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## **NOTICE OF PROPOSED RULEMAKING**

INCLUDING STATEMENT OF NEED & FISCAL IMPACT

CHAPTER 459

### **OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM**

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**FILED: 05/27/2026 12:35 PM**

ARCHIVES DIVISION SECRETARY OF STATE

FILING CAPTION: Updates and clarifications to the PERS Health Insurance Program (PHIP).

LAST DAY AND TIME TO OFFER COMMENT TO AGENCY: 06/26/2026 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.*

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#### Filed By:

Joel Mellor  
Rules Coordinator

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#### HEARING(S)

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

DATE: 06/23/2026

TIME: 2:00 PM

OFFICER: Joel Mellor

#### IN-PERSON HEARING DETAILS

ADDRESS: PERS Headquarters Boardroom, 11410 SW 68th Parkway, Tigard, OR 97223

#### REMOTE HEARING DETAILS

MEETING URL: [Click here to join the meeting](#)

PHONE NUMBER: 971-300-4342

#### SPECIAL INSTRUCTIONS:

Meeting ID: 256 569 515 341 71

Passcode: KE25Bw3G

#### Dial in by phone

+1 971-300-4342,,88787756# United States, Portland

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NEED FOR THE RULE(S):

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 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.

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DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE:

ORS 238.410, 238.650, 238.415, & 238.420

These documents are available on the Internet at: [https://www.oregonlegislature.gov/bills\\_laws/Pages/ORS.aspx](https://www.oregonlegislature.gov/bills_laws/Pages/ORS.aspx)

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STATEMENT IDENTIFYING HOW ADOPTION OF RULE(S) WILL AFFECT RACIAL EQUITY IN THIS STATE:

Adoption of the rule will not affect racial equity.

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FISCAL AND ECONOMIC IMPACT:

There are no discrete costs attributable to the rules.

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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.

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

The rules do not affect small businesses and therefore small businesses were not involved in the development of the rules.

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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 or affected parties.

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AMEND: 459-035-0070

RULE SUMMARY: This rule further defines eligibility in Pers Health Insurance Plan (PHIP)

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 Health Insurance Program Enrollment Request Form, and submit the form with all required supporting documents to the Third Party Administrator prior to the requested effective date of enrollment. The PERS Health Insurance Program Enrollment Request Form must: ¶¶

(A) Indicate which plan is desired;¶¶

(B) List individually all dependents, including the spouse, that are to be enrolled; 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 ~~360~~ 360 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¶¶

(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 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 same Medicare Companion Plan ~~offered by, from~~ 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.¶¶

(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 ~~360~~ 360 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¶¶

(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; and¶¶

(B) If enrolled in Parts A and B of Medicare, only in the same Medicare Companion Plan ~~offered by, from~~ the same carrier that covers the eligible retiree.¶¶

(g) An eligible retiree's spouse may enroll ~~with~~:¶¶

(A) Within 90 days of initial Medicare eligibility, ¶¶

if the ~~spouse~~ spouse is enrolled in Parts A ~~and~~ B of Medicare, even though the retiree remains enrolled in a non-PERS health plan. In order for the spouse to remain enrolled, the retiree must join the spouse in the same plan from the same carrier as the spouse at the latest of the applicable enrollment periods described in paragraphs (1)(b)(D) and (E) of this rule;¶¶

(B) Within 90 days of initial Medicare eligibility, if enrolled and Parts A and B of Medicare, only in the same Medicare Companion Plan, from the same carrier that covers the eligible retiree; ¶

(C) 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 60 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; ¶

(D) Within 90 days of the date of the Notice of Award letter issued by the Social Security Administration; or ¶

(E) During an open enrollment period designated by the Board. ¶

(2) Special enrollment requirements for dental insurance plans: - ¶

(a) ~~Only persons who are~~ Dental enrollment for retirees enrolled in PHIP health insurance ¶

(A) An eligible person who is 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 within the applicable enrollment periods described in section (1) of this rule. ¶

(B) If an eligible retiree and one or more eligible family members (spouse, dependent domestic partner, or dependent) elect to enroll in a PERS-sponsored health dental insurance that a plan, all such enrolled individuals must enroll in the same PERS-sponsored described in section (1) of this rule. ¶

~~(b) Dental insurance coverage is not available to any eligible person unless all~~ dental insurance plan. ¶

(b) Stand-alone dental enrollment ¶

(A) An eligible person who is not enrolled in a PERS-sponsored health insurance plan may enroll in a PERS-sponsored dental insurance plan independent of enrollment in a PERS-sponsored health insurance plan. Enrollment must be made within the applicable enrollment periods described in section (1) of this rule, unless otherwise specified by the Board. ¶

(B) If an eligible retiree and one or more eligible family members (the retiree, spouse, dependent domestic partner, and, or dependent(s) who are) elect to enrolled in a PERS-sponsored health dental insurance plan, also such enrolled individuals must 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