

**Oregon Educators Benefit Board  
Minutes  
September 27, 2007**

The Oregon Educators Benefit Board held a regular meeting on September 27, 2007, at the Willamette Education Service District, 2611 Pringle Road in Salem, Oregon. Chair Steve McNannay called the meeting to order at 12:15 p.m.

**Attendees**

Board Members:

Steve H. McNannay  
Brett M. Yancey  
Michael J. Cannarella  
Richard T. Clarke  
Ron A. Gallinat  
Victor S. Musial  
Peter M. Tarzian

Board Members Absent:

Mylia Christensen  
Alison S. Little, MD  
Thomas A. Husted

OEBB Staff:

Jean Thorne, PEBB/OEBB Administrator  
Denise Hall, OEBB Deputy Administrator  
Carolyn Bader, Contracts Coordinator  
Glenn Baly, Program/Policy Development Coordinator  
Ali Hassoun, Financial Coordinator  
Scott Rupp, Communications Coordinator  
Rose Mann, Executive Assistant

Consultants:

Geoff Brown, Watson Wyatt  
Steve Carlson, Watson Wyatt  
Anne Thompson, Watson Wyatt  
Michael Marion, Watson Wyatt  
Carol Butterfield, Watson Wyatt

Guests:

Lisa Trussel, Health Net of Oregon  
Brian Riney, Providence Health Plans  
Mary Margaret Castaneda, Health Net  
Janie McCollister, CCI Services  
Steve Schmick, Kaiser Permanente  
Gordon Hoberg, ODS  
Kelly Furman, Advantage Dental  
Renee McDonald, Regence  
Herb Drew, Drew and Buehler Financial  
Shelia Jameson, OEA Choice



**Steve McNannay** welcomed Board members, OEBC staff and guests.

**1. Approval of September 13, 2007 meeting minutes (Attachment 1)**

*Denise Hall* explained that the Board received revised minutes for approval yesterday afternoon (Attachment 1-R)

*Peter Tarzian moved to approve the minutes of September 13, 2007. Michael Cannarella seconded the motion. The motion carried 8 - 0.*

**2. Overview of Meeting - Denise Hall**

**Denise Hall** provided an overview of the meeting agenda.

**3. Staff Report**

**Denise Hall** stated that the OEBC staff will attend a retreat of their own on October 2 that is designed to foster team building and provide the staff an opportunity to get to know each other better.

**4. Overview of meeting with OSBA**

**Steve McNannay** reported that the September 19 meeting with OSBA was very successful. Kevin McCann reiterated OSBA's willingness to assist OEBC in any way they can. OSBA will be contacting superintendents and business managers to let them know that a survey will be coming out.

## 5. Work plan Update

**Ann Thompson** stated that the work plan is posted on the webpage and the Board is on target.

## 6. Issues Log (Attachment 2)

Anne Thompson explained that the issues log (Attachment 2) is a log of issues to be addressed that Board Members have expressed concerns with or have questions about.

**Richard Clarke** asked on what date a recommendation of the definition of comparability is scheduled to come back to the Board.

**Steve Carlson** stated that the Board provided guidance about the general approach at its last meeting. As the Plan Design Workgroup looks at specific designs, it will take that guidance into account. The recommended plan designs will be brought back to the Board on October 25, although the Board does not need to approve them until the following meeting. The issue of comparability will be addressed as those plan designs are reviewed.

Steve Carlson said Watson Wyatt needs to review additional data on current plan designs in order to frame an accurate statement on comparability.

**Richard Clarke** stated that he thinks OEBB should adopt a rule defining comparability. He wants to be sure the Board is being completely transparent with the community.

**Denise Hall** stated that she is not certain that it is required that this particular definition is in a rule.

**Peter Tarzian** asked if staff has made contact with DOJ about putting the definition of comparability in rule.

**Richard Clarke** stated that he felt the Board should give some strong thought to putting the definition of comparability into administrative rule.

**Peter Tarzian** suggested that the Board contact OEBB's attorneys early regarding the definition of comparability.

It was determined that the manner in which comparability is addressed should be added to the Issues Log.

On another matter, **Steve McNannay** stated that OEBC staff had received a question from a law firm relating to whether SB 989 affects whether a district will be exempt from SB 426.

**Steve McNannay** stated that SB 989 changes the number of members a district must have in order to become self-insured and that SB 989 has no impact on whether self-insured districts must join OEBC, since SB 426 speaks to districts self-insured prior to January 1, 2007.

**Denise Hall** stated that she confirmed with the Department of Justice that SB 989 has no impact on SB 426 at this point in time.

The Board agreed that SB 989 has no impact on when a district will phase into the OEBC plans under SB 426.

It was determined that the relationship between SB 989 and SB 426 should be documented on the Issues Log and noted as completed.

#### **7. Board Retreat Outcomes – Guiding Principles (Attachments #3 and #4)**

**Jean Thorne** reviewed the draft guiding principles of the Board that were the result of the Board’s discussions during the September 14, 2007, retreat. The two overarching principles coming out of the discussions are:

- The Board will operate as a cohesive unit that provides for open discussion on topics and;
- The Board will operate in a transparent manner that fosters public trust, input and understanding of OEBC decisions and policies.

The Board then discussed the guiding principles it will use when contracting for benefit plans as identified in the nine elements outlined under Section 4(1) of the Bill.

##### ***(a) Employee Choice among high quality plans***

OEBC will offer employees a range of benefit plan designs that provide high-quality care and services.

**Richard Clarke** noted that there should be a reference to the balance with affordability.

##### ***(b) Encouragement of a competitive marketplace***

OEBC will encourage competition in the marketplace in the areas of quality, outcomes, service and cost.

***(c) Plan performance and information***

OEBB will consider plan performance in the areas of quality, administrative processes and costs in making its decision. It will promote system-wide transparency that provides members with comprehensive information on these issues.

**Richard Clarke** suggested adding “outcomes” to the first statement.

***(d) District flexibility in plan design and contracting***

OEBB will offer a range of benefit plan designs that provide districts with the flexibility to choose options that meet their and their employees’ individual financial and health needs.

**Richard Clarke** suggested that flexibility should interact with cost affordability.

***(e) Quality customer service***

OEBB will encourage benefit plans and providers to offer members consistent access to care and services, integrated care systems that provide effective treatment and personal and prompt service that meets customers’ needs.

The Board agreed that OEBB will encourage benefit plans and providers to offer members care and services through a variety of means (e.g., live person on telephone, text messaging, on-line, etc.).

***(f) Creativity and innovation***

OEBB will seek out plans and providers that use creative and innovative methods and practices that are evidence-based and/or measurable.

***(g) Plan benefits as part of total compensation***

OEBB will recognize the impact of its decisions on employees’ total compensation.

***(h) Improvement of employee health***

OEBB will promote employee health and wellness through plan design components, disease and case management, and consumer education.

***(i) Cost Affordability to the districts, employees, and taxpayers***

OEBB will take into account the total costs of benefit plans, as well as levels of employee cost-sharing for services, in offering a range of benefit plan designs.

**Richard Clarke** suggested that a vision statement be crafted as part of the background. **Jean Thorne** agreed that a piece could be put in the background referencing the OEBC vision.

**Peter Tarzian** suggested that OEBC emphasize the *vision* of providing better health care plans, not just the mandate.

**Richard Clarke** suggested changing “encourage” to “demand” in the item on customer service.

**Jean Thorne** stated that OEBC staff will reword the guidelines and bring the revised document back to the Board for final review. Jean suggested that the Board may want to review these guidelines every few months and revise them if they see a need.

**Jean Thorne** also reviewed the document staff prepared outlining the survey results and ensuing discussions during the September 14, 2007, retreat about the processes, roles and responsibilities. The Board agreed its role is to:

- ✓ Provide strategic direction and vision;
- ✓ Provide direction and context for the development of options;
- ✓ Prioritize and focus work of Board, workgroups, staff and consultants; and
- ✓ Make decisions that align with the intent and requirement of SB 426.

The document also provided guidance to staff and consultants on their interaction with the Board and defined workgroup roles as follows:

- Workgroups will undertake further analysis, discussion and development of options/recommendations for Board decision;
- Each workgroup will contain one to two Board members along with representatives from select stakeholder groups when it is deemed appropriate; and
- Workgroups should provide periodic updates to the Board.

The Board also agreed upon the following guidelines relating to the decision-making process:

- The Board should strive to reach consensus on general direction, strategies, and final decisions, but the use of parliamentary process is acceptable for final decision-making.
- Board members should strive to raise concerns about specific issues or items prior to final decision-making.

- Board members disagreeing with a final decision are free to express their views to stakeholder groups, but should respect the final decision and not campaign to undermine it.
- Public explanation of Board decisions will be conducted by the Chair or designated OEBC staff.
- Requests for reconsideration or to table decisions will be directed to the Chair through parliamentary procedure, and
- Board members concerned with methods or processes of addressing issues should direct their concerns to the Chair.

## **8. Report from morning workgroup meetings**

### Plan Design

**Steve Carlson** reported on the meeting of the Plan Design Workgroup. Workgroup members are Steve McNannay, Mylia Christensen, Ron Gallinat (Board members), Denise Hall (OEBC staff) and Steve Carlson (Watson Wyatt). The workgroup reviewed the charter to remind itself of the goals of the workgroup. They also had a discussion on the comparability issue and agreed that more will be known about how comparability will be considered when data on the current benefit plans is available. They reviewed the school district information request survey (web-based survey) that will be going out next week. They also discussed the inclusion of stakeholders and ways to solicit information from them as to what they would like to see come out of the workgroup. Some of the elements they will need to consider will come out of the Quality Workgroup. It is anticipated that the Plan Design Workgroup will be able to share initial data with the Board at the October 11 Board Meeting and be able to present their first initial recommendations at the October 25 Board meeting.

### Quality

**Geoff Brown** reviewed the meeting of the Quality Workgroup. The workgroup members are Alison Little, Peter Tarzian, Victor Musial (Board Members), Glenn Baly and Jean Thorne (OEBC staff), and Michael Wood will be the consultant from Watson Wyatt (Geoff Brown represented WW at this first meeting). The workgroup discussed an overview of costs and best practices.

**Jean Thorne** stated that 75% of covered lives are fairly healthy and represent about 11% of overall costs, There are also about 21% of covered lives that represent about 40% of costs and 4% who may develop chronic diseases or a catastrophic illness that represent 49% of overall costs. It is important to consider all aspects of the covered lives, but it is also important to discuss ways to try to get and keep people in the 75% of healthy/low risk members.

**Geoff Brown** stated that the workgroup looked at various strategies that could be used to manage health and develop wellness programs. The workgroup spent a considerable amount of time discussing wellness programs such as smoking cessation and obesity and disease management.

**Jean Thorne** stated that there are things that OEBC as well as districts can do to promote wellness programs. It is important that everyone has a role in promoting wellness in order to bring costs down.

**Jean Thorne** stated that the workgroup discussed the possibility of making participation in eValue8 a criteria for bidding on RFPs. This will provide a baseline of data for successful bidders. Subsequent reports can then be used in the future as the basis for contract renewals.

The workgroup discussed some priority areas that might be included in the RFP (including, but not limited to):

- ✓ Support to interoperable health information technology (HIT) - to include operating an Electronic Medical Record.
- ✓ Reporting of HEDIS (Health Plan Employer Data and Information Set) or HEDIS-like measures. HEDIS is a tool used by more than 90 percent of America's health plans to measure performance on important dimensions of care and service such as asthma medication use, persistence of beta-blocker treatment after a heart attack, controlling high blood pressure, comprehensive diabetes care, breast cancer screening, antidepressant medication management, childhood and adolescent immunization status, and advising smokers to quit.
- ✓ Member supports for preventive and other care
- ✓ Member decision-support tools
- ✓ Tobacco use prevention and treatment
- ✓ Prescription drug management
- ✓ Disease and case management

**Richard Clarke** asked how Oregon compares to the rest of the nation in providing evidence-based behavioral health care.

**Jean Thorne** stated that she believes, in the public sector, Oregon is ahead of the nation in this area.

The workgroup will meet again next week.

### Administration

**Heidi Williams** and **Mike Marion** presented an overview of the agenda for the Administration Workgroup to be held after the Board meeting. Workgroup members include Steve McNannay, Brett Yancey, and Ron Gallinat (Board Members), Ali Hassoun and Heidi Williams (OEBB Staff), and Mike Marion (Watson Wyatt). The workgroup will discuss the vision for administration and administrative service delivery; how services are delivered today and what the opportunities are for improvement; what expectations should be set with employees and how expectations will be communicated (tied into Communications workgroup).

### Communications/Change Management

**Scott Rupp** and **Carol Butterfield** presented an overview of the Communications/Change Management Workgroup agenda to be held after the Board meeting. Workgroup members include Victor Musial, Michael Cannerella, Tom Husted, Peter Tarzian (Board Members), Scott Rupp (OEBB Staff) and Carol Butterfield (Watson Wyatt). Change management and communications go hand-in-hand. The workgroup will be identifying the stakeholders and how best to communicate with all of them; find out what the concerns are of stakeholders and how best to address them; and how best to engage stakeholders in successful two-way communications. What do the stakeholders see as success and how can successful communication be measured?

## **9. Public Comment**

There were no public comments.

## **10. Other Business**

Following discussion the Board came to consensus that the format of having workgroups meet on the same day as the Board works best for everyone as it is more convenient to schedule one entire day for everything as opposed to having the workgroups and Board meetings on separate dates. This format of scheduling will remain in place until such time as more time is needed for Board meetings.

There being no further business before the Board the meeting adjourned at 1:55 p.m.