SB 1067 for PEBB Members

“Elimination of Double Coverage”
Double Coverage

• In this session we will only be discussing Double Coverage
• We have many participants joining us today
• Please try to limit your questions to those dealing with Double Coverage issues and SB 1067
  – Type your question in the Q&A area and we will get back to you either during the presentation or after.
  – If you have other benefit questions please send them to inquiries.pebb@state.or.us.
Legislation passed July 7, 2017

SB 1067 provides 17 cost containment measures to curb state spending and improve government efficiency.

The most impactful on PEBB/OEBB include:

1. Sets a cap on annual premium increases and total expenditures at a growth rate of 3.4%
2. Hospital Reimbursement Cap
3. Requires OEBB/PEBB to perform dependent audits
4. Prohibits Double Coverage for some
5. Eliminates Opt-out Payments for some
Go Live Dates

• OEBB – October 1, 2019
  – Open Enrollment is August 15\textsuperscript{th} to September 15\textsuperscript{th}

• PEBB – January 1, 2020
  – Open Enrollment is October 1\textsuperscript{st} to October 31\textsuperscript{st}
HB 2675 - What is this?

- HB 2675 is a new Bill proposed after SB 1067
- HB 2675 is part of the 2019 Regular Session
  - Currently, not law
- Emergency Bill, would be effective on passage (July 1, 2019)
- Reverses Elimination of Double Coverage and Opt Out Incentives found in SB 1067
OEBB/PEBB Role

OEBB/PEBB are not the creators of SB 1067 but are bound to do the following:

- Interpret the intent of the SB 1067
- Consider scenarios which affect our membership
- Collaborate with DOJ on opinions, policy and rules
- Create OARS
- Enhance enrollment system processes to enable tracking of SB 1067
- Communicate and work with membership in the implementing SB 1067
- Stand ready to implement HB 2675 if needed
Common FAQs?

- **OEBB/PEBB** do **not** propose to align plan years
- **OEBB** will **not** eliminate the composite rate structure
- **SB 1067** does **not** require one spouse/DP to take their plan and the other spouse/DP to take their plan
  - Enrollments can unify under one plan which might be more beneficial due to deductibles/OOP max
- **OEBB/PEBB** will **not** merge plans or systems
- **OEBB/PEBB** have merged administratively but our contracts and plans remain separate
- **SB 1067** will supersede **HB 2005** (Pay Equity)
Definitions

Health Benefit Plan

Medical/RX Plan only (does not include Dental or Vision)

Employer Contribution

This could mean the entire employer contribution or a subset of the employer contribution

Out Opt Incentive

Any monetary amount given to a subscriber in lieu of a medical plan
Double Coverage Scenarios

#1 (PEBB/PEBB)

Jack and Diane both work for different PEBB agencies. Jack and Diane usually both take the PEBB medical plan and cover their entire family.

- Effective January 1, 2020, either Jack OR Diane can cover the entire family with a PEBB medical plan.
- Jack could take the coverage for himself and their children and Diane could take employee only coverage. She would not be able to cover Jack and the children with medical if Jack covers them.
- Both Jack and Diane can still double cover the entire family on dental and vision.
Double Coverage Scenarios

#2 (PEBB/OEBB)

Jack works for DOC and Diane works for Astoria SD. Jack and Diane usually both take medical coverage via PEBB and OEBB and cover their entire family.

- Effective October 1, 2019, Diane will not be able to take the OEBB medical coverage for Jack, herself or their children if Jack is showing these dependents covered in PEBB.
- PEBB may have to open up their system for a QSC to allow Jack to drop Diane and their children from coverage to allow Diane to enroll them in OEBB coverage during OEBB’s OE.
- OEBB may have to open up their system for a QSC to allow Diane to drop Jack and their children from coverage to allow Jack to enroll them in PEBB coverage during PEBB’s OE.
- Both Jack and Diane can still double cover the entire family on dental and vision.
Double Coverage Scenarios

#3 (PGE*/PEBB)

Jack works for PGE and Diane works for DOC. Jack and Diane usually both take medical coverage via PGE and PEBB and cover their entire family.

• Jack and Diane will see no difference in how their plan works.

*PGE represents a non-OEBB/PEBB employer
What have we been doing?

- Rule Construction
- DOJ Opinions
  - How Incentives Work
  - Special Contracts
  - Court Orders
  - Defining Health Benefit Plan
- Identifying System Changes
Member Thoughts for Next Open Enrollment

• Members may want to move the entire family to one medical plan to conserve on deductibles and out of pocket max.
  – Exception may be a couple on a HDHP via OEBB

• Members will want to be notified well ahead of schedule their opt out incentive will not be available starting with plan year 2020.

• Members will have to weigh the best rate structures, plans, contributions, etc. if OEBB/PEBB.
What can I do?

SB 1067 was voted on and passed by the 2017 Oregon State Legislature and signed into law by the Governor. The Boards must comply with the directives and implement them by the 2020 Plan Year.

If you have further concerns you can look up your representatives contact information by putting your address in the upper right search field on the Oregon State Legislature website:

https://www.oregonlegislature.gov/findyourlegislator/leg-districts.html
Thank You!