



500 Summer St NE E20
Salem OR 97301
Voice: 503-947-2340
Fax: 503-947-2341
www.Oregon.Gov/OHA
www.health.oregon.gov

March 29, 2019

TO: Representative Hayden, House Health Care Committee
FROM: Ali Hassoun, Director - PEBB and OEGB
SUBJECT: March 26, 2019, Follow-up Questions Related to HB 3075

Dear Representative Hayden,

In response to your questions in the March 26, 2019 hearing on HB 3075, staff has prepared the following tables. **Questions:** “What is the total amount of premiums paid on double covered employees between OEGB and PEBB, to whom are they paid, and who pays them?”

The requested premium amounts are the full premium associated with double covered lives, and not the loss of premium that would be expected when the double coverage provision is terminated. Therefore, the estimates below should not be used to evaluate the overall premium or rate impact, or savings associated with double coverage termination as determined by SB 1067. The PEBB and OEGB actuaries estimate that the elimination of double coverage results in approximately a net (\$3m) savings over the 2019-21 biennium for both PEBB (18 mos.) and OEGB (21 mos.).

Premiums for double covered employees are paid by school district, community college, state agency, university, and others to PEBB and OEGB who reconciles the premiums and passes through to the insurance carriers as shown below. In the case of self-insured plans, PEBB retains the premiums and reimburses the carrier for claims costs on a monthly basis. If you have any questions or would like to discuss further, please let us know.

OEGB:

Category of Employees (SB 1067 Provision)	Employee Count	Monthly Composite Rate	Impact
Double Coverage OEGB/OEGB	1,484	\$1,350	\$24.1M
Double Coverage OEGB/PEBB	632	\$1,350	\$10.2M
Total	2,116		\$34.3M

Carrier	% Enrollment	Impact
Moda	76%	\$26M
Kaiser	24%	\$8.3M
Total	100%	\$34.3M

PEBB:

Category of employees	Count	Composite Rate	Total Impact (Count x Composite x 12)	Composite rate is the average gross premium across all plans and all enrollment tiers, for those employees who are double covered.
Double covered in PEBB (PEBB / PEBB)	1,963	\$1,462	\$34.5M	
In PEBB / OEGB double covered	550	\$1,462	\$9.6M	
Total Impact	2,513		\$44.1M	

Carrier	% Enrollment	Total Impact
Providence – Statewide	37%	\$16.4M
Providence – Choice	37%	\$16.5M
Moda	9%	\$4.1M
Kaiser	16%	\$7.1M
Total	100%	\$44.1M