



# Oregon

Tina Kotek, Governor

## Public Employees Retirement System

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July 24, 2026

TO: Members of the PERS Board

FROM: Yong Yang, Research Policy Coordinator, Policy Analysis and Compliance Section  
Stephanie Vaughn, Manager, Policy Analysis and Compliance Section

SUBJECT: Adoption of the PERS Health Insurance Program (PHIP) Enrollment Rule

OAR 459-035-0070 *Enrollment*

### OVERVIEW

- Action: Adoption of PHIP rule updates.
- Reason: Update and clarify the PERS Health Insurance Program's (PHIP) health insurance and dental insurance enrollment timing and requirements.

### BACKGROUND

The PERS Health Insurance Program (PHIP) rules establish eligibility and enrollment requirements for retirees and their eligible family members, including spouses, domestic partners, and dependents. Under the current rule, enrollment in PERS-sponsored health insurance and related coverage options is generally structured around coordinated enrollment timing and plan selection requirements for retirees and their eligible family members.

The existing rule contains several limitations that restrict flexibility for participants and may create unintended barriers to enrollment. These include requirements that eligible family members enroll at the same time as the retiree and restrictions linking dental plan enrollment to enrollment in a PERS-sponsored health insurance plan. In addition, the rule does not clearly address certain enrollment scenarios involving Medicare-eligible spouses or dependents, particularly where the retiree and spouse may have different coverage elections or timing considerations.

The proposed amendments to OAR 459-035-0070 are intended to clarify and expand enrollment pathways while maintaining administrative consistency. The amendments expressly allow certain eligible spouses to enroll in PHIP coverage independent of the retiree in limited circumstances, including when the spouse is enrolled in Medicare Parts A and B. The rule also clarifies that, where both the retiree and spouse are enrolled in Medicare-based coverage through PHIP, they must enroll in the same Medicare Companion Plan offered by the same carrier.

In addition, the amendments revised enrollment timing provisions by extending the period for applying following loss of other group health coverage from 30 days to 60 days, and by clarifying the applicability of existing enrollment windows tied to Medicare eligibility, Social Security award notices, and Board-designated open enrollment periods. These changes are

intended to improve access to coverage while preserving clear and administrable enrollment standards.

The amendments further modify the rules governing dental plan enrollment. Specifically, they remove the requirement that an individual must be enrolled in a PERS-sponsored health insurance plan in order to enroll in a PERS-sponsored dental plan, thereby allowing stand-alone dental enrollment. The rule also clarifies that when multiple family members enroll in a dental plan, they must enroll in the same plan.

#### PUBLIC COMMENT AND HEARING TESTIMONY

A rulemaking hearing was held remotely, and in person, on June 23, 2026, at 2:00 p.m. The public comment period ended June 26, 2026, at 5:00 p.m. All public comments are included in attachment 2. PERS received two public comments on this rulemaking item.

Both comments are supportive of the proposed changes. The second comment also suggested further clarification regarding the requirement of being covered by another group health insurance plan for 24 consecutive months, suggesting that the language could be interpreted too literally (i.e. exactly 24 months, no more, no less). Staff have included clarifying language of "...at least 24 consecutive months..." in all three places the requirement is provided in the rule: (1)(b)(D), (1)(e)(B), and (1)(g)(C).

#### IMPACT

Mandatory: No

Benefit: The proposed changes are designed to increase flexibility for participants, address gaps and ambiguities in current enrollment provisions, and reduce administrative complexity by providing clearer and more consistent enrollment standards.

Cost: There are no discrete costs attributable to the rule.

#### RULEMAKING TIMELINE

|                |                                                                                                                                                                                          |
|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| May 25, 2026:  | Staff began the rulemaking process by filing Notice of Rulemaking with the Secretary of State.                                                                                           |
| May 29, 2026:  | PERS Board notified that staff began the rulemaking process.                                                                                                                             |
| June 1, 2026:  | Secretary of State published the Notice in the Oregon Administrative Rules Database. Notice was sent to employers, legislators, and interested parties. The public comment period began. |
| June 23, 2026: | Rulemaking hearing was held remotely and at the PERS headquarters at 2:00 p.m.                                                                                                           |
| June 26, 2026: | Public comment period ended at 5:00 p.m.                                                                                                                                                 |

July 24, 2026: Staff will propose adopting the rule modifications, including any changes resulting from public comment or reviews by staff.

#### BOARD OPTIONS

The Board may:

1. Pass a motion to adopt updates to the PHIP program.
2. Direct staff to make other changes to the rules or explore other options.

#### STAFF RECOMMENDATION

Staff recommends the Board choose Option #1.

B.4. Attachment 1 – OAR 459-035-0070 *Enrollment*

B.4. Attachment 2 – *Public Comment*