



Talking Points

What is the Oregon Educators Benefit Board (OEBB)?

The Oregon Educators Benefit Board will administer the newly created statewide insurance pool for employees and eligible retirees of Oregon school districts and education service districts. What that means is:

- Specifically, the Board was created with the passing of 2007 Senate Bill 426.
- The OEBB will represent most of Oregon's school district and education service district employees by October 2010. The OEBB will begin offering benefit plans on October 1, 2008 to certain employees whose collective bargaining agreement have expired.
- The Board is a healthcare advocate for its members. For more information, see the section about what members should expect of the OEBB.
- The OEBB will provide oversight and management of a statewide insurance pool, design the benefit plans and contract with insurance carriers to deliver benefits to school district and education service district employees beginning October 1, 2008.
- The board is made up of 10 members, all appointed by the Governor. Two members represent district boards; two members represent district management; two members represent non-management district employees from the largest labor union; one member represents non-management district employees from the second-largest labor union; one member represents non-management district employees not represented by labor organizations; and two members have expertise in health policy or risk management.
- Board members typically will serve four-year terms. Many of the current Board members, however, will serve staggering terms of two years, three years and four years to keep the Board from undergoing a complete change every four years.

Things are changing and here is why.

The creation of the OEBB represents a major change in the healthcare being offered to school district and education service district employees. Driving factors include:

- Health insurance costs are rising and a large, pooled benefit plan provider was seen as a way to curb those costs. The more people that buy into the program, the greater the savings to districts and members; it is the principle of buying in bulk. The more of something you buy, typically, the less expensive the product becomes.

- SB426 was enacted to address the ever increasing costs of healthcare.

The OEBB also was created to save Oregon school districts money and return dollars to the classroom.

Pooling school district and education service district employees benefit plans is expected to save money because the size of the pool will provide more buying power and will reduce administrative costs associated with duplicating services for separate group administrators. Following is a list of facts supporting cost savings:

- The OEBB will be the largest insurance pool in Oregon once it is fully implemented on October 1, 2010, serving about 165,000 people, and that makes it unique.
- Currently, about 200 school districts and 20 ESDs purchase plans on their own. Under OEBB's authority, most of these education districts will now pool employees together to purchase healthcare and other benefits.
- Studies throughout the past decade indicate that pooled insurance has the potential to save millions of dollars annually.
- With creation of the OEBB, the rate of medical inflation affecting school districts is expected to slow because the Board will be better equipped to design and deliver plans it sees as most beneficial to its members.
- Healthcare costs are out of control. The OEBB has the opportunity to create a sea change and rein in rising costs of insurance because the size of the pool affords for greater purchasing power.

Members should expect a lot from the change in the way benefit plans are provided, but what exactly?

Members should expect to see many changes in the healthcare benefits they receive as their respective school districts enter into the OEBB. The list of pluses goes much farther than just being eligible to receive high-quality benefit plans, though that is certainly a good thing. The OEBB is committed to:

- Members should expect high-quality, comprehensive medical plans including health, dental, life, and other benefits. The Board has repeatedly stated that it is committed to this principle.
- A range of plans to choose from that will provide them with the flexibility to select the best benefits to meet their needs.
- A body of representatives that constantly work to deliver comprehensive medical benefit coverage for most of Oregon's school district, education service district employees and other employees.
- A cooperative relationship between members and the Board that helps members understand the scope of the plans offered.

- The OEBB is committed to offering high-quality, cost-effective healthcare coverage to its 165,000 members. The board has stated its commitment to make a positive change in healthcare by offering quality plans, even promoting change in the healthcare industry by expecting greater quality of its plans.
- Collaboration with members, districts and plan carriers to offer valuable benefit plans that support improvement in member's health status through standardized performance measures and using evidence-based medical practices.

Service to Members:

The OEBB is guided by several principles that will always be considered when entering into a contract for benefit plans. They are:

- Employee choice among high quality plans: The OEBB will offer employees a range of affordable benefit plan designs that provide high-quality care and services.
- Encouragement of a competitive marketplace: The OEBB will encourage competition in the marketplace in the areas of quality, outcomes, service, and cost.
- Plan performance and information: The OEBB will consider plan performance in the areas of quality, administrative processes, costs and outcomes in making its decisions. It will promote system-wide transparency that provides members with comprehensive information on these issues.
- Flexibility in plan design and contracting: The OEBB will offer a range of affordable benefit plan designs that provide districts with the flexibility to choose options that meet their and their employees' financial and health needs.
- Quality customer service: The OEBB will demand that benefit plans and providers offer members consistent access to care and services, integrated care systems that provide effective treatment and personal and prompt service that meets customers' needs.
- Creativity and innovation: The OEBB will seek out plans and providers that use creative and innovative methods and practices that are evidence-based and/or have measurable outcomes.
- Plan benefits as part of total compensation: The OEBB will recognize the impact of its decisions on employees' total compensation.
- Improvement of employee health: The OEBB will promote employee health and wellness through a variety of means, including, but not limited to, plan design components, disease and case management and consumer education.
- Cost affordable to the districts, employees and taxpayers: The OEBB will take into account the present and future costs of benefit plans (premiums, deductibles, co-payments, etc.) in offering a range of affordable, high-quality benefit plan designs.

Member participation in the OEBB:

All school and education service districts are required to purchase their benefit plans through the OEGB.

Exceptions include:

- School and education service districts that are self-insured or provide benefits through an independent health trust that was functioning as of December 31, 2006, are not required to move to the OEGB benefit plans.
- However, beginning October 1, 2010, if a self-insured district wants to continue providing benefit plans that are offered by the OEGB, it must submit a request to be excluded, meeting the requirements.