

DCBS:

OREGON'S LARGEST BUSINESS REGULATORY **AND CONSUMER PROTECTION AGENCY**

Ways and Means Subcommittee on Transportation
and Economic Development – Subcommittee
Presentation

April 7 and 12, 2021



Agency presentation schedule

April 7, 2021

**Department of Administrative Services
Presentation**

Patrick Heath, DAS

Agency Overview

Andrew Stolfi, Director

Consumer Protection and Safety

- Division of Financial Regulation
- Health Insurance Marketplace
- Building Codes Division

TK Keen, Administrator
Chiqui Flowers, Administrator
Alana Cox, Administrator

April 12, 2021

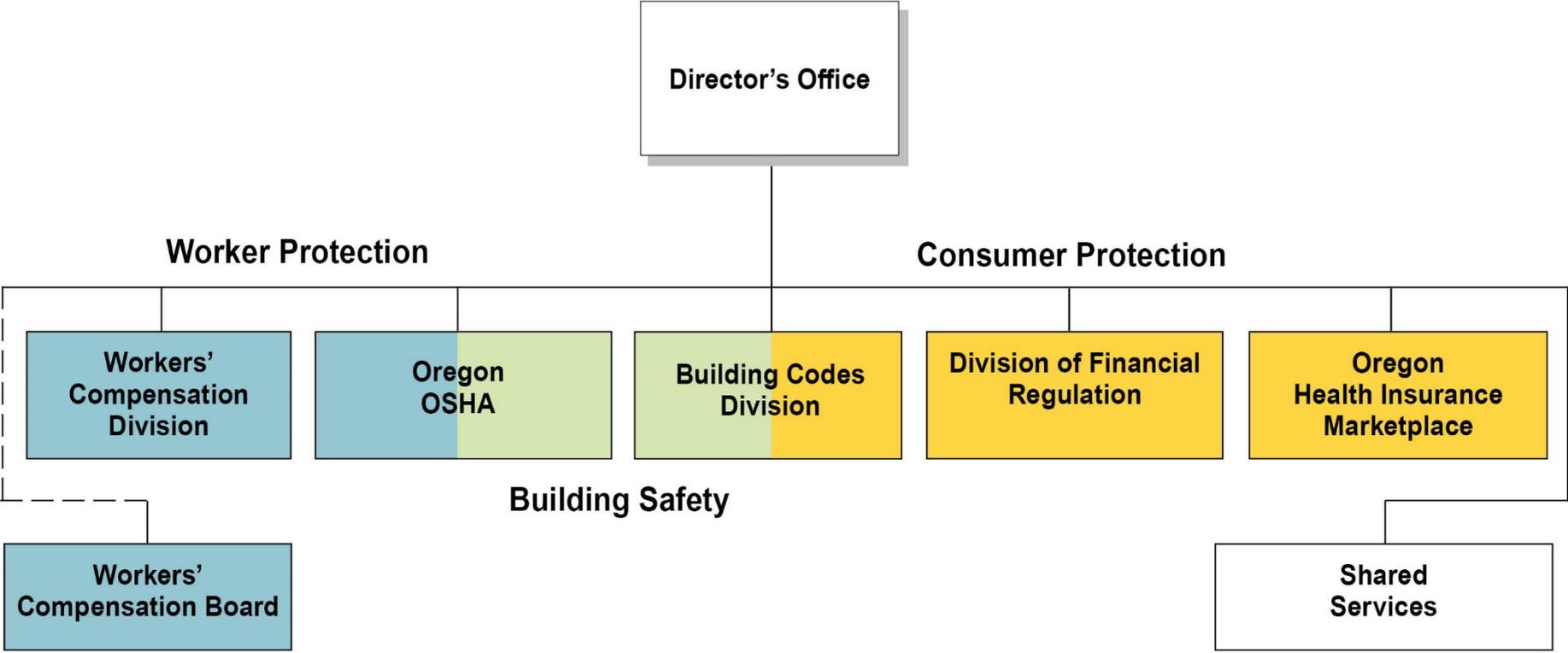
Worker Protection System

- Workers' Compensation Division
- Oregon OSHA
- Workers' Compensation Board

Sally Coen, Administrator
Michael Wood, Administrator
Connie Wold, Chairperson

Public Testimony

DCBS organizational chart



Budget drivers, risks, environmental factors

- The economy
 - Revenues directly tied to changes in economy
 - Effect of certain industries on workload, such as construction industry
- COVID-19, natural disasters, including wildfires and floods
- COVID-19 Temporary Paid Leave Program (July 14, 2020, Emergency Board)

2021 department-sponsored bills with budget impact

- **HB 2041** – Transfers Oregon Health Insurance Marketplace to Oregon Health Authority on June 30, 2021

Policy option packages

Workers' safety system

- Workers' Compensation Modernization Program: 1.88 FTE, POP 101, \$481,565 Other Fund
- OSHA Funding Alignment: 2.50 FTE, POP 102, \$599,118 Other Fund

Consumer protection

- Marketplace transfer to OHA: -18.00 FTE, POP 103, HB 2041, SB 65, -\$14.9 million Other Fund
- Insurance stabilization: 1.00 FTE, POP 105, \$210 million Other Fund/Federal Fund

Administrative efficiencies

- Shared hearings facilities for use by other agencies, and lease agreements with public entities and community partners
- Collaboration with other agencies to share workload
- Redeploy staff to help with increased workload

10% reduction

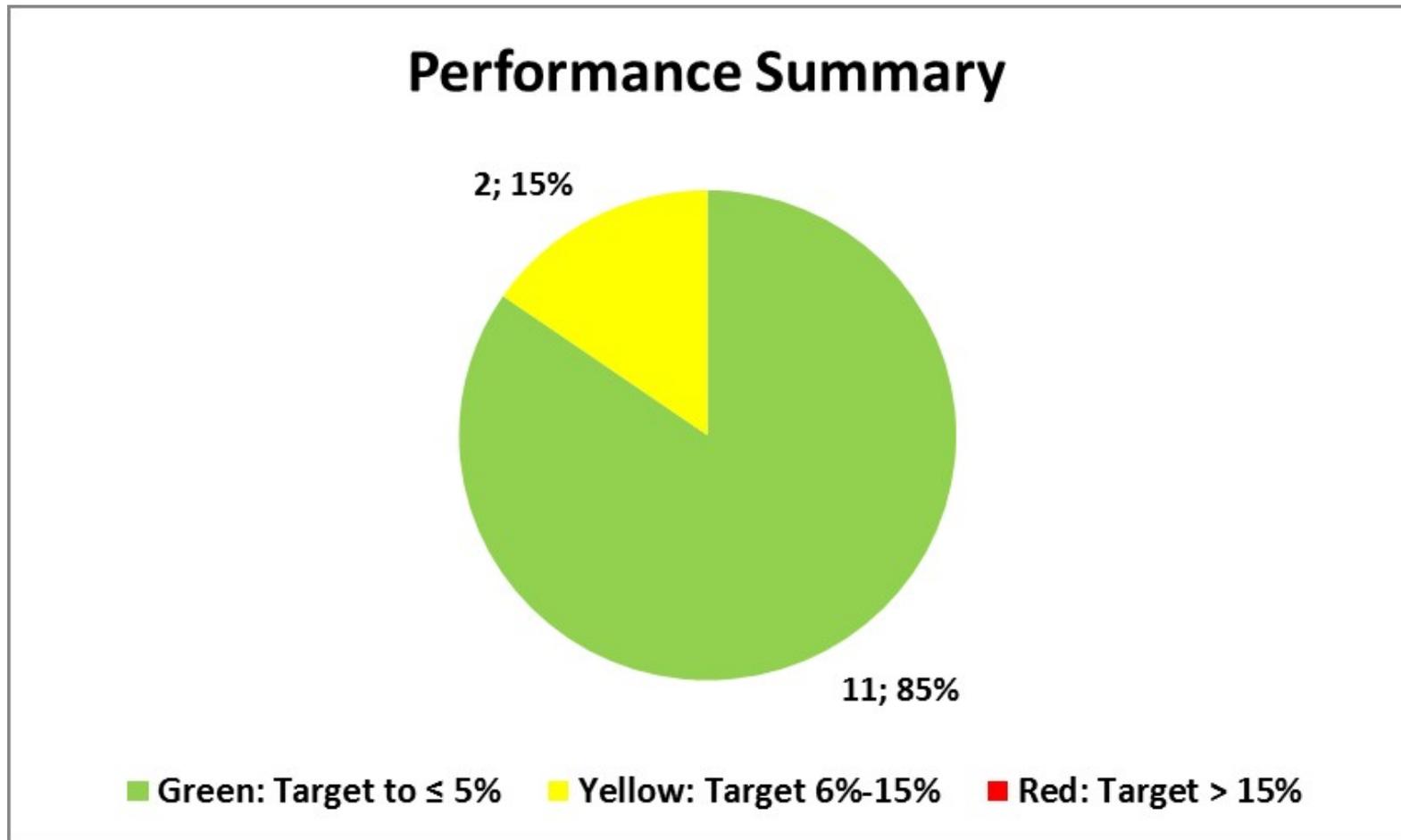
DCBS approach:

- Prioritize DCBS programs by program impact
- Estimate cost of programs
- Set 5 percent and 10 percent cut levels

Governor's budget reduction

- DAS analyst adjustments
 - State government service charge
 - DAS charges for services related to State Data Center, enterprise goods and services, and enterprise administrative services
- Revenue base adjustments
- Expenditure base adjustments

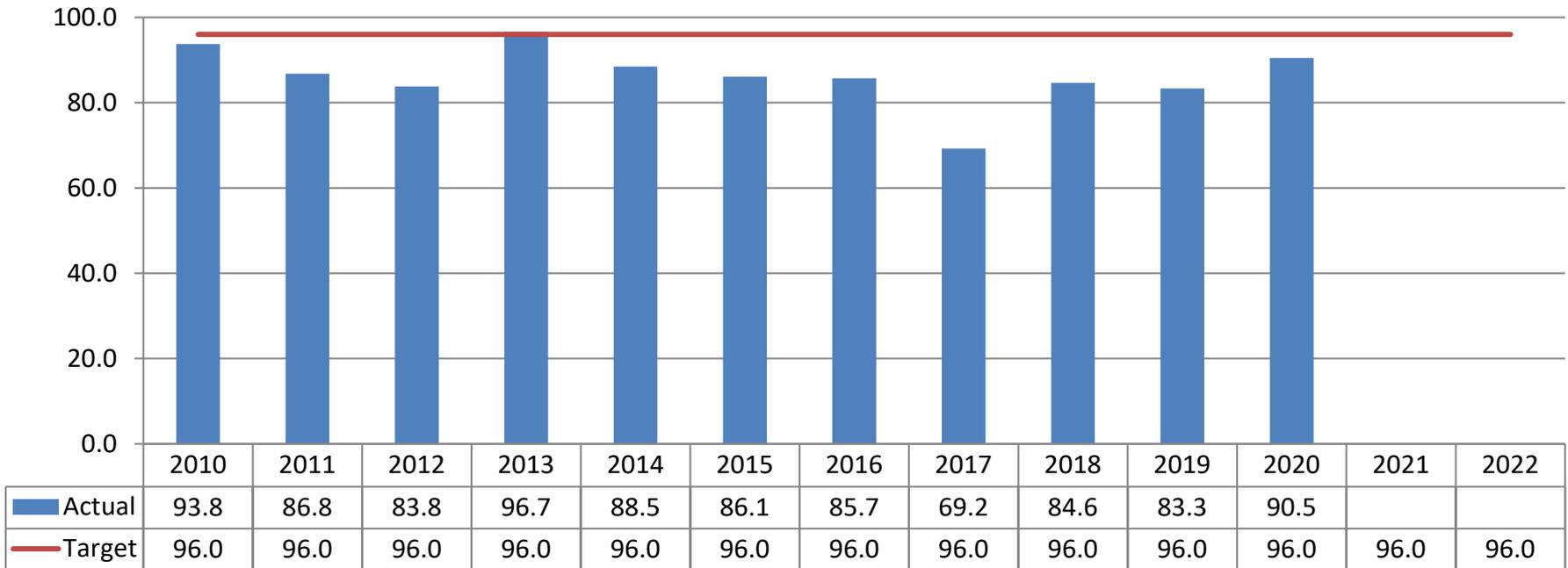
Key performance measures



KPM #10 – Upheld Workers’ Compensation Decisions

Board provides consistent, sound legal decisions

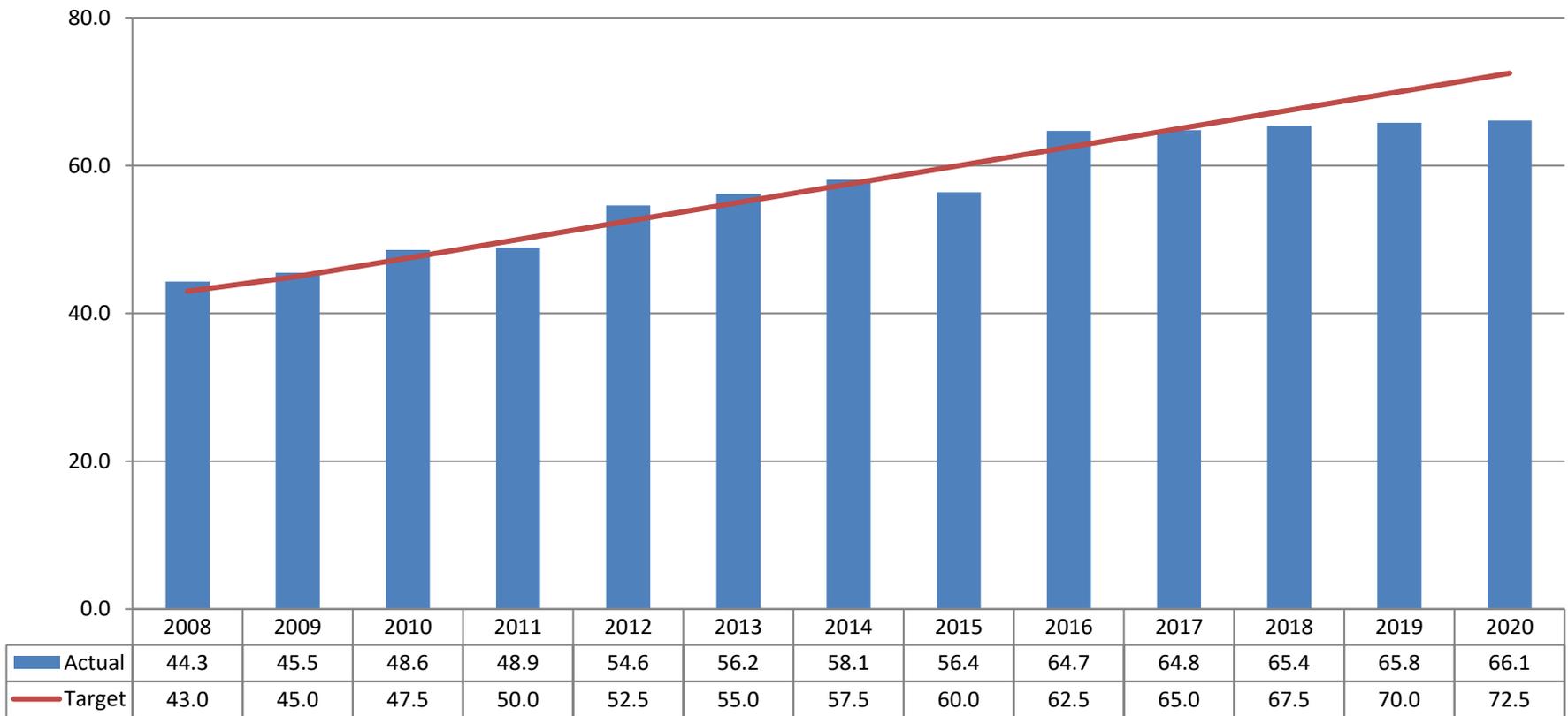
KPM#10 - Percent of Workers' Compensation Board decisions affirmed on appeal to the Judiciary



KPM #13 – E-Transactions for Customers

Electronic Transactions

KPM#13 - Percent of customer transactions completed electronically



Consumer protection and safety



Division of Financial Regulation

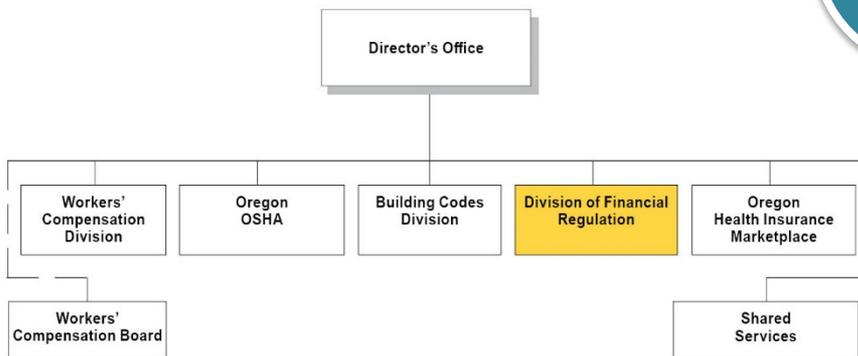
Financial Regulation

Protecting Oregonians' access to fair products and services through education, regulation, and consumer assistance

Phone calls and emails from consumers in 2020: 13,684

The division ensures that:

- Insurance companies, banks, and credit unions are financially sound
- Oregonians are treated fairly as policyholders and beneficiaries
- All financial, insurance, and mortgage professionals are held to high standards
- Rates are reasonable in relation to the benefits provided by an insurance policy



- Recoveries to consumers: More than \$3.6 million
- Anticipated transfers to General Fund (2021-23): \$146 million

Division of Financial Regulation

Accomplishing the mission

COVID-19 response

- Emergency order to entire insurance market to provide relief
- Telehealth agreement
- Regulatory guidance issued to protect consumers and inform licensees
- Fielding of consumer questions

Division of Financial Regulation

Accomplishing the mission

Wildfires response

- Outreach staff in the field within days to answer consumer questions
- Emergency order regarding insurance to provide relief to those impacted
- Ongoing support to consumer questions and complaints

Division of Financial Regulation

Accomplishing the mission

- Protect consumers by monitoring the financial soundness of institutions and insurance companies
- Statewide consumer education and assistance
 - Financial literacy
 - Home ownership
 - Disaster preparedness
 - Scam prevention

Division of Financial Regulation

Insurance Stabilization

Policy Option Package No. 105

\$209,994,168 total fund, 1.00 FTE

- Oregon Reinsurance Program was established in 2017 to stabilize rates and premiums for individual health benefit plans and provide greater financial certainty to health insurance consumers in Oregon
 - For plan years 2018-2021, program kept rates from increasing by 6% each year

Consumer protection and safety

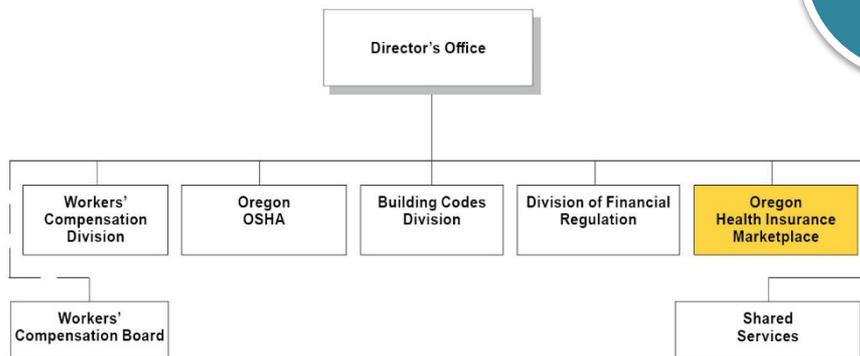


**Health Insurance
Marketplace**

Health Insurance Marketplace

Help Oregonians enroll in health insurance that best fits their needs

- Ensures health insurance plans comply with current federal and state consumer protections
- Supports a network of free and local community partners and agents to help Oregonians enroll
- Raises awareness among Oregonians on their health insurance options
- Provides seamless enrollment support to Oregonians in the commercial market and on Medicare



Enrollment

More than 141,000 for 2021 coverage via HealthCare.gov

(2020: More than 145,000)

Health Insurance Marketplace

Accomplishing the mission

- Drive enrollment in individual market by retaining enrollees and targeting uninsured and those eligible for financial assistance
- Train local community partners and Senior Health Insurance Benefits Assistance (SHIBA) volunteers
- Educate Oregonians and connect them with local help for enrolling in private health insurance and Medicare

Health Insurance Marketplace

Accomplishing the mission

- Ensure marketplace remains financially self-sufficient
- Work closely with consumer advocacy organizations and other stakeholders on policy and operations
- Monitor federal activity to anticipate customers' needs

Health Insurance Marketplace

Senior Health Insurance Benefits Assistance (SHIBA)

- Provides specialized Medicare counseling and advocacy by certified counselors
- Works with community partners to establish and maintain local county counseling sites that deploy more than 200 volunteer counselors
- Provides assistance to more than 22,000 Oregonians per year on Medicare-related issues



Health Insurance Marketplace

COFA Premium Assistance Program

- Until December 2020, citizens of the Republic of Palau, Republic of the Marshall Islands, and the Federated States of Micronesia living in U.S. under the Compact of Free Association (COFA) were not eligible for Medicaid
- Legislature established the COFA Premium Assistance Program in 2015 to increase health equity
- Program ensures low-income COFA islanders in Oregon can buy and use a Marketplace-qualified health plan with the help of financial assistance (payments for premiums and approved in-network out-of-pocket costs)

Health Insurance Marketplace

Marketplace transfer to Oregon Health Authority

Policy Option Package 103, HB 2041, SB 65

-\$14,870,281 Other Fund, -18.00 FTE

- Marketplace resources transfer to OHA
 - -18.00 FTE, -\$14.9 million budget
 - No gap in services to Marketplace stakeholders

Consumer protection and safety

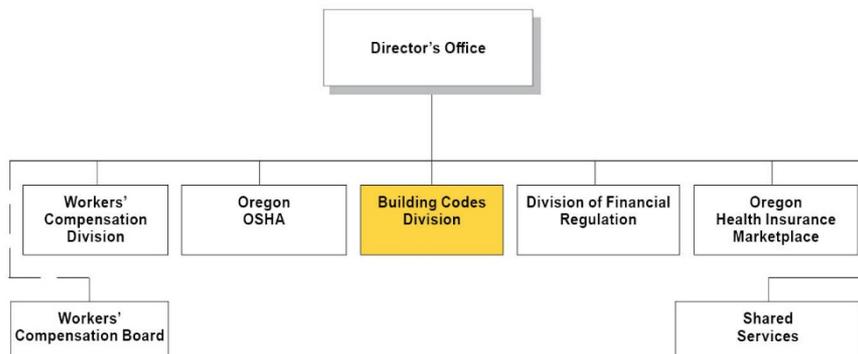


Building Codes Division

Building Codes Division

Working with Oregonians to ensure safe building construction while supporting a positive business climate

- Adopt and enforce uniform building code for Oregon
- Resolve code disputes
- Local government assistance
- License trades workers and train and certify inspectors
- Provide building department services where local entities do not



Building Codes Division

Accomplishing the mission

The screenshot shows the Oregon ePermitting website. At the top left is the logo and the text "Need help? 503-373-7396" and "Register". Below this is a "Permitting" tag and "Online Training: Using Oregon ePermitting". There are four main buttons: "Apply for Permits" (teal), "Permit Search" (yellow), "Scheduling Inspections" (green), and "COVID and Wildfire Resources" (grey). Below the buttons, there is a login form with fields for "User Name or E-mail:" and "Password:", and a "Login »" button. To the left of the login form, there is text: "Keeping contractors up-to-date with the latest emergency and safety notifications." and "Providing online resources for contractors, local jurisdictions and homeowners to navigate the construction process". At the bottom, there are two columns of links: "Jurisdiction Resources" and "Contractor Resources".

Need help? 503-373-7396 **Register**

Permitting Online Training: Using Oregon ePermitting

Apply for Permits **Permit Search** **Scheduling Inspections** **COVID and Wildfire Resources**

Keeping contractors up-to-date with the latest emergency and safety notifications.

Providing online resources for contractors, local jurisdictions and homeowners to navigate the construction process

Login
User Name or E-mail:

Password:

Login »

Jurisdiction Resources
End of Day Report
ePermitting Advertising Business Cards
Register for ePermitting Brochure
How to Upload Documents on ePermitting
Inspection Codes Brochure
Modelo Estandar de Oregon Codigos de inspeccion
SelecTXT Brochure
IVR Call Flow Brochure Insert

Contractor Resources
Building Codes Division
Construction Contractors Board
DEQ Onsite/Septic Contact List
Elevator Permits
Landscape Contractors Board
Lead Renovation, Repair and Painting Rule
Minor Labels
Online Training: Using Oregon ePermitting

- Continue implementing ePermitting program
- Piloting virtual inspections and other flexible tools to expand options for contractors and building departments



Building Codes Division

Accomplishing the mission

- Responsive to emergencies and rapidly changing construction landscape
- Collaborate with partners to develop diverse talent pipeline of inspectors and building officials
- Expand training opportunities for building officials, inspectors, and plans examiners



Worker protection system



Ombudsmen

Ombudsmen

Helping workers and small business owners through the workers' compensation system

Small Business Ombudsman (SBO)

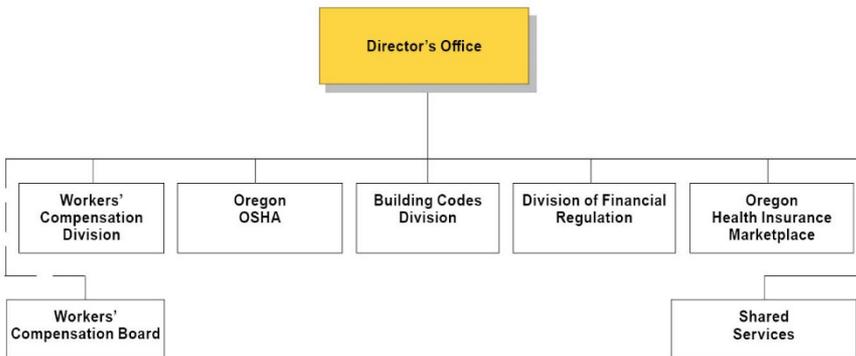
Answers questions about:

- Shopping for workers' compensation insurance
- Premiums/audits

Ombudsman for Injured Workers (OIW)

Answers questions about:

- Worker rights and responsibilities
- Benefits
- Returning to work



July 2019 through June 2020

- 798 total SBO contacts
- 8,151 total OIW inquiries

Worker protection system



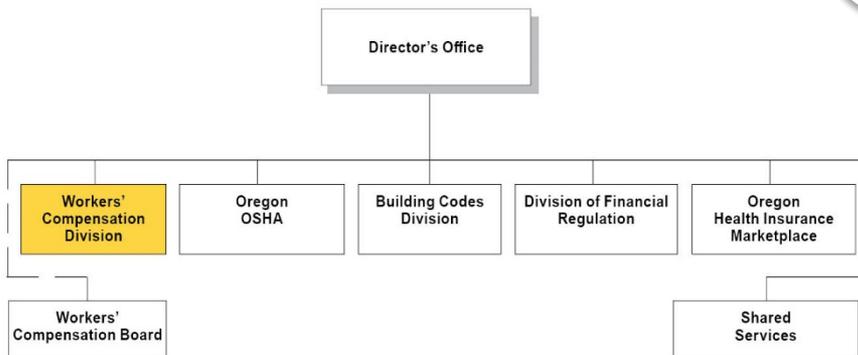
**Workers'
Compensation
Division**

Workers' Compensation Division

To advance a leading workers' compensation system that represents integrity and fairness for Oregonians

System is designed to provide:

- Prompt and complete medical treatment
- Adequate and reasonable income benefits
- A fair and just administrative system
- Self-sufficiency for workers
- A sole and exclusive remedy



Two primary customers:

- Subject employers (2019): 126,100
- Subject workers (2019): 1,972,500

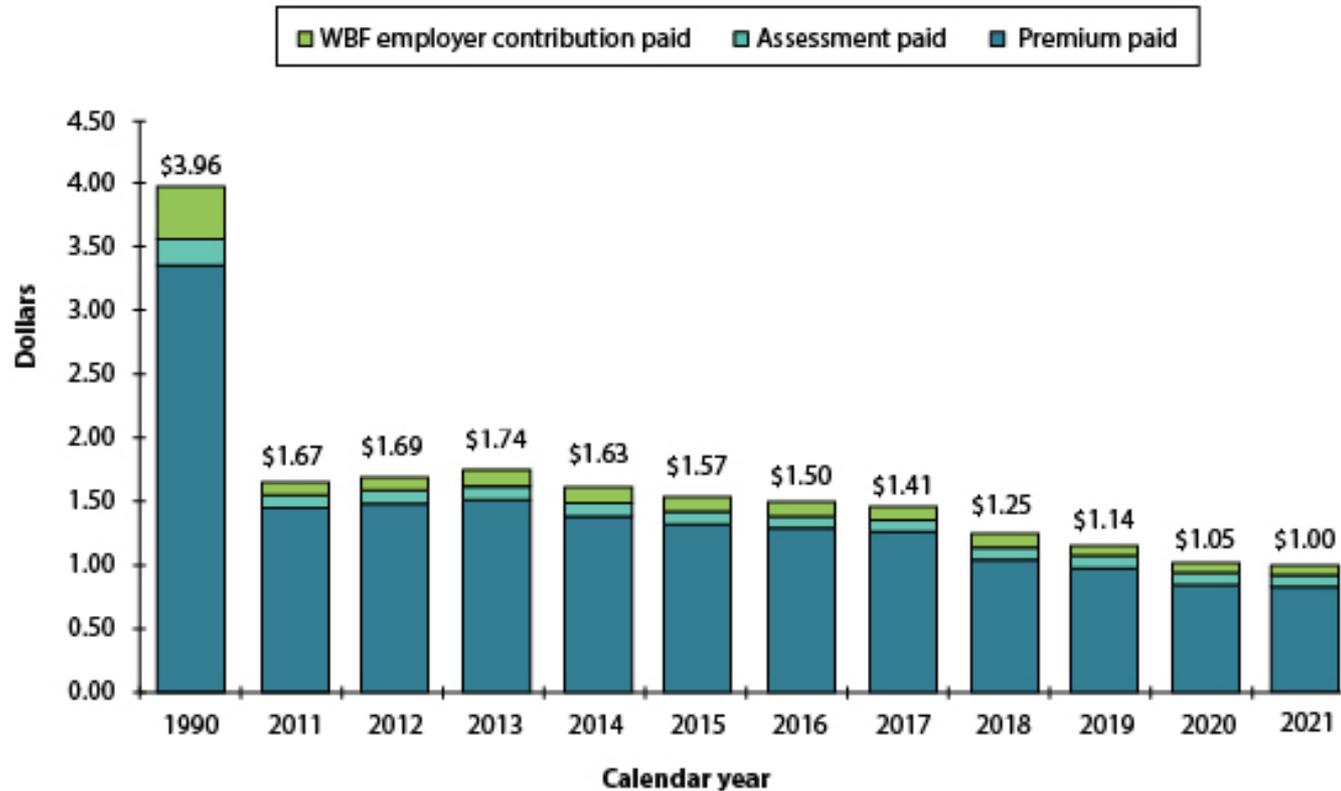
Also, insurers, self-insured employers, service companies, medical providers, vocational providers, attorneys

Successful system

- ✓ Affordable for employers
- ✓ Good benefits and outcomes for workers

Workers' compensation system employer costs

Total loaded pure premium, premium assessment, and WBF assessment paid per \$100 of payroll



Total employer costs per \$100 payroll for loaded pure premium, premium assessment, and Workers' Benefit Fund cents-per-hour assessment. Loaded pure premium includes insurer costs, known as expense loading factors. Historic figures are adjusted to reflect the 2020 mix of employment and payroll.

Worker benefits

- Worker benefits are strong
- Most worker benefits adjust with changes in Oregon's wages
- Benefits have been improved for:
 - Fatality claims
 - Permanent totally disabled workers
 - Permanent partially disabled workers
- Return-to-work programs help workers get back to work quickly and safely

Return-to-work programs

- Workers who use them have a higher post-injury employment rate and better wage recovery than those who don't.
- In 2019, return-to-work programs helped more than 8,600 workers
- Employers benefit by retaining a valuable workforce and reducing claim costs



The Preferred Worker Program helped Josh Allison start a new career at an Astoria brewery following an on-the-job injury.

Workers' Compensation Division

Accomplishing the mission

- Make progress toward modernizing information systems
- Expand outreach to preferred workers and collaborate with employers on return-to-work programs
- Continue implementing electronic records management and allow more electronic transmission of information where possible
- Adjust stakeholder outreach to adapt to COVID-19 situation

Workers' Compensation Division

Modernization Program

Policy Option Package No. 101

\$481,565 Other Fund, 1.88 FTE, 2 positions

- Enhance information technology support for existing programs
- Implement process improvement projects recommended by modernization consultant
- Prepare processes and systems for large technology projects when fiscal conditions improve

Worker protection system

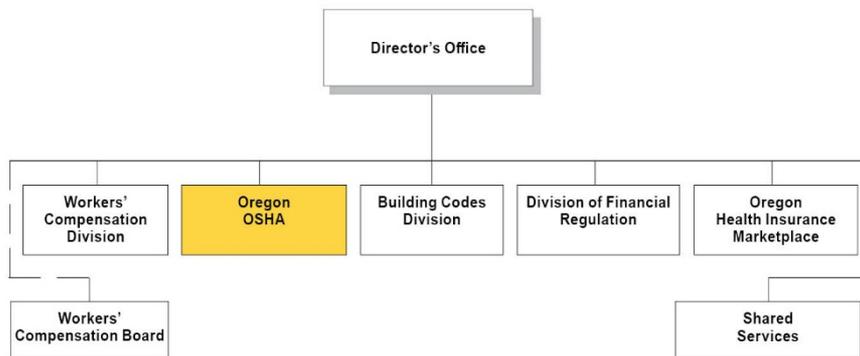


**Oregon Occupational
Safety and Health
Division**

Oregon OSHA

**Improving
workplace safety
and health for all
Oregon workers**

- Inspect workplaces
- Help employers identify and eliminate hazards
- Investigate workplace fatalities/injuries



Who we serve:

- Workers (2020): 1.97 million
- Business and government establishments (2020): 161,000

Oregon OSHA

Accomplishing the mission

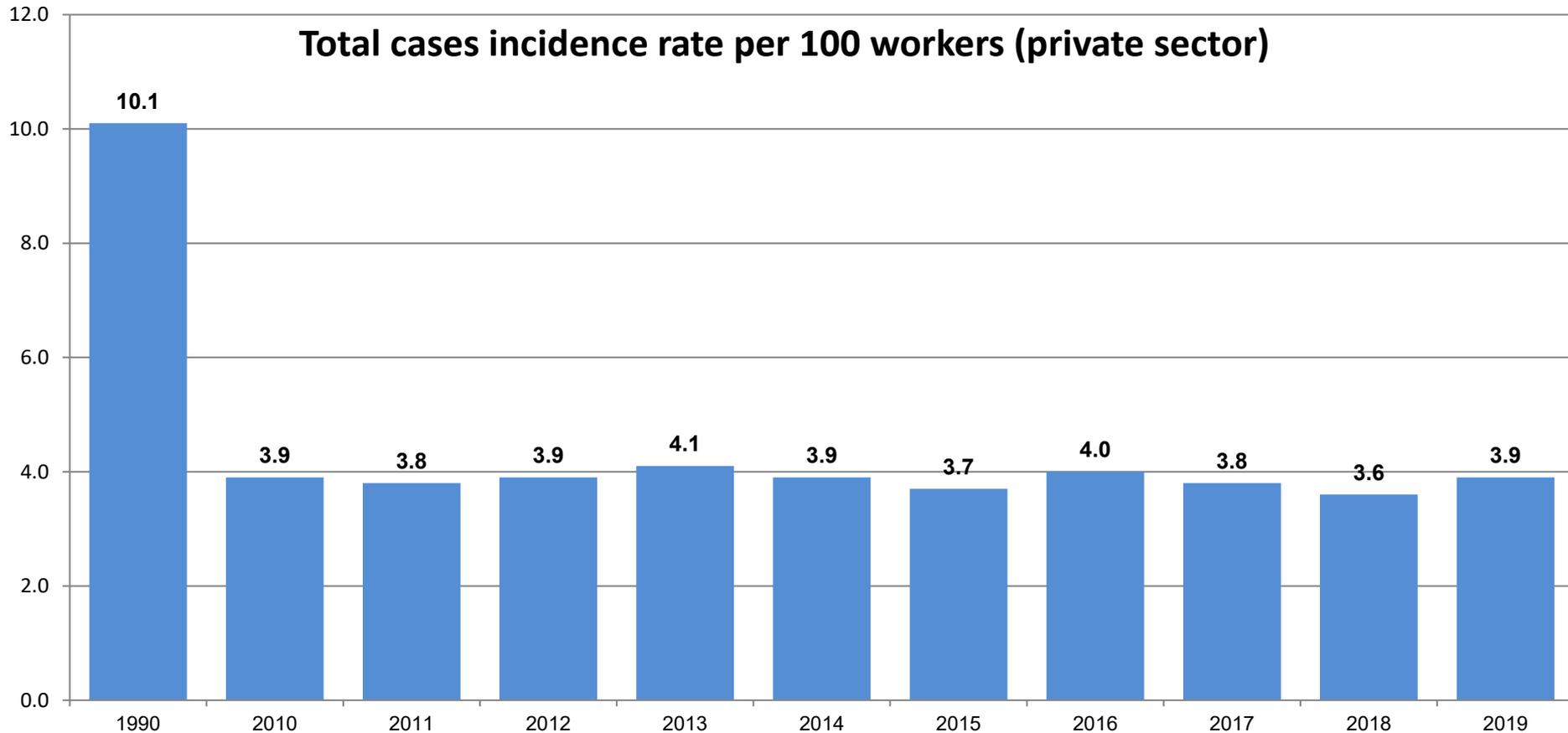
- Enforcement focus: COVID-19 complaints; high-hazard industries and occupations; balance regular scheduled activities with several emphasis programs to address key risks and pandemic response
- Education focus: Small employers
- Outreach focus: Vulnerable and hard-to-reach workers
- Achieve the highest employer inspection presence in the country
- Use a variety of communication channels to highlight and address significant workplace hazards and lessons learned

Oregon OSHA

Accomplishing the mission

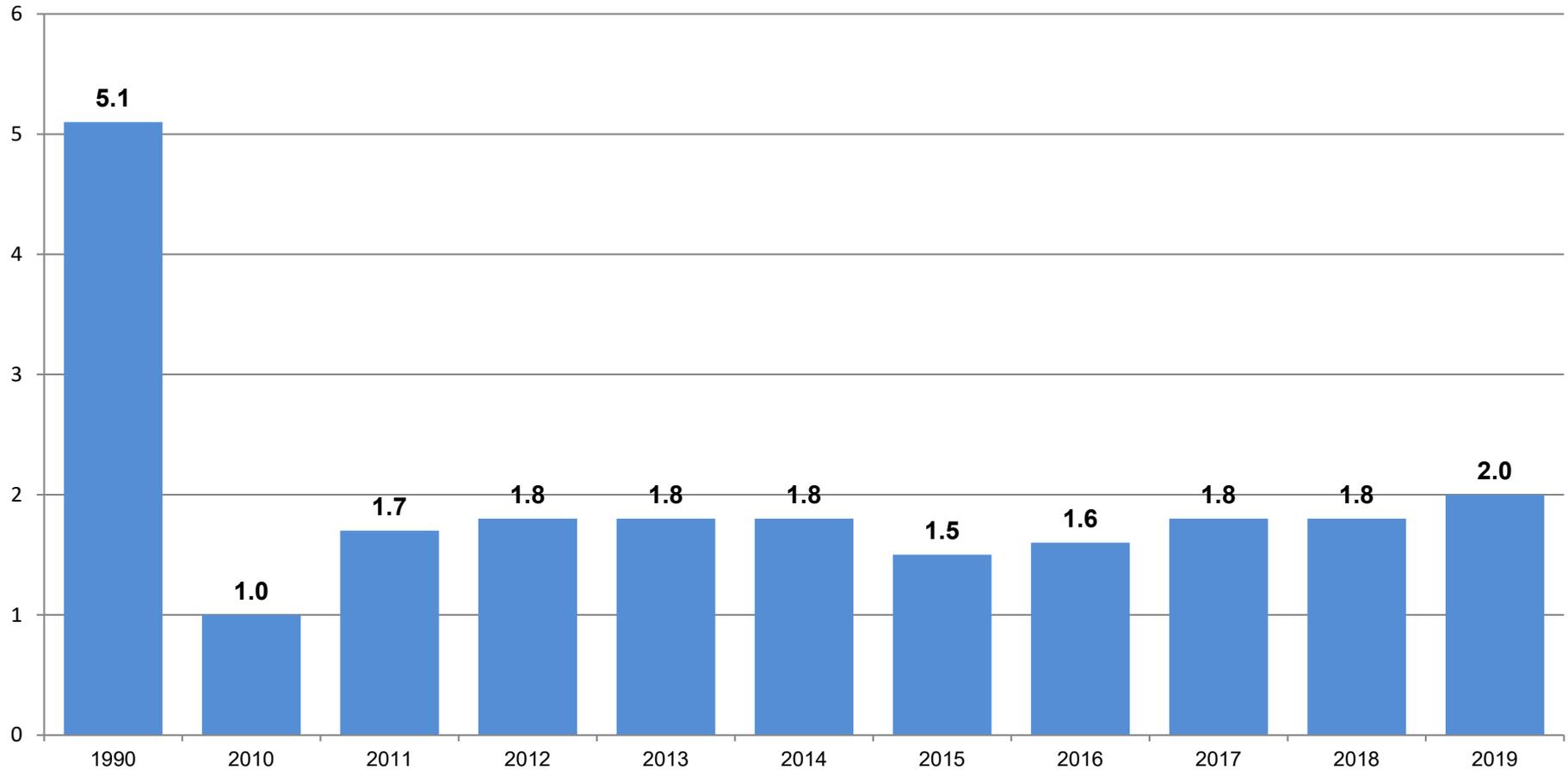
- Continue to move more safety and health training online to allow better employer/worker access, including adding Spanish-language versions
- Make safety and health standards easier to understand by providing technical assistance, publications, and outreach materials
- Maintain stakeholder relationships through involvement in rulemaking, policy development, and ongoing advisory groups

Occupational injury and illness incidence rates



Fatality rates

Compensable fatality rates per 100,000 workers, 1990, 2010-2019

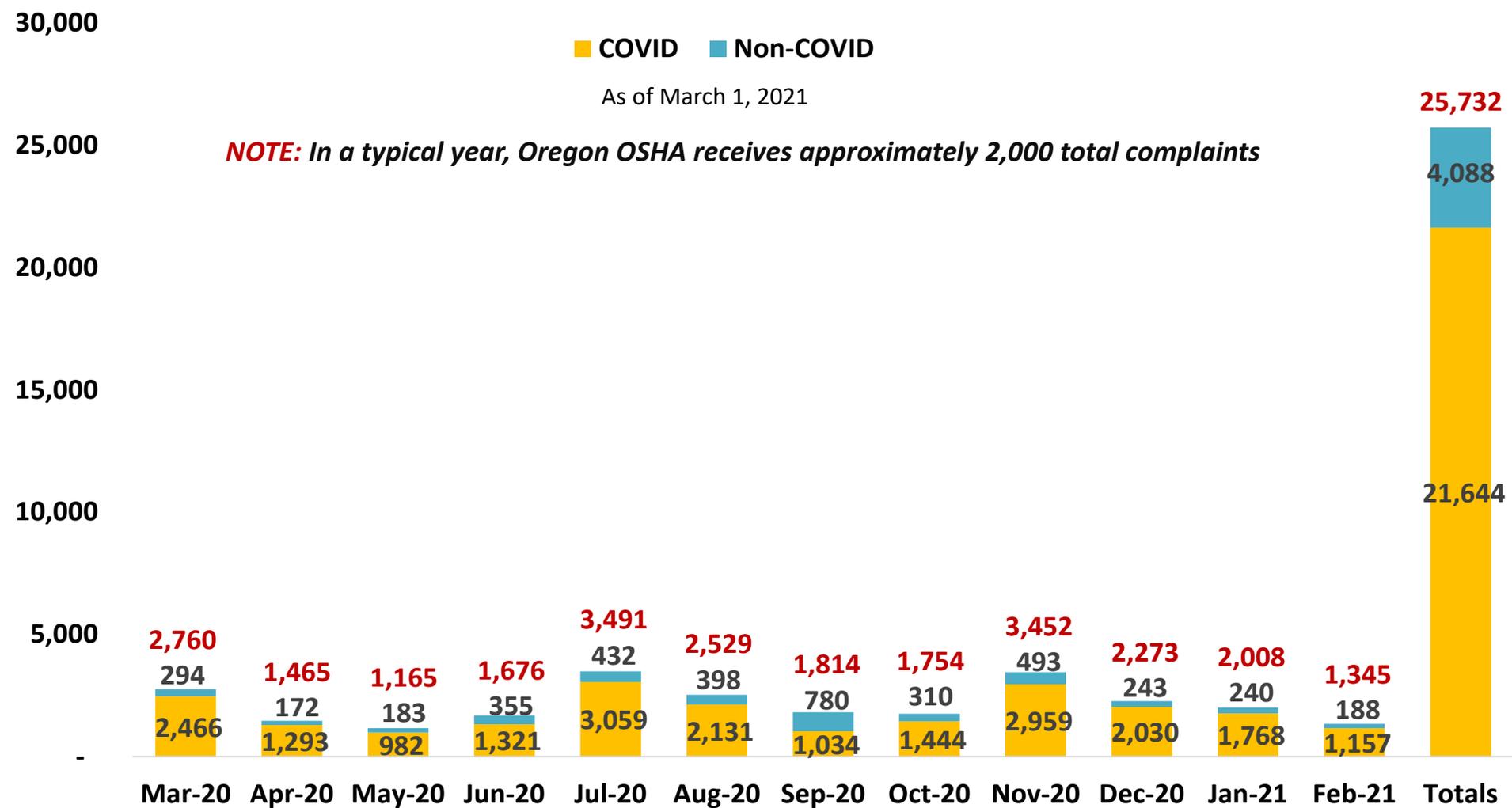


Complaints – COVID-19

■ COVID ■ Non-COVID

As of March 1, 2021

NOTE: In a typical year, Oregon OSHA receives approximately 2,000 total complaints



Oregon OSHA

Workplace Safety and Health
Policy Option Package No. 102
\$599,118 Other Fund, 2.50 FTE

- Federal Funds versus Other Funds (Premium Assessment Operating Account) limitation
- Limitation adjustments for “Salary Pot” changes (cost-of-living adjustment and personal services)
- Federal grant awards do not increase comparable to Legislature-approved changes to compensation and benefits

Worker protection system

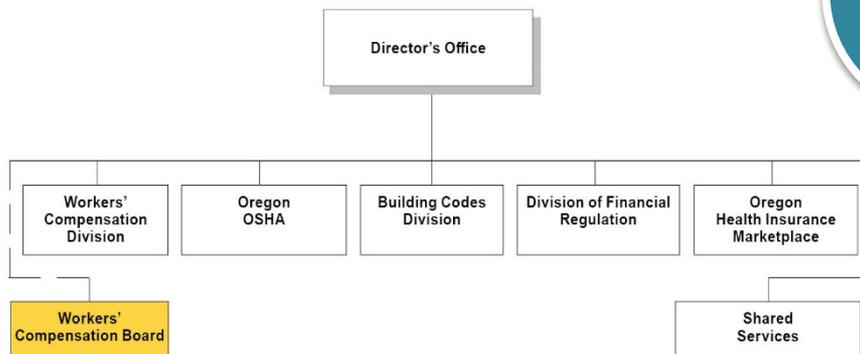


**Workers'
Compensation
Board**

Workers' Compensation Board

Producing sound legal decisions for Oregon's workers' compensation system

- Administrative law judges (ALJs):
 - Hold due process hearings of workers' compensation and Oregon OSHA disputes
 - Provide mediation services
- Board members:
 - Provide appellate review of ALJ decisions
 - Approve claim disposition agreements
 - Exercise own motion jurisdiction

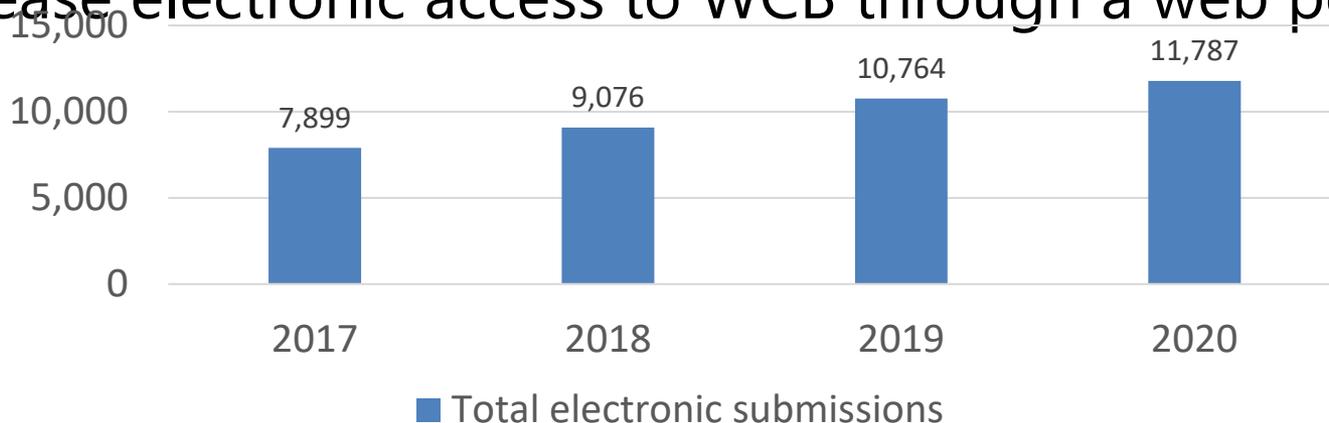


In 2020:
98% of ALJ orders timely issue
99% of mediations settled

Workers' Compensation Board

Access to justice for all Oregonians

- Interpreters provided at no cost for hearings and mediations
- We come to you – In-person hearings and mediations set in the location of the injured worker
- During COVID-19, pivoted to telephonic and videoconference hearings and mediations
- Increase electronic access to WCB through a web portal



Hearing locations





QUESTIONS?