

Open Enrollment What You Need to Know

Here's what employees need to know about Open Enrollment for 2003 benefits:

- Open Enrollment runs Oct. 1-31, 2002.
- You have the same choice of plans and carriers this year as you did last year.
- In September, you will receive an Open Enrollment Packet with a Summary, essential information and forms.
- If you **don't** want to make any changes to your current benefit selections, you do not have to fill out any forms. Your 2002 choices will simply continue for 2003.
- If you **do** want to make any changes, follow the checklists in the summary brochure. Fill

out the applicable forms completely, and submit them to your agency by Oct. 31.

- Assuming no other budget changes, eligible full-time employees will continue to receive fully paid medical and dental benefits for themselves and their families. See pages 2 and 5 for part-time employee information.

Click or call for more information

If you want more-detailed information during Open Enrollment, you'll have plenty of options.

- Send PEBB a completed Additional Information Form from your Open Enrollment Summary.
- Access Open Enrollment documents, publications and other resources online at <http://pebb.das.state.or.us>.
- Contact your agency payroll, personnel or benefits office to request an Open Enrollment meeting (if 25 or more employees in your agency or geographic location will attend).
- Call PEBB and speak with a Benefits Counselor at (503) 373-1102 (in Salem) or (800) 788-0520 (outside Salem).

Hands-on help

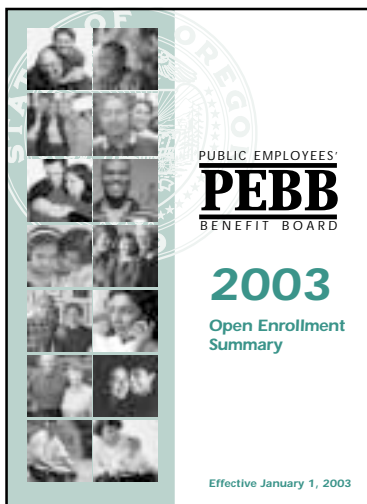
If you live or work in the Salem area, you can get hands-on assistance during Open Enrollment. PEBB Benefit Counselors will staff Open Enrollment "Help Sessions" at PEBB's Salem offices at 775 Court Street NE. You don't need to register. You can just drop in to get answers to questions about your benefit choices. You'll also find help with forms and any other aspect of the PEBB benefits program you might find confusing.

If you live outside Salem, the Benefit Counselors can provide one-on-one assistance by phone during regular office hours. Call (800) 788-0520 toll free. PEBB Counselors know insurance can be baffling. They're here to help.

PEBB Open Enrollment Hands-on Help Sessions

775 Court St NE, Salem
 (Corner of Court and Winter)

Time	October Dates
Noon-1 p.m.	7, 11, 21, 25, 31
4-5 p.m.	1, 3, 4, 10, 14, 16, 17, 24, 30



(continued on page 2)

Inside this issue

Health Center Hits the Road	3
Fall=Flu Shots	4
Message From PEBB	6

Open Enrollment *(continued from page 1)*

Enjoy a year of few benefit changes

For 2003, the Board was able to renew all the current plans with just a few changes. The designs of the dental, life and disability, and long-term care plans have not changed.

The medical plans have changed only slightly. They now cover mental health treatment the same as any other medical condition, subject to each plan's limitations and exclusions. They also include some adjustments in their prescription drug lists or formularies. The Kaiser Permanente plan design has a few additional changes, most of which are improvements to the benefits. You can read more about these changes in the Open Enrollment Summary you will receive in September.

Higher costs on the horizon

While state employee benefits for 2003 will not differ much from 2002, the healthcare cost trend continues to rise. The Board was able to renew the 2002 medical and dental plans for 2003 with an 8.75 percent overall increase. But regionally and nationally, employers are reporting double digit increases for 2002 and 2003. National benefit consulting firms are predicting similar annual increases at least through 2005.

2003 Medical Plan Monthly Premium Rates				
	Employee	Employee & Spouse/Partner	Employee & Child(ren)	Employee & Family
Cascade East HMO	455.66	677.45	532.61	709.14
Kaiser Permanente HMO	419.28	624.74	490.57	654.07
Regence BCBSO PPO	446.18	662.84	520.54	694.26

2003 Dental Plan Monthly Premium Rates				
	Employee	Employee & Spouse/Partner	Employee & Child(ren)	Employee & Family
Kaiser Permanente	65.15	97.07	76.22	101.63
ODS Preferred	52.22	77.79	61.10	81.47
ODS Traditional	56.59	84.31	66.21	88.28
Willamette	44.24	65.93	51.78	69.02

Additional Options for Part-time Employees

Eligible part-time employees have additional medical and dental plan options for 2003. During Open Enrollment they can select any of the plans available to full-time employees. Or they can choose lower-cost, lower benefit medical and dental plans.

Regence BlueCross BlueShield will again offer its Part-time Employee PPO. In addition, Kaiser Permanente is offering an HMO plan for part-time employees. PEBB has applied a subsidy to the rates for these additional medical plans to make them more affordable. Part-time employees can also choose an additional dental plan option offered by ODS. The rates for these plans are presented on page 5.

Health Center hits the road

PEBB Health Center staff members are taking their services on the road in October. These nurse practitioners, health educators and other health professionals are scheduled to visit nine cities and towns around the state. At each stop they'll provide health screenings to state employees and other PEBB members.

This screening circuit initiates a pilot project of The State of Health, PEBB's statewide wellness program. The goal is to help PEBB members identify individual risks to their health.

At each location, employees will be invited to participate in screenings to check their cholesterol and

glucose levels, determine their body mass index and measure their blood pressure. Staff will be there to interpret and provide counseling on the results.

In addition, staff members will help participants enter their results into their own HealthQuotient. This free, online tool designed by WellMed assists PEBB members in recognizing their health risks. It also provides personalized encouragement and guidance on reducing those risks.*

The Benefit Board will consider PEBB-member interest in and results of the statewide pilot project in planning wellness activities for 2003.

The team is still firming up the specific dates and times. Employees who live and work in the selected areas will receive detailed communication about how to register and prepare for the screenings. Following are the tentative locations and dates:

Locations	Dates
Portland	Oct. 3-4
Ontario, LaGrande, Pendleton, Hermiston	Oct. 7-11
Newport, Corvallis	Oct. 16-18
Medford, Bend	Oct. 28-30

* Follow your agency guidelines on use of the Internet at work.

Programs at the PEBB Health Center

Registration is required for all programs. Handouts may be available if you are unable to attend. The PEBB Health Center lending library has reading material on all of these topics. Feel free to bring your lunch to any of the noon-hour classes. To register, e-mail pebbhealth@wellmed.com or phone (503) 362-1111 (Salem) or (800) 701-1333.

Cultivating Health

Dates: Tuesday Sept. 17 & 24; Oct. 1, 15 & 22, or home study

Time: Noon-1 p.m. (Six, one hour sessions)

Class Fee: \$15 for materials (purchase before first class date)

You can do this weight management program in the class or on your own at home. Major components are: assessing your readiness to make lifestyle changes, proven methods and tools to make those changes, and additional resources to keep you going in the right direction when the classes

are over. The program philosophy is based on making healthy choices that are right for you when it comes to eating, physical activity and weight management.

Cholesterol and Fats

Presenter: Megan Osborn, ANP

Date: Wednesday, Sept. 18

Time: Noon-1 p.m.

Confused about cholesterol? What's the difference between "good fats" and "bad fats"? How do the "numbers" affect your risk factors for heart disease? Bring your questions, and you will get the answers you need to make the changes you want.

Contemplating Breast-Feeding?

Presenter: Cindy Stegner, RN

Date: Thursday, Sept. 19

Time: Noon-1 p.m.

Learn as much as you can about breast-feeding beforehand and line up the skilled support you might need if a problem occurs.

Is Stress Making You Sick?

Presenter: Megan Osborn, ANP

Date: Monday, Sept. 23

Time: Noon-1 p.m.

Learn how to identify triggers and prevent stress in your daily life.

Fall=Flu Shots

As fall approaches, it's time again to start planning for the flu season. This year the PEBB Health Center is taking a new approach to flu shots. With more than 100,000 members in counties all over the state, the Health Center has made special arrangements with PEBB's medical carriers to help sponsor more worksite flu shot clinics than in previous years. This new approach will offer greater opportunity for PEBB members statewide to participate in a flu shot clinic.

The Health Center is inviting agencies to host the worksite flu shot clinics during October and November. If your agency volunteers to host a clinic, you will be notified of dates and times through agency communications. As

schedules develop, they may also be posted at the PEBB Web site (<http://pebb.das.state.or.us>).

In addition to the worksite clinics, Regence BlueCross BlueShield of Oregon, Kaiser Permanente and Cascade East Health Plans will be providing flu shot clinics for their members at specific locations in their communities.

Vaccinations at both the community and worksite clinics will be free to members who present their PEBB medical insurance ID card. Individuals not covered by one of PEBB's insurance plans (e.g., those who opt out of medical coverage or family members who are not PEBB members) can receive a flu shot for \$20. Covered dependents age 13 through 17 may receive a flu shot if

they are accompanied by a parent who signs an authorization form.

PEBB members may also receive a flu shot from their healthcare provider. The service will be subject to routine office visit co-payments or co-insurance fees.

If you would like information about flu shots in your area, contact the PEBB Health Center. Staff will be happy to refer you to worksite and/or community flu shot clinics in your geographic location.

For the 2002-2003 flu season, the federal Centers for Disease Control recommend vaccination for the following groups of people who are at increased risk for complications from influenza:

Who's At Risk?

- Persons aged 65 or older
- Residents of nursing homes and other chronic-care facilities that house persons of any age who have chronic medical conditions;
- Adults and children who have chronic disorders of the pulmonary or cardiovascular systems, including asthma
- Adults and children who have required regular medical follow-up or hospitalization during the preceding year because of chronic metabolic diseases (including diabetes mellitus), renal dysfunction, hemoglobinopathies, or immunosuppression (including immunosuppression caused by medications or by human immunodeficiency virus [HIV])
- Children and adolescents (aged six months through 18 years) who are receiving long-term aspirin therapy and, therefore, might be at risk for developing Reye syndrome after influenza infection
- Women who will be in the second or third trimester of pregnancy during the influenza season.

A Message from the Board

PEBB's mission is to provide high-quality benefits that are affordable to employees and the state. To meet this mission, PEBB must plan benefit programs not just for the coming year but also for the next biennium and even further into the future. In its planning, the Board takes current, past and future circumstances into account.

A market in turmoil

Currently, the U.S. healthcare marketplace is in turmoil. Regional and National surveys continue to post projections of double-digit premium increases for the next several years.

In Oregon, our healthcare system is undergoing additional dramatic changes. We are experiencing a severe, long-term shortage of healthcare providers. Physicians are facing significant increases in liability insurance costs. Hospital fees have joined prescription drugs

and new technologies as some of the most frequently cited reasons for increased healthcare costs. In some Oregon communities, entire groups of medical providers will no longer contract with some of the state's largest insurance companies.

Responding to chaos

Over the last two years, several factors caused PEBB's plans to experience significant financial losses. Among the factors was that the healthcare costs of PEBB members exceeded the amount of premium paid to the medical plans. To maintain affordable coverage, in 2001 PEBB made significant changes to this year's medical plan choices and the benefit program. Nevertheless, the overall, average premium increased by 26 percent.

This year, the Board was able to renew the 2002 plans for 2003 with an 8.75 percent overall increase in medical and dental

premium. The renewals required some changes but, in general, PEBB was able to maintain its level of benefits for another year. Assuming no other budget changes, eligible full-time employees will continue to receive fully paid medical and dental benefits for themselves and their families.

Strategies for the future

The Board remains very concerned about the quality and affordability of benefits in 2003 and beyond. So, PEBB has initiated a series of strategic activities to address immediate and future needs. These activities include creation of a self-funding task force and implementation of a major statewide wellness program. In addition, the Board is initiating partnerships in a variety of market sectors to develop and test strategies that can keep PEBB's mission of high-quality, affordable benefits an achievable goal in the future.

2003 Additional Option Part-time Employee Medical Plan Monthly Premium Rates				
	Employee	Employee & Spouse/Partner	Employee & Child(ren)	Employee & Family
Regence BCBSO Part-time PPO				
Original Rate	365.48	545.16	427.80	570.83
PEBB Subsidized Rate	270.48	403.67	316.22	422.66
Kaiser Permanente Part-time HMO				
Original Rate	367.02	546.86	429.42	572.54
PEBB Subsidized Rate	272.02	405.37	317.84	424.37

2003 Additional Option Part-time Employee ODS Dental Plan Monthly Premium Rates			
Employee Only \$41.42	Employee & Spouse/Partner \$61.72	Employee & Child(ren) \$48.47	Employee & Family \$64.62

PEBB Public Meeting Schedule for September 2002

The **Public Employees' Benefit Board** will meet Tuesday, Sept. 17, 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 Tuesday, Sept. 3, from 9 a.m. to noon in Suite B-1, Studio A of the Public Service Building, located at 255 Capitol Street NE; and on Tuesday, Sept. 17, from 9 a.m. to noon in

Conference Room 350 of the State Capitol Building.

The **Board's Wellness Subcommittee** will meet Tuesday, Sept. 17, from noon to 1:30 p.m. in Conference Room 350 of the State Capitol Building.

The **Board's Operations Subcommittee** will meet Tuesday, Sept. 10, in the PEBB Conference Room from 10 a.m. to noon.

Meeting schedules are subject to change. 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 at (503) 378-6296 within 48 hours or as soon as possible before the meeting.

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

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

Cascade East Health Plan (medical)
(866) 577-CEHP (2347) toll-free
www.cehp.org

Kaiser Permanente (medical & dental)
(800) 813-2000
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/

Regence BlueCross BlueShield of Oregon (medical)
(800) 826-9813
(503) 220-3849
www.or.regence.com/pebb

The Standard Insurance Company (life & disability)
(800) 242-1888
www.standard.com

Unum (long-term care)
(800) 227-4165
www.unum-ecs.com/pebb

VSP (vision)
(800) 877-7195
www.vsp.com

Willamette Dental Insurance (dental)
(800) 460-7644
www.denkor.com

PEBB Mission

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