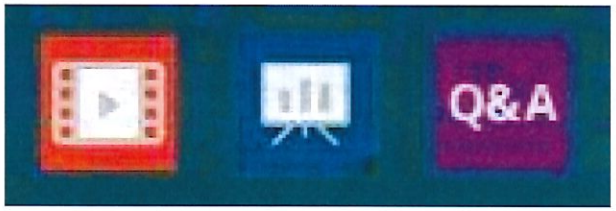
SB 1067

"Elimination of Double Coverage and Opt-Out Incentives"

Webinar Tips

- Close all other programs on your computer
- You can resize, move and minimize the windows within your webinar screen
- Use "widget" icons at the bottom to open windows that are minimized



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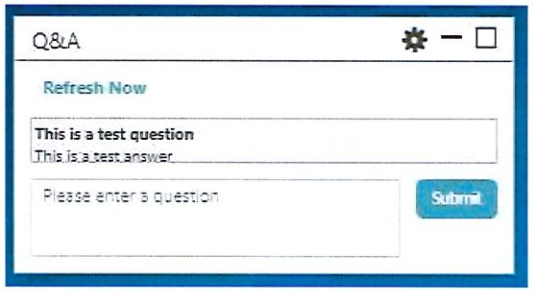

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SB 1067-Where did it come from?

Legislation passed July 7, 2017

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

Here are just a few which mainly affect us:

1. Sets Cap on Increase in Government Employee Health Costs (3.4%)
2. Prohibits Double Coverage
3. Eliminates Opt-out Payments
4. Requires OEBB/PEBB to perform dependent audits

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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
- Establish scenarios which affect our membership
- Collaborate with DOJ on opinions, policy and rules
- Create OARS
- Enhance system processes to enable tracking of SB 1067
- Communicate and work with membership implementing SB 1067

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Common FAQs?

- OEBB and PEBB do not propose to align plan years
- OEBB will not eliminate composite rate structure at this time
- SB 1067 does not require one spouse/DP to take their plan and the other spouse/DP to take their plan
- OEBB and PEBB will not merge plans or systems
- OEBB and PEBB have merged administratively but our contracts and plans remain separate

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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

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Double Coverage Scenarios

#1 (OEBB/OEBB)

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

- Effective October 1, 2019, either Jack **OR** Diane can cover the entire family with a OEBB 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 the children with medical if Jack covers them.
- Both Jack and Diane can still double cover the entire family on dental and vision.

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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 form 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.

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Double Coverage Scenarios

#3 (PGE/OEBB)

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

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

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Opt Out Scenarios

#1 (OEBB/OEBB)

Jack and Diane both work for different OEBB entities. Jack usually takes the OEBB medical plan for the entire family and Diane usually Opts Out of medical and takes the monetary incentive.

- Effective October 1, 2019, either Jack **OR** Diane can cover the entire family with a OEBB medical plan. Neither can take the monetary incentive.
- Jack could take the coverage for himself and their children and Diane could take employee only coverage. She would not be able to cover the children with medical if Jack covers them.
- Both Jack and Diane can still double cover the entire family on dental and vision.

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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 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.

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Opt Out Scenarios

#3 (PGE/OEBB)

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

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

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What have we been doing?

- Rule Construction
- DOJ Opinions
  - How Incentives Work
  - Special Contracts
  - Court Orders
  - Defining Health Benefit Plan
- Identifying System Changes

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Rule Construction

- We will create a new SB 1067 section

- Obviously, rules will be a bit more challenging on the OEBB side. Many different monetary incentives exist on the OEBB side than PEBB.
- Rules for system processes will need to be developed
  - Who gets coverage terminated once double coverage is discovered via OEBB/PEBB?

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DOJ Opinion

- What is a monetary incentive versus employer contribution?
  - The PEBB incentive is $233 and clearly not the employer contribution
  - The PEBB incentive is cash and added to the payroll
  - The OEBB incentive could be anything even up to the employer contribution
  - The OEBB incentive might not be cash added to the payroll
- Does the incentive have to be paid to the subscriber waiving (opting out not eligible) or can it be paid to their spouse/DP
- Court Orders
  - Parent has a court order to cover children on medical
- Health Benefit Plan
  - Can we assume a Health Benefit Plan only refers to medical/RX

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System Changes

- **QSCs**
  - Both OEBB and PEBB will have to allow special QSCs during the other's enrollment period to add or drop dependents
  - Both OEBB and PEBB will have to ask subscribers a series of questions when they click on medical to evaluate their enrollment

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System Changes

- **PEBB/PEBB, OEBB/OEBB & OEBB/PEBB Double Coverage Changes and Language**
  - What if dad is under court order to carry coverage but mom has child enrolled
  - Whose coverage gets dropped (birthday rule?)
  - Stopping subscriber in OEBB/OEBB enrollment when the second (or third) person tries to double (triple) cover
  - We can't assume the richer plan is the best coverage
    - Contributions can differ at each entity (this includes HSA contributions)

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System Changes

- **OEBB/PEBB Double Coverage Changes and Language**
  - This scenario will be the most challenging as the systems are not synchronized
  - Instead of stopping the subscriber from enrolling we will have to ask them a series of questions to evaluate their enrollments
  - We will have to have protective language in both systems to protect OEBB/PEBB of retro terminations
  - Do we hire extra staff to communicate these changes to subscribers
- **PEBB Opt Out**
  - PEBB will have to identify an Opt Out that qualifies for the $233 incentive from a subscriber that Opts Out due to other OEBB/PEBB coverage
    - New codes in PEBB to transfer to payroll
    - Possibly create a new non-plan called Non- Incentive Opt Out
    - Rule change around this plan offering

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System Changes

- **OEBB Opt Out**
  - OEBB will have to communicate to entities/members that are used to Opting Out that they now have to Waive

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OEBB/PEBB Needs

- Potential need for OEBB/PEBB to hire staff to facilitate communications between OEBB/PEBB members needing to drop one coverage
- System changes will be costly and developing sound new processes will take time and effort to complete

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What can I do?

SB 1067 was proposed legislation that 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 in SB 1067 as law 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

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Thank You!

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