

Oregon Educators Benefit Board February 14, 2008 Minutes

The Oregon Educators Benefit Board held a regular meeting on February 14, 2008, at the Agriculture Building, 635 Capitol Street, NE in Salem, Oregon. Steve McNanney, Chair, called the meeting to order at 9:35 a.m.

Attendees

Board Members:

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

Board Members Absent:

Alison Little

OEBB Staff:

Joan Kapowich, PEBB/OEBB Administrator
Denise Hall, OEBB Deputy Administrator
Heidi Williams, Director of Operations
Glenn Baly, Policy Advisor
Pam Broadus, Benefits Manager
Ali Hassoun, Financial Coordinator
Scott Rupp, Communications Coordinator
Carolyn Bader, Contracts Officer (Afternoon Session)
Sandy White-Gallardo, Contracts Specialist, (Afternoon Session)
Rose Mann, Executive Assistant

Watson Wyatt:

Geoff Brown

Guests:

Jean Poling, Kaiser Permanente
Richard Garrett, Portland Association of Teachers
Shelia Jameson, OEA Choice
Diane McMillan Skutack, BHS
Jeff Akers, ODS
Peg Honyak, Gene Kiel and Associates
Randy Skinner, Advantage Dental
Herb Drew, Drew and Buehler
Laura Pavlat, Springfield School District
Debbie Johnson, Beaverton Schools
Heidi Franklin, Portland Public Schools
Doug Franz, Standard Insurance
Paul Pfinister, AFLAC
Cammilla Monagon, Portland Public Schools



1. Minutes of January 24, 2008 Board Meeting (Attachment 1)

Tom Husted moved to adopt the minutes of the January 24, 2008, Board meeting. Richard Clarke seconded the motion. The motion carried in a unanimous vote.

2. Work plan & Issues Log Update (Attachments 2 and 3)

Geoff Brown reviewed the work plan and explained changes to include expanding the RFP process. He explained that the Highroads electronic submission medical RFP closes at 4:00 p.m. today and OEBC will now move on to next stage and Watson Wyatt has added staff in order to meet the RFP timelines.

Geoff Brown reviewed the open issues log and explained that nothing has closed since the last meeting.

3. Customer Service Model (Attachment 4) :

Heidi Williams presented the final recommendation on the Customer Service Model from the Administration Workgroup.

OEBB sent a survey to the business managers' listserv group e-mail to identify specific services and functions related to the administration of benefits, which is performing certain activities, including training and the amount of time spent of these functions.

The results of the survey indicate the level of customer service needed to support each district, and help to further support the recommended roles and responsibilities of carriers, districts, and OEBB staff.

Evidence from the survey ensures that OEBB delivers a comprehensive customer service process that aligns resources to effectively manage the benefits offered by OEBB. The customer service process entails:

1. Supporting all districts and individual members with the resources to answer all benefit-related questions and support the administration of benefits. Resources may include OEBB staff, designated district personnel, carriers, and online tools.
2. Ensuring effective policies and procedures are in place for a district or ESD to transition successfully to OEBB.
3. Preventing duplication of resources.
4. Providing districts and ESDs with the knowledge, tools, and training to maintain efficient operations of benefit plan management as further specified within the roles and responsibilities section.
5. Determining the level of training necessary for employees to accommodate the needs of districts.
6. Developing a plan to assist, guide and tutor the districts with benefit plan administration changes as they occur.
7. Providing an opportunity for feedback focused on continuous improvement.

OEBB will have nine customer service staff in addition to the systems administrator and benefits manager positions that support the customer service function. These activities include providing assistance related to eligibility, enrollment, and benefits offered by OEBB. OEBB will have a phone call queuing system that will allow calls to be routed to the appropriate staff and answered in the order received. There will be both a local number and an 800 number available for district benefit management personnel and employees. These numbers will be listed on all OEBB written communications. In addition, there will be designated staff to provide training to districts in different venues, using different options and methods. OEBB will provide districts with a designated OEBB contact name and number during the implementation and transition phase. OEBB will schedule regional meetings with district business managers to

provide an opportunity for their feedback and questions regarding process and system development and implementation, and other topics as needed.

This Customer Service Model recommendation is based on the administrative functions currently provided by the majority of districts and the Administration Model previously approved by the Board. The workgroup recommends a partnership between OEGB and the districts that will provide both effective and efficient use of resources.

Peter Tarzian explained that the small school districts do not have the staff to provide training and they rely on the carriers to provide training. The carriers provide orientation and training.

Heidi Williams explained that she believes there is more of a one-to-one orientation with new staff by the districts, but the carriers provide the more detailed training. She further explained that it is not the intention of OEGB to take over that function.

Mylia Christensen asked for clarification regarding OEGB's role in providing a train the trainer type of program and asked if all of the districts pay the same administration fee regardless of their size? **Heidi Williams** responded that OEGB is looking at providing training to districts as well as having carriers provide training.

Michael Cannarella asked if the workgroup discussed what will happen if large numbers of groups decide to come into OEGB that are not mandated to come in.

Steve McNannay responded that the Workgroup discussed the possibility and determined it would stretch the resources.

Brett Yancey asked if the system that will be developed, once the COP is approved, will be capable of handling whatever number of members come into the OEGB plans. He also asked if there is a contingency plan for a manual enrollment plan.

Heidi Williams responded that the system will be capable of handling additional members.

Denise Hall explained that OEGB has the ability to bring on temporary workers to help with the open enrollment.

Heidi Williams further explained that the Administrative Workgroup recommends the following roles and responsibilities of districts and ESDs, OEBC staff, and plan carriers as outlined in Attachment 4.

The Customer Service Model will include an annual customer service survey to identify the level of satisfaction as well as areas that can be improved. These surveys will be discussed with the OEBC Board and will help determine goals and objectives for the upcoming year.

This plan will require OEBC staff to:

- Develop internal appeals policies and procedures that are complimentary to the carrier and district complaint and appeals process.
- Develop COBRA and early retiree policies and procedures to align with the approved Customer Service Model
- Provide Board with regular updates as additional information becomes available
- Create two advisory committees that have representation from small, medium, and large districts and ESDs or adequate representation in other areas, systems or processes as determined. One committee would be to partner with OEBC to test and troubleshoot the benefit management system, with ongoing needs to prioritize requests for enhancements and modifications to the enrollment system. The other committee will partner with OEBC in drafting Oregon Administrative Rules to be recommended to the Administrative Workgroup and the full Board for approval.
- Continual and regular communication, including monthly meetings with Business Managers regarding development and implementation of systems and processes.

Peter Tarzian explained that 75 percent of school districts do not work in July. Most small school districts close their doors in July and mail (including e-mail) will not be looked at until the first week in September.

Mylia Christensen asked for clarification on the second paragraph on page 4 of Attachment 4, regarding OEBC staff responsibilities that states, "OEBC staff will partner with, and support districts and ESDs to ensure members receive assistance through designated district personnel," She asked if it is up to the school districts to determine who will be the designated personnel.

Peter Tarzian stated that this is a very important area and suggested this statement be reworded.

Denise Hall explained that it is the intent of OEBC to work closely with every school district and education service district to determine what their needs are. This statement will be reworded to make sure the school districts and ESDs have all the support they need.

Peter Tarzian suggested that OEGB give thought to geographic areas and explained that ESDs can provide a great deal of assistance to OEGB. He further suggested that OEGB staff have conversations with the Oregon Association of Education Service Districts (OAESD) about staging. When OEGB develops a work plan, include ESDs in rolling it out. This will be more significant in eastern Oregon.

Brett Yancey stated that it is important that OEGB not be an enabling factor to failure and to remember that members get insurance through their districts. OEGB is not obligated to provide insurance. The district has the responsibility to make sure their employees have insurance.

Steve McNannay explained that the staff should consider all input in designing the work plan. He further suggested sending out an annual survey to the districts and ESDs. The customer needs will be different in 5 years.

Staff was directed to come back with a revision on the Customer Service Model that incorporates the input from the Board members.

Heidi Williams explained that there is a plan to develop advisory committees to assist in testing the system, identifying additional needs and potential enhancements.

Brett Yancey moved to accept the Customer Service Model Recommendations, Processes, Considerations and Roles and Responsibilities. Peter Tarzian seconded the motion. The motion carried unanimously.

Heidi Franklin, Chief Financial Officer, Portland Public Schools, stated that the Board is doing an outstanding job and she is impressed with the customer service model. She made a recommendation on how OEGB can be successful with the customer service model - do less outstandingly well. Heidi suggested that OEGB does not need a database of all employees in September, but they will need one eventually. This can come later after OEGB works with the districts and ESDs to choose the plans they want. She suggested OEGB follow the OSBA model and do a thoughtful roll out. Let the districts do what they do now and over time, get the employees in place.

Peter Tarzian agreed that that is a natural course of events and a much richer integration. It will build better relationships with school districts.

Heidi Williams stated that the Administration Workgroup will take these recommendations into consideration.

Richard Garrett, Oregon Teachers Association asked the Board who they consider to be their customers.

Heidi Williams responded that both the members and school districts are considered to be OEBB's customers.

4. Remaining Coverage Issues (Attachment 5)

Denise Hall reviewed the remaining coverage issues and recommendations from the February 1, 2008 Plan Design Workgroup meeting (Attachment 5) - these should be considered final recommendations.

Peter Tarzian and **Brett Yancey** disagree with Medical "Question 6." It appears to be a barrier to enrollment. **Peter Tarzian** stated that he would like to see some scenarios around this question in order to have a more coherent discussion. **Brett Yancey** stated that the issue of having to be on an OEBB plan for two-years prior to retirement is a problem and asked why that is necessary.

Mylia Christensen explained that this is replicating what is currently in place. She asked what the implications would be and would it be possible to include some type of "grandfather" clause to protect the plan.

Richard Clarke expressed concerns around transitioning and asked if this could be taken out altogether.

Steve McNannay explained that Medical "Question 6" could be carved out to gather additional information.

Richard Clarke asked about the recommendation of \$2,500 limit on alternative care services in Medical "Question 8" and stated that this may be putting a cap on a very significant group.

Geoff Brown explained that Watson Wyatt looked at the three main trusts for guiding principles in making these decisions. The determination was based on making sure OEBB had containment on costs. The Workgroup went with the higher maximum (Springfield).

Joan Kapowich explained that \$2,500 is a generous maximum for alternative care.

Geoff Brown suggested other options; include alternative care services without a limit (acupuncture and chiropractics) or include a rider and suggested that

Watson Wyatt look at acupuncture and chiropractic use and the cost of office visits.

Watson Wyatt was directed to gather further information on what is reasonable and customary charges and the number of visits for acupuncture, chiropractors and naturopaths.

Victor Musial moved to accept the recommendations of the Plan Design Workgroup regarding the remaining medical, dental and vision coverage issues, but refer Medical Questions 6 and 8 back to the Plan Design Workgroup. Michael Cannarella seconded the motion. The motion carried unanimously.

6. Administrative Update (Attachments 6. 7a and 7b)

Denise Hall presented an update on district phase-ins and stated that approximately 100 districts will be coming into the OEGB benefits program in 2008 (approximately 22,000 individuals).

Denise Hall stated that she testified on SB 1066. Section 7 of SB 1066 clarifies when school and education service district employees will be required to move to benefit plans available through the OEGB. The phase-in is based on specific collective bargaining agreements for represented employee groups within each district rather than the district as a whole. It also allows non-represented employee groups to be treated consistently with the first represented employee groups.

Under current law, non-represented employees in all subject districts would be mandated to move to the OEGB benefit plans on October 1, 2008. Employees represented by collective bargaining agreements would move to the OEGB benefits program in October 2009 or 2010 based on the end date of the last collective bargaining agreement in the district to terminate.

The amendments were approved and sent on to the full Senate on February 13. OEGB staff will track the progress of this bill and let Board members know when it goes to the Ways and Means Committee. There is a fiscal impact so it has to go before Ways and Means. Denise Hall will forward the latest version of the bill to the Board.

7. Other Business

Denise Hall reviewed OAR 111-015-0001 (Attachment 11), which establishes eligibility coverage, for the Board's approval to file as a permanent rule with the Secretary of State.

Victor Musial moved to file OAR 111-015-0001 as a permanent rule with the Secretary of State. Thomas Husted seconded the motion. The motion carried unanimously.

Richard Clarke asked about the status of the COP for the administration system.

Joan Kapowich explained that DAS is monitoring the COPS and it is scheduled to be heard by the Ways and Means Committee this week.

Heidi Williams explained that funding for COBRA was not included in the initial legislatively approved budget. OEBC initially estimates an additional four positions might be needed and this will need to go to an E-Board.

Denise Hall explained that there is the option of doing a third party administrator (TPA), but proposed doing it internally.

Richard Clarke asked what the timeline is for this.

Staff was directed to come back with a timeline, costs and alternatives on COBRA in March.

Steve McNannay asked for an update on the Outreach Network to be presented at the next Board meeting in March.

8. Public Comment

There was no general public comment.

The public meeting adjourned at 11:55 a.m.

LUNCH: 12:00 - 12:30

Executive Session - 12:30

Steve McNannay stated the Board would meet in executive session at 12:30 p.m. and asked Denise Hall to announce the executive session.

Denise Hall stated the Board would meet in executive session pursuant to ORS 192.660(2) (f). Ted Falk distributed an attorney/client confidentiality memo for the purpose of going into executive session.

The executive session of the Board adjourned at 4:00 p.m. and the Board did not return to public session.