

Oregon Educators Benefit Board

May 8, 2008

Minutes

The Oregon Educators Benefit Board held a regular meeting on May 8, 2008, at the DAS General Services Building, 1225 Ferry Street SE in Salem, Oregon. Chair Steve McNannay called the meeting to order at 8:40 a.m.

Attendees

Board Members:

Steve McNannay, Chair
Brett Yancey, Vice Chair
Michael Cannarella
Mylia Christensen
Richard Clarke
Ron Gallinat
Tom Husted
Victor Musial (via telephone)
Peter Tarzian

Board Members Absent:

Alison Little

Watson Wyatt Consultants:

Geoff Brown
Anne Thompson
Steve Carlson

OEBB/PEBB Staff:

Joan Kapowich, PEBB/OEBB Administrator
Denise Hall, OEBB Deputy Administrator
Heidi Williams, Director of Operations
Ali Hassoun, Financial Coordinator
Scott Rupp, Communications Coordinator
Glenn Baly, Program/Policy Analyst
Rose Mann, Executive Assistant

Guests (Public Session):

Christine Wells, Willamette Dental
Herb Drew, Drew and Buehler
Diane M. Skutack, Benefit Solutions
Steve Norman, OSBA
Robert Gossmer, Wellpartner
Fredia Gibson, WSC Insurance
Brian Riney, Providence
Dallas Weyand, Legislative Fiscal Office
Gordon Hoberg, ODS
Cammilla Monagon, Portland Public Schools
Shelia Jameson, OEA Choice Trust
Elizabeth Engberg, Kaiser Permanente
Tim Myers, Kaiser Permanente
Hilary Getz, Kaiser Permanente



Executive Session 9:30 a.m. – 12:15 a.m.

Denise Hall announced that the Board would convene in executive session pursuant to ORS 192.660 (f).

LUNCH

1. Welcome

Steve McNannay welcomed the public to the public session of the Board meeting.

2. Administrator's Report (Attachment 2)

Joan Kapowich presented the following information:

- She explained that following the announcement of the Apparent Successful Proposer(s) there is a one week protest period in which the carriers who were not selected have the opportunity to look at the competing proposals. There was one formal protest during this time period and there were a couple of carriers that requested information.
- The majority of the questions received were regarding the members of the Scoring Committee and the OEBC staff is sending out information to answer these questions.
- The OEBC contract staff is developing contracts that will incorporate the quality elements the Board requested to be inserted and these contracts will be going out to the carriers soon.

- OEGB is currently in the process of hiring seven staff for the member benefits section of OEGB and they should all be on board by the end of May.
- There has been a significant increase in visits to the OEGB Web site since the announcement of the Apparent Successful Proposers.
- OEGB and PEBB staff is working together to schedule a combined PEBB/OEGB meeting at the end of June or the beginning of July and Board members should be receiving an e-mail with proposed dates within the next week or so.
- Joan explained that she and Denise Hall will be scheduling presentations around the state in the next few weeks to answer questions and she asked Board members to forward any requests for information/presentations to her and Denise.
- Pam Broadus introduced April Kelly, the new Lead Benefits Analyst.

3. Emergency Board Requests (Attachments 1 and 2)

Joan Kapowich explained that OEGB will attend the E-Board at the end of June and will be talking about COBRA administration and the administration of the *MyOEGB* on-line benefit system. She explained that presenting these requests to the E-Board will help to move the process along as opposed to wait for the regular legislative session.

4. Administrative Fee for 2008-09 Plan Year

Ali Hassoun explained that the administrative fee has been set at 1.6% on medical, dental and vision plans.

Brett Yancey moved to approve the administrative fee of 1.6% on medical, dental and vision for the plan year beginning October 1, 2008, through September 30, 2009. Tom Husted seconded the motion. The motion carried 9 – 0 (Alison Little left at 10:30 a.m.).

Steve McNannay explained that if the 1.6% administrative fee generates more funds than were anticipated due to higher enrollment then the overage issue would be brought before the Board to determine what to do with the additional funds.

5. Proposed Legislative Concept for Executive Sessions (Attachments 3a and 3b)

Joan Kapowich explained that OEGB has been working with the Department of Justice to develop a legislative concept to make the language more explicit as it pertains to OEGB negotiating insurance contracts. The Department of Justice recommends that OEGB submit a legislative concept that will allow OEGB to meet in executive session when negotiating insurance contracts so that the process can move forward more quickly.

Mylia Christensen asked if the legislative concept could include language that part of the reason for doing this is to insure the ability of the Board to negotiate for the best possible rates and the best quality plans. **Joan** explained that these issues have been part of the talking points.

Tom Husted moved to approve the proposed legislative concept relating to OEGB conducting meetings regarding negotiations with contractors in executive sessions. Peter Tarzian seconded the motion. Peter Tarzian stated for the record he would like to make it made clear in the legislative concept the reason for the concept. The motion carried 9 – 0.

6. Maximum Out-of-Pocket Carry-forward on October 1(Attachments 14a, b and 15)

Geoff Brown reviewed the Maximum Out-of-Pocket Carry Forward recommendation from Watson Wyatt (Attachments 14 a, b and Attachment 15).

Tracy Murphy from ODS Health Plans explained how the process would work with ODS and offered options. She recommended getting electronic files from the other carriers and putting claims on hold for the month of October in order to get the most accurate information from carriers.

Brett Yancey moved that the Board not accept the recommendation of the carry-forward from Watson Wyatt and that it be returned to the OEGB staff and Watson Wyatt to explore other alternatives. Victor Musial seconded the motion.

Brett Yancey withdrew his motion. No further action was taken

Geoff Brown explained that Watson Wyatt will include pharmacy in the revised recommendation and this will be put on the agenda for a future Board meeting.

7. OAR 111-010-0015 Policy and Definitions: Proposed amendment (Attachment 4)

Heidi Williams explained the amendments to OAR 111-010-0015.

Peter Tarzian moved to file the proposed amendment to OAR 111-010-0015 with the Secretary of State. Tom Husted seconded the motion. The motion carried 9 – 0.

8. OAR 111-030-0001 Plan Design Development and Selection: Proposed amendment (Attachment 5)

Peter Tarzian moved to remove the proposed amendment to OAR 111-030-0005 (B) and incorporate it into a policy, and to adopt the remaining amendments and file OAR 111-030-0005 as a proposed rule with the Secretary of State. Brett Yancey seconded the motion. The motion carried 8-1. Tom Husted voted nay.

Joan Kapowich distributed a draft form that will be used on the MyOEGB on-line system for enrolling and asked the Board members to review the form and please e-mail Scott Rupp with any comments or recommendations.

Brett Yancey recommended that OEBC request that the districts identify one person from the districts to turn in the forms to OEBC in order to avoid confusion.

9. General Public Comment

There was no general public comment.

10. Other Business

Steve McNannay explained that the Board will hold a teleconference meeting on May 15 at 9:30 a.m. to adopt the rate structure and further discuss the revised carry-forward recommendation from Watson Wyatt. The first part of the meeting will be held in executive session.

There being no further business to come before the Board the meeting adjourned at 2:30 p.m.