

OFFICE OF THE SECRETARY OF STATE
DENNIS RICHARDSON
SECRETARY OF STATE

LESLIE CUMMINGS
DEPUTY SECRETARY OF STATE



ARCHIVES DIVISION
MARY BETH HERKERT
DIRECTOR

800 SUMMER STREET NE
SALEM, OR 97310
503-373-0701

NOTICE OF PROPOSED RULEMAKING
INCLUDING STATEMENT OF NEED & FISCAL IMPACT

CHAPTER 459
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM

FILED
05/29/2018 4:17 PM
ARCHIVES DIVISION
SECRETARY OF STATE

FILING CAPTION: Expand enrollment opportunities in the PERS Health Insurance Program (PHIP).

LAST DAY AND TIME TO OFFER COMMENT TO AGENCY: 07/06/2018 5:00 PM

The Agency requests public comment on whether other options should be considered for achieving the rule's substantive goals while reducing negative economic impact of the rule on business.

CONTACT: Daniel Rivas
503-260-0270
daniel.rivas@pers.state.or.us

11410 SW 68th Parkway
Tigard, OR 97223

Filed By:
Daniel Rivas
Rules Coordinator

HEARING(S)

Auxiliary aids for persons with disabilities are available upon advance request. Notify the contact listed above.

DATE: 06/26/2018

TIME: 2:00 PM

OFFICER: Daniel Rivas

ADDRESS: Boardroom, PERS

11410 SW 68th Parkway

Tigard, OR 97223

NEED FOR THE RULE(S):

Provides direction to retirees regarding updated PHIP enrollment requirements.

DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE:

ORS 238.410, 238.415 & 238.420, available online at: https://www.oregonlegislature.gov/bills_laws/ors/ors238.html

FISCAL AND ECONOMIC IMPACT:

There are no discrete costs attributable to the rule.

COST OF COMPLIANCE:

(1) Identify any state agencies, units of local government, and members of the public likely to be economically affected by the rule(s). (2) Effect on Small Businesses: (a) Estimate the number and type of small businesses subject to the rule(s); (b) Describe the expected reporting, recordkeeping and administrative activities and cost required to comply with the rule(s); (c) Estimate the cost of professional services, equipment supplies, labor and increased administration required to comply with the rule(s).

None.

DESCRIBE HOW SMALL BUSINESSES WERE INVOLVED IN THE DEVELOPMENT OF THESE RULE(S):

The rule does not affect small businesses and therefore small businesses were not involved in the development of the

rule.

WAS AN ADMINISTRATIVE RULE ADVISORY COMMITTEE CONSULTED? NO IF NOT, WHY NOT?

A public hearing will be held and the PERS Board solicits input on rules from any interested parties.

AMEND: 459-035-0070

RULE SUMMARY: A retired member is eligible to enroll in the PERS-sponsored health insurance plans (PHIP) within specific time periods outlined in rule. Two of those time periods are: 1) within 90 days of the retired member's effective date of retirement; and 2) within 90 days of Medicare eligibility. While these standards work in most situations, there are certain circumstances in which a member can have a retroactive retirement date and thereby miss an opportunity to enroll in PHIP.

The effective retirement date for a disability retirement is the first of the month following the date of disability. A member cannot apply for disability retirement before the date of disability and a disability application takes, on average, six months to process. Therefore, the effective date of disability retirement is always a retroactive date. In addition, if a member who is eligible for service retirement applies for disability retirement and is denied, the member can apply for a service retirement with a retroactive effective retirement date of the first of the month in which the disability application was received. Similarly, members who are initially denied Social Security and are later approved will also have a retroactive Medicare eligibility date. Under the current PHIP enrollment rule, these members do not have an opportunity to enroll in PHIP due to the retroactive retirement date.

The amendments to the rule address these retroactive effective date situations and provide an enrollment window for eligible persons in these circumstances. If enrolled, PHIP coverage would only be prospective from the enrollment date.

Additional edits to the rule have been made to: update the name of the PHIP application form and clarify information requirements for a completed application; clarify that all Medicare-enrolled individuals (member, spouse, dependents) enrolling in PHIP are required to be in the same Medicare Companion Plan; and remove the requirement of a new application form from a surviving spouse or dependent who is already enrolled in PHIP at the time of a member's death.

CHANGES TO RULE:

459-035-0070

Enrollment ¶¶

- (1) Enrollment requirements of PERS-sponsored health insurance plans for eligible persons are as follows:¶¶
- (a) An eligible person must complete all applicable parts of the PERS Medical & Dental Insurance Application Form, Health Insurance Program Enrollment Request Form, and file submit the form with all required supporting documents to the Third Party Administrator including, in the case of a dependent domestic partner, an Affidavit of Dependent Domestic Partnership. The form must be submitted prior to the requested effective date of enrollment. The PERS Health Insurance Program Enrollment Request Form must: ¶¶
- (A) Indicate which plan is desired and it must be: ¶¶
- (B) List individually all dependents, including the spouse, that are to be enrolled. The form can be obtained from the Third Party Administrator or PERS; and ¶¶
- (C) Have signatures of all members, dependents over the age of 18, and spouses that are to be enrolled. ¶¶
- (b) An eligible person who is a retiree may enroll:¶¶

- (A) Within 90 days of the retiree's effective date of retirement;¶
 - (B) Within 90 days of the date of submitting a service retirement application under OAR 459-015-0025(4)(c);¶
 - (C) Within 90 days of the date of the Disability Approval Letter generated under OAR 459-015-0025(5)(a);¶
 - (D) At any time if covered under another group health insurance plan for 24 consecutive months immediately preceding enrollment, provided that the application for enrollment is filed within 30 days of loss of coverage. Health care coverage under workers' compensation, Medicare or any other governmental entitlement program for health care do not qualify as other group health insurance coverage for purposes of this paragraph;¶
 - (~~E~~) Within 90 days of initial Medicare eligibility, if the retiree is enrolled in Parts A and B of Medicare;¶
 - (F) Within 90 days of the date of the Notice of Award letter issued by the Social Security Administration; or¶
 - (~~D~~~~G~~) During an open enrollment period designated by the Board.¶
- (c) Except as provided in subsections (f) and (g) of this section, an eligible spouse, dependent domestic partner, or dependent must be enrolled at the same time ~~and in the same plan as the eligible retiree. An eligible spouse, dependent domestic partner or dependent enrolling in Parts A and B of Medicare must be enrolled in the Medicare Companion Plan offered by the same carrier that covers the eligible retiree;~~¶
- (d) An eligible surviving spouse or dependent who is enrolled under the deceased retiree's plan at the time of death may continue coverage under that plan, ~~and must complete a Medical & Dental Insurance Application form as soon as possible following the retiree's death;~~¶
- (e) An eligible surviving spouse or dependent who is not covered under the retiree's plan at the time of the retiree's death, may enroll:¶
- (A) Within 90 days of the retiree's death;¶
 - (B) At any time if covered under another group health insurance plan for 24 consecutive months immediately preceding enrollment, provided that the application for enrollment is filed within 30 days of loss of coverage. Health care coverage under workers' compensation, Medicare or any other governmental entitlement program for health care do not qualify as other group health insurance plan coverage for purposes of this paragraph;¶
 - (C) Within 90 days of initial Medicare eligibility, if he or she is enrolled in Parts A and B of Medicare;¶
 - (D) Within 90 days of the date of the Notice of Award letter issued by the Social Security Administration; or¶
 - (~~D~~~~E~~) During an open enrollment period designated by the Board.¶
- (f) A new spouse, dependent domestic partner, or dependent may be enrolled:¶
- (A) Within 30 days of becoming a spouse, a dependent domestic partner or dependent;¶
 - (~~B~~) ~~If not enrolled in Medicare, only with the same carrier that the eligible retiree is enrolled in; and¶~~
 - (~~C~~~~B~~) If enrolled in Parts A and B of Medicare, only in the Medicare Companion Plan offered by the same carrier that covers the eligible retiree.¶
- (g) An eligible retiree's spouse may enroll within 90 days of initial Medicare eligibility, if he/she is enrolled in Parts A & B of Medicare even though the retiree remains enrolled in a non-PERS health plan.¶
- (2) Special enrollment requirements for dental insurance plans:¶
- (a) Only persons who are enrolled in a PERS-sponsored health insurance plan may enroll in a PERS-sponsored dental insurance plan. Enrollment in a PERS-sponsored dental insurance plan must be made under the enrollment conditions for the PERS-sponsored health insurance that are described in section (1) of this rule.¶
 - (b) Dental insurance coverage is not available to any eligible person unless all family members (the retiree, spouse, dependent domestic partner and dependent(s)) who are enrolled in a PERS-sponsored health insurance plan also enroll in the same PERS-sponsored dental insurance plan.

Statutory/Other Authority: ORS 238.410, 238.650

Statutes/Other Implemented: ORS 238.410, 238.415, 238.420