

PUBLIC EMPLOYEES' BENEFIT BOARD

Vision

PEBB seeks optimal health for its members through a system of care that is patient-centered, focused on wellness, coordinated, efficient, effective, accessible and affordable. The system emphasizes the relationship among patients and providers, their community and primary care. PEBB takes an integrated approach to health by treating the whole person.

Key elements of the PEBB vision are:

- An innovative delivery system that uses evidence-based medicine to maximize health and use dollars wisely;
- A focus on improving quality and outcomes, not just providing healthcare;
- Promotion of health and wellness through consumer education, healthy behaviors and informed choices;
- Appropriate provider, health plan and consumer incentives that encourage the right care at the right time and place;
- Accessible and understandable information about costs, outcomes and other health data for informed decision making; and
- Affordable benefits for the state and the employees.

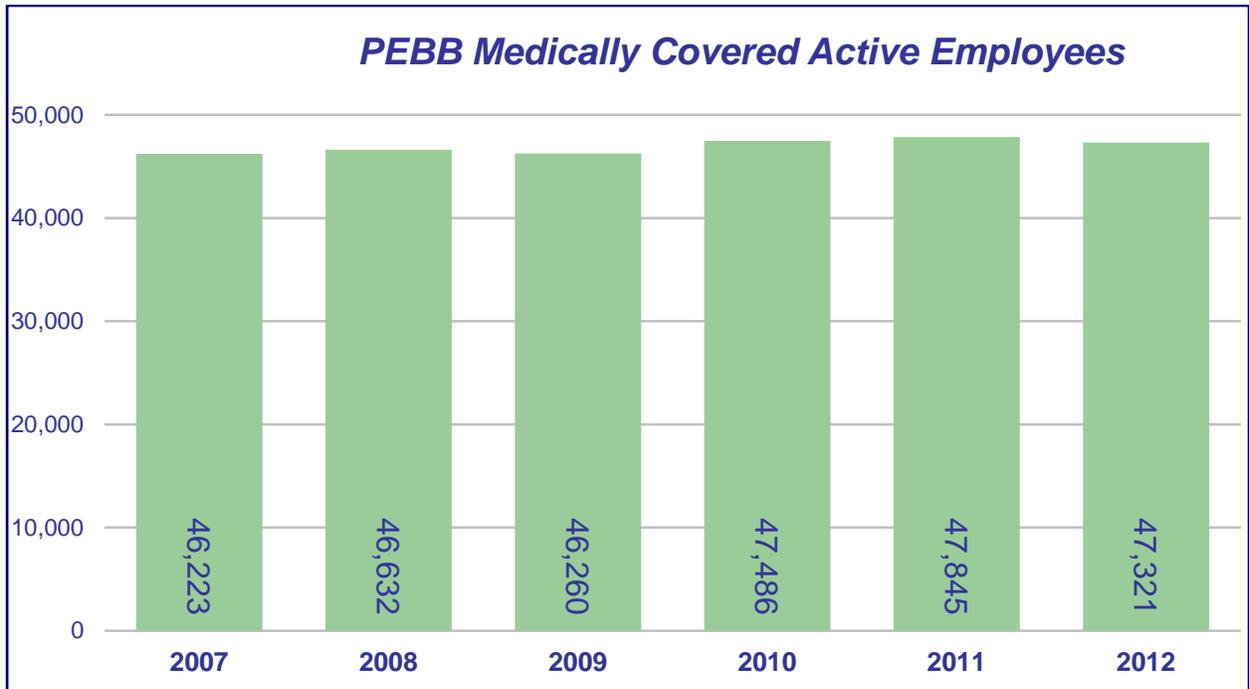
Goals

PEBB's goals are to design, contract and administer high-quality medical, dental, life, accident, disability and long-term care insurance, and flexible spending accounts for state employees and their dependents that are affordable for the state and employees.

Who we serve

PEBB members include:

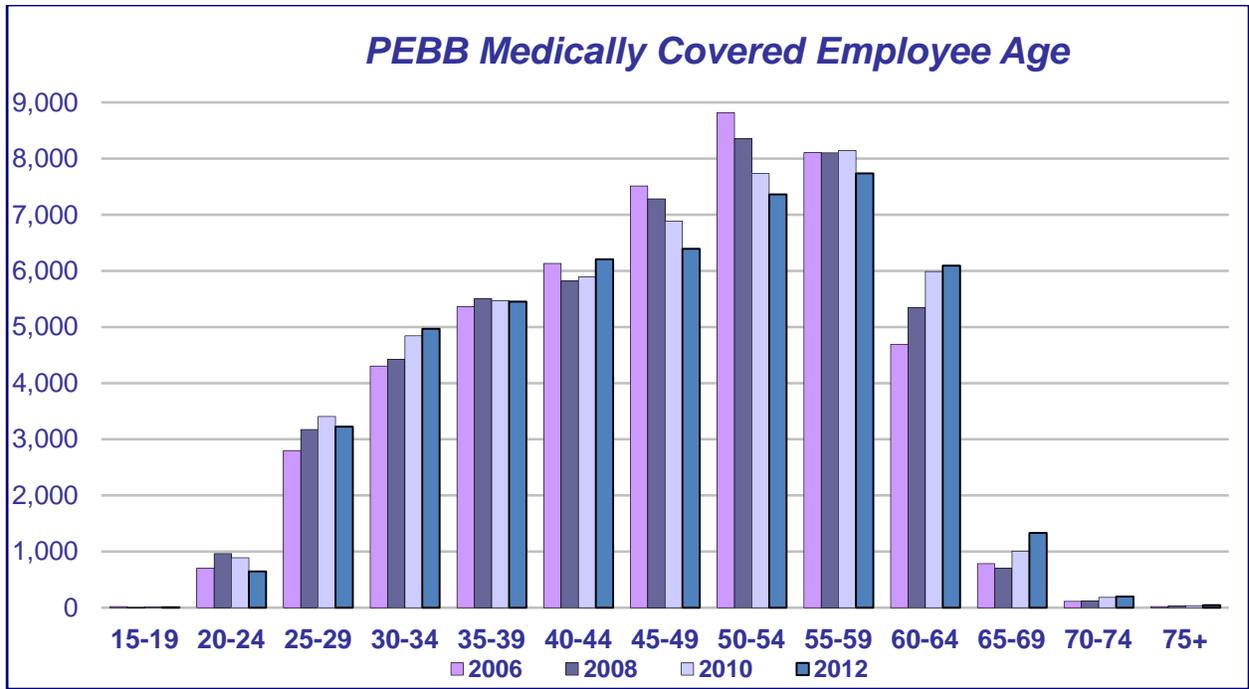
- Active agency employees and their dependents
- Active university employees and their dependents
- Active semi-independent agency employees and their employees
- Retirees and their dependents
- COBRA participants



Age trend

PEBB monitors age trends among its membership to ensure that its plans provide services that are appropriate for the population and to anticipate future needs. The following graph shows member age bands for 2006, 2008, 2010 and 2011.

Currently, 46 percent of PEBB’s active employee population is age 50 or older.



Activities and programs

PEBB serves its members and customers through six central functions:

- Financial oversight of PEBB accounts, including the Revolving Fund and its subaccounts.
- Program development through collaboration with agencies, universities, health plans and other benefit purchasers on programs to implement elements of the PEBB vision.
- Regulatory compliance to ensure the benefit program meets all state and federal regulations.
- Enrollment accuracy through the use of a benefit management system to ensure the accuracy of benefit-related data shared among state and university payroll systems, health plans and other vendors.
- Accurate and timely contract services
- Communications to engage PEBB members in the benefit program, their wellness, and the PEBB vision.

The program's most valuable benefit is health care coverage. The cost of health care continues to increase without evidence of a commensurate increase in measurable quality.

2013-19 six-year plans

- Provide high-quality benefits that are affordable to employees and employers.
- Implement additional value-based benefit design changes supported by scientific evidence.
- Continue to leverage PEBB's self-insured status to create benefit designs that reflect and enhance the vision for a Healthy Oregon.
- Explore programs that engage members in their health and health care to reduce member health and safety risks, improve member health, quality of life, and moderate premium costs into the future.
- Provide excellent service to members, agencies and other customers.
- Enhance government services, and protect information and assets while controlling cost.
- Meet the information needs of members, agencies and other customers.
- Provide effective policies with clear direction.

2013-15 two-year plans

PEBB supports OHA's vision, mission and goal to transform the health care system in Oregon by:

- Promoting the development of patient-centered primary care homes.
- Promoting and supporting pilots to reimburse for health care services using global and pay-for-performance methodologies.
- Advancing value-based plan designs to help ensure members receive the right care at the right time in the right setting.
- Promoting the development and success of Coordinated Care Organizations.

Operational activities include:

- Offer plans that provide health care supported by the best available evidence.
- Promote a competitive marketplace by contracting with health systems that are accountable for their performance.
- Collaborate with partners to improve the market and delivery system.
- Meet or exceed standards for response time.
- Survey customers annually, analyze and act on results.
- Maintain and improve the online benefits system.
- Develop and maintain comprehensive, user-friendly websites.

- Employ cost-effective, sustainable technologies to improve communication and reduce resource consumption.
- Continue to support agency and university efforts on employee health and wellness.
- Continue to seek agency and university input on benefit management and administration.
- Conduct audits to ensure that policies are applied equitably.
- Continue to solicit member and customer input on policies.
- Continue to support use of the benefit management system by state agencies.
- Improve contracting and analytical capabilities.
- Refine reporting of benefits information.

2011-13 major accomplishments

Quality, affordable benefits

- Increased the percentage of PEBB members in a patient-centered primary care home.
- Implemented additional cost tiers to promote value based benefits.
- Implemented benefit design changes aimed at reducing barriers to care for members with chronic diseases.
- Continued to support the state's public health and prevention initiatives.
- Achieved better cost and quality controls through direct contracting for the majority of the medical, vision and dental plans.
- Maintained its leadership role in health care purchasers' evaluation of commercial medical plans.
- Implemented a Health Engagement Plan to promote member participation in reducing health risks and improving their overall health status.
- Conducted a dependent eligibility verification audit to evaluate and ensure the integrity of member enrollment.
- Partnered with the Public Health Division to survey member health status. The information is used to guide the board when making future benefit changes.
- Worked closely with the Public Health Division to promote worksite wellness activities and policies.

Services for members and customers

- Met or exceeded response time expectations.
- Continued to solicit input on services and plan designs from employees, agencies, plans and other customers.

Member and customer information needs

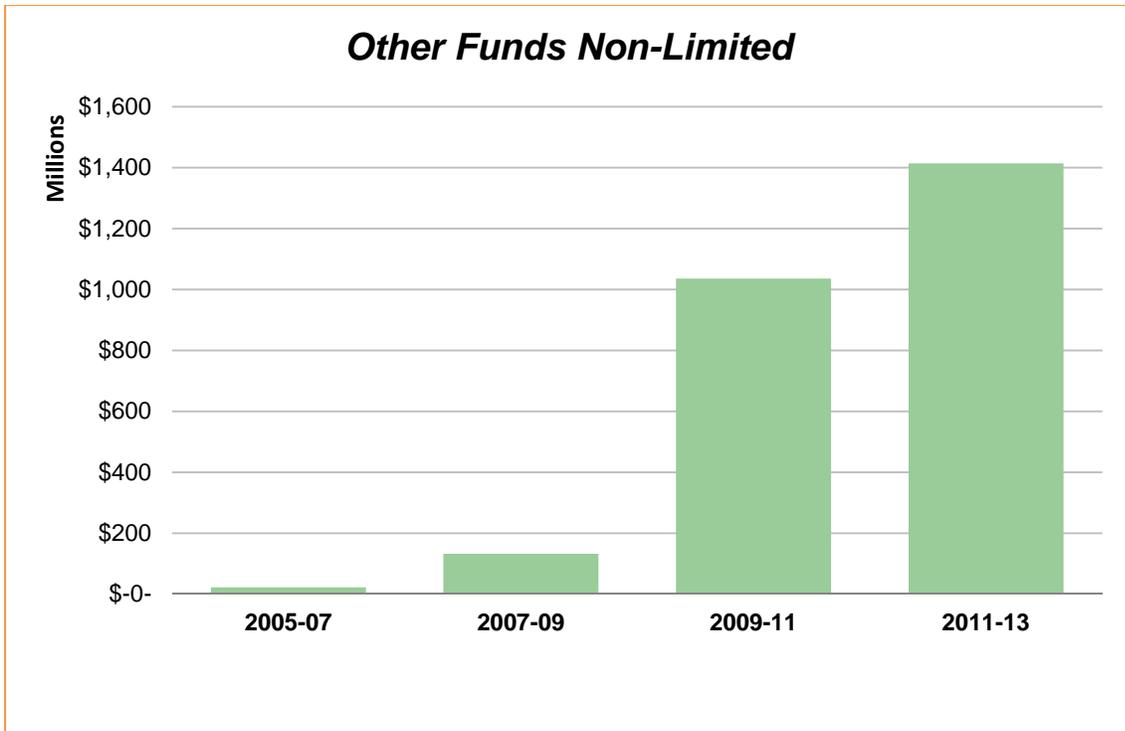
- Used online media such as web-based seminars and streaming video to actively communicate with more employees about their benefits.
- Continued to develop channels for employee and agency input.
- Incorporated employee and agency feedback on communication messages and media

Policies and direction

- Continued to require all eligible employees to actively enroll in and declare eligibility for benefits for 2011 and 2012 to further ensure the integrity of enrollment data.
- Continued to audit compliance with eligibility and enrollment rules.
- Continued to clarify eligibility criteria and worked with agencies to correctly apply revised rules, including the implementation of federal health care reform regulations.

Self-insurance trend

PEBB began to self-insure plans in 2006, directly contracting for two regional medical plans administered by Samaritan Health System and Providence Health Plans. In 2007, PEBB began to self-insure the majority of its dental plans, which are administered by ODS Companies. In 2010, PEBB began to self-insure its largest medical and vision plans, administered by Providence Health Plans and Vision Service Plan, respectively. PEBB's Other Funds Non-Limited expenditures as PEBB increased the percent of members who were covered under a self-insured plan.



Revenue sources

Revenue from Other Funds pays for PEBB administration through an administrative assessment added to medical and dental insurance premiums and premium equivalents. The assessment cannot exceed 2 percent of monthly contributions from employees and employers (ORS 243.185). For 2011, 2012 and 2013, PEBB has reduced the assessment from 0.6 percent to 0.4 percent.

PEBB also eliminated funding for annual open enrollment expenses. Printing and distribution costs were the main expenditure from this fund.

Revolving Fund

PEBB currently maintains two accounts within its Revolving Fund.

Stabilization account

PEBB has authority to use this account to control costs, subsidize premiums and self-insure. The Other Funds revenue source is primarily unused employer contributions for employee benefits. This account also holds proceeds generated when PEBB's life insurance carrier changed from a mutual organization to a public corporation.

Flexible spending account

PEBB operates two flexible-spending account programs for employees and maintains a non-limited fund to account for their administrative costs. The primary Other Funds revenue source for these programs is forfeitures from participants.