

## Board approves 2003 benefit recommendations

On June 18, the Benefit Board approved Plan Design Subcommittee recommendations for 2003 benefit plans. While large healthcare purchasers are continuing to experience double-digit annual premium increases, the PEBB Plan Design Subcommittee was able to achieve more favorable results for 2003. PEBB experienced an overall average premium increase of 26 percent last year, compared with a combined medical and dental premium increase of approximately 8.8 percent for 2003. The Board continues to be very concerned about the extreme volatility in the medical insurance marketplace with no known resolution.

In the coming months, PEBB will provide additional details about 2003 benefits. The board will also stay focused on the continuing challenges of providing high-quality affordable health care now and in the future.

Following is a summary of 2003 plan design highlights.

### Medical Plans

**Recommendation:** Continue current Kaiser Permanente HMO plan design for 2003 with the following changes:

- Improve hearing aid benefit to \$500 allowance per ear and per aid.
- Improve vision services to \$10 co-payment per exam and \$150 allowance for frames, lenses and contacts every 24 months.
- Treatment of mental health conditions as any other medical condition.
- Improve durable medical equipment benefits to cover 100%.
- Increase emergency room and ambulance co-payments from \$50 to \$75.
- Adopt Kaiser standard prescription drug benefit by moving to two-tier drug formulary (\$10 generic formulary and \$15 brand formulary).
- Retain one co-payment for 90-day mail-order supply of Kaiser Permanente maintenance drugs.

Estimated premium rate change: 14.6% increase.

**Recommendation:** Continue current Regence BlueCross BlueShield of Oregon (BCBSO) PPO plan design for 2003 with the following benefit change: Treatment of mental health conditions as any other medical condition.

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## The Process of Plan Design

During the first quarter of 2002, the Plan Design Subcommittee developed the following statement of purpose. "Consistent with the mission and values of PEBB, the purpose of the Plan Design Subcommittee is to develop and improve benefit design, vendor selection, structure and innovation in a way that will balance the interests, needs and resources of the State and its employees."

The Subcommittee used this statement as a benchmark for reviewing 2003 plan decisions.

The Subcommittee also followed a new decision-making process based on problem statements, comprehensive lists of stakeholders, facts and other analytical criteria. The Subcommittee met 10 times and held 11 renewal work sessions.

In making its 2003 plan recommendations to the Board, the Subcommittee incorporated the Board's 2002 planning priorities, stakeholder feedback and carrier suggestions. The Subcommittee also considered PEBB member input received during two public hearings held on June 4 and 11, 2002.

# PEBB Health Center Update

775 Court St. NE • Salem, OR 97301  
(800) 701-1333 • (503) 362-1111 • pebbhealth@wellmed.com

Feel free to bring your lunch to any of the noon-hour classes at the PEBB Health Center. Registration is required for all programs. If you are unable to attend, handouts may be available. Please call for registration or more information.

## Are we what we eat?

*Try the American Heart Association Nutrition Challenge this month. Evaluate your current eating and nutrition habits. Making a few small changes over time can decrease your cholesterol level, increase your energy level and maybe even save you some money.*

### Programs at the PEBB Health Center

#### **Eat To Your Heart's Content**

**Stating date:** Anytime in July  
**Finish date:** Four weeks later  
**Location:** Anywhere you are  
**Facilitator:** You

Welcome to the American Heart Association's nutrition challenge! This fun program will challenge you (and others) to make heart-healthy decisions about your diet over the next four weeks. Call the PEBB Health Center to have an information packet sent to you. Materials can be photocopied for additional participants.

#### **Skin Health**

**Presenter:** Debbie Dufour FNP  
**Date:** Tuesday, July 9  
**Time:** Noon-1 p.m.

Protect your skin this summer. Learn about prevention and treatment of common skin problems including sunburn, skin cancer, contact dermatitis and insect bites.

#### **Summer Coolers**

**Presenter:** Ann Raymon, MS, RD, LD  
**Date:** Wednesday, July 10  
**Time:** Noon-1 p.m.

How "nutritionally cool" are "cool" beverages sold in retail outlets? Be refreshed with home-made smoothies that are less expensive, quick, easy and yummy!

#### **Asthma vs. Allergies**

**Presenter:** Megan Osborn ANP  
**Date:** Thursday, July 11  
**Time:** Noon-1 p.m.

Learn how you can be in more control of your asthma or allergies or help family members improve their symptoms. This is a great "Lunch and Learn" opportunity.

#### **Freedom from Cigarettes**

**Presenter:** Cindy Stegner RN  
**Dates:** Six sessions; July 15, 22, 23, 25, 29 and Aug. 12  
**Class Fee:** \$10.00 (plus \$20 deposit)  
**Time:** Noon-1 p.m.

These six one-hour sessions focus on techniques and strategies designed to help participants end their physical and emotional

dependence upon tobacco products. Whether you smoke or chew, learn how to handle stress without relying on tobacco, how to overcome cravings and temptations, and how to live your life free from the grip of this addiction.

*The \$20 refundable deposit (check or money order) will be collected at the second session of the tobacco cessation series, and is separate from the course fee. The deposit will be returned at the conclusion of the series to participants who have attended at least five of the six sessions.*

#### **Food's Healing Power**

**Presenter:** Linda Spaulding, Nutrition Educator  
**Date:** Wednesday, July 17

Gain an understanding of the importance and sources of protein, carbohydrates, fiber, fats and oils. Examine the impact of nutrition on high blood pressure, cancer, kidney disease, osteoporosis and atherosclerosis. Start to identify your eating habits and how you can transition to a healthier, primarily plant-based diet.

# PEBB Public Meeting Notice for July 2002

**The Public Employees' Benefit Board** will meet Tuesday, July 16, from 2 to 4 p.m. in Hearing Room 357 of the State Capitol Building, located at 900 Court St NE in Salem.

**The Board's Plan Design Subcommittee** will meet Tuesdays, July 2 and 16, from 9 a.m. to noon in Conference Room 350 of the State Capitol Building.

**The Board's Wellness Subcommittee** will meet Tuesday, July 16, from noon to 1:30 p.m. in Conference Room 350 of the State Capitol Building.

**The Board's Operations Subcommittee** is not currently scheduled to meet in July.

*Meeting schedules are subject to change. To be placed on the list of those to be notified of schedule changes, please call Becky Johnson at (503) 378-6296. The most current public meeting notices are posted on PEBB's Web site at <http://pebb.das.state.or.us>.*

*Meetings held at these addresses are wheelchair accessible. If special accommodations are necessary, please contact Becky Johnson within 48 hours or as soon as possible before the meeting.*

## Click here for better health

As a PEBB member, you have access to some of the easiest-to-use health resources online. Go to [www.wellmed.com/stateofhealth](http://www.wellmed.com/stateofhealth) to register as a new user. Fill in the registration and find out your health quotient. It's a simple yet sophisticated way to compare, track and improve your health.

## PEBB Resources

Access PEBB, insurance companies and other benefit resources using the contact information below. The insurance company Web sites include provider directories. You can also link to insurance company Web sites from the PEBB Web site.

### **Public Employees' Benefit Board (PEBB)**

(503) 373-1102, (800) 788-0520  
<http://pebb.das.state.or.us>  
[inquiries.pebb@state.or.us](mailto:inquiries.pebb@state.or.us)

### **Associated Administrators, Inc. (Dependent Care FSA)**

(800) 334-4340  
(503) 220-3805

### **BestChoice Administrators**

(800) 556-3137  
(503) 765-3581

### **Health Center**

(800) 701-1333  
(503) 362-1111  
[pebbhealth@wellmed.com](mailto:pebbhealth@wellmed.com)

### **Cascade East Health Plan (medical)**

(866) 577-CEHP (2347) toll-free  
[www.cehp.org](http://www.cehp.org)

### **Kaiser Permanente (medical & dental)**

(800) 813-2000  
[www.kp.org/nw](http://www.kp.org/nw)

### **Nationwide Insurance (auto)**

(888) 628-4663 media code 8425  
(888) 662-8446 (TDD)

### **ODS Health Plans (dental)**

(800) 452-1058  
[www.odshp.com/pebb/](http://www.odshp.com/pebb/)

### **Regence BlueCross BlueShield of Oregon (medical)**

(800) 826-9813  
(503) 220-3849  
[www.or.regence.com/pebb](http://www.or.regence.com/pebb)

### **The Standard Insurance Company (life & disability)**

(800) 242-1888  
[www.standard.com](http://www.standard.com)

### **Unum (long-term care)**

(800) 227-4165  
[www.unum-ecs.com/pebb](http://www.unum-ecs.com/pebb)

### **VSP (vision)**

(800) 877-7195  
[www.vsp.com](http://www.vsp.com)

### **Willamette Dental Insurance (dental)**

(800) 460-7644  
[www.denkor.com](http://www.denkor.com)

## Board approves 2003 benefit recommendations *(continued from page 1)*

Estimated premium rate change:  
8.4% increase.

**Recommendation:** *Continue current Cascade East Health Plans HMO plan design for 2003 with the following benefit change: Treatment of mental health conditions as any other medical condition.*

Estimated premium rate change:  
14.3% increase.

### Dental Plans

**Recommendation:** *Continue current Kaiser Permanente dental plan for 2003 with no plan changes.*

Estimated premium rate change:  
16.4% increase.

**Recommendation:** *Continue the current ODS Traditional and Preferred dental plans for 2003 with no plan changes.*

Estimated premium rate change:  
7.3% increase on both plans.

**Recommendation:** *Continue the current Willamette dental plan for 2003 with no plan changes.*

Estimated premium rate change:  
8% decrease.

### 2003 contribution information

Employer contribution rates are not set by PEBB. Instead, rates are determined through the collective bargaining process, by the Department of Administrative Services, and through agencies and are included in the overall budget decisions of the

Governor and the Legislature. The 2003 budget projections indicated there would be a 14.4 percent increase in benefit costs. Preliminary renewal decisions have resulted in an overall estimated 8.8 percent increase from 2002. Assuming no other changes, eligible full-time employees would continue to receive fully paid medical and dental benefits for themselves and their families.

### Additional part-time employee and retiree options

The Board also approved several recommendations for additional medical and dental plan options for eligible part-time employees and retirees. These are to:

- Renew the 2002 Regence BCBSO Part-time and Retiree PPO plan design (8.3% premium rate increase).
- Mutualize the premium increase across the Regence BCBSO PPO and Part-time and Retiree PPO plans. This has the effect of lowering the premium increase on the Part-time and Retiree PPO plan from 22% to 8.3%.
- Add a new, lower-benefit, lower-cost Kaiser Permanente Part-time and Retiree HMO medical plan.
- Add a new, lower-benefit, lower-cost ODS Part-time and Retiree dental plan.
- Continue to make all medical and dental plan options available to part-time employees and retirees.

### Part-time employee funding information

The Board approved a one-year subsidy for 2003. This subsidy will apply only to the Regence BCBSO and Kaiser Permanente Part-time and Retiree medical plans. As a result, part-time employees choosing one of these plans should see 2003 out-of-pocket premium costs similar to those for the 2002 Regence BCBSO Part-time and Retiree plan. Details about the subsidy will be shared this summer. Because of the great range of combinations possible for enrollment (four medical plans, five dental plans, four family tiers) the subsidy amount will be approximate.

Part-time employees can also choose to purchase any of the other 2003 medical plans. No subsidy will apply.

#### Public Employees' Benefit Board

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Fax: (503) 373-1654

## PEBB Mission

To provide a high quality plan of health and other benefits that are affordable to both the employee and the state.