

SENATE COMMITTEE ON
LABOR AND GOVERNMENT OPERATIONS

Hearing Room
Tapes - 4

MEMBERS PRESENT:

Sen. Gene Derfler, Chair
Sen. Neil Bryant
Sen. Bob Kintigh
Sen. Bill McCoy
Sen. Randy Leonard

MEMBER EXCUSED:

Sen. Brady Adams, Vice-Chair

STAFF PRESENT:

Rita Thomas, Committee Counsel
Amy Baker, Committee Assistant

MEASURES HEARD:

Overview Administration, Programs, Benefits and Employer contributions

These minutes contain materials which paraphrase and/or summarize statements made during this session. Only text enclosed in quotation marks

report a speaker's exact words. For complete contents of the proceedings, please refer to the tapes.

TAPE , A

004 CHAIR DERFLER: Opens Meeting

006 JIM MCINTOSH: Department of Operations, Human Resource Management Division.

013 JIM MCINTOSH: introduction [EXHIBIT A]

044 JIM MCINTOSH: Continues explanation of SEBB(State Employees Benefits Board).

057 CHAIR DERFLER: What is difference if boards are represented or not represented?

064 JIM MCINTOSH: Does not have that information at this time.

075 Sen. Kintigh : Does SEBB purchase the insurance for employees?

080 JIM MCINTOSH: The board does not purchase the insurance itself. It is a mechanism for people to purchase individual policies.

114 JIM MCINTOSH: Talks about appointees/members of SEBB.

144 JIM MCINTOSH: References page 2 of [EXHIBIT A].

156 CHAIR DERFLER: Why do we need two boards?

160 JIM MCINTOSH: In 1979 the two boards were created to remedy the problems that had developed at that time.

169 CHAIR DERFLER: Asked question to clarify what the program covers.

171 JIM MCINTOSH: Responds with clarification.

180 JIM MCINTOSH: States board's mission

225 CHAIR DERFLER: What is the role of each board?

230 CHAIR DERFLER: Is there communication between boards?

234 JIM MCINTOSH: Responds giving clarification of differences and extent of communication between the boards.

285 JIM MCINTOSH: Describes role of staff members and operating expenses.

300 CHAIR DERFLER: Is your budget from the general fund dollars.

305 JIM MCINTOSH: Responds detailing what individual employees of the state may have to pay in regard to insurance.

320 CHAIR DERFLER: You have seven employees including yourself?

322 JIM MCINTOSH: Yes.

325 CHAIR DERFLER: Paid for out of surcharge on the insurance premiums.

329 JIM MCINTOSH: Yes.

370 JIM MCINTOSH: References page 3 of [EXHIBIT A].

374 JIM MCINTOSH: Details tracking of policy switches.

411 JIM MCINTOSH: Reference page 4 of [EXHIBIT A].

455 JIM MCINTOSH: Reference page 5 of [EXHIBIT A].

465 JIM MCINTOSH: References page 6 of [Exhibit A] graphs.

475 CHAIR DERFLER: To what does the tier system refer.

TAPE 4, A

042 CHAIR DERFLER: Contributions from the State solely dependent on marital status?

047 JIM MCINTOSH: References page 4 of [EXHIBIT A] to answer question.

057 CHAIR DERFLER: Do they get the dollar amount difference allotted to them for coverage if they do not use the full dollar amount in insurance premium?

060 JIM MCINTOSH: Clarifies what options are available if you opt to use other health benefits. Explains relation of premium and contribution amount.

085 JIM MCINTOSH: Reference page 7 and 8 of [EXHIBIT A].

092 CHAIR DERFLER: Where do you get these funds from?

133 CHAIR DERFLER: Questions the balance of the fund and what will happen to the funds?

141 JIM MCINTOSH: Funds belong to participates in the program and the board decides how the funds will be dispersed.

163 CHAIR DERFLER: Is there any oversight of the board?

187 CHUCK MENDENHALL: Introduced. Chairperson from State's Bargaining Unit Benefit Board.

191 CHUCK MENDENHALL: Introduces [EXHIBIT B].

215 CHUCK MENDENHALL: Gives background on the board.

244 CHUCK MENDENHALL: References statute which establishes the board and it's duties and responsibilities.

257 CHAIR DERFLER: Tells me what you mean by administration of benefit package?

269 CHUCK MENDENHALL: Names all the positions of the board and those who currently hold those positions and how they obtained these positions.

340 CHAIR DERFLER: How much does the state pay for contracting to BUBB for administration services?

349 SEN. BRYANT: Is this contracted bid on?

355 CHUCK MENDENHALL: General negotiation with BUBB for the contract.

383 CHUCK MENDENHALL: Explains how the system works. Differing view of who is truly funding the program.

428 CHUCK MENDENHALL: Moves to discussion of the reason for BUBB.

TAPE 3, B

039 CHUCK MENDENHALL: Continues with discussion of the boards role, assessment of programs. Talks of how BUBB was instrumental in creating a market place environment in the state of Oregon.

075 CHUCK MENDENHALL: Discusses managed care and its' cost saving.

098 CHAIR DERFLER: Does BUBB also have a stabilization fund?

100 CHUCK MENDENHALL: Yes.

101 CHAIR DERFLER: What is this dollar amount?

130 CHAIR DERFLER: Does the board have complete discretion over the stabilization reserve?

135 CHUCK MENDENHALL: Yes, the board does have control. However, this fund is completely accounted for.

138 SEN. BRYANT: What happens in the event of a strike, are any of the stabilization dollars used.

142 CHUCK MENDENHALL: Has never occurred but the board would have discretion over the funds in the event of a strike.

145 CHAIR DERFLER: Why is there a need for two boards?

147 CHUCK MENDENHALL: Details differences and the specific needs each boards meets.

186 CHAIR DERFLER: Are both boards serving the same people?

190 CHUCK MENDENHALL: Yes, but needed because of strikingly different philosophies.

201 CHAIR DERFLER: Why don't you bring the boards together since (BUBB) your board is statistically performing better?

205 CHUCK MENDENHALL: Its a consideration.

210 CHAIR DERFLER: Why do we need the boards at all?

228 CHAIR DERFLER: What is your budget amount?

246 CHUCK MENDENHALL: Details figures.

263 SEN. LEONARD: References PECBA , his role and memo sent out by Rita Thomas, committee administrator.[EXHIBIT C]

306 Meeting adjourned.

Submitted by, Reviewed by,

Amy Baker Rita Thomas
Committee Assistant Committee Counsel

EXHIBIT SUMMARY:

A - Testimony State Employees Benefit Board-Jim McIntosh-8 pages
B - Testimony Bargaining Unit Benefits Board-Chuck Mendenhall-6 pages

C - Memo from Senator Randy Leonard-1 page