SB 1067 for PEBB Members

“Elimination of Opt-Out Incentives”
Opt Out Incentives

• In this session we will only be discussing Opt Out Incentives

• We have many participants joining us today
  – Please type your questions 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.

• Log in for our other presentation to discuss Double Coverage
  – Changes to Double Coverage: SB 1067 for PEBB members
    • Wednesday, Feb. 6, 2019 (4 – 5 p.m.)
SB 1067-Where did it come from?

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 15th to September 15th

• PEBB – January 1, 2020
  – Open Enrollment is October 1st to October 31st
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 and 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 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
Opt Out Scenarios

#1 (PEBB/PEBB)

Jack and Diane both work for different PEBB agencies. Jack usually takes the PEBB medical plan for the entire family and Diane usually Opt's Out of medical and takes the monetary incentive of $233.

- Effective January 1, 2020, either Jack OR Diane can cover the entire family with a PEBB medical plan. Neither can take the monetary incentive of $233 per month.
- 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.
Opt Out Scenarios

#2 (PEBB/OEBB)

Jack works for DOC and Diane works for Astoria SD. Both of them are currently eligible for an Opt Out incentive. But, this incentive now goes away effective October 1, 2019 for Diane and January 1, 2020 for Jack.

• Since Diane’s enrollment comes first they may choose to enroll in the OEBB medical plan until January 1, 2020. Jack can still take the $233 incentive until January 1, 2020.

• During Jack’s open enrollment the couple may evaluate PEBB and OEBB Medical Plans. They may evaluate the following:
  – Out of pocket costs
  – Richness of medical plan

• It may be likely we see Diane waive (opt out not eligible) the OEBB medical plan and Jack enrolls the entire family in the PEBB medical plan.

• Both Jack and Diane can still double cover the entire family on dental and vision.
#3 (PGE*/PEBB)

Jack works for PGE and Diane works for DOC. Diane usually opts out via PEBB and receives the $233 per month and Jack takes medical coverage via PGE and covers their entire family.

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

*PGE represents a non-OEHB/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 available starting with plan year 2020.
• Members will have to make a different selection in PEBB during OE next year-not able to Opt Out.
• Members will have to weigh out 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!