

Highlights of Oregon's Health Plan

- √ The 2007 Oregon Legislature passed *Senate Bill 426* creating Oregon's public education employees health plan.
- √ This is a statewide health insurance savings pool for public education employees.
- √ It is help school districts to save money on health insurance by pooling resources and purchasing healthcare service in bulk. It will eliminate duplication, reduce administrative costs and cut out the middleman.
- √ [Citing the Oregon Education Association]: Experts project the health insurance savings pool will save taxpayers more than \$50 million a year. That means in five years school districts will have \$270 million more that they can use to reduce class size, add back programs, and ensure a full school year for Oregon's students.

Governing body

- √ The governing body of this savings pool is the 10 members of the Oregon Educators Benefit Board (OEBB). The OEBB shall contract for benefit plans best designed to meet the needs and provide for the welfare of eligible employees and the districts.
- √ OEBB expenses defrayed by contributions (< two percent of the monthly employer and employee contributions for benefit plans available) into the *Oregon Educators Benefit Account* and the *Oregon Educators Revolving Fund*, both created by SB-426.

Key features

- √ The plan will initially provide school districts with a comparable benefit at a comparable cost to what they had before joining the pool. The legislation guarantees a second year at the same rate or better with level benefits.
- √ A formal bid process for school district health insurance plans will encourage competition and transparency among carriers
- √ The make up of a school district health plan--what benefits are included, employee co-pays, who qualifies for coverage, how costs are shared with employees--will continue to be determined at the local bargaining table. This bill is intended to provide more local control by freeing money that would have gone to insurance brokers and special interests that the district can then invest into the classroom according to agreements at the bargaining table.
- √ While it is up to the local bargaining table to determine how much the district will pay and how much the employee will pay, employees that are .5 FTE or better are eligible for benefits. Employees that are less than .5 FTE can receive coverage if it is allowed under the local collective bargaining agreement.
- √ Community colleges may "opt-in" to the health insurance pool.

State evaluation

- √ SB-426 creates a *Task Force on Educator Health Benefits* consisting of six members. (The President of the Senate shall appoint one member from among members of the Senate. The Speaker of the House of Representatives shall appoint one member from among members of the House of Representatives. The Governor shall appoint four members.)

- √ The task force shall review the benefit plans provided through the Oregon Educators Benefit Board, analyze the benefits provided by and the administration of the benefit plans and determine whether there has been a cost savings to the state.
- √ The task force shall submit a report, and may include recommendations for legislation, to an interim committee related to education or public employment no later than October 1, 2012.

Appropriation

- √ SB-426 appropriates to the Department of Education, for the biennium beginning July 1, 2007, out of the General Fund, the amount of \$4,996,081, which may be expended for the costs of the Oregon Educators Benefit Board.
- √ Notwithstanding any other law limiting expenditures, the amount of \$5,496,280 is established for the biennium beginning July 1, 2007, as the maximum limit for payment of expenses from fees, moneys or other revenues, including Miscellaneous Receipts, but excluding lottery funds and federal funds, collected or received by the Oregon Department of Administrative Services for the purposes of the Oregon Educators Benefit Board.