

Public Employees' Benefit Board

Activities and Programs

The Public Employees' Benefit Board (PEBB) is currently part of the Department of Administrative Services (DAS). Beginning July 1, 2011, it will be part of the Oregon Health Authority (OHA).

PEBB designs, purchases and administers the benefit program for benefit-eligible employees. Its goal is to provide a high quality plan of health and other benefits for state employees at a cost affordable to both the employer and the employees.

The most valuable benefit in the program is health-care coverage. Costs of health care continue to increase without evidence of a commensurate increase in measurable quality. This context frames the following PEBB Vision statement and its elements.

The PEBB 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, providers, and 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.
- Benefits that are affordable to the state and the employees.

PEBB serves its members and customers through the following central functions.

- Program Development collaborates with agencies, health plans and other benefit purchasers on programs to implement elements of the PEBB Vision.
- Member Services ensures the benefit program meets all state and federal regulations.
- Information Technology Support ensures the accuracy of benefit-related data shared among state payroll systems, health plans and other vendors.
- Contract Services drafts and monitors contracts worth half a billion dollars annually.
- Communication Services engages employees and in the benefit program and the PEBB Vision.
- Financial Services accounts for PEBB funds, including the Revolving Fund and its subaccounts.

2011-17 Six-Year Plans

- Provide high quality benefits that are affordable to the employee and the employer.
- Provide excellent service to PEBB members, agencies and other customers.
- Meet the information needs of PEBB members, agencies and other customers.
- Provide effective policies with clear direction.
- Enhance government services, and protect information and assets while controlling cost.

2011-13 Two-Year Plans

PEBB has planned the following short-term actions to provide high-quality benefits affordable to the employee and the employer through implementation of the Board's Vision:

- Support employee and employer engagement in improving employee health through access to the right care at the right time and place.
- Offer plans that provide health care supported by the best available evidence.
- Promote a competitive marketplace by contracting for health systems that are accountable for their performance.

- Collaborate with partners to improve the market and delivery system.

PEBB has planned the following short-term actions to provide excellent service to members and customers:

- Meet or exceed standards for response time.
- Survey customers annually; analyze and act on results.
- Make additional improvements to the online benefits system.

PEBB has planned the following short-term actions to meet the information needs of members and customers:

- Develop and maintain comprehensive, user-friendly Web sites.
- Meet or exceed standards for response time.
- Employ cost-effective, sustainable technologies to improve communication and reduce resource consumption.

PEBB has planned the following actions to provide policies with clear direction:

- Continue to support agency efforts on employee health and wellness.
- Continue to seek agency input on benefit management and administration.
- Conduct audits to ensure policies are applied equitably.
- Continue to solicit member and customer input on policies.

PEBB has planned the following actions to enhance government infrastructure while controlling cost:

- Maintain and improve the online benefits system.
- Continue to support agency use of the system.
- Improve contracting and analytical capabilities.
- Refine reporting of benefits information.

2009-11 Accomplishments

Quality, affordable benefits through PEBB's Vision:

- PEBB continued to support the state's public health initiatives.
- PEBB continued to support agency worksite wellness activities and policies.
- PEBB achieved better controls through direct contracting for the majority of the medical, vision and dental plans.
- PEBB instituted additional performance measures for contracted plans and vendors.
- PEBB maintained its leadership role in healthcare purchasers' evaluation of commercial medical plans.

Services for members and customers:

- PEBB met or exceeded response times.
- PEBB continued to solicit input on services and plan designs from employees, agencies, plans and other customers.

Member and customer information needs:

- PEBB implemented communications media to engage a greater number of employees in their benefits.
- PEBB continued to develop channels for input from employees and agencies.
- PEBB incorporated employee and agency feedback on communication messages and media.

Policies and Direction:

- PEBB required all eligible employees to actively enroll in and declare eligibility for benefits for 2010 and 2011.
- PEBB continued to audit compliance with rules on eligibility and enrollment.
- PEBB continued to clarify eligibility criteria and worked with agencies to correctly apply revised rules.

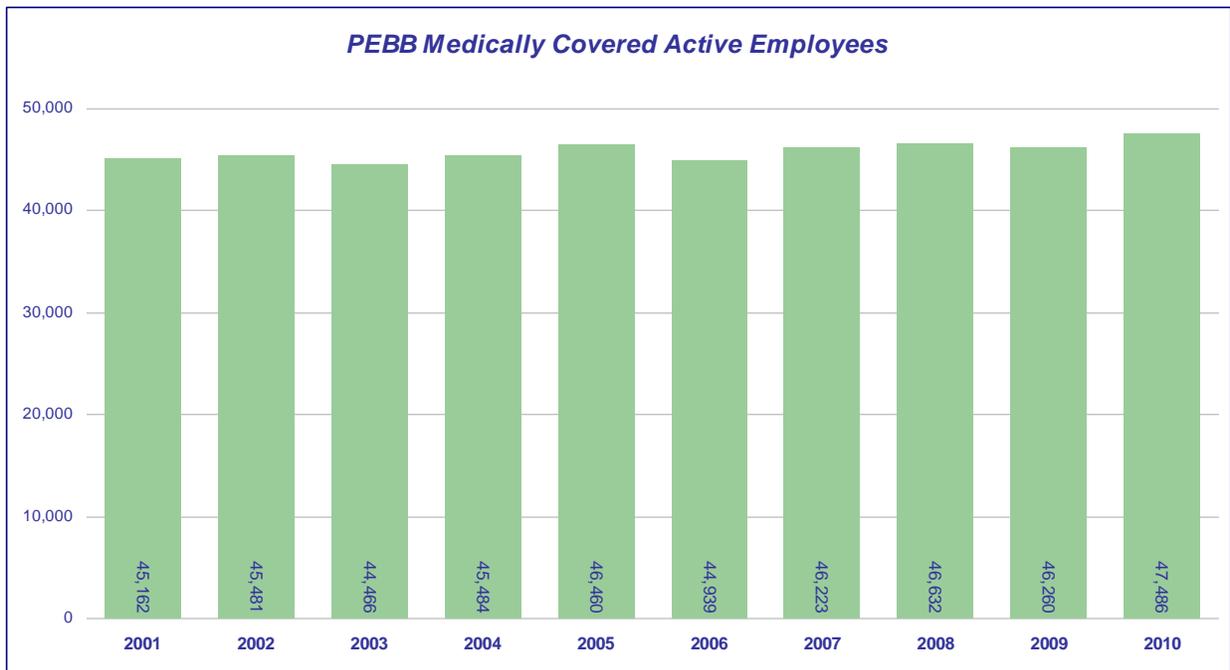
Efficient and effective infrastructure:

- PEBB implemented an enhanced data system to analyze and report on utilization in the plans.
- PEBB improved ease of use of the benefit management system.

Trends

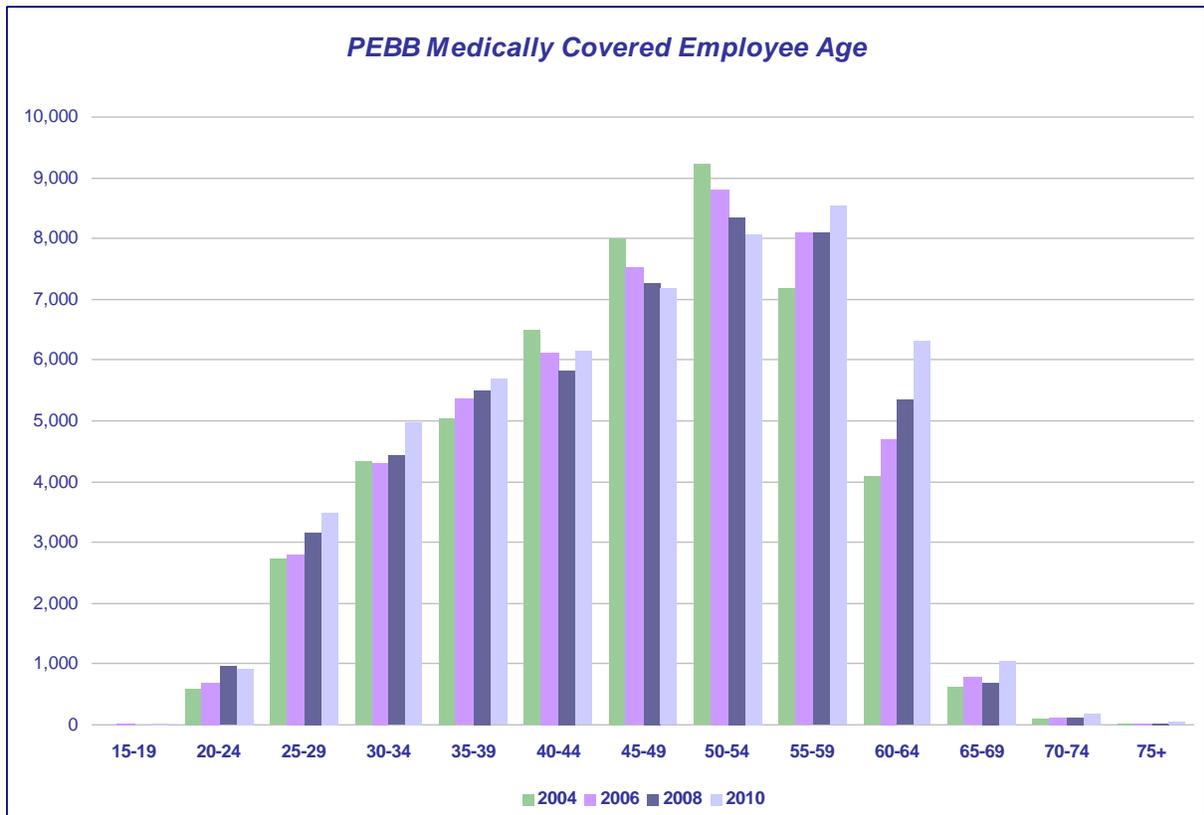
Census Trend

The following graph shows the number of employees enrolled in PEBB benefits per year.



Age Trend

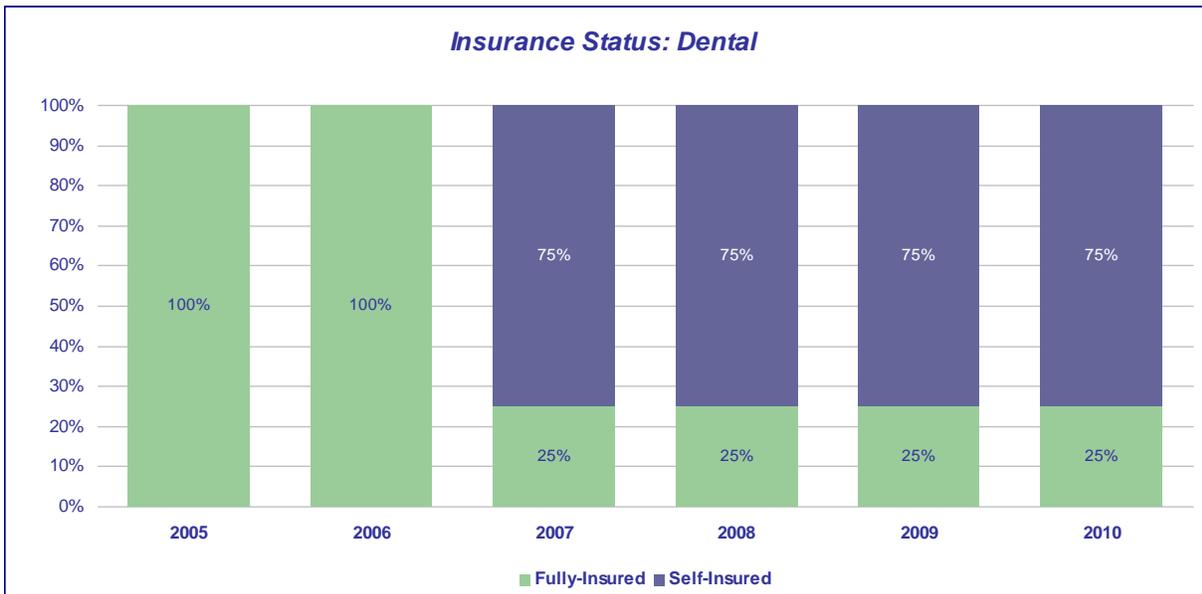
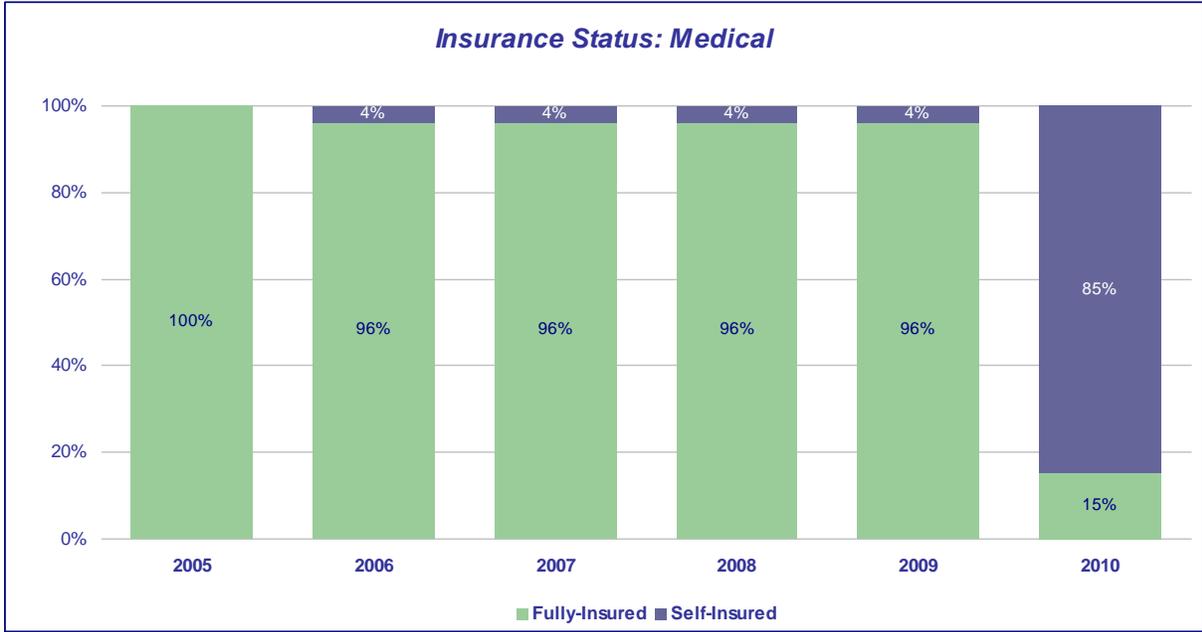
PEBB monitors age trends among its membership to ensure that its plans provide services that are appropriate for the population and to anticipate future needs. The following graph shows member age bands in 2004, 2006, 2008 and 2010. Currently, 43 percent of PEBB’s active employee population is age 50 or older.



Self-insurance Trend

PEBB began to self-insure plans in 2006, direct 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, administered by ODS. In 2010, PEBB began to self-insure its largest medical and vision plans, administered by Providence Health Plans and VSP respectively. In

2010, 85 percent of participants were enrolled in self-insured medical and vision plans, and 75 percent were enrolled in self-insured dental plans.



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 two percent of monthly contributions from employees and employers (ORS 243.185). For 2011, PEBB has reduced the assessment from 0.6 percent to 0.4 percent.

PEBB also eliminated funding in an account 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: 1) Stabilization Account and 2) Flexible Spending Account.

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.