

HB 2039 STAFF MEASURE SUMMARY

House Committee On Health Care

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Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 2/26, 4/4

WHAT THE MEASURE DOES:

Transfers to the Public Employees' Benefit Board and Oregon Educators Benefit Board the responsibility to conduct an audit for enrollees' coverage of spouses or dependents every five-years.

REVENUE: Statement issued: no revenue impact.

FISCAL: May have fiscal impact, but no statement yet issued.

ISSUES DISCUSSED:

- Transfer authority to conduct dependent eligibility reviews active dependents from carriers and third-party administrators to PEBB/OEBB
- Costs associated with conducting eligibility audits, annually
- Ability for PEBB/OEBB to stay at or below the annual 3.4 percent cost growth
- Low turnover rate among PEBB/OEBB populations
- 3-5 percent of eligible dependents fail to provide eligibility documentation
- Estimated costs of conducting annual dependent eligibility audits exceed potential savings to PEBB/OEBB

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Oregon's Public Employees' Benefit Board (PEBB) designs, contracts, and administers a program of benefits for state employees. The benefits include medical and dental coverage; life, accident, disability, and long-term care insurance; and flexible spending accounts. The Board also offers health care insurance options for retirees not yet eligible for Medicare and individuals in other participating groups. PEBB's total membership is approximately 139,000 individuals (2019).

The Oregon Educators Benefit Board (OEBB) was created in 2007 to provide a comprehensive selection of benefit plan options for most of Oregon's K-12 school districts, education service districts, and community colleges, as well as several charter schools and local governments across the state. OEBB currently provides benefits for almost 152,000 individuals, including actively employed and retired members and their families (2019).

In 2017, Senate Bill 1067 passed, requiring carriers that contract with PEBB and OEBB to conduct annual audits to ensure continued eligibility for an enrollee's spouse or dependents.

House Bill 2039 transfers from insurance carriers to the Public Employees' Benefit Board and Oregon Educators Benefit Board the responsibility to audit eligibility for an enrollee's spouse or dependent.