OHA Mission: Helping people and communities achieve optimum physical, mental and social well-being through partnerships, prevention and access to quality, affordable health care.
PEBB & OEBB Goals and Purpose

• PEBB and OEBB plans cover 6% of Oregon’s population
  – 270,000 members - employees and dependents
• Members live and work in every Oregon county

Goals
• Improve member health with fully-covered preventive services and wellness programs
• Enhance quality care through the Coordinated Care Model (CCM)
• Contain costs by maintaining a sustainable budget rate of growth
• Advance health care transformation
PEBB and OEBB: Strategic Plan

• Advance health care transformation with plans that
  – Coordinate care and improve access to services
  – Hold growth at 3.4%
  – Integrate coordinated, patient-centered care – physical, mental and dental
  – Demonstrate better health outcomes
  – Embrace alternative payment models
  – Support new partnerships and strengthen existing ones
PEBB Cost Trend Against Commercial Trend

Yearly Rate Changes

Oregon Self-Insured Trend

Oregon Self-Insured Trend

PEBB Trend

Avg Costs Paid Per PEBB Enrolled Employee

Oregon Self Insured Plan Cost Trend
OEBB Cost Trend Against Commercial Trend

<table>
<thead>
<tr>
<th>Year</th>
<th>OEBB Trend</th>
<th>Oregon Commercial Trend</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009-10</td>
<td>3.03%</td>
<td>12.00%</td>
</tr>
<tr>
<td>2010-11</td>
<td>6.22%</td>
<td>11.00%</td>
</tr>
<tr>
<td>2011-12</td>
<td>-0.39%</td>
<td>9.00%</td>
</tr>
<tr>
<td>2012-13</td>
<td>2.42%</td>
<td>9.00%</td>
</tr>
<tr>
<td>2013-14</td>
<td>-2.49%</td>
<td>9.50%</td>
</tr>
<tr>
<td>2014-15</td>
<td>3.43%</td>
<td>8.80%</td>
</tr>
<tr>
<td>2015-16</td>
<td>3.32%</td>
<td>8.00%</td>
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</tbody>
</table>
Member smoking rate of 4% is significantly lower than Oregon employed and insured (15%) and U.S. population (17.3%).
Obesity rates among PEBB and OEBB covered employees appear to be slightly above the state rate for employed and insured individuals (28.4%) and the national rate (28.8%).
Public Employees’ Benefit Board
2017-19 Budget Overview
Four members representing management:
• Mark Fairbanks, Chair
• Bill Barr
• Jim Rickards, MD
• Vacant

Four members representing labor:
• Shaun Parkman, Vice-Chair
• Stacy Chamberlain, JD
• Paul McKenna
• Mark Perlman, PHD

Two non-voting advisory members:
• Member of the Senate: Sen. Betsy Johnson
• Member of the House of Representatives: Rep. Mitch Greenlick
Whom PEBB Serves

2016 PEBB Active Enrollments

- **State Agencies**: 36,844 employees, 61,842 dependents
- **Universities**: 14,671 employees, 19,521 dependents
- **Lottery & Semi Independent**: 1,177 dependents

Employees: Blue, Dependents: Orange
## PEBB Composite Rate History

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Composite Rate</td>
<td>$1,263</td>
<td>$1,275</td>
<td>$1,338</td>
<td>$1,340</td>
<td>$1,322</td>
<td>$1,356</td>
<td>$1,416</td>
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</table>

**Composite Rate:** PEBB’s composite rate is a weighted average cost for an employee enrolled in medical, dental, vision and basic life insurance. It is used for budgeting purposes only.
PEBB Budget Efficiencies

PEBB Projected Budget Composite Rate (PEPM)  
Change from Prior Year
PEBB Core Benefits

- **Health Plans**
  - Medical
  - Dental
  - Vision

- **Basic Employee Life Insurance**

- **Employee Assistance Program**

Premium cost shared by employee and employer
PEBB Optional Benefits

Insurance
• Life
• Accidental death and dismemberment
• Long- and short-term disability
• Long-term care

Flexible spending accounts: Health and dependent care

Commuter accounts: Parking and transit

Premium paid entirely by employee
PEBB 2017-19
Budget
PEBB 2017-19 Governor’s budget by Program

Total
$1.9 Billion

$1.5 Billion
79%
PEBB Self Insurance

$276 Million
15%
PEBB Fully Insured Plans

$67 Million
4%
PEBB Optional Benefits

$28 Million
1%
PEBB Stabilization

$10 Million
1%
PEBB Operations

$10 Million
1%
PEBB Flex Benefit Admin

$1 Million
<1%
PEBB Flex Benefit Admin
PEBB 2017-19 Governor’s budget by Fund Type

Total
$1.9 Billion

$1.9 Billion
100%
Other Fund
PEBB Premium Funding “Inflows”

**Agencies**

- Budget limitation based on Biennial composite Per Employee Per Month
  - x
  - # of Employees

**Payrolls**

- 95%/99% of Premiums and PEBB Opt-Out payments (Employer Share)
- 5%/1% Employee Contributions and Optional Benefits
- Early Retirees, COBRA, Semi-Independent Premiums
- EE Surcharges

“PEBB Treasury Account”
PEBB Expenditure Outflows

“PEBB Treasury Account”

- Fully-Insured Premiums
- Self-insured Costs
- Optional Benefit Plan Costs
- Health Engagement Model Payments
- PEBB Operations
- Stabilization Fund
PEBB Major Program Changes

- Governor’s Executive Order: Statewide Wellness Coordinator
- Removed deductible for in-network outpatient mental health services
- Expanded plan geographic coverage areas
- PEBB medical plan contracts now include quality and outcome measures that closely align with the incentive metrics OHA has established for CCOs
- Inflation growth capped at 3.4 percent annually
PEBB Enrollment Migration

- Members moving from preferred provider organization (PPO) plan
- Members choosing coordinated care model (CCM) plans with lower premium share

Member Migration Between Plan Types 2014-2017

- Coordinated Care Model (CCM)
- Preferred Provider Organization (PPO)
KPM: PEBB 2016 Customer Service Survey

- Employee Helpfulness: 86% of PEBB survey responders rated PEBB employees as “good/excellent” for employee helpfulness.

- Employee Knowledge: 86% of PEBB survey responders rated PEBB employees’ knowledge and expertise as “good/excellent”.

- Overall Quality of Service: 85% of PEBB survey responders rated PEBB’s overall quality of service as “good/excellent”.
Oregon Educators Benefit Board (OEBB)

Two members representing school boards:
- Ron Gallinat
- Nancy MacMorris-Adix, Chair

Two members representing education management:
- Bob Stewart
- Heather Cordie, PhD

Four members representing education non-management:
- John Larson
- Rick Shidaker
- Cherie Maas-Anderson, Vice-Chair
- Holly Spruance

Two health policy experts:
- Geoffrey Brown
- Tom Syltebo, MD

One member representing local government management
- Jonian “JJ” Scofield

One member representing local government non-management
- Vacant
Whom OEBB Serves

- School Districts (188)
- Educational Service Districts (19)
- Charter Schools (20)
- Community Colleges (16)
- Local Government (2)
- Special districts (3)
OE算 Member Enrollments

2016 OE算 Active Enrollments

- School Districts: Employees, 47,266, Dependents, 70,458
- ESDs/Community Colleges/Charter Schools: Employees, 9,617, Dependents, 11,661
- Local Governments/Special Districts: Employees, 994, Dependents, 1,026
OEBB 2017-19
Budget
OEBB 2017-19 Governor’s budget by Program

Total $1.7 Billion

$1.7 Billion
99%
OEBB Stabilization

$12 Million
1%
OEBB Operations
OEBB 2017-19 Governor’s budget by Fund Type

- Total
  - $1.7 Billion

- $1.7 Billion
  - 100% Other Fund
OEBB Medical Plan Highlights

Most offer

- Offer primary care office visits with low copays
- Lowered copayments for certain chronic condition office visits - no deductible or coinsurance

All 2016 medical plans

- Cover nationally recommended preventive services
- Limit out-of-pocket costs
- Data-driven benefit designs
OEBB Core Benefit Options

• Medical plans
  – 4 statewide PPO options
  – 5 CCM options
  – 3 regional HMO options
  – All include high deductible health plan

• Pharmacy plans
  – 1 statewide Oregon Prescription Drug Program (OPDP) plan
  – 1 regional HMO plan

• Premiums shared between employer and employee
OEBB Core Benefit Options

• **Dental plans**
  – Five statewide indemnity plans
  – One regional managed care plan
  – One regional HMO plan

• **Vision plans**
  – Three statewide fully insured plans
  – One regional fully insured HMO plan

• **Employee Assistance Program**

• **Premiums shared between employer and employee**
OEBB Optional Benefits

Insurance

• Life
• Accidental death and dismemberment
• Long- and short-term disability
• Long-term care

Health Savings Account with qualified high deductible health plan (HDHP)

Flexible Spending Accounts: Health and dependent care

Commuter Accounts: Parking and transit

Premiums paid entirely by employee
OEBB Enrollment Migration

- Members moving from preferred provider organization (PPO) plan
- Members choosing coordinated care model (CCM) plans with lower premium share

Member Migration Between Plan Types 2014-2017
KPM: OEBB 2016 Customer Service Survey

• Employee Helpfulness: 83% of OEBB survey responders rated OEBB employees as “good/excellent” for employee helpfulness

• Employee Knowledge: 83% of OEBB survey responders rated OEBB employees’ knowledge and expertise as “good/excellent”

• Overall Quality of Service: 81% of OEBB survey responders rated OEBB’s overall quality of service as “good/excellent”
PEBB and OEBB
Major Budget Drivers and Risks

• Controlling cost drivers
  – Pharmaceuticals: specialty drugs
  – Uncertainty in federal policy
  – Chronic conditions in an aging workforce

• Engaging members in
  – Healthier choices
  – More-coordinated care
Questions?