

# **OREGON EDUCATORS BENEFIT BOARD**

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## ***Vision***

The Oregon Educators Benefit Board (OEBB) is aligned with the vision of the Oregon Health Authority in creating a healthy Oregon. The OEBB vision is to provide high-quality benefits for eligible employees at the lowest cost possible and work collaboratively with members, educational entities and insurance carriers to offer value-added benefit plans that support improvement in members' health while holding carriers accountable for outcomes.

Key components of the vision include:

- An innovative system that provides evidence-based medicine to maximize health and utilize dollars wisely;
- A focus on improving quality and outcomes, not just providing health care;
- System-wide transparency through explicit, available and understandable reports about costs, outcomes and other useful data; and
- Encouragement for members to take responsibility for their own health outcomes.

## ***Goals***

The goal of OEBB is to provide high-quality medical, dental and other benefit plans for eligible employees at a cost that Oregon's educational entities, their employees and the taxpayers of Oregon can afford.

The statutes governing OEBB (ORS 243.860 to 243.886) outline specific criteria that OEBB must follow in considering whether to enter into a contract for a benefit plan. In September 2007, the board further defined those criteria and adopted guiding principles.

## **Guiding principles**

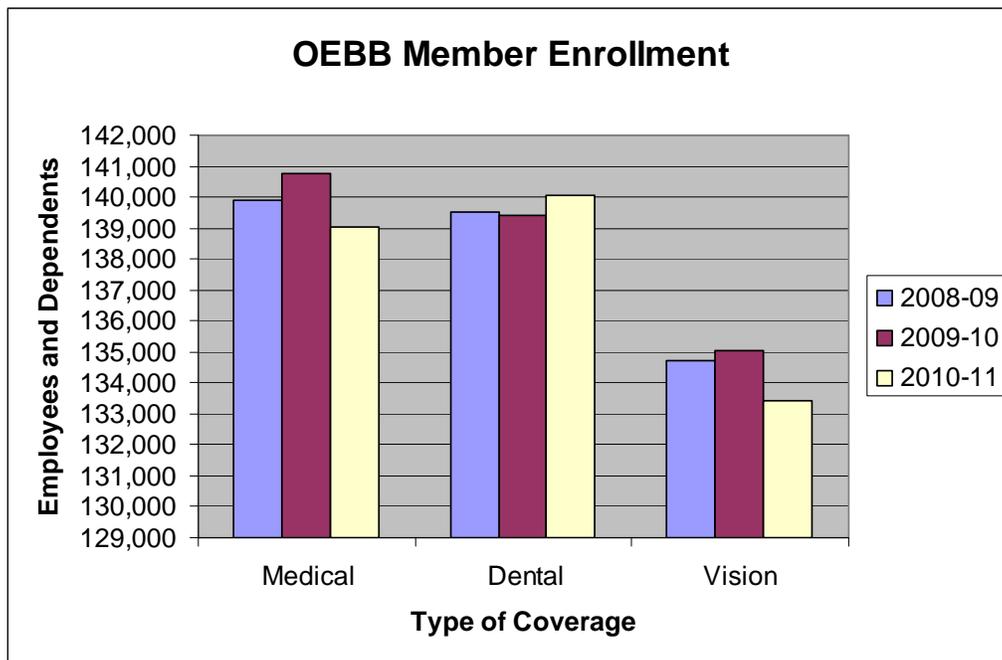
- OEBB will offer employees a range of benefit plans that provide high-quality care and services.
- OEBB will encourage competition in the marketplace in the areas of quality, outcomes, service and cost.

- In making its decisions, OEGB will consider plan performance in quality, administrative processes, costs and outcomes. It will promote system-wide transparency that provides comprehensive information on these issues.
- OEGB will offer a range of benefit plan designs that provide educational entities with the flexibility to choose options that meet their and their employees' financial and health needs.
- OEGB will encourage benefit plans and providers to offer members consistent access to care and services; integrated care systems that provide effective treatment; and personal and prompt service that meets customers' needs.
- OEGB will seek plans and providers that use creative and innovative methods and practices that are evidence-based or otherwise measurable.
- OEGB will recognize the impact of its decisions on employees' total compensation.
- OEGB will promote employee health and wellness through plan design components, disease and case management, and consumer education.
- OEGB will take into account the total costs of benefit plans, as well as employee cost-sharing for services, in offering a range of benefit plan designs.

### **Guiding principles of board operations**

The board will operate as a cohesive unit that provides for open discussion on topics. The board also will operate in a transparent manner that fosters public trust, input and understanding of OEGB decisions and policies.

## Who we serve



### *2011-17 six-year plan*

- Keep medical rate increases at trend or below.
- Implement additional value-based benefit design changes supported by scientific evidence.
- Identify resources to support educational entities' health and wellness efforts.
- Continue to involve stakeholders in all aspects of policy development.
- Improve data systems to give educational entities reporting tools that support their business needs.
- Continue to operate in a transparent manner that fosters public trust, input and understanding of OEBB decisions and policies.
- Ensure the board operates as a cohesive unit that holds open discussion among its members.
- Continue to use workgroups to help the board make decisions based on analysis, discussion and development of options and recommendations. The board has established workgroups in three areas: business and operations, communications, and strategies on evidence and outcomes.
- Enhance the board's long-term communication plan.

## *2011-13 two-year plan*

- Continue developing the “MyOEBB” Benefit Management System, giving OEBB staff and educational entities more control over the administration of benefit plans and the ability to access information related to benefit enrollments. The system provides benefit carriers with information allowing electronic enrollment of OEBB members into appropriate benefits and plan offerings.
- Continue supporting educational entity administration through an online enrollment system; the use of electronic invoices and fund transfers; and administrative reports that allow administrators to access and manage eligibility and enrollment information.
- Continue monitoring standards for customer response time and improving the board’s administrative and customer service models. The board’s goal is to meet OEBB member needs and provide administrative support allowing educational entities to manage their employees’ benefits as efficiently as possible. Annual performance evaluations and surveys regarding OEBB and its carriers allow OEBB to assess how well these goals are being met.
- Continue transitioning the business side of OEBB onto the internet. The current infrastructure includes a secure Web portal, a single electronic payment process and help with training and development.
- Emphasize technology as a way to increase efficiency and convenience.
- Minimize the threat of unauthorized data access, both internally and externally.
- Mitigate the risks and costs that can result from improper security planning.
- Prevent the compromise of information and network systems.
- Regularly review existing security standards and practices in state government to ensure that OEBB meets enterprisewide security standards.
- Continue developing and maintaining a comprehensive and user-friendly website and online benefit enrollment system.
- Continue providing OEBB members with direct access to a central source of information.
- Refine OEBB’s communication plan; include member educational materials and educational entity tools and resources supporting the health of OEBB members.

OEBB supports the Oregon Health Authority’s goal to improve the lifelong health of all Oregonians. OEBB is focused on improving the health status of its members

and their access to quality care. The board is taking action to increase the quality, reliability and availability of care for all Oregonians, consistent with OHA's goal.

To facilitate the goals of OHA and OEBC, the board requires OEBC carriers to ensure that contracted physicians, providers and facilities render quality care at a sustainable cost. Facilities and providers may not be included in carrier panels if they do not meet these requirements.

- Quality care is consistent with evidence-based practice guidelines and within the context of individual clinical circumstances.
- Sustainable costs align with community reimbursement rates and, whenever possible, payment is made for outcomes rather than the provision of services.

### ***2009-11 major accomplishments***

- Designed and implemented additional benefit plans for Oregon's educational employees and their families. Life, disability, accidental death and dismemberment, long-term care, and an employee assistance program were added to the medical, dental, pharmacy and vision benefits previously available through OEBC.
- Emphasized preventive care through full coverage for 17 preventive services including well-baby care and immunizations, a tobacco cessation program and a weight management program.
- Enhanced the electronic, paperless benefit management and enrollment system allowing employees to enroll in benefits online, and providing online payment reconciliation and electronic transfer of premiums.
- Held the average per-employee monthly premium increase for medical coverage to 11.2 percent (below the 12 percent trend) during the first year's rate renewals (2009) and 6.8 percent (below the 11 percent trend) for the second year's rate renewals (2010).
- Implemented value-based plan design changes to provide incentives for chronic disease management and disincentives several surgeries and procedures that evidence shows are over-utilized, ineffective, have questionable outcomes, or can have harmful side effects. Added an evidence-based weight management program.
- Established a weight management program and health and wellness support program improving health outcomes by reducing the prevalence of obese and overweight members, weight-related illnesses and increasing physical

activity and healthy eating levels. In the first three months, more than 6,800 OEGB members were participating in the weight management program through meetings held at 210 worksite meeting locations.

- Implemented language from House Bill 2557 (2009) expanding the definition of an eligible employee to include part-time, PERS-eligible faculty and research staff working at public institutions of higher education who otherwise would not meet eligibility thresholds for either OEGB or PEBB.

### **Customer service delivery**

OEGB continues to enhance efficiencies, creating a reporting repository for use by human resources or payroll staff responsible for employee benefits and allowing easy data migration through a payroll interface. OEGB also automated mid-year changes for members and enhanced e-mail communications for new hire and open enrollment documents. OEGB continues to conduct requested trainings on MyOEGB and to make presentations educating members on rate, benefit and plan design changes.

With collaboration from higher education and the Public Employees' Retirement System (PERS), OEGB implemented the administration of benefits for a newly eligible self-pay employee group created by HB 2557 (2009). OEGB added online benefit management system components to administer life, accidental death and dismemberment, long- and short-term disability, and long term care coverage. OEGB also added an employee assistance program for the 233 participating entities.

### **Performance measures**

OEGB uses measures and checkpoints to evaluate progress and success in implementing its business plan with regards to customer service. The target sets the performance benchmark. Checkpoints are actions taken to evaluate progress or the success of efforts being developed as part of the business plan. The board is in the process of developing a set of measures designed to provide information to the board, educational entities, members and lawmakers.

<b>Goal Excellent Customer Service</b>	<b>Measures or Checkpoint Percentage of customers who rate OEBB customer service as good or excellent*.</b>	<b>Target 90 percent</b>
Overall Customer Service	2009 Member Survey Results	97 percent
Overall Customer Service	2010 Member Survey Results	89 percent

*\*2010 Member Survey used the terminology “satisfied or very satisfied” in place of “good or excellent”*

Results from the 2009 annual member survey indicated more than 97 percent of OEBB’s members rated OEBB’s overall customer service “good to excellent.” Results from the 2010 member survey results show:

- 89 percent of members who reported having contact with OEBB were satisfied with OEBB’s customer service (50 percent “very satisfied”).
- 65 percent of members reported being satisfied with the plan offerings (25 percent “very satisfied”).
- 87 percent of members reported they were satisfied with the information OEBB sent to them (46 percent “very satisfied”).
- 89 percent of web users reported they were satisfied with the OEBB website (44 percent “very satisfied”).

### **Quality and efficiency improvements**

OEBB is committed to ongoing process improvement and continually identifying and implementing administrative efficiencies. The strategic plan for improving quality and efficiency provides for:

- Gathering information, data and input from educational entities to develop or modify plan designs for medical, dental, vision and optional benefit plans.
- Reviewing and evaluating proposals and existing contracts and negotiating rates to provide high-quality plans at the lowest possible cost.

- Identifying potential policy and plan design changes to improve quality of care and members' health status.
- Measuring provider performance based on improved quality of health services to members.
- Monitoring carrier compliance with performance standards set in vendor contracts.
- Maintaining a viable and secure electronic benefit management system to process enrollment, eligibility, premium collection and disbursement.
- Participating in key initiatives to reform the health care system in Oregon.

### ***Revenue sources***

ORS 243.880 established the Oregon Educators Benefit Account to cover administration expenses. The account's revenue is generated through an administrative assessment included in premiums for OEGB benefits. The administrative assessment is capped at 2 percent of total monthly premiums. ORS 243.882 prohibits the balance in the account from exceeding five percent of the monthly total of employer and employee contributions for more than 120 days.

ORS 243.884 established the Oregon Educators Revolving Fund to pay premiums, control expenditures, provide self-insurance and subsidize premiums. There is no dedicated revenue source for the OEGB Revolving Fund other than interest earned on the premium collection pass-through.

## Governor's Balanced Budget

	GF	OF	OF-NL	FF	TF	Pos	FTE
<b>2009-11 LAB</b>							
OEBB Operations & Debt Service	-	11,433,209	-	-	11,433,209	22	21.75
Stabilization Fund (Premium Pass-through)	-	-	1,333,333,333	-	1,333,333,333	-	-
<b>Subtotal</b>	-	\$11,433,209	\$1,333,333,333	-	\$1,344,766,542	22	21.75
Transfer to Central Services	-	(\$429,243)	-	-	(\$429,243)	-	-
Pkg. 075 Nonlimited Administrative increase	-	-	\$104,666,667	-	\$104,666,667	-	-
Inflation Removal	-	(\$244,209)	-	-	(\$244,209)	-	-
Personal Services Reduction & Recon	-	(\$245,246)	-	-	(\$245,246)	-	0.25
Pkg 420 - Benefit Mgmt. System Feasibility Study	-	\$125,000	-	-	\$125,000	-	-
<b>2011-13 Governor's Balanced Budget</b>	-	<b>\$10,639,511</b>	<b>\$1,438,000,000</b>	<b>\$0</b>	<b>\$1,448,639,511</b>	<b>22</b>	<b>22.00</b>

### Key budget drivers

- IT consultant costs for maintaining the viability of the MyOEBB system;
- State Data Center charges for data processing and storage;
- Program consultants costs for actuarial services, claims data warehousing and general consultation services;
- Attorney General costs; and
- Benefit cost increases reflected in the pass-through account used for collection and payment of premiums for health, dental, vision, life, disability, accidental death and dismemberment, long term care and employee assistance program benefits purchased by educational entities and their employees.

### **Debt service**

OEBB bears the obligation to repay \$927,955 for certificates of participation issued for development of the MyOEBB Benefit Management System. MyOEBB supports administration of members' employee benefits and provides a source of real-time information for participating educational entities, insurance carriers and OEBB staff. MyOEBB provides an efficient and cost-effective way to administer benefits for nearly 150,000 employees and their dependents in 233 educational entities statewide.

## 2009-11 Legislatively Approved Budget

