening and Selection for Benefits, Vendor and Personal Services Contracts

(1) The Board is charged with the obligation of obtaining Benefit Plans ~~to provide Benefits to~~ for Eligible Employees, Dependents, Eligible Domestic Partners, and Eligible Early Retirees and their Dependents. Oregon Administrative Rules (OARs) 111-005-0040 through 111-005-0080 set forth the screening, selection and renewal ~~process~~ processes to be used for all such Benefit Plans ~~contracts~~. The Board has sole authority ~~for procuring~~ to procure all ~~b~~Benefits Plans and services contemplated by ORS 243.860 through ORS 243.886.

(2) Except as provided in OARs 111-005-0040 through 111-005-0080, the Board adopts the DOJ model public contract rules in OAR 137, division 46 (General Provisions Related to Public Contracting) and division 47 (Public Procurements for Goods or Services), ~~effective June 15, 2010,~~ as the contracting rules that shall apply to its ~~procurements for Benefit Plan~~ eContracts.

~~(3) The Board adopts the DOJ model public contract rules in OAR 137, division 46 (General Provisions Related to Public Contracting) and division 47 (Public Procurements for Goods or Services), effective April 15, 2011, as the contracting rules that shall apply to its procurements for vendor and personal service contracts within the Board's contracting authority.~~

111-005-0020

Definitions

For the purposes of OARs 111-005-0010 ~~111-005-0015 and 111-005-0040~~ through 111-005-0080 the following definitions will apply:

(1) "Apparent ~~s~~Successful ~~p~~Proposer" or "ASP" means an ~~the~~ organization selected as a result of a competitive and completed ~~p~~Procurement process.

(2) "Benefit Plan Contractor" means a Contractor that administers one or more Benefit plans for OEBB.

(3) "Bid" means a competitive document, binding on the Proposer and submitted in response to an Invitation to Bid.

(4) "Bidder" means a Person submitting a proposal in response to an ITB.

(5) "Competitive Range" means the group of Proposers or Bidders responding to a Procurement that has Proposals or Bids that score higher based on the Procurement's evaluation criteria than the remaining Proposers or Bidders in some meaningful way. Proposers or Bidders who are determined to be in a Competitive Range may also be referred to as finalists.

~~(62)~~ "Consultant" means brokers or other advisory personnel hired by the Board to:

(a) Assist in acquiring adequate ~~b~~Benefit ~~p~~Plan coverage for ~~e~~Eligible **Employees, Dependents, Eligible Domestic Partners, and Eligible Early Retirees.** ~~Educational Entity Employees, Early Retirees and their Dependents;~~

(b) Assist in the study of all matters connected with the provision of adequate ~~b~~Benefit ~~p~~Plan coverage for **Eligible Employees, Dependents, Eligible Domestic Partners, and Eligible Early Retirees;** ~~eligible Educational Entity Employees, Early Retirees and their Dependents;~~

(c) Assist in the development and implementation of decision-making processes;

(d) Design and implement additional programs to review, monitor and assist in ~~health~~ the improvement for **Eligible Employees, Dependents, Eligible Domestic Partners, and Eligible Early Retirees;** ~~of eligible Educational Entity Employees, Early Retirees and their Dependents health; and~~

(e) Provide other services as required by the Board.

~~(73)~~ "Contractor" means an individual or firm who provides services to the Board under a public contract.

~~(84)~~ "Emergency" means circumstances that:

(a) Could not have been reasonably foreseen;

(b) Create a substantial risk of loss, damage or interruption of Benefits **Plans** or other services or a substantial threat to property, public health, welfare or safety; and

(c) Require prompt execution of a contract to remedy the condition.

~~(95)~~ "Extensive ~~p~~Procurement" means the process of soliciting ~~p~~Proposals and ~~b~~Bids and selecting a ~~e~~Contractor for services amounting to \$150,000 and over.

~~(106)~~ "Intermediate ~~p~~Procurement" means the process of soliciting ~~p~~Proposals and ~~b~~Bids and selecting a ~~e~~Contractor for services amounting to under \$150,000 but over ~~\$105,000.~~

(11) "Invitation to Bid" or "ITB" means all documents, whether attached or incorporated by reference, used for soliciting bids.

(12) "OEBC" or "the Board" refers to the Board or other Persons or groups the Board delegates authority to for all or part of the Solicitation process.

~~(137)~~ "ORPIN" means the Oregon Procurement Information Network, an online service operated by the Department of Administrative Services that displays ~~p~~Procurements and contracts issued by the state of Oregon's agencies.

~~(148)~~ "Person" means a natural person capable of being legally bound, a sole proprietorship, a corporation, a partnership, a limited liability company or partnership, a limited partnership, a for-profit or nonprofit unincorporated association, a business trust, two or more persons having a joint or common economic interest, any other person with legal capacity to contract or a public body.

(15) "Procurement" means the action of obtaining goods or services under a public contract.

~~(169)~~ "Proposal" means a competitive document, binding on the ~~p~~Proposer and submitted in response to a Request for Proposal RFP.

~~(1740)~~ "Proposer" means a Person submitting a proposal in response to a Request for Proposal RFP.

~~(1844)~~ "Renewal ~~e~~Contractor" means a contractor or consultant who provided the same or similar employee benefit plan or other services under a contract with the Board in the plan year immediately prior.

~~(1942)~~ "Request for Proposal" or "RFP" means all documents, whether attached or incorporated by reference, used for soliciting proposals.

~~(2043)~~ "Responsible ~~p~~Proposer" means a ~~p~~Person who meets the standards of responsibility described in OAR 111-005-0055.

~~(2144)~~ "Responsive ~~p~~Proposal" means a ~~p~~Proposal that substantially complies with the ~~request for proposals~~ RFP and all prescribed ~~p~~Procurement procedures and requirements.

~~(2245)~~ "Selection ~~e~~Committee" means the group of individuals appointed ~~by the Board Chair~~ or approved by the Board to review, evaluate and score ~~p~~Proposals received as part of an ~~i~~Intermediate or ~~e~~Extensive ~~p~~Procurement.

(23) "Single Point of Contact" or "SPC" means the designated OEBC staff or designee that serves as the official point of contact between OEBC and interested Proposers, ASPs, or Contractors.

~~(2446)~~ "Small ~~p~~Procurement" means the process of securing ~~c~~Contractors or ~~e~~Consultants for services amounting to \$5,000 or less.

~~(2547)~~ "Sole ~~s~~Source" means the only ~~e~~Contractor or ~~e~~Consultant of a particular product or service reasonably available.

(26) "Solicitation" generally refers to the methods used to request goods or services through a competitive process, including Requests for Proposals, Invitations to Bid, and other methods used under Intermediate or Extensive Procurements.

111-005-0040

Extensive Procurement Process

The Board will use the following procedure **for Extensive Procurements**, except as provided for under OAR 111-005-0046 or 111-005-0048.

(1) Announcement. The Board will post ~~s~~Solicitation notices for ~~b~~Benefits **Plans or services on via the Oregon Procurement and Information Network (ORPIN)**. The Board may also post ~~s~~Solicitation notices for ~~b~~Benefits **Plans or services** in trade periodicals or newspapers of general or specialized circulation. The

Solicitation notice will include a description of the ~~b~~Benefits Plans or services sought, the scope of the services required, evaluation and selection criteria, and a description of any special requirements. The notice will invite qualified prospective ~~p~~Proposers to submit ~~p~~Proposals. The notice will specify when and where to obtain the RFP, where to return the ~~p~~Proposal, the method of submission, and the closing date.

(2) No remuneration will be offered to prospective ~~p~~Proposers for attendance, travel, document preparation, etc. ~~U~~nless otherwise specified in the RFP.

(3) Pre-proposal conference. Unless otherwise specified in the RFP, the pre-proposal conference will:

(a) Be voluntary; and

(b) Be held in Salem, Oregon.

~~(4)~~ ~~RFP~~ ~~p~~ Protest **of RFP specifications**; request for change; ~~or~~ request for clarification.

(a) Protest **of RFP specifications**.

(A) A ~~p~~Proposer may deliver a protest to ~~the Board~~ **the SPC** not less than ten calendar days prior to closing, unless otherwise specified in the RFP.

(B) ~~Proposer~~ ~~p~~ Protests must be in writing and must include:

(i) A detailed statement of the legal and factual grounds for the protest;

(ii) A description of the resulting prejudice to the ~~p~~Proposer; and

(iii) A statement of the desired changes to the RFP.

(C) ~~The Board~~ **OEGB** will not consider a ~~proposer's~~ protest after the submission deadline.

~~(D)~~ ~~The Board~~ **OEGB** will provide notice to the applicable entity **protestor** if it entirely rejects a protest. If ~~the Board~~ **OEGB** agrees with the ~~entity's~~ protest, in whole or in part, ~~the Board~~ **it** will issue an addendum reflecting its determination under OAR 137-030-0055 and 137-047-0430 or cancel the solicitation under 137-030-0115.

~~(E)~~ ~~ii~~ If **OEGB** ~~the Board~~ receives a written protest from a proposer according to **that meets** this rule **rule's requirements**, the closing may be extended if ~~the Board~~ **OEGB** determines an extension is necessary to consider the protest and to issue any addendum to the RFP.

(b) Request for change.

(A) A ~~p~~Proposer may **submit a written** request ~~in writing a~~ **to** change ~~to~~ the RFP specifications, unless otherwise specified in the RFP. If the RFP allows ~~a proposer to make a request~~ for changes and does not specify otherwise, ~~p~~Proposer must deliver the written request for change to the **SPC** ~~Board~~ not less than ten calendar days prior to closing.

(B) A ~~proposer's written~~ request for change must include a statement of the requested changes to the RFP specifications **as well as,** ~~including~~ the reason for the requested change.

(C) ~~The Board~~ **OEGB** will not consider a ~~proposer's~~ request for change after the submission deadline.

~~(D)~~ The Board OEBB will provide notice to the applicable entity requestor if it entirely rejects a change. If the Board OEBB agrees with the entity's request for change, in whole or in part, the Board OEBB will issue an addendum reflecting its determination under OAR 137-030-0055 and 137-047-0430 or cancel the ~~s~~Solicitation under 137-030-0115.

~~(E)~~ If the Board OEBB receives a written request for a change from a proposer according to that meets this rule rule's requirements, closing may be extended if the Board OEBB determines an extension is necessary to consider the request and to issue any addendum to the RFP.

(c) Request for clarification.

(A) A pProposer may submit a written request ~~in writing~~ for clarification of the RFP specifications, unless otherwise specified in the RFP. If the RFP allows a proposer to make a request for clarification and does not specify otherwise, a pProposer must deliver the written request for clarification to the SPC Board not less than ten calendar days prior to closing.

(B) A pProposer may request that the Board OEBB clarify any provision of the RFP.

(C) The Board OEBB will not consider a proposer's request for clarification after the submission deadline. The Board's OEBB's clarification to a pProposer, whether orally or in writing, does not change the RFP and is not binding on the Board OEBB unless the Board amends the RFP is amended by addendum.

~~(5)~~ Addenda to an RFP following a protest of RFP specifications, ~~a~~ appeal or request for change, or request for clarification.

(a) Issuance; receipt. The Board OEBB may change an RFP only by written addenda. A pProposer must provide written acknowledgement of receipt of all issued addenda with its pProposal, unless the Board otherwise specifies in the addenda specified in the RFP.

(b) Notice and distribution. The RFP must specify how the Board OEBB will provide notice of addenda and ~~how the Board will~~ make the addenda available.

(c) Timelines; extensions. The Board OEBB will issue addenda within a reasonable time to allow prospective potential pProposers to consider the addenda in preparing their pProposals. The Board OEBB may extend the closing if the Board OEBB determines prospective potential pProposers need additional time to review and respond to addenda. The Board OEBB will not issue addenda less than 72 hours before the closing unless an addendum also extends the closing, except to the extent required by public interest.

(d) Request for change or protest. A potential pProposer may submit a written request for change or protest to the addendum by the close of the Board's OEBB's next business day after issuance of the addendum, unless a different deadline is set forth in otherwise specified in the an addendum.

~~(6)~~ Submission. All pProposals submitted must comply with the procurement's RFP's specifications.

(a) If portions of a the pProposal to any solicitation are deemed unacceptable or non-responsive to the RFP's specifications of the solicitation, the pProposal in its entirety will be deemed non-responsive and will not be given further evaluation or consideration, unless a clarification of portions of the Proposal results in a determination that it meets the RFP's specifications. If a pProposal to any solicitation is delivered late, it will be deemed non-responsive to the specification of the solicitation, will not be given further evaluation or consideration, and will be returned to the pProposer unopened.

(b) Submission of ~~p~~**P**roposals must be in written hard copy or electronic format and **must be** delivered as required by ~~according to~~ the **RFP's** specifications of the solicitation. OEBB is not responsible for unreadable or incomplete electronic transmissions of proposals or for electronic transmissions that are not received by the **SPC or designated OEBB recipient designee as specified in the RFP** by the closing date and time stated in the RFP.

~~(76)~~ Evaluation. ~~The Selection Committee will evaluate p~~**P**roposals **will be evaluated** only in accordance with **the** criteria set forth in the RFP and applicable law. **OEBB staff, Consultants, or other persons designated by OEBB** ~~The Selection Committee and/or Consultants will~~ **may** provide their recommendations to the Board on **determining the Competitive Range and selecting** the apparent successful proposer **ASP(s)**.

~~(87)~~ Rejection of ~~p~~**P**roposal. ~~The Board~~ **OEBB** may reject any ~~p~~**P**roposal for good cause and deem it as non-responsive upon written finding that it is in the **best interest of Eligible Employees, Dependents, Eligible Domestic Partners, and Eligible Early Retirees** states', Educational Entities', or Employees, Early Retirees and their Dependents' interest to do so or acceptance of the ~~p~~**P**roposal may impair the integrity of the procurement **RFP** process. ~~The Board~~ **OEBB** will notify the ~~p~~**P**roposer of **the** its rejection of the proposal in writing and provide the good cause justification and finding. OEBB is not liable to any Proposer for any loss or expense caused by or resulting from any rejection, cancellation, delay or suspension. Without limiting the generality of the foregoing, ~~the Board~~ **OEBB** may reject any Proposal upon ~~OEBB's~~ finding that the Proposal:

(a) Is contingent upon OEBB's acceptance of terms and conditions (including **the RFP Specifications and requirements**) that differ from the RFP;

(b) Takes exception to terms and conditions set forth in the RFP;

(c) Attempts to prevent public disclosure of matters in contravention of the terms and conditions of the RFP or in contravention of applicable law;

(d) Offers services that fail to meet the **RFP's** specifications of the RFP **or requirements**;

(e) Is late;

(f) Is not in substantial compliance with the RFP;

(g) Is not in substantial compliance with all prescribed ~~p~~**P**rocurement procedures;

(h) Is from a Proposer that has been debarred as set forth in ORS 279B.130;

(i) Has failed to provide the certification of non-discrimination required under ORS 279A.110(4); or

(j) Is from a Proposer found non-responsible as described in OAR 111-005-0055.

~~(98)~~ Intent to award, discuss, or negotiate. After the protest period provided in subsection ~~(43)~~(a) expires or after ~~the Board~~ **OEBB** has provided a final response to any protest, whichever date is later, ~~the Board~~ **OEBB** may engage in discussions and negotiations with ~~p~~**P**roposers in the ~~e~~**C**ompetitive ~~r~~**R**ange.

~~(109)~~ Discussions and negotiations. If ~~the Board~~ **OEBB** chooses to ~~enters~~ **enters** into discussions and negotiations with the Proposers in the ~~e~~**C**ompetitive ~~r~~**R**ange, **it** ~~the Board~~ will proceed as follows:

(a) Initiating discussions. ~~The Board~~ **OEBB** must initiate oral or written discussions and negotiations with all of the ~~p~~**P**roposers in the ~~e~~**C**ompetitive ~~r~~**R**ange regarding their proposals.

(b) Conducting discussions. ~~The Board~~ **OEBB** may conduct discussions and negotiations with each ~~p~~**P**roposer in the ~~e~~**C**ompetitive ~~r~~**R**ange as necessary to fulfill the purposes of this section, but need not conduct the same amount of discussions or negotiations with each ~~p~~**P**roposer. ~~The Board~~ **OEBB** may terminate discussions and negotiations with any ~~p~~**P**roposer in the ~~e~~**C**ompetitive ~~r~~**R**ange at any time. ~~All proposers in the competitive range will be offered the opportunity to discuss their proposals with the Board before the Board notifies proposers of the award decisions.~~ In conducting discussions, ~~the Board~~ **OEBB** and any designated representatives its designees:

(A) Will treat all ~~p~~**P**roposers fairly and will not favor any ~~p~~**P**roposer over another.

(B) Will not discuss ~~p~~**P**roposers' ~~p~~**P**roposals with any other ~~p~~**P**roposers. ~~and will maintain all proposals as confidential documents to the extent permitted by the Public Records Law.~~

~~(C) Will not divulge the name of the proposers or the content of the proposals until cost negotiations are complete or an apparent successful proposer has been announced.~~

~~(CD)~~ Will determine whether other factors such as ~~including but not limited to,~~ Oregon residency of the primary business office and ~~p~~**P**roposer demonstration of services and products, will be used to determine the ~~apparent successful proposer~~ **ASP**, if a tie between ~~p~~**P**roposers occurs. **OEBB may consider any factors that it deems are in the public interest.**

(c) At any time during the period allowed for discussions and negotiations, ~~the Board~~ **OEBB** may:

(A) Continue discussions and negotiations with a particular ~~p~~**P**roposer or ~~p~~**P**roposers; or

(B) Terminate discussions with a particular ~~p~~**P**roposer and continue discussions with other ~~p~~**P**roposers in the ~~e~~**C**ompetitive ~~r~~**R**ange.

~~(d) The Board~~ **OEBB** may continue discussions and negotiations with ~~p~~**P**roposers until determining who will be awarded contracts.

~~(1140)~~ Notice of intent to award. ~~The Board~~ **OEBB** will provide written notice to all ~~p~~**P**roposers of its intent to award the contract or contracts resulting from the RFP, unless otherwise provided specified in the RFP. ~~The Board's~~ **OEBB's** award will not be final until the later of the following:

(a) Seven calendar days after the date of the notice, unless the RFP provided a different period for protest; or

~~(b) The Board's~~ **OEBB's** written response to all timely filed protests that denies the protests and affirms the award.

~~(1244)~~ Right to protest award. An adversely affected or aggrieved ~~p~~**P**roposer may submit ~~to the Board~~ a written protest of the ~~Board's~~ intent to award to the SPC. The protest must be made within seven calendar days after issuance of the notice of intent to award the contract, unless otherwise specified in the RFP.

(a) The ~~proposer's~~ protest must be in writing and must specify the grounds upon which the protest is based.

(b) A ~~p~~**P**roposer is adversely affected or aggrieved only if the Proposer would be eligible to be awarded the contract in the event that the protest were successful, and the reason for the protest is that:

(A) All higher ranked Proposals are nonresponsive;

(B) OEBB has failed to conduct the evaluation of Proposals in accordance with the criteria or processes described in the RFP;

(C) OEBB has abused its discretion in rejecting the protestor's Proposal as nonresponsive; or

(D) OEBB's evaluation of Proposals or OEBB's subsequent determination of award is otherwise in violation of OEBB's rules or ORS 243.860 to 243.886.

(c) ~~The Board~~ **OEBB** will not consider a protest submitted after the time period specified in this ~~section~~ **rule** or **after the time period** a different period if provided **specified** in the RFP, **if different than the time period specified in this rule.**

(d) ~~The Board, OEBB staff, or their designee~~ **Board Chair, or designee**, has the authority to settle or resolve a written protest meeting the submission requirements of this rule.

(e) If a protest is not settled, the Board, **OEBB staff, or their designee** ~~Chair, or designee,~~ will promptly issue a written decision on the protest. Judicial review of this decision will be available **only as** if provided by statute.

~~(13) Award of contracts. The Board~~ **OEBB** will approve the apparent successful proposer **ASP(s)**, **taking into consideration any recommendations made by OEBB staff, Consultant, or designees** **and** based on the Selection Committee and/or Consultants recommendation and the evaluation criteria included in OAR 111-002-0005(3) and the RFP. **Selection criteria may include,** including, but **is** not limited to, ~~e~~**C**ontractor or ~~e~~**C**onsultant availability; capability; experience; approach; compensation requirements; **financial standing**; previous litigation and remedy applied; customer service history with the OEBB **and the** members and clients **customers it serves**; debarment status; and references.

~~(13) Confidentiality: Until after the notice of intent to award and contract is issued, Proposals are not required to be open for public inspection, and OEBB shall in good faith seek to protect Proposals from disclosure under ORS 192.502(4) as a confidential submission or under other applicable exemptions from disclosure. There will be no public opening of proposals. OEBB will not disclose the content of proposals, the number of proposals submitted, or the names of the proposers that submitted proposals until after the notice of intent to award. That information may then be obtained by means of a "Public Records Request" submitted to OEBB. The Intent to Award letter sent to each individual proposer will include the name of the Apparent Successful Proposer and the name and ranking of each proposer that ranked higher than the individual proposer receiving the Intent to Award letter. After the notice of intent to award and contract is issued, OEBB may withhold from disclosure to the public, materials included in a Proposal that are exempt or conditionally exempt from disclosure under ORS 192.501 or 192.502.~~

(14) Contract. The successful proposer **ASP(s)** must promptly execute the contract after the award is final and all contractual terms and conditions have been negotiated and agreed upon, **consistent with any timeline(s) included in the RFP.** ~~The Board Chair, or designee~~ **OEBB** will execute the contract only after it has obtained all applicable required documents **and approvals.** ~~and contractor signatures.~~

111-005-0042

Intermediate Procurement Process

Except as provided under OAR 111-005-0046 or 111-005-0048, OEBB will use the following procedure ~~For for an i~~ntermediate **Procurement:** ~~the Board will use the following procedure except as provided for under OAR 111-005-0046 or 111-005-0048.~~

(1) Announcement **Selection procedure. OEBB will contact a minimum of three Proposers known to OEBB to be qualified to provide the work and services sought.**

The Board will post solicitation notices for benefits via the Oregon Procurement and Information Network (ORPIN). The Board may also post solicitation notices for benefits in trade periodicals or newspapers of general or specialized circulation. The notice will include a description of the benefits or services sought, the scope of the services required, and a description of any special requirements. The notice will invite qualified prospective proposers to submit proposals. The notice will specify when and where to obtain the RFP and return the proposal and the closing date.

(2) Submission. All submitted ~~p~~ **Proposals** must comply with the RFP's ~~OEBB's~~ **specifications for the Intermediate Procurement**. If portions of the ~~p~~ **Proposal** to any solicitation are deemed unacceptable or non-responsive to the specifications of the solicitation, the ~~p~~ **Proposal** **may** will be deemed non-responsive. **OEBB may give the Proposer an opportunity to submit a responsive Proposal**, and will not be given further evaluation or consideration. If a proposal to any solicitation is delivered late, it will be deemed non-responsive to the specification of the solicitation and will be returned to the proposer unopened.

(a) Submission of ~~p~~ **Proposals** must be in written hard copy or electronic format and delivered as required by **meet** the specifications **for the Intermediate Procurement**. ~~of the solicitation.~~ OEBB is not responsible for unreadable or incomplete electronic transmissions of proposals or for electronic transmissions that are not received by the designated OEBB recipient by the closing date and time stated in the RFP **OEBB**.

(b) The proposal from the prospective proposer will describe the proposer's credentials, performance data and other information sufficient to establish proposer's qualifications for providing the benefits sought and all other information requested in the RFP.

(3) Opening. There will be no public opening of proposals. OEBB will not disclose the content of proposals, the number of proposals submitted, or the names of the proposers that submitted proposals until after the notice of intent to award. That information may then be obtained by means of a "Public Records Request" submitted to OEBB. The Intent to Award letter sent to each individual proposer will include the name of the Apparent Successful Proposer and the name and ranking of each proposer that ranked higher than the individual proposer receiving the Intent to Award letter.

(34) Evaluation. **OEBB** The Selection Committee will evaluate ~~p~~ **Proposals** only in accordance with criteria set forth in the RFP and applicable law **Intermediate Procurement**. The Selection Committee and/or Consultants will provide their recommendations to the Board on the apparent successful proposer(s).

(45) Discussions and negotiations. If the Board **OEBB** chooses to enter into discussions and negotiations with ~~a~~ ~~the~~ ~~p~~ **Proposer** **under this Intermediate Procurement procedure**, the Board **OEBB will do so consistent with 111-005-0010**.

(a) Will treat all proposers fairly and will not favor any proposer over another.

(b) Will not discuss proposers' proposals with any other proposers and will maintain all proposals as confidential documents.

(c) Will not divulge the name of the proposers or the content of the proposals until cost negotiations are complete.

(d) Will determine whether other factors, including but not limited to, Oregon residency of the primary business office and proposer demonstration of services and products, will be used to award the contract.

~~(56)~~ Notice of intent to award. The Board **OEBB** will provide written notice to all **pP**roposers **under an Intermediate Procurement of its** intent to award the contract. ~~unless otherwise provided in the RFP. The Board's award will not be final until the later of the following:~~

~~(a) Seven calendar days after the date of the notice, unless the RFP provided a different period for protest; or~~

~~(b) The Board's written response to all timely filed protests that denies the protests and affirms the award.~~

~~(67)~~ Right to protest award. An adversely affected or aggrieved **pP**roposer may submit to the Board **OEBB** a written protest of **OEBB's** the Board's intent to award. The protest must be made within seven calendar days after issuance of the notice of intent to award the contract, unless otherwise specified in the RFP **by OEBB**.

(a) The **pP**roposer's protest must be in writing and must specify the grounds upon which the protest is based.

(b) A **pP**roposer is adversely affected or aggrieved only if:

(A) ~~†~~The **pP**roposer is eligible for award of the contract as a responsible **pP**roposer; and

(B) the Board **OEBB** committed a substantial violation of a provision in the RFP **its Intermediate Procurement procedure** or of an applicable procurement statute or administrative rule.

(c) **OEBB** ~~The Board~~ will not consider a protest submitted after the time period specified in this section or a different period if provided in the **specifications of the Intermediate Procurement RFP**.

(d) The Board Chair, **OEBB staff**, or **their** designee, has the authority to settle or resolve a written protest meeting the submission requirements of this rule.

(e) If a protest is not settled, the Board Chair **OEBB staff**, or **their** designee, will promptly issue a written decision on the protest. Judicial review of this decision will be available if provided by statute.

~~(8)~~ Award of contracts. The Board will approve the apparent successful proposer(s) based on the evaluation the Selection Committee and/or Consultant recommendation and the criteria included in OAR 111-002-0005(3) and the RFP including, but not limited to, contractor availability; capability; experience; approach; compensation requirements; previous litigation and remedy applied; customer service history with the OEBB, members and clients; debarment status; and references. The Board will place emphasis on employee choice among high-quality plans, plan performance and information, a competitive marketplace, employer flexibility in plan design and contracting, quality customer service, creativity and innovation and the improvement of employee health.

~~(9)~~ Confidentiality: Until after the notice of intent to award and contract is issued, Proposals are not required to be open for public inspection, and OEBB shall in good faith seek to protect Proposals from disclosure under ORS 192.502(4) as a confidential submission or under other applicable exemptions from disclosure. After the notice of intent to award and contract is issued, OEBB may withhold from disclosure to the public, materials included in a Proposal that are exempt or conditionally exempt from disclosure under ORS 192.501 or 192.502.

(10) Contract. The successful **pP**roposer must promptly execute the **eC**ontract after the award is final. The Board Chair, or designee, will execute the **eC**ontract only after it has obtained all applicable required documents **and approvals** and contractor signatures..

~~(11) An amendment for additional services shall not increase the total contract cost to a sum that is greater than twenty-five percent of the original contract cost.~~

111-005-0044

Small Procurement Process

For a ~~s~~Small ~~p~~Procurement, OE~~B~~B may procure ~~e~~Contractor services in any manner it deems practical, including by direct selection, negotiation and award.

~~(1) The Board Chair delegates authority to the OE~~B~~B Administrator and Deputy Administrator to enter into contracts on behalf of the ~~Board~~.~~

~~(12) Award of eC~~o~~ntracts. ~~OE~~B~~B The OE~~B~~B Administrator or Deputy Administrator~~ will base selections on evaluation criteria which may include, but is not limited to, contractor availability; capability; experience; approach; compensation requirements; previous litigation and remedy applied; customer service history with the OE~~B~~B, members and clients; debarment status; and references. Emphasis will be placed on quality customer service, creativity, **affordability**, and innovation and the improvement of employee health.~~

~~(23) Contract. The selected eC~~o~~ntractor must promptly execute the eC~~o~~ntract. The OE~~B~~B Administrator or Deputy Administrator will execute the eC~~o~~ntract only after obtaining all applicable required documents **and approvals.** ~~and contractor signatures.~~~~

~~(34) An amendment for additional services shall not increase the total contract cost to a sum that is greater than twenty-five percent of the original contract cost.~~

111-005-0046

Sole Source Procurement Process

~~The ~~Board~~ OE~~B~~B~~ may award a eC~~o~~ntract for ~~Benefits~~ **Benefit Plans or services** without competition when the ~~Administrator of OE~~B~~B~~ determines in writing that the **Benefit Plans or** services are available from only one source, or the eC~~o~~ntractor is defined as a Qualified Rehabilitation Facility as defined in Oregon's ~~p~~Public eC~~o~~ntracting eC~~o~~de.

(1) The determination of a ~~s~~Sole ~~s~~Source **Procurement** must be based on written findings that may include, **but are not limited to, the following:**

(a) That the efficient utilization of existing **Benefit Plans or** services requires the acquisition of compatible services;

(b) That the **Benefit Plans or** services required for the exchange of software or data with other public or private agencies are available from only one source;

(c) That the **Benefit Plans or** services are for use in a pilot or an experimental project; or

(d) Other findings that support the conclusion that the goods or services are available from only one source.

(2) To the extent reasonably practical, OE~~B~~B shall negotiate with the sole source **organization or Person** to obtain eC~~o~~ntract terms advantageous to OE~~B~~B.

(3) Contract. The single ~~sole~~ source provider **organization or Person** must promptly execute the ~~e~~**C**ontract after the award is final. The Board Chair, or designee, **OEBB** will execute the ~~e~~**C**ontract only after it has obtained all applicable required documents and contractor signatures **approvals**.

111-005-0047

Renewal Process

~~(1) If the Board does not issue an RFP or Single Source procurements to solicit formal proposals from qualified potential Contractors or Vendors, the Board may directly negotiate and enter into renewal contracts each plan year with renewal contractors to provide Benefits and other services without following the procedures set forth in sections 111-005-0040.~~

Renewal process. ~~(2) The Board OEBB may renew eContracts with renewal eContractors for as many years as the Board OEBB determines is in the best interest of the state, Eligible Employees, Dependents, Eligible Domestic Partners, and Eligible Early Retirees. Educational Entities and Employees, Early Retirees and their Dependents.~~

~~(3) The Board OEBB may invite renewal Pproposals from those Contractors or Vendors who provided the same or similar employee-Benefit Plans or other services in the year immediately prior. A n-employee Benefit Plan or other-services eContract is similar if it is reasonably related to the scope of work described in the pProcurement under which such a cContract was awarded.~~

111-005-0048

Emergency Contract ~~Process-Procedure~~

The Board **OEBB** may select a ~~e~~**C**ontractor to provide ~~b~~**Benefits Plans or services** without following any of the procedures under OAR 111-005-0040, 111-005-0042, 111-005-0044, or 111-005-0046 when required by ~~e~~**E**mergency. The Board **OEBB** will determine if an ~~e~~**E**mergency exists, declare the ~~e~~**E**mergency, and negotiate a ~~e~~**C**ontract with the ~~e~~**C**ontractor based on the following criteria: ~~e~~**C**ontractor availability; capability; experience; approach; compensation requirements; previous litigation and remedy applied; customer service history with the OEBB, members and clients; debarment status; and references. The Board **OEBB** will place emphasis on employee choice among high-quality plans, plan performance and information, a competitive marketplace, employer flexibility in plan design and contracting, quality customer service, creativity, **affordability**, and innovation and the improvement of employee health.

111-005-0050

Mistakes

(1) Treatment of mistakes. If ~~the~~ OEBB discovers certain mistakes in a ~~p~~**P**roposal before award of the ~~e~~**C**ontract, and the mistakes are not identified as those qualifying as non-responsive to the specifications of the ~~p~~**P**rocurement, ~~the~~ OEBB may take the following action:

(a) Waive or permit a ~~p~~**P**roposer to correct a minor informality. A minor informality is a matter of form rather than substance that is evident on the face of the ~~p~~**P**roposal, or an insignificant mistake that can be waived or corrected without prejudice to other ~~p~~**P**roposers. Mistakes including, but not limited to, signatures not affixed to the ~~p~~**P**roposal document, ~~p~~**P**roposals sent to the incorrect address, insufficient number of ~~p~~**P**roposals submitted, or incorrect format will not be considered minor.

(b) Correct a clerical error if the intended ~~p~~Proposal and the error are evident on the face of the ~~p~~Proposal, or other documents submitted with the ~~p~~Proposal, and the ~~p~~Proposer confirms the correction in writing. A clerical error includes, but is not limited to, a ~~p~~Proposer's error in transcribing its ~~p~~Proposal.

(2) Rejection for mistakes. OE~~B~~B may reject any ~~p~~Proposal in which a mistake is evident on the face of the ~~p~~Proposal and the intended correct ~~p~~Proposal is not evident or cannot be substantiated from documents accompanying the ~~p~~Proposal. In order to ensure integrity of the competitive ~~p~~Procurement process and to assure fair treatment of ~~p~~Proposers, mistakes discovered that are contrary to the specifications of the ~~p~~Procurement will be carefully reviewed and will be determined, under sole authority of ~~the~~OE~~B~~B, to be waived or not be waived.

(3) If ~~the~~OE~~B~~B discovers mistakes in the ~~p~~Proposal after award, and the mistakes are not considered minor, ~~the~~Board OE~~B~~B reserves the right to determine if the award will be revoked. ~~The~~Board OE~~B~~B will then re-evaluate ~~p~~Proposals deemed to be in second, third, fourth, etc., in the standings.

111-005-0055

Responsible Proposer

(1) Before awarding a Contract, ~~the~~Board OE~~B~~B must have information that indicates **establish that** the Proposer meets the applicable standards of responsibility. OE~~B~~B shall prepare a written determination of non-responsibility for a Proposer if OE~~B~~B determines that the Proposer does not meet the standards of responsibility.

(2) In determining whether a Proposer has met the standards of responsibility, OE~~B~~B shall consider whether a Proposer:

(a) Has available the appropriate financial, material, equipment, facility and personnel resources and expertise, or has the ability to obtain the resources and expertise, necessary to meet all contractual responsibilities.

(b) Completed previous contracts of a similar nature with a satisfactory record of performance. For purposes of this paragraph, a satisfactory record of performance means that to the extent that the costs associated with and time available to perform a previous contract remained within the Proposer's control, the Proposer stayed within the time and budget allotted for the procurement and otherwise performed the contract in a satisfactory manner. OE~~B~~B shall document the Proposer's record of performance if OE~~B~~B finds under this paragraph that the Proposer is not responsible.

(c) Has a satisfactory record of integrity. ~~OE~~B~~B~~ ~~in~~ evaluating the Proposer's record of integrity, OE~~B~~B may consider, among other things, whether the Proposer has previous criminal convictions for offenses related to obtaining or attempting to obtain a contract or subcontract or in connection with the Proposer's performance of a contract or subcontract. OE~~B~~B shall document the Proposer's record of integrity if OE~~B~~B finds under this paragraph that the Proposer is not responsible.

(d) Is legally qualified to contract with OE~~B~~B.

(e) Supplied all necessary information in connection with the inquiry concerning responsibility. If a Proposer fails to promptly supply information concerning responsibility that OE~~B~~B requests, OE~~B~~B shall determine the Proposer's responsibility based on available information or may find that the Proposer is not responsible.

(f) Was not debarred by OE~~B~~B in accordance with ORS 279B.130.

(3) OEBC may refuse to disclose outside of OEBC confidential information furnished by a Proposer under this section when the Proposer has clearly identified in writing the information the Proposer seeks to have treated as confidential and OEBC has authority under ORS 192.410 to 192.505 to withhold the identified information from public disclosure.

111-005-0080

Contract Amendments

OEBC may amend a eContract without additional competition in any of the following circumstances:

(1) The amendment is within the scope of the underlying pProcurement as described in RFP, the sole source determination, or special procurement (the "Procurement Document"). An amendment is not within the scope of the procurement if the Agency determines that if it had described the changes to be made by the amendment in the Procurement Document, it would likely have increased competition or affected award of the contract.

(2) These rules otherwise permit OEBC to award a eContract without competition for the goods or services to be procured under the amendment.

(3) The amendment is necessary to comply with a change in law that affects performance of the eContract.

(4) The amendment results from renegotiation of the terms and conditions, including the contract price, of a eContract and the amendment is advantageous to OEBC, subject to all of the following conditions:

(a) The work or Sservices to be provided under the amended eContract are the same as the work or Sservices to be provided under the unamended eContract.

(b) OEBC determines that, ~~with all things considered,~~ the amended eContract is at least as favorable to OEBC as the unamended eContract.

(c) The amended eContract does not have a total term greater than allowed in the underlying Procurement Document after combining the initial and extended terms.

DIVISION 20

PROGRAM PARTICIPATION

111-020-0010

Entities Electing to Join OEGB

(1) Effective January 1, 2014 an Entity can elect to participate in benefit plans provided by the Board subject to the following conditions:

(a) The Entity completes and submits a Notice of Intent to join OEGB at least 90 days prior to the date OEGB coverage is to go into effect;

(b) OEGB will not transfer any deductibles or annual out-of-pocket maximums met with the prior carrier;

(c) For those members with an existing life insurance policy through the Entity, OEGB will transfer the life insurance amount in force on the last day the prior group coverage was in effect, rounded to the next highest \$10,000 increment, if requested and documented by the Entity.

(d) Early retiree participation in the OEGB plans will be limited to those individuals and eligible dependents currently enrolled in the Entity's medical, dental and/or vision plans and those Early Retirees who retire on or after the effective date of OEGB coverage and their eligible dependents.

(2) Entities electing to participate in benefit plans provided by the Board are limited to offering the coverages and plans provided by OEGB for medical, dental, vision, life, AD&D, disability plans, Employee Assistance Program (EAP) and Long Term Care (LTC). Entities cannot choose to offer some coverages or plans through OEGB and other coverages or plans outside of the OEGB benefits program.

(3) A Local Government must provide OEGB with medical plan premium rates and loss ratios for the two most-recent years, if available, with its Notice of Intent to join OEGB to allow OEGB's Consultant to perform an actuarial plan comparison. For self-funded groups, two years of claims experience data should be submitted in lieu of premium rates or loss ratios. The results of the actuarial analysis shall be used as follows:

(a) If the actuarial plan comparison for a Local Government demonstrates that costs are less than 10 percent over OEGB's costs during the same two-year period, the Local Government may participate in the OEGB plan(s) at current OEGB rates.

(b) If an actuarial plan comparison for a Local Government demonstrates that costs are equal to or greater than 10 percent higher than OEGB's costs during the same two year period, the Local Government may participate in the OEGB plan(s) subject to a special rate category, or surcharge, for up to three years. **After three years, the special rate category will be discontinued and the Local Government will move to OEGB's current rates.**

(4) The Local Government must submit a final Letter of Participation to OEGB at least 30 days prior to the effective date of participation.

~~(5) Local Governments providing a cash incentive to a member for opting out of medical coverage that exceeds 75 percent of the cost of employee only coverage of the lowest cost OEGB statewide medical plan, regardless of the Local Governments plan offerings, may shall be assessed a surcharge of up to \$100 per month per opt-out election.~~

~~(65)~~ Local Governments who elect to participate in benefit plans provided by the Board and then subsequently elect to leave OEGB and offer a plan or plans available through the health insurance exchange may re-elect to participate in benefit plans provided by the Board under the rate category the Local Government was in just prior to leaving OEGB on a one-time basis provided the Local Government completes and submits a Letter of Participation to OEGB at least 60 days prior to the date OEGB coverage is to go into effect.

~~(76)~~ Once a Local Government re-elects to participate in benefit plans provided by the Board after leaving, they are not eligible to offer alternative plans through any other source or sponsor.

~~(87)~~ Local Governments electing to join OEGB on or after April 1, 2015, are limited to using the tiered rate structure for medical, dental and vision plans.

DIVISION 10
DEFINITIONS

111-010-0015

Definitions

Unless the context indicates otherwise, as used in OEBB administrative rules, the following definitions will apply:

(1) "Actuarial value" means the expected financial value for the average member of a particular benefit plan.

(2) "Adverse Benefit Determination" means a denial, reduction, or termination of, or a failure to provide or make payment (in whole or in part), for a benefit, including any such denial, reduction, termination, or failure to provide or make payment that is based on but not limited to:

(a) A determination of a member's eligibility to participate in the plan;

(b) A determination that the benefit is not a covered benefit; or

(c) A rescission of coverage, whether or not, in connection with rescission, there is an adverse effect on any particular benefit.

(3) "Affidavit of Domestic Partnership" means a document that attests the eligible employee and one other eligible individual meet the criteria in section (15)(b).

(4) "Benefit plan" includes, but is not limited to, insurance or other benefits including:

(a) Medical (including non-integrated health reimbursement arrangements (HRAs));

(b) Dental;

(c) Vision;

(d) Life, disability and accidental death;

(e) Long term care;

(f) Employee Assistance Program Plans;

(g) Supplemental medical, dental and vision coverages (including Integrated General Purpose and Integrated Post-Deductible health reimbursement arrangements (HRAs); and Limited Purpose, Post-Separation/Retiree, and Premium Only health reimbursement arrangements (HRAs));

(h) Any other remedial care recognized by state law, and related services and supplies;

(i) Comparable benefits for employees who rely on spiritual means of healing; and

(j) Self-insurance programs managed by the Board.

(5) "Benefits" means goods and services provided under Benefit Plans.

(6) "Board" means the ten-member board established in the Department of Administrative Services as the Oregon Educators Benefit Board under chapter 00007, Oregon Laws 2007.

(7) "Child" means and includes the following:

(a) An eligible employee's, spouse's, or domestic partner's biological son or daughter; adopted child; child placed for adoption; or legally placed child, who is 25 or younger on the first day of the month. An eligible employee must provide the required custody or legal documents to their Educational Entity showing proof of adoption, legal guardianship or other court order if enrolling a child for whom the employee, spouse, or domestic partner is not the biological parent. Grandchildren are only eligible when the eligible employee is the legal guardian or adoptive parent of the grandchild.

(b) A person who is incapable of self-sustaining employment because of a developmental disability, mental illness, or physical disability. There is no age limit for a dependent child who is incapable of self-sustaining employment because of a developmental disability, mental illness, or physical disability. When the dependent child is 26 years of age or older all the following requirements must be met:

(A) The disability must have existed before attaining age 26.

(B) The employee must provide evidence to the Educational Entity or OEGB that (1) the person had health plan coverage, group or individual, prior to attaining age 26, and (2) health plan coverage continued without a gap until the OEGB health plan effective date.

(C) The person's attending physician must submit documentation of the disability to the eligible employee's OEGB health insurance plan for review and approval. If the person receives health plan approval, the health plan may review the person's health status at any time to determine continued OEGB coverage eligibility.

(D) The person must not have terminated from OEGB health plan coverage after attaining the age of 26.

(c) Eligibility for coverage under this rule includes people who may not be dependents under federal or state tax law and may require an Educational Entity to adjust an eligible employee's income based on the imputed value of the benefit.

(8) "Comparable cost (Medical, Dental and Vision)" means that the total cost to a district for enrollment in OEGB plans comparable in design to the district's plan(s) do not exceed the total cost to a district for enrollment in the district's plan(s) using the rate(s) in effect or proposed for the benefit plan year.

(9) "Comparable cost (Basic and Optional Life Insurance, Accidental Death & Dismemberment, and Short and Long Term Disability)" means that the premium rates of an OEGB plan design option do not exceed the average, aggregate premium rates of a district's pre-OEGB plan design in effect the year prior to implementation.

(10) "Comparable plan design (Medical, Dental and Vision)" means that the actuarial values of two plan designs are within 2.5 percent higher or lower of each other.

(11) "Comparable plan design (Basic and Optional Life Insurance and Accidental Death & Dismemberment)" means that 90 percent of district employees can obtain a maximum benefit through an OEGB plan design that is within \$2,500 of the maximum benefit obtained through a pre-OEGB plan design in effect the year prior to implementation.

(12) "Comparable plan design (Short and Long Term Disability)" means 90 percent of the district employees can obtain the same elimination period, percentage of covered compensation, definition of covered compensation, coverage period duration, and maximum payment per benefit period through an OEGB plan design as through a pre-OEGB plan design in effect the year prior to implementation.

(13) "Dependent" means and includes the eligible employee's spouse or domestic partner, or child as defined by OAR 111-010-0010(7), unless otherwise defined in another OEGB rule.

(14) "Documented ~~district~~ **entity** policies" means Educational Entities' policies and practices that apply to an employee group and are submitted to the Oregon Educators Benefit Board during the plan selection process. ~~Educational~~ Entities' policies and practices must be identified and submitted with the applicable employee group plan selections.

(15) "Eligible Domestic partner," unless otherwise defined by a collective bargaining agreement or documented district policy in effect on January 31, 2008, means and includes the following:

(a) An unmarried individual of the same sex who has entered into a "Declaration of Domestic Partnership" with the eligible employee that is recognized under Oregon law; or

(b) An unmarried individual of the same or opposite sex who has entered into a partnership that meets the following criteria:

(A) Both are at least 18 years of age;

(B) Are responsible for each other's welfare and are each other's sole domestic partners;

(C) Are not married to anyone and have not had a spouse or another domestic partner within the prior six months. If previously married, the six-month period starts on the final date of divorce;

(D) Share a close personal relationship and are not related by blood closer than would bar marriage in the State of Oregon;

(E) Have jointly shared the same regular and permanent residence for at least six months immediately preceding the date the Affidavit of Domestic Partnership is signed and submitted to the Educational Entity; and

(F) Are jointly financially responsible for basic living expenses defined as the cost of food, shelter and any other expenses of maintaining a household. Financial information must be provided if requested.

(G) The eligible employee and domestic partner must jointly complete and submit to the ~~Educational~~ Entity an Affidavit of Domestic Partnership form, within five business days of the electronic enrollment date or the date the ~~Educational~~ Entity received the enrollment/change form. If the affidavit is not received, coverage will terminate for the domestic partner retroactive to the effective date.

(c) The eligible employee must notify the ~~Educational~~ Entity within 31 days of meeting all criteria as defined in 111-010-0015 (15)(b) or obtaining the "Declaration of Domestic Partnership" which is recognized under Oregon law.

(d) ~~Educational~~ Entities' must calculate and apply applicable imputed value tax for domestic partners covered under OEGB benefit plans.

(16) "Educational Entity" means public school districts (K-12), education service districts (ESDs), community colleges and public charter schools participating in OEGB.

(17) "Eligible employee" means and includes an employee of an Educational Entity or Local Government who is actively working or on paid or unpaid leave that is recognized by federal or state law, and:

(a) Is employed in a half time or greater position or is in a job-sharing position; or

(b) Meets the definition of an eligible employee under a separate OEGB rule or under a collective bargaining agreement or documented district policy in effect on January 31, 2008; or

(c) Is an employee of a community college who is covered under a collectively bargained contract and has worked a class load of between 25 percent and 49 percent for a minimum period of two years and is expected to continue to work a class load of at least 25 percent. Coverage is limited to medical to include Kaiser Medical Plan 2 (where available), Moda Health **Cedar** Plan **E**, Moda Health **Dogwood** Plan **G**, or Moda Health **Evergreen** Plan **H**. Moda Health **Evergreen** Plan **H** can only be elected if the eligible employee is eligible for and actively contributing to a Health Savings Account (HSA). The tiered rate structure will apply to all medical plans.

(18) "Eligible Early Retiree" means and includes a previously eligible employee who is:

(a) Not Medicare-eligible; or

(b) Under 65 years old; and

(A) Receiving a service or disability retirement allowance or pension under the Public Employees Retirement System (PERS) or under any other retirement or disability benefit plan or system offered by an OEGB participating organization for its employees;

(B) Eligible to receive a service retirement allowance under PERS and has reached earliest retirement age under ORS Chapter 238;

(C) Eligible to receive a pension under ORS 238A.100 to 238A.245 and has reached earliest retirement age as described in ORS 238A.165; or

(D) Eligible to receive a service retirement allowance or pension under another retirement benefit plan or system offered by an OEGB participating organization and has reached earliest retirement age under the plan or system.

(19) "Employee Group" means employees and early retirees of a similar employment type, for example administrative, represented classified, non-represented classified, confidential, represented licensed, or non-represented licensed, within an Educational Entity. If one or more collective bargaining unit exists within an employee group, each unit will be considered a separate employee group.

(20) "Entity" means an Educational Entity, Local Government or Special district.

(21) "Flexible benefit plan" includes plans that allow contributions on a tax-favored basis including health savings accounts.

(22) "Health Reimbursement Arrangement (HRA)" means an account established and funded solely by the employer that can be used to pay for qualified health care expenses for eligible employees and their spouses and federal tax dependents, up to a maximum dollar amount for a coverage period, and any unused portion of the maximum dollar amount at the end of a coverage period is carried forward to increase the maximum reimbursement amount in subsequent coverage periods. This definition should be interpreted to comply with the guidelines established by the IRS for treatment of HRAs on a tax-favored

basis in Technical Release No. 2013-03, IRS Publication 969 and IRS Notice 2002-45. HRA includes, but is not limited to, the following:

- (a) "Integrated General Purpose HRA" is an HRA that allows participants to be reimbursed for all IRS qualified expenses and is available only to eligible employees who are enrolled in an OEGB medical plan as the primary subscriber, or as an eligible dependent.
- (b) "Integrated Post-Deductible HRA" is an HRA that allows participants to be reimbursed for expenses up to a certain amount, but only after the participants have met the annual deductible on an OEGB medical plan in which the employee participant is enrolled as the primary subscriber, or as an eligible dependent.
- (c) "Limited Purpose HRA" is an HRA that allows participants to be reimbursed for only standard dental, vision, and orthodontia expenses and does not require the employee participant to be enrolled in an OEGB medical plan as the primary subscriber, or as a dependent.
- (d) "Non-integrated HRA" is an HRA that allows participants to be reimbursed for all IRS qualified expenses when the employee participant is not enrolled in an OEGB medical plan as the primary subscriber, or as an eligible dependent.
- (e) "Post-Separation/Retiree HRA" is an HRA that allows participants to be reimbursed for qualified expenses only after the employee separates/retires and does not require the employee participant to be enrolled in an OEGB medical plan as the primary subscriber, or as a dependent.
- (f) "Premium Only HRA" is an HRA that allows participants to be reimbursed only for insurance premiums paid on an after tax basis, where the employee participant has no ability to pay the premium on a pre-tax basis and the HRA does not require the employee participant to be enrolled in an OEGB medical plan as the primary subscriber, or as a dependent.
- (23) "Health Savings Account (HSA)" means a tax-exempt trust or custodial account that is set up with a qualified HSA trustee to pay or reimburse certain incurred medical expenses, as defined in 26 U.S.C. Sec. 223(d) and IRS Publication 969.
- (24) "High Deductible Health Plan (HDHP)" means a health plan that meets the criteria for a "high deductible health plan" as outlined in 26 U.S.C. Sec. 223(c)(2). Enrollment in an HDHP is one of the requirements that must be met in order to qualify to contribute to a health savings account (HSA).
- (25) "Local Government" means cities, counties and special districts in Oregon.
- (26) "Members" means and includes the following:
 - (a) "Eligible employee" as defined by OAR 111-010-0015(17).
 - (b) "Child" as defined by OAR 111-010-0015(7).
 - (c) "Domestic Partner" as defined by OAR 111-010-0015(15).
 - (d) "Spouse" as defined by OAR 111-010-0015(34).
- (27) Newly-hired and newly-eligible employee means a benefit-eligible employee who is being hired at an Entity and has not been employed or eligible for benefits through the hiring Entity in the past six months, or within the same benefit Plan Year.

(28) "Non-subject District" means a community college not yet participating in benefit plans provided by the Oregon Educators Benefit Board, or a charter school whose employees are not considered employees of a school district.

(29) "Oregon Educators Benefit Board or OEBB" means the program created under chapter 00007, Oregon Laws 2007.

(30) "OEBB participating organization" means a Subject District, Non-subject District, or Provisional Non-subject District that participates in benefit plans provided by the Oregon Educators Benefit Board (OEBB).

(31) "Provisional Non-subject District" means a common school district, a union high school district, or an education service district that:

(a) Was self-insured on December 31, 2006;

(b) Had an independent health insurance trust established and functioning on December 31, 2006; or

(c) Can provide comparable plan designs at a comparable cost as defined by sections (8) and (10) of this Rule.

(32) "Qualified Status Change (QSC)" means a change in family or work status that allows limited mid-year changes to benefit plans consistent with the individual event. **Outside of open enrollment, a QSC is the only time a change in enrollments can occur.**

(33) "Special district" means any district listed in ORS chapter 198 "Special Districts Generally," or as determined by the Board.

(34) "Spouse" means a person who is married under the laws of the State of Oregon or under the laws of any other state or country. The definition of spouse does not include a former spouse and a former spouse does not qualify as a dependent.

(35) "Subject District" means a common school district, a union high school district, or an education service district that:

(a) Did not self-insure on January 1, 2007;

(b) Did not have a health trust in effect on January 1, 2007; or

(c) Does not provide comparable plan designs at a comparable cost as defined by sections (8) and (10) of this rule.

DIVISION 30

PLAN DESIGN DEVELOPMENT AND SELECTION

111-030-0010

Medical, Pharmaceutical, Dental and Vision Plan Selection Criteria

~~Educational~~ Entities may choose or allow all medical, dental and vision plans available in the service area to be available to some or all Entity Employee Groups with the following exceptions:

- (1) The HMO vision plan offered through Kaiser Permanente is only available if the HMO medical plan offered through Kaiser Permanente is available.
- (2) Moda Health Evergreen Plan H can only be offered to employee groups who have the option to participate in a Health Savings Account (HSA) effective October 1, 2013 ~~2016~~. **(Previously Moda Health Plan H)** Eligible employees must qualify and contribute to an HSA during the plan year to enroll in Moda Health Evergreen Plan H.

111-030-0035

Optional Benefit Plans Selection Criteria

- (1) Basic Life Insurance — ~~Educational~~ Entities may select or allow one Basic Life plan per Employee Group unless otherwise specified in an OEGB administrative rule. Note: Employee Groups may select one Basic Life amount and offer optional life. Basic Life requires 100 percent enrollment if selected.
- (2) Basic Accidental Death and Dismemberment (AD&D) — ~~Educational~~ Entities may select or allow one Basic AD&D plan per Employee Group unless otherwise specified in an OEGB administrative rule. Note: Employee Groups can select one Basic AD&D plan and offer optional AD&D if desired. The Employee Group must select Basic Life coverage to select a Basic AD&D plan. Basic AD&D requires 100 percent enrollment if selected.
- (3) Optional Employee Life Insurance and Optional Employee AD&D — ~~Educational~~ Entities may select or allow Optional Employee Life and Optional AD&D for each Employee Group unless otherwise specified in an OEGB administrative rule. No minimum enrollment requirement.
- (4) Optional Spouse/Partner Life Insurance and Optional Spouse/Partner AD&D — ~~Educational~~ Entities may select or allow Optional Spouse/Partner Life and Optional Spouse/Partner AD&D coverage for each Employee Group unless otherwise specified in an OEGB administrative rule. No minimum enrollment requirement. The Employee Group must offer Optional Employee Life and Optional AD&D to offer this coverage. The Optional Employee Life Insurance and Optional Employee AD&D must be greater or equal to Optional Spouse/Partner Life Insurance and Optional Spouse/Partner AD&D.
- (5) Optional Child Life Insurance and Optional Child AD&D — ~~Educational~~ Entities may select or allow Optional Child Life and Optional Child AD&D coverage for each Employee Group unless otherwise specified in an OEGB administrative rule. No minimum enrollment requirement. The Employee Group must offer Optional Employee Life and Optional AD&D to offer this coverage. Optional Child Life Insurance and Optional Child Life AD&D requires enrollment in the minimum amount of Optional Employee Life and Optional AD&D by the employee.
- (6) Optional Early Retiree Life Insurance and Optional Early Retiree AD&D — ~~Educational~~ Entities may select or allow Optional Early Retiree Life and Optional Early Retiree AD&D coverage unless otherwise

specified in an OEGB administrative rule. No minimum enrollment requirement, but enrollment is limited to initial open enrollment period only and subject to the following restrictions:

(a) Optional Early Retiree Life and Optional Early Retiree AD&D are only available to early retirees who had this coverage as an active employee.

(b) The Educational Entity must offer this coverage for the early retiree to continue enrollment.

(c) When an employee moves from active to retiree status they may select coverage up to the amount they had as an active employee, or decrease coverage. Increases in coverage are not allowed.

(7) Voluntary Short Term Disability (STD) — Educational Entities may select or allow one Voluntary STD plan per Employee Group unless otherwise specified in an OEGB administrative rule. No minimum enrollment requirement. The employee pays all or part of the premium. An Employee Group cannot select more than one STD Plan (Voluntary, Mandatory, or Mandatory/Employee-paid).

(8) Mandatory Short Term Disability (STD) — Educational Entities may select or allow one Mandatory STD plan per Employee Group unless otherwise specified in an OEGB administrative rule. This plan requires 100 percent enrollment if selected and the premium is employer-paid. An Employee Group cannot select more than one STD Plan (Voluntary, Mandatory, or Mandatory/Employee-paid).

(9) Mandatory/Employee-paid Short Term Disability (STD) — Educational Entities may select or allow one Mandatory/Employee-paid STD plan per Employee Group unless otherwise specified in an OEGB administrative rule. This plan requires 100 percent enrollment and the premium is paid by the employee. An Employee Group cannot select more than one STD Plan (Voluntary, Mandatory, or Mandatory/Employee-paid).

(10) Voluntary Long Term Disability (LTD) — Educational Entities may select or allow one Voluntary LTD plan per Employee Group unless otherwise specified in an OEGB administrative rule. No minimum enrollment requirement. The employee pays all or part of the premium. An Employee Group cannot select more than one LTD Plan (Voluntary, Mandatory, or Mandatory/Employee-paid).

(11) Mandatory Long Term Disability (LTD) — Educational Entities may select or allow one Mandatory LTD plan per Employee Group unless otherwise specified in an OEGB administrative rule. This plan requires 100 percent enrollment and the premium is employer-paid. An Employee Group cannot select more than one LTD Plan (Voluntary, Mandatory, or Mandatory/Employee-paid).

(12) Mandatory/Employee-paid Long Term Disability (LTD) — Educational Entities may select or allow one Mandatory/Employee-paid LTD plan per Employee Group unless otherwise specified in an OEGB administrative rule. This plan requires 100 percent enrollment and the premium is paid by the employee. An Employee Group cannot select more than one LTD Plan (Voluntary, Mandatory, or Mandatory/Employee-paid).

111-030-0040

Long Term Care (LTC) Benefit Plan Selection Criteria

Educational Entities may select or allow LTC options to be available for or to each Employee Group unless otherwise specified in an OEGB administrative rule. OEGB offers employer-paid and employee-paid LTC options.

(1) Employee-paid LTC is a voluntary plan where members can choose to enroll. No minimum enrollment requirement.

(2) Employer-paid LTC requires 100 percent eligible employee enrollment if selected.

111-030-0045

Employee Assistance Program (EAP) Plan Selection Criteria

(1) ~~Educational~~ Entities may select or allow an EAP option to be available to all Entity employees including, but not limited to, OEGB benefit-eligible employees and their dependents.

(2) Enrollment will happen automatically if selected by an ~~Educational~~ Entity.

111-030-0046

Development of Health Savings Accounts (HSA)

(1) Effective October 1, 2011, OEGB will offer the use of an employer sponsored vendor for Health Savings Accounts (HSA). For purposes of this rule, an HSA vendor will be considered employer sponsored if the ~~Educational~~ Entity offers:

(A) Employer contributions to the HSA; or

(B) Pre-tax or direct deposit of employee contributions to the HSA.

(2) If an ~~Educational~~ Entity chooses to offer an employer sponsored HSA, the ~~Educational~~ Entity may offer this plan through the OEGB-contracted HSA.

(3) ~~Educational~~ Entities may select or allow the HSA option to be available to eligible employees who enroll in OEGB's high-deductible health plan (HDHP) option (currently Moda Health **Evergreen** Plan H).

(4) Eligible employees who are eligible to enroll in an HSA, and choose the employer sponsored HSA vendor, may do so directly through the HSA vendor or their ~~Educational~~ Entity.

(5) Eligible employees must meet requirements established by the Internal Revenue Service (IRS) to qualify for enrollment in an HSA. Once enrolled in an HSA, members are responsible to adhere to tax requirements of the IRS.

(6) Because IRS requirements for an individual to qualify for enrollment in an HSA include concurrent enrollment in a high-deductible health plan (HDHP), an ~~Educational~~ Entity that offers an employer sponsored HSA must offer its employees the choice of a HDHP option, **currently Moda Health Evergreen Plan and Kaiser Permanente Plan 3**, from among OEGB's medical plans (i.e., prior to the 2013-14 plan year, ODS Health Plan 9; beginning with the 2013-14 plan year, Moda Health Plan H). If an employee is enrolled in an OEGB medical plan other than OEGB's HDHP, the employee may not enroll in the OEGB HSA.

111-030-0047

Development of Flexible Spending Accounts

(1) Effective October 1, 2012, OEGB will offer the use of an employer sponsored vendor for Flexible Spending Accounts (FSAs) including a Health Care Flexible Spending Account, Limited Health Care Spending Account and Dependent Care Flexible Spending Account.

(2) If an Educational Entity chooses to offer an employer sponsored FSA, the Educational Entity may offer this plan through the OEGBB-contracted FSA vendor.

(3) Eligible employees who are eligible to enroll in an FSA, and choose the employer sponsored FSA vendor, do so directly through their Educational Entity.

(4) Eligible employees must meet requirements established by the Internal Revenue Service (IRS) to qualify for enrollment in an FSA. Once enrolled in an FSA, members are responsible to adhere to tax requirements of the IRS.

111-030-0050

Premium Rate Structure Selection Process and Limitations

(1) Educational Entities ~~and Local Governments~~ may choose a composite or tiered rate structure for each Employee Group for medical, dental and vision coverage unless otherwise specified in an OEGBB administrative rule. The rate structure selected for each coverage type applies to all individuals electing to participate as active employees within an Employee Group. **Local Governments are limited to using the tiered rate structure for medical, dental and vision plans.**

(2) Educational Entities ~~and Local Governments~~ may select a composite or tiered rate structure for early retirees unless otherwise specified in an OEGBB administrative rule. **Local Governments are limited to using the tiered rate structure for medical, dental and vision plans.**

(3) Educational Entities ~~and Local Governments~~ may select a composite or tiered rate structure for part-time employees of an Employee Group unless otherwise specified in an OEGBB administrative rule. If a different rate structure is selected for part-time employees that structure must apply to all participating part-time employees within that Employee Group. **Local Governments are limited to using the tiered rate structure for medical, dental and vision plans.**

(4) Rate structures must be selected during the plan selection process.

(5) Once an Educational Entity ~~or Local Government~~ elects a change in rate structure for a type of coverage within an Employee Group, the rate structure selection cannot be changed for at least three plan years. The rate structure change will go into effect on the first day of the next plan year, October 1.

(6) Educational Entities or Local Governments who offered LTD on a composite rate structure prior to moving to OEGBB coverages can continue to do so. Use of the composite rate structure for LTD plans is only available on a mandatory LTD plan and requires 100 percent enrollment.

(a) Employee Groups using a composite rate structure for mandatory LTD plans effective October 1, 2012, may continue to use either the employer-paid or employee-paid option.

(b) Effective October 1, 2013, OEGBB will expand the availability of the composite rate structure for mandatory LTD plans only to those Employee Groups that chose to elect an employer-paid plan option.

(c) Rate structures must be selected during the plan selection period and become effective the first day of the next plan year, October 1.

DIVISION 70

HB 2557

111-070-0001

Definitions

For the purpose of this rule:

(1) "HB 2557 eligible member" means a part time faculty who is eligible for membership in the Public Employees Retirement System (PERS) by teaching or conducting research at a single institution of higher education or in aggregate at multiple public institutions of higher education during the prior year. "HB 2557 eligible member" does not mean or include a part time faculty member who has revoked PERS membership by opting to enroll in another employer retirement plan, or a part time faculty member who is eligible for benefits through the Public Employees' Benefit Board (PEBB).

(2) "Eligible Dependent" means a Spouse, Domestic Partner or dependent child as defined in OAR 111-010-0015.

(3) "Overpayment" means the amount of a participating HB 2557 eligible member's monthly payment to OEGB that exceeded the amount due.

(4) "PERS" means the Oregon Public Employees Retirement System.

(5) "Plan Year" means the coverage period, usually 12 months long that is used for administration of a health benefits plan.

(6) "Public institution of higher education" means an Oregon community college or a state institution of higher education listed in ORS 352.002.

(7) "Underpayment" means a payment submitted by a participating HB 2557 eligible member that is less than the invoiced amount.

~~(8) "Electronic funds transfer" refers to a payment through an Automated Clearing House (ACH) credit or ACH debit that initiates the movement of funds from an HB 2557 eligible member's individual banking account to the OEGB Treasury account electronically.~~

(8) "ACH Debit" for purposes of this OAR refers to a payment through an Automated Clearing House (ACH) credit or debit that initiates the movement of funds electronically from the HB 2557 eligible member's individual banking account within the United States to the OEGB Treasury account.

111-070-0005

Plan Selections

(1) HB 2557 eligible members will use the tiered rate structure and may elect to enroll in the following **medical** plans:

(a) Kaiser Permanente Plan 3 (limited to OEGB members in the Kaiser service area),

(b) Moda Health Cedar Plan E,

(c) Moda Health Dogwood Plan G,

(d) Moda Health Evergreen Plan H (limited to members who qualify for and contribute to a Health Savings Account (HSA)).

(2) If enrolling in a Moda Health medical plan, the HB 2557 eligible member may elect to enroll in the ~~Statewide PPO~~ option (~~ODS Plus Network~~) or the Synergy or Summit network plan option if the HB 2557 member lives or works in an area where the Synergy or Summit network is available.

111-070-0015

Enrollment

(1) OEBB will directly provide HB 2557 eligible members notice of their eligibility, the open enrollment schedule and instructions for completing the required enrollment information prior to the beginning of the open enrollment period.

(2) HB 2557 eligible members and eligible dependents may enroll in a medical plan as specified in 111-070-0005 when one of the following occurs:

(a) During the annual open enrollment period (August 15 through September 25);

(A) Required enrollment information may be submitted by the member to the OEBB office prior to the beginning of the open enrollment period;

(B) All required enrollment information must be received **by OEBB** from the member ~~by OEBB~~ by close of business on September 25;

(C) Required enrollment information not received from the member on or before the end of the open enrollment period will be considered a declination of coverage for the Plan Year;

(D) Coverage selected will be effective at the beginning of the new Plan Year (October 1) for HB 2557 eligible member and dependent(s) who have submitted the required enrollment information by the submission deadline; or

(b) Following confirmation that an individual not initially identified as eligible for benefits is eligible for benefits:

(A) All required enrollment information must be received from the member by OEBB by close of business on the date specified in the written eligibility notice sent to the HB 2557 eligible member. Failure to meet the due date will be considered a declination of coverage for the Plan Year;

(B) Coverage selected will be effective the first day of the month following eligibility confirmation and receipt of the required enrollment information.

111-070-0020

Effective Date

(1) HB 2557 eligible members who are eligible for membership in PERS during a calendar year are eligible for medical benefits through OEBB ~~the Oregon Educators Benefit Board~~ for the following Plan Year.

(2) Eligibility will be determined annually within 30 days after the first quarter of the current calendar year.

111-070-0040

Qualified Status Changes (QSC's)

(1) HB 2557 eligible members experiencing a change in family status the plan year, have 31 calendar days beginning on the date of the event to make changes. If the event is gaining a child, as defined by 111-070-0040(2)(c), or results in a loss of eligibility, the eligible member has 60 calendar days after the event to make changes.

(a) The member must report the Qualified Status Change (QSC) to OEBB ~~the Oregon Educators Benefit Board~~ within the specified timeframe. Failure to report a QSC that would result in a removal of a spouse, domestic partner or child within the timeframe stated in 111-070-0040(1) may be considered intentional misrepresentation by OEBB and OEBB may retroactively terminate the individuals coverage back to the last day of the month in which the individual lost eligibility. If benefits are to be terminated retroactively, OEBB shall give the affected individual 30 days' notice of the termination and an opportunity to appeal before the retroactive termination takes effect.

(b) The member's failure to report timely a QSC that allows the addition of a spouse, domestic partner, or child means that the individual does not have coverage. The next opportunity the HB 2557 eligible member has to add their spouse, domestic partner, or child will be during open enrollment.

(2) The HB 2557 eligible member can only make those changes that are consistent with the event for themselves and eligible dependent(s).

(3) Qualified Status Changes which allow the member to make changes to his or her coverage are:

(a) Gaining a spouse by marriage or domestic partner by meeting domestic partner eligibility;

(b) Loss of a spouse or domestic partner by divorce, annulment, death or termination of domestic partnership,

(c) Gaining a child by birth, placement for/or adoption, or Domestic Partner's children (by affidavit of domestic partnership), 60 days from the event;

(d) Event by which dependent child satisfies eligibility requirements under OEBB plans;

(e) Event by which dependent ceases to satisfy eligibility requirements under OEBB plans;

(f) Related laws or court orders. For example: Qualified Medical Child Support Order (QMSCO), Entitlement to Medicare or Medicaid, HIPAA or Children's Health Insurance Program (CHIP). Changes are determined by the applicable law or court order.

(4) Changes in cost or coverage do not constitute a Qualified Status Change. All changes resulting from a change in cost or coverage must be made during Open Enrollment.

111-070-0050

Premium Payment

(1) HB 2557 Eligible Member Payment Methods and Due Dates:

(a) HB 2557 eligible members will submit payment to OEBC for benefits through Direct Payment via ACH (ACH Debit). ~~by electronic funds transfer (EFT).~~

(b) OEBC may grant an exception from the requirement in section (1) to pay by ACH Debit ~~EFT~~ if the HB 2557 eligible member demonstrates their financial institution cannot accommodate an ACH ~~EFT~~ transfer, or the member does not maintain an account at a financial institution.

(c) Notwithstanding section (2), the ACH Debit ~~electronic transfer of funds~~ will occur on the 25th day of the month prior to the next month's health care coverage. All payments will be subject to this due date.

(2) If the HB 2557 member has a checking account, but submits a written letter declining to use the ACH Debit ~~electronic funds transfer~~ payment method, a \$35.00 processing fee shall be applied to the HB 2557 member's monthly premium.

(3) HB 2557 Eligible Member Invoicing:

(a) OEBC will enroll a new HB 2557 eligible member after one of the following is completed:

(A) The required ACH Debit Authorization Form ~~payment agreement for electronic transfer of funds~~ is received from the member, processed and set-up with their financial institution; or

(B) The Exception Request Form is received from the member, reviewed and approved;

(b) OEBC will mail payment reminders to HB 2557 eligible members to provide notification of the amount and date the ~~automatic checking deduction~~ ACH Debit will occur.

(c)(A) If the payment is not received in full by the 25th calendar day of the month, the member's coverage will be terminated on the last day of the month in which a full premium payment was received. All premium payments must be paid in full before payment to the carrier will be made.

(B) OEBC shall not be responsible for any unpaid portion of premiums for coverage and will terminate the HB 2557 eligible member and dependent coverage for non-payment or underpayment of premiums due.

(4) HB 2557 Eligible Member Overpayments:

(a) OEBC will mail notification of overpayments to the HB 2557 eligible member. This written notice shall inform the member of the amount overpaid and a description of the overpayment.

(b)(A) OEBC will automatically apply any overpayments to the next month's premium due. The member may complete a Request for Reimbursement form if a refund of an overpayment is desired. However, the member may be responsible for processing fees associated with refunds less than \$100.

(B) Remaining balances on coverage that has ended will be refunded in full.

(5) HB 2557 Eligible Member Underpayments:

(a) Premiums that are not paid in full by the 25th calendar day of the month prior to the coverage effective month will result in the eligible member's and dependent's coverage being terminated at the end of the last month for which premiums were paid in full.

(b)(A) HB 2557 eligible members will be notified if their coverage was terminated due to the premium not being paid in full, including payments returned by the bank for Non-Sufficient Funds (NSF), **closed bank accounts, and frozen accounts.**

(B) A check or ACH transaction that is returned for NSF, **closed bank account, or frozen account** is considered non-payment of premiums.

(c) Coverage terminated due to non-payment or underpayment cannot be reinstated until a following Plan Year in which a person is deemed a HB 2557 eligible member.

DIVISION 40
ENROLLMENT

111-040-0001

Effective Dates

(1) Effective Dates for Newly Eligible Employees. Initial benefit elections, unless otherwise specified in a collective bargaining agreement or documented Entity policy in effect on June 30, 2008, are effective on the later of:

(a) The first of the month following a completed online enrollment in the OEGB benefit management system or submission of a paper enrollment or change form, or

(b)(A) The first of the month following the date of hire or the date of eligibility; with the following exception:

(B) The first of the month following approval of Evidence of Insurability for Optional Life Insurance above the guarantee issue amount, Long Term Disability, or Long Term Care insurance.

(2) Effective Dates for Qualified Status Changes. Covered dependent changes are effective the first of the month following the date of the event causing the dependent to be eligible under OEGB administrative rules with the following exceptions:

(a) Coverage for a newborn child is effective on the date of birth. The active eligible employee must add the newborn child to their benefit plans within 60 calendar days from the date of birth in order for the newborn child to be eligible for benefit coverage. **If the newborn is born between the first and the fifteenth of the month, the baby is added to the plan the first of the month in which the baby is born. If the newborn is born between the sixteenth of the month and the end of the month, the baby is added to the plan the first of the following month.**

(b) Coverage for a newly adopted child is effective the date of the adoption decree or date of placement for adoption. The active eligible employee must add the adopted child to their benefit plans within 60 calendar days from the date of the decree or placement in order for the newly adopted child to be eligible for benefit coverage; and

(A) The active eligible employee must submit the adoption agreement with the enrollment forms to the Entity.

(B) Claims payments will not be made for expenses incurred prior to the date of decree or placement.

(c) Coverage for an eligible grandchild is as follows:

(A) If the legal guardianship is finalized within the first 60 days following the birth of the grandchild, coverage will be effective retroactive to the date of the birth.

(B) If the legal guardianship is finalized 61 or more days from the date of birth of the grandchild, the coverage will be effective the first of the month following the date the guardianship documents are finalized.

(C) If the legal guardianship is finalized 61 to 180 days from the date of birth of the grandchild, and the effective date of legal guardianship is retroactive to the grandchild's date of birth, coverage will be

effective retroactive to the date of birth. If legal guardianship is finalized after 180 days coverage will be effective the first of the month following the date the guardianship documents are finalized.

(d) The first of the month following approval of Evidence of Insurability for Optional Spouse/Domestic Partner Life insurance above the guaranteed issue amount, if applicable, or Long Term Care Insurance.

(3) Elections made during an open enrollment period are effective on the first day of the new plan year. There will be a 12-month waiting period for services other than preventive dental exams and cleanings and/or routine vision exams for coverage added during the open enrollment period if enrolling in a dental or vision plan in which the employee and/or dependents were previously eligible.

111-040-0015

Removing an Ineligible Individual from Benefit Plans

(1) An ~~active~~ **eligible** employee who enrolls them self and/or an eligible person is responsible for removing spouses, domestic partners and children from their OEGB-sponsored benefit plans by submitting completed, applicable forms to their Entity benefits administrator within 31 calendar days after the date the individual becomes ineligible. Coverage ends on the date identified under OAR 111-040-0005.

(2) An Entity is responsible for removing ineligible individuals from the OEGB benefits management system. The Entity must complete such removal within 14 calendar days after:

(a) An event resulting in loss of the employee's eligibility, or

(b) The receipt of notification of an event resulting in loss of eligibility of the employee's spouse, domestic partner or child.

(3) If coverage of an employee's spouse, domestic partner or child is terminated retroactively then:

(a) The employee may be responsible for claims previously paid by the benefit plans to the providers during the period of ineligibility at the carrier's discretion; and

(b) Premium adjustments will be made retroactively based on the coverage end date.

(4) OEGB shall conduct eligibility verifications and reviews to monitor compliance with OEGB administrative rules governing eligibility and enrollment. Eligibility reviews may occur at different times throughout the plan year. The member is responsible to submit documentation upon request. In the event the member does not provide the required documentation in a timely manner to sufficiently prove the dependent meets eligibility requirements, or the documentation provided is insufficient, the dependent's coverage will be terminated. Retroactive terminations may occur if the documentation provided shows the dependent was not eligible for coverage and the member misrepresented the dependent as being an eligible dependent as defined by OAR 111-080-0045.

111-040-0025

Correcting Enrollment and Processing Errors

(1) Employee Enrollment Errors. Enrollment errors occur when an eligible employee provides incorrect information or fails to make correct selections when making benefit plan elections. The eligible employee is responsible for identifying enrollment errors or omissions.

- (a) OEGB authorizes Entities to correct enrollment errors reported by the eligible employee within 45 calendar days of the original eligibility date, open enrollment period end date, or Qualified Status Change date.
- (b) Enrollment errors identified after 45 calendar days of the eligibility date, open enrollment period end date or Qualified Status Change date must be submitted to OEGB for review and approval based on OAR 111-080-0030.
- (2) Benefit Administrator Processing Errors. Processing errors or omissions occur when benefit plan elections are processed incorrectly in the benefit system or when a newly eligible employee does not receive correct enrollment information.
- (a) OEGB authorizes Entities to correct processing errors identified within 45 calendar days of the eligibility date, open enrollment period end date, or Qualified Status Change date. The Entity must reconcile all premium discrepancies.
- (b) Processing errors identified after 45 calendar days of the eligibility date, open enrollment period end date, or Qualified Status Change date must be submitted to OEGB for review and approval based on OAR 111-080-0030. The Educational Entity must reconcile all premium discrepancies within 30 calendar days of any adjustments made in the system.
- (3) The effective date for the correction of either an employee enrollment error or benefit administrator error is retroactive to the original effective date as identified in OAR 111-040-0001.
- (4) The OEGB Administrator has the authority to grant exceptions to OEGB's Administrative Rules when there are extenuating circumstances which can be supported by documentation and verified by OEGB staff.

111-040-0050

Declination of Coverage

- (1) As used in this section:
- (a) "Opting out of coverage" means that an otherwise Eligible Employee elects not to enroll in a medical plan and is eligible to receive a portion of the cash contribution or other type of remuneration as provided for under a collective bargaining agreement, documented Entity policy, or employment contract.
- (b) "Waiving benefits" means that an otherwise Eligible Employee elects not to enroll in any one of the benefit plans available under the OEGB-sponsored benefits program and is not eligible to receive any portion of a cash contribution or other type of remuneration.
- (2) Unless otherwise specified in a collective bargaining agreement, documented Entity policy or employment contract in effect on July 1, 2008, an Eligible Employee may opt out of the OEGB-sponsored medical benefit plans. Eligible Employees electing to opt out must:
- (a) Maintain coverage under another employer-sponsored group medical benefit plan; or
- (b) Be enrolled in Medicare or TRICARE coverage and be employed by an Entity that administers their benefits program in compliance with the requirements of Section 125 of the Federal Internal Revenue Code (IRC);**
- ~~(c)~~ Meet the requirements of the Entity opt out program in which they are participating;

(~~d~~e) Submit their election to opt out through the OEGB benefit management system; and

(~~e~~d) If requested, provide proof of current coverage under another employer-sponsored group medical benefit plan.

(3) An Eligible Employee participating with or enrolled in coverage bought on the individual market, the Oregon Health Plan/Medicaid, Veterans' Administration Health Benefit Program, Student Health Insurance market may not elect to opt out of OEGB-sponsored medical benefit plans. The Eligible Employee may elect to waive benefits or enroll in an OEGB-sponsored medical benefit plan.

(~~3~~4) Eligible Employees electing to opt out of the OEGB-sponsored medical benefit plans may enroll in the dental benefit plans, vision benefit plans, and optional benefit plans.

(~~4~~5) The level and type of funds and allowances retained by Eligible Employees and Entities as a result of opt out programs are determined through collective bargaining agreements and documented Entity policies.

(~~5~~6) An Entity will provide OEGB with a written description of its opt-out program upon request.

(~~6~~7) An otherwise Eligible Employee may opt-out of medical if the criteria above are met, decline dental and/or vision, or elect any combination of benefits provided under the OEGB-sponsored benefits program, unless otherwise stated in a collective bargaining agreement or documented Entity policy.

(~~7~~8) Elections to opt out of the medical benefit plans or waive benefits must be made at the time of hire, when initially meeting eligibility, during an open enrollment period, or following a QSC event whereby the OEGB QSC Matrix allows this as an option.

(a) Coverage for previously OEGB-eligible employees or a previously OEGB-eligible dependent enrolling in the dental and/or vision plans during an open enrollment period will be limited to routine and preventive care for the first 12 months and subject to a 12-month waiting period for orthodontia coverage.

(b) An Eligible Employee who enrolls in the dental or vision plans, or adds previously OEGB- eligible dependents to the dental and vision plans following and consistent with a QSC event will not be subject to waiting periods.

(~~8~~9) An Eligible Employee electing to not enroll when initially eligible for optional insurance plans, or enrolling for more than the guarantee issue amount, will have to go through a medical review. Failure to remit a medical history statement or complete other requirements will result in a declination of requested amounts, or the amount above the guaranteed amount, if applicable.

(~~9~~10) An Eligible Employee electing to not enroll when initially eligible for optional short term disability will be subject to a late enrollment penalty upon enrollment.