

PUBLIC EMPLOYEES' BENEFIT BOARD

Activities and programs

The Public Employees' Benefit Board (PEBB) is currently included in the budget of the Oregon Department of Administrative Services (DAS) but is part of the Oregon Health Authority (OHA).

PEBB designs, purchases and administers the benefit program for benefit-eligible state 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. The cost of health care continues to increase without evidence of a commensurate increase in measurable quality. This context frames the following PEBB vision statement and its elements.

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.

PEBB serves its members and customers through six 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 that the benefit program meets all state and federal regulations.
- Benefit management system 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 in the benefit program and the PEBB vision.
- Financial services accounts for PEBB funds, including the Revolving Fund and its subaccounts.

PEBB has planned short- and long-term actions to provide high-quality benefits that are affordable to the employee and the employer through implementation of the board's vision.

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.
- Enhance government services, and protect information and assets while controlling cost.
- Meet the information needs of PEBB members, agencies and other customers.
- Provide effective policies with clear direction.

2011-13 two-year plans

- 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 with health systems that are accountable for their performance.
- Collaborate with partners to improve the market and delivery system.

PEBB has planned specific actions to provide excellent service and meet the information needs of members and customers, provide policies with clear direction, and enhance government infrastructure while controlling cost.

- 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 efforts on employee health and wellness.
- Continue to seek agency 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.

2009-11 accomplishments

Quality, affordable benefits

- 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 health care purchasers' evaluation of commercial medical plans.

Services for members and customers

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

Member and customer information needs

- PEBB used online media such as web-based seminars and streaming video to actively communicate with more employees about their benefits.
- PEBB continued to develop channels for employee and agency input.

- 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 eligibility and enrollment rules.
- PEBB continued to clarify eligibility criteria and worked with agencies to correctly apply revised rules.

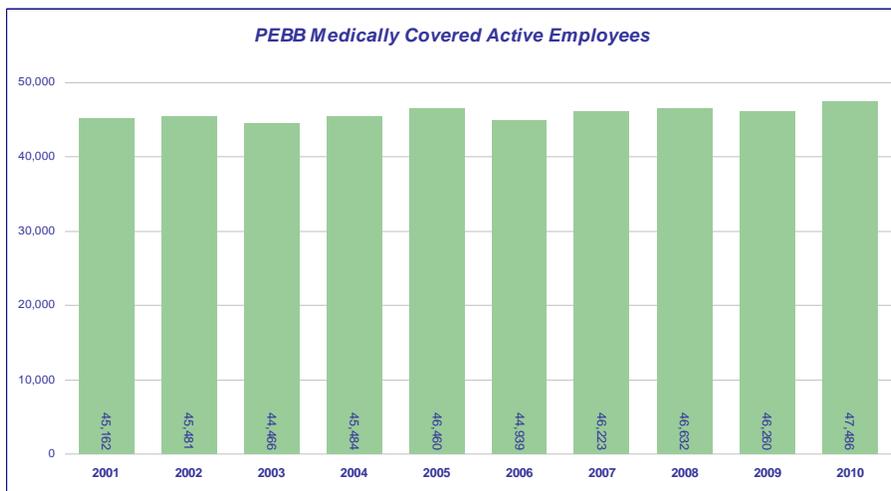
Efficient and effective infrastructure

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

Trends

Census trend

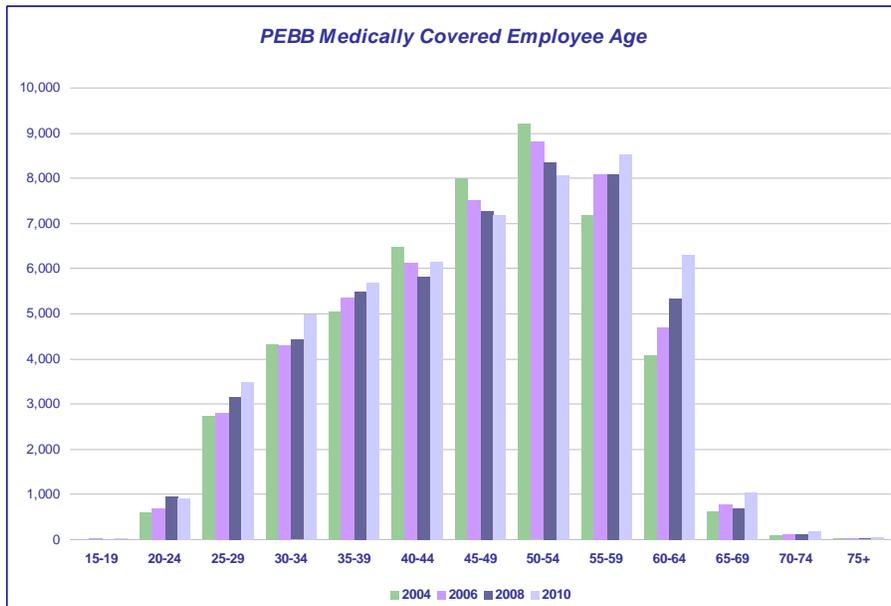
The following graph shows the number of employees enrolled in PEBB benefits per year.



Age trend

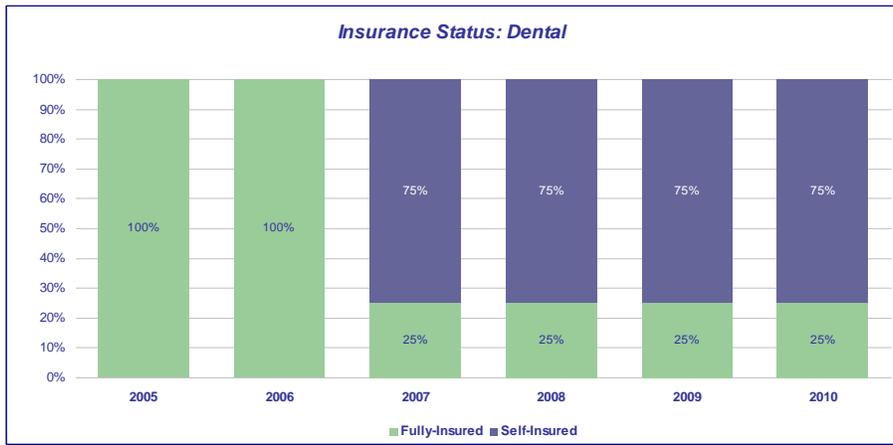
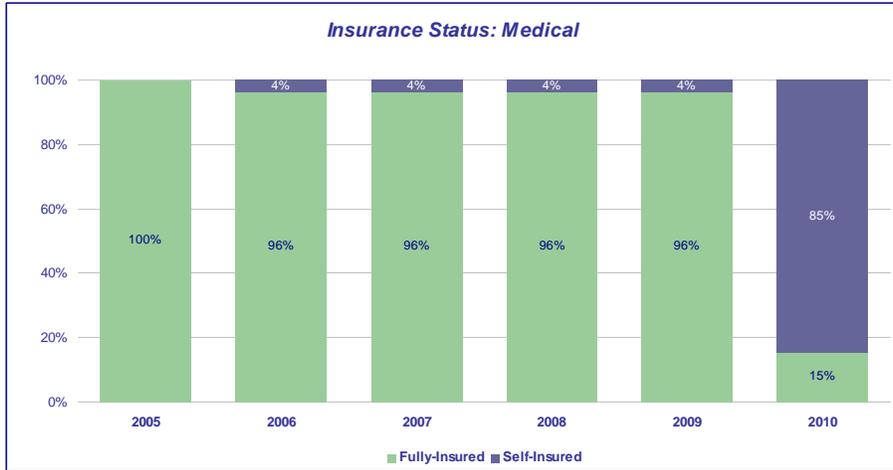
PEBB monitors age trends among its membership to ensure that its plans provide services that are appropriate for the population and to anticipate future needs. The following graph shows member age bands for 2004, 2006, 2008 and 2010.

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, 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. 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 2 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 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.