

PEBB



During March, hundreds of members responded to PEBB's annual survey. Many offered comments, questions and suggestions for the Board to consider. Following are responses to some key questions asked by multiple members.

Q *Why do our medical plan rates keep going up?*

A Insurance companies calculate future premiums based on a group's recent claims experience, cost trends for healthcare services and administrative costs. More than 90 percent of PEBB's medical costs are because of actual claims filed on behalf of PEBB members. As the PEBB group ages and continues to increase its use of healthcare services and prescription drugs, our claims continue to increase. National healthcare cost trends have risen at double-digit rates during each of the last five years. Trends are predicted to increase by 12 to 16 percent this year.

Q *What are other large employers doing to manage healthcare cost increases?*

A Many employers are responding by shifting some of the cost increase to employees – either through employee contribution to premiums or through increased co-payments and coinsurance levels. Some employers have reduced benefits to make their plans more affordable.

Q *Doesn't PEBB's size help to keep rates down?*

A One benefit of PEBB's size is the ability to negotiate insurance terms and costs that are lower than market averages. For example, the Board has negotiated very low administrative fees with its insurance carriers. The fees for PEBB are five to seven percent of the premium, compared with double-digit percentages for other groups. However, PEBB's size does not affect member claims, which make up 90 percent of the premium.

Q *What about moving to self-insurance?*

A PEBB's current healthcare plans are fully insured; the carriers hold all the risk of financial losses. Self-insurance means PEBB would hold the risk, which would require that the Board maintain financial reserves sufficient to meet that risk. And, because our administrative fees paid to carriers are already very low, it's doubtful that self-insurance would reduce overall benefit costs. While self-funding is not a "magic bullet" that guarantees lower costs, it might offer more opportunities to directly partner with vendors and providers to customize plan design. The Board is considering the potential for carving out prescription drug coverage as a self-insured program in the future.

(Continued on page 5)

Inside this issue

Health Center Update	2-3
Public Meetings	4
PEBB Resources	6

PEBB Health Center Update

775 Court St. NE • Salem, OR 97301

(800) 701-1333 • www.pebbhealth.org • (503) 362-1111 • pebbhealth@oregonwellness.com

Programs at the PEBB Health Center

Registration is required for all programs. Handouts may be available if you are unable to attend. Feel free to bring your lunch to any of these noon-hour classes. For registration call (503) 362-1111 in Salem or (800) 701-1333 statewide or send an e-mail to pebbhealth@oregonwellness.com. If you live outside the Salem area and see a class your agency may be interested in hosting, call the Health Center. PEBB's Health educator will work with the agency to see about arranging a session in your area. Check the Health Center Web site at www.pebbhealth.org for updated class information. *(Please follow agency policy on use of the Internet at work.)*

Balancing Family and Work

Presenter: Lynn Bosworth

Date: Tues., May 11

Time: Noon-1 p.m.

The stress of balancing work and family can be hard on your health. Learn strategies and techniques to reduce this unique source of stress.

Dress for Exercise Success

Presenter: Liz Marik, FNP

Date: Wed., May 12

Time: Noon-1 p.m.

Don't let the weather keep you from your daily outing. This class covers dressing for exercise in all seasons and how to get comfortable shoes for walking or running.

Skin Cancer

Presenter: Carolyn Buel, ANP

Date: Tues., May 18

Time: Noon-1 p.m.

Learn the importance of skin health and how to keep your skin healthy for a lifetime.

Why Can't I get a Good Night's Sleep?

Presenter: Liz Marik, FNP

Date: Wed., May 19

Time: Noon-1 p.m.

Find out what you can do on your own to get good, restful sleep and what questions you should take to your healthcare provider.

Oh My Aching Body

Presenter: Carolyn Buel, ANP

Date: Tues., May 25

Time: Noon-1 p.m.

There's more than one kind of arthritis. This presentation includes treatment options for optimal function.

Allergies or Asthma?

Presenter: Liz Marik, FNP

Date: Wed., May 26

Time: Noon-1 p.m.

Learn the differences between asthma and allergies and how both can affect each other. The session covers lifestyle changes and medication.

Hypertension and the Silent Killer

Presenter: Jeanine Olson, ANP

Date: Thurs., May 27

Time: Noon-1 p.m.

Learn strategies to recognize blood pressure patterns, along with diet and lifestyle changes that work.

Anger and Hostility

Presenter: Jack Wills, EAP

Counselor

Date: Tues., June 8

Time: Noon-1 p.m.

Learn the difference between anger and hostility, along with ways to cope with difficult people.

Make Time for Movement

Presenter: Liz Marik, FNP

Date: Wed., June 9

Time: Noon-1 p.m.

You can put physical activity into your daily life no matter how busy you are. This is the sixth class in the yearlong series.

(Continued on page 3)

PEBB Health Center Update

(Continued from page 2)

Dietary Control of Cholesterol

Presenter: Judy Forest, RD
Date: Tues., June 15
Time: Noon-1 p.m.

Diet therapy can lower bad cholesterol as effectively and more safely than medicine. Bring a two-day food and drink record, and learn easy steps to lower cholesterol with a healthier diet.

Preparing for Pregnancy

Presenter: Liz Marik, FNP
Date: Wed., June 16
Time: Noon-1 p.m.

Pregnancy is such an important time in a woman's life. Find out how to get ready for it with proper nutrition and lifestyle changes. Dads-to-be are welcome, too.

Prostate Cancer Prevention

Presenter: Liz Marik, FNP
Date: Wed., June 23
Time: Noon-1 p.m.

Learn lifestyle changes you can make now to help avoid this diagnosis. Female participants can share what they learn with the men in their lives.

Diabetes Prevention

Presenter: Carolyn Buel, ANP
Date: Thurs., June 24
Time: Noon-1 p.m.

Diabetes in the family tree? Learn how to minimize that risk factor with things you can control. Diabetics and family members are welcome.

The Health Center's lending library has materials on these topics and more. Call or e-mail now for your library card. Check www.pebbhealth.org for a listing of all the books and videos. *(Please follow your agency rules on use of the Internet at work.)*



Statewide wellness program health screenings

PEBB members live and work in every Oregon county. The PEBB wellness program, The State of Health, is designed to make wellness services available to all members, wherever they live in the state.

Health screenings are one important element of The State of Health. Beginning in 2003, practitioners from the PEBB Health Center have been holding screenings at agency sites throughout the state.

At the screenings, members learn their cholesterol, blood sugar, blood pressure and body mass levels. They also learn if any of their levels put them at risk for

diabetes, heart disease and other chronic conditions. The practitioners help them understand lifestyle changes they can make to lower their risks.

As this newsletter goes to press, screenings are scheduled for the following locations this summer:

Agency	Location	Dates
Transportation	Eastern Oregon Region	May 10-13
Transportation	Roseberg	May 18-19
Treasury & DCBS	Salem	June 1-2
DHS, Albina	Portland	June 3
State Hospital	Portland	June 10
State Hospital	Salem	June 17
Transportation	Salem	June 22
Department of Energy	Salem	June 29
Department of Military	Bend	July 1

If you would like to learn how to arrange for a screening at your site, please call PEBB Health Educator Carole Kment, (503) 362-1111 in Salem or (800) 701-1333 statewide.

May 2004 Public Meetings

The Public Employees' Benefit Board will meet Tuesday, May 18, from 2 to 4 p.m. in Hearing Room 50 in the Capitol Building at 900 Court St NE.

The Board will also meet by videoconference with stakeholders throughout the state on Tuesday, May 4, according to the following schedule:

Public Employees' Benefit Board Stakeholder Sessions

May 4, 2004

Session 1 (11:30-1:00), Session 2 (2:30-4:00), Session 3 (5:30-7:00)

City	Location	Session
Ashland	Southern Oregon University, Education Psychology Bldg, Rm. 164,1250 Siskiyou	1, 2
Astoria	Clatsop Service Center, 3194 Marine Drive	1, 2, 3
Baker City	Union-Baker Education Service District, 2100 Main St.	1, 2
Bend	School District Administrative Bldg, 520 NW Wall Street	1
Bend	Oregon State University, Cascades Campus ,Cascades Hall, Rm. 107	1, 2, 3
Coos Bay	South Coast Education Service District, Conference Room, 1350 Teakwood Ave	1, 2
Corvallis	Oregon State University, Alumni Center - Trysting Tree, Conf. Rm. 114 A&B	1, 2, 3
Eugene	University of Oregon, Knight Library – Studio A	1, 2
Eugene	Lane Education Service District, 1200 HWY 99 N, Rm. 5	1, 2
Klamath Falls	Oregon Institute of Technology, Owens 130C, 3201 Campus Dr.	1, 2
La Grande	Eastern Oregon University, One University Blvd., Inlow 013 basement	1
La Grande	Eastern Oregon University, One University Blvd., Zable 251	2, 3
Pendleton	Umatilla ESD, 2001 SW Nye Ave	1, 2, 3
Portland	PSU, Smith Union Rm. 289	1, 2, 3
Roseburg	Douglas ESD, 1871 NE Stephens St.	1, 2, 3
Salem	WESD, Willamette Room, 2611 Pringle Rd SE	1, 2, 3
Vale	Malheur ESD, Harrod Rm., 363 A Street West	1, 2

The Board's Operations Subcommittee will meet Tuesday, May 11, from 9:30 to 11:30 a.m. in the PEBB Health Center conference room at 775 Court Street NE, Salem.

The Board's Plan Design Subcommittee will meet Tuesday, May 18, from 9 a.m. to noon in Conference Room 350 in the Capitol Building at 900 Court Street NE.

Meeting schedules are subject to change. Please check the PEBB Web site at <http://www.das.state.or.us/DAS/PEBB/meetings.shtml> prior to attending a meeting.

To be placed on the list of those to be notified of schedule changes, please call Becky Johnson at (503) 378-6296. Meetings held at these addresses are wheelchair accessible. If other accommodations are necessary, please contact Becky Johnson within 48 hours or as soon as possible before the meeting.

Questions & Answers

(Continued from page 1)

Q *Why doesn't PEBB offer a "catastrophic" type plan to reduce premium costs?*

A A catastrophic plan typically has high deductibles and limits coverage to severe conditions. If PEBB offered all its membership this type of plan along with a comprehensive plan, it's likely that younger, healthier members would choose the catastrophic plan. Older and less well members would choose the comprehensive plan. This is called "adverse selection." This adverse selection would make the comprehensive plan even more expensive. And, as members of the catastrophic plan aged and needed more care, they would move to the comprehensive plan. Increases in sicker members, claims and premium costs would make the comprehensive plan unsustainable.

Q *Why doesn't PEBB eliminate coverage for health conditions caused by lifestyle choices?*

A The PEBB group is made up of individuals who are experiencing the widest imaginable range of illness and wellness and who have equally broad genetic and accidental risks. When we choose to participate in a group for purposes of health insurance, we agree to a social contract that pools

our health status and risks with those of all other members. This pooling spreads the costs and risks across all members to make coverage more affordable for all. The Board's Wellness Subcommittee is considering the concept of incentives to help members engage in healthy behaviors.

Q *How about soliciting bids from other carriers?*

A The Board makes decisions on renewing existing plans or issuing a request for proposals (RFP) based on renewal responses, consultant analysis and ongoing negotiations. In 2001, PEBB issued a nationwide RFP for its medical plans. No national carriers proposed, and only a handful of Oregon companies submitted proposals. PEBB selected the current carriers based on cost, coverage and quality criteria. Rates proposed by the other qualified carriers were much higher, and neither of them offered statewide coverage. The Board's consultants annually review the market; their reviews have indicated the Board would not receive significantly different proposals.

Q *I've heard about other medical plans offered at a lower cost than PEBB's plans; how can that be?*

A Premiums for insurance coverage are determined by many factors, including a group's demographics and a plan's benefit features. If you compare PEBB benefits with another plan side-by-side, you will probably see significant differences. For example, PEBB plans have no deductible requirements, so they provide first-dollar coverage. They also cover most preventive services in full. In addition, the plans have no waiting periods based on health status. Further, PEBB's plans have lower out-of-pocket maximums than most other plans.

PEBB working on healthcare FSA

PEBB is working on a new healthcare flexible spending account (FSA) option for members in 2005. When the administrative structure is in place, participants will be able to make monthly, pre-tax deposits to a healthcare FSA through payroll deduction. They can then use the money to reimburse themselves for many healthcare costs not covered by their medical or dental plans.

Through an FSA, members can be reimbursed for:

- Co-payments and coinsurance payments for covered healthcare services and prescriptions
- Costs for glasses, contacts and other vision care beyond a plan's allowance
- Over-the-counter drugs
- Many other medical and dental services not covered in PEBB plans.

By IRS rules, FSAs are “use-it-or-lose-it” accounts. If you don't incur enough eligible expenses during the year to use the entire amount, you lose the remaining balance. So it takes some thought and planning when setting up an account. But by reviewing past out-of-pocket healthcare spending along with future needs, an FSA can help consumers cushion costs.

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

PEBB Health Center

(800) 701-1333, (503) 362-1111
www.pebbhealth.org
pebbhealth@oregonwellness.com

Associated Administrators, Inc. (Dependent Care FSA)

(800) 334-4340
(503) 220-3805
www.aai-pca.com

BestChoice Administrators

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

Kaiser Permanente (medical & dental)

(800) 813-2000
www.kp.org/ehealth/nw/pebb

Nationwide Insurance (auto)

(888) 628-4663 media code 8429
(888) 662-8446 (TDD)

The ODS Companies (dental)

(800) 452-1058
www.theodscompanies.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.unumprovident.com/enroll/pebb

VSP (vision for Regence members)

(800) 877-7195
www.vsp.com

Willamette Dental Insurance (dental)

(800) 460-7644
www.willamettedental.com

PEBB Mission

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