

DIVISION 1

PROCEDURAL RULES

- 111-001-0000** Notice of Proposed Rule Changes
111-001-0005 Uniform and Model Rules of Procedure

DIVISION 2

POWERS OF THE BOARD

- 111-002-0005** Powers and Duties of the Board
111-002-0010 Conduct of Meetings of the Board

DIVISION 5

**PROCUREMENT AND CONTRACTING FOR
BENEFIT PLANS AND SERVICES**

- 111-005-0010** Policy
111-005-0015 Applicable Personal Service Contract Rules
111-005-0020 Definitions
111-005-0040 Extensive Procurement Process
111-005-0042 Intermediate Procurement Process
111-005-0044 Small Procurement Process
111-005-0046 Sole Source Procurement Process
111-005-0048 Emergency Contract Process
111-005-0050 Mistakes
111-005-0060 Records Maintenance
111-005-0070 Renewal process for Contractor or Consultant Contracts

DIVISION 10

POLICY AND DEFINITIONS

- 111-010-0001** Policy
111-010-0015 Definitions

DIVISION 20

EFFECTIVE AND TERMINATION DATES

- 111-020-0001** Initial Employee Group Phase-in

DIVISION 50

CONTINUATION OF COVERAGE

- 111-050-0001** Continuation of Group Medical and Dental Insurance Coverage Under The Consolidated Omnibus Budget Reconciliation Act (COBRA)
111-050-0010 Eligibility for Medical and Dental Insurance Coverage upon Retirement
111-050-0015 Retirees Eligible for Medicare Coverage

DIVISION 1

PROCEDURAL RULES

- 111-001-0000**
Notice of Proposed Rule Changes

Prior to adoption, amendment, or repeal of any permanent rule, the Oregon Educators Benefit Board (OEBB) will give notice of the intended action:

- (1) In the Secretary of State's Bulletin at least 21 days before the effective date as provided in ORS 183.335.
- (2) By mailing or electronically transmitting a copy of the notice to persons on the OEBB mailing list at least 28 days before the effective date of the rule as provided in ORS 183.335. Notice will be mailed unless the recipient requests or approves the use of electronic mail; and
- (3) By mailing, or transmitting by electronic mail, a copy of the notice to:

- (a) The Associated Press;
- (b) The Capitol Building Press Room;
- (c) Oregon Education Association;
- (d) Oregon School Board Association;
- (e) Confederation of Oregon School Administrators;
- (f) Oregon Federation of Teachers, Education and Health Professionals;
- (g) Oregon School Employees Association;
- (h) Oregon Community College Association;
- (i) School and education service district superintendents, school board chairs and district payroll officers;
- (j) AFT Oregon;
- (k) The Oregon State Bar Association; and
- (l) The state legislator who introduced legislation that created the need for a rule to be adopted, amended, or repealed, and the chair or co-chair of all committees that reported the bill out. If notice cannot be given to the legislator, notice will be provided to the Speaker of the House of Representatives and the President of the Senate.

Stat. Auth.: Ch. 7 OL 2007

Stats. Implemented: ORS 183.310-183.550, 192.660, Sec. 3(1), Ch.7 OL 2007
Hist.: OEBB 1-2007(Temp), f. & cert. ef. 7-23-07 thru 1-4-08

111-001-0005

Uniform and Model Rules of Procedure

The Attorney General's Uniform and Model Rules of Procedure under the Administrative Procedure Act, effective January 1, 2004, are adopted as rules of procedure of the Oregon Educators Benefit Board and are made a part of OAR chapter 111.

[ED. NOTE: The full text of the Attorney General's Model Rules of Procedures is available from the office of the Attorney General or the Department of Administrative Services, Oregon Educators Benefit Board.]

Stat. Auth.: Ch. 7 OL 2007

Stats. Implemented: ORS 183.310-183.550, 192.660, Sec. 3(1), Ch.7 OL 2007
Hist.: OEBB 1-2007(Temp), f. & cert. ef. 7-23-07 thru 1-4-08

DIVISION 2

POWERS OF THE BOARD

111-002-0005

Powers and Duties of the Board

- (1) The board will study all matters connected with providing adequate benefit plan coverage for eligible employees with concern for the welfare of the employees and affordability for the districts.
- (2) The board will design benefit plans, devise specifications, analyze carrier responses to advertisements for bids and decide on the award of contracts. The board will place emphasis on:
 - (a) Employee choice among high-quality plans;
 - (b) A competitive marketplace;
 - (c) Plan performance and information;
 - (d) District flexibility in plan design and contracting;
 - (e) Quality customer services;
 - (f) Creativity and innovation;
 - (g) Benefit plans as part of total employee compensation; and
 - (h) Improvement of employee health.
- (3) The board will prepare specifications, invite bids, and do acts necessary to award contracts for benefit plan coverage of eligible employees.
- (4) The board will retain consultants, brokers, or other advisory personnel as it deems necessary and will employ such personnel as are required to perform the functions of the board.

Stat. Auth.: Ch. 7 OL 2007

Stats. Implemented: Sec.1-14, Ch. 7 OL 2007

Hist.: OEBB 1-2007(Temp), f. & cert. ef. 7-23-07 thru 1-4-08

111-002-0010

Conduct of Meetings of the Board

- (1) The board will select one of its appointed voting members as chair and another voting member as vice chair.
- (2) The chair will conduct and control meetings of the board. The vice chair will preside over meetings in the absence of the chair. A majority vote of the board will designate the member to preside over meetings in the absence of the chair and the vice chair.

(3) All meetings of the board will be conducted according to Oregon Public Meetings Law, ORS 192.610 to 192.690.

(4) A person must not smoke any cigar or cigarette, or use tobacco in any form in meetings of the board.

Stat. Auth.: Ch. 7 OL 2007

Stats. Implemented: ORS 183.310-183.550, 192.660, 292.051, Sec. 2 & 3, Ch. 7 OL 2007

Hist.: OEBB 1-2007(Temp), f. & cert. ef. 7-23-07 thru 1-4-08

DIVISION 5

PROCUREMENT AND CONTRACTING FOR BENEFIT PLANS AND SERVICES

111-005-0010

Policy

The policy of the Oregon Educators Benefit Board (OEBB) is to select contractors and consultants in an expeditious, fair, and efficient manner that is consistent with the goal of delivering high-quality benefits and other services at a cost that is affordable to both the employees and the school districts, education service districts, and community college districts, and meets the requirements of section 4, chapter 00007, Oregon Laws 2007. The Board may enter into more than one contract for each type of benefit plan or other service sought.

Stat. Auth.: Ch. 7 OL 2007

Stats. Implemented: Ch. 7 OL 2007

Hist.: OEBB 1-2007(Temp), f. & cert. ef. 7-23-07 thru 1-4-08

111-005-0015

Applicable Personal Service Contract Rules

The following provisions of the Department of Administrative Services' Personal Service Contracts rules apply to the Oregon Educators Benefit Board's (OEBB's) procurement contracts for services from contractors and consultants as defined in OAR 111-005-0020(5) and (6). "Contracting Agency" or "Agency," means the OEBB. Reference to approval by the Division or DAS is not incorporated in these rules and approval is not required for OEBB to obtain, renew, or amend contracts. References to an Agency providing notice to DAS or providing DAS with access to its records are not incorporated in these rules and do not apply to the Board. Applicable DAS rules are: OAR 125-247-0310, 125-247-0400 (offer preparation), 125-247-0410 (offer submission), 125-247-0430 (addenda), 125-247-0440 (withdrawal of offers), 125-247-0450 (receipt and opening offers), 125-247-0460 (late offers), 125-247-0470 (mistakes), 125-247-0480 & 0490 (Agency acceptance), 125-247-0500 (proposal responsibility), 125-247-0600 (offer evaluation), 125-247-0610 (notice of intent to award), 125-247-0640 (rejection), 125-247-0650 (rejection of all offers), and 125-247-0660 (cancellation).

Stat. Auth.: Ch. 7 OL 2007

Stats. Implemented: Sec. 19, Ch. 7 OL 2007

Hist.: OEBB 1-2007(Temp), f. & cert. ef. 7-23-07 thru 1-4-08

111-005-0020

Definitions

For the purposes of OARs 111-005-0010, 111-005-0015 and 111-005-0040 through 111-005-0160 the following definitions will apply:

(1) "Apparent successful proposer" or "ASP" means the organization selected as a result of a competitive and completed procurement process.

(2) "Benefit plan" includes, but is not limited to:

(a) Insurance or other benefits including medical, dental, vision, life, disability, accidental death, long term care, flexible spending accounts, supplemental medical, supplemental dental, supplemental vision, or any other remedial care recognized by state law, and related services and supplies;

(b) Comparable benefits for employees who rely on spiritual means of healing; and

(c) Self insurance programs managed by the Board.

(3) "Benefits" means goods and services provided under benefit plans.

(4) "Board" means the ten-member board established in the Department of Administrative Services as the Oregon Educators Benefit Board under chapter 7, Oregon Laws 2007.

(5) "Consultant" means brokers or other advisory personnel hired by the Board pursuant to section 3(5), chapter 7, Oregon Laws 2007, to:

(a) Assist in acquiring adequate benefit plan coverage for eligible district employees;

(b) Assist in the study of all matters connected with the provision of adequate benefit plan coverage for eligible district employees;

(c) Assist in the development and implementation of decision-making processes;

(d) Design and implement additional programs to review, monitor and assist in the improvement of eligible district employees and their dependents' health; and

(e) Provide other services as required by the Board.

(6) "Contractor" means an individual or firm who provides services to the Board under a public contract.

(7) "District" means a common school district, a union high school district, an education service district, or a community college district.

(8) "Emergency" means a situation characterized by a substantial risk of interruption of benefit services that requires prompt execution of a contract to remedy the condition.

(9) "Extensive procurement" means the process of soliciting proposals and bids and selecting a contractor for services amounting to \$150,000 and over.

(10) "Intermediate procurement" means the process of soliciting proposals and bids and selecting a contractor for services amounting to under \$150,000 but over \$5,000.

(11) "Non-responsive proposal" means the Proposer:

(a) Fails to provide information as required in the specification of the RFP;

(b) Takes exception to the terms and conditions in the proposed contract;

(c) Misses the RFP submission deadline;

(d) Has been debarred as set forth in ORS 279 B.130;

(e) Is not licensed to do business in Oregon or fails to meet other licensure and certification requirements included in the RFP;

(f) Will not provide or adhere to the certification of non-discrimination required under ORS 279A.110(4);

(g) Is found non-responsible as described under ORS 279B.110;

or

(h) Fails to meet any other requirement set forth in the RFP.

(12) "Proposal" means a document submitted in response to a Request for Proposal.

(13) "Oregon Educators Benefit Board or OEBB" means the program created under chapter 7, Oregon Laws 2007.

(14) "ORPIN" means the Oregon Procurement Information Network, an online service operated by the Department of Administrative Services that displays procurements and contracts issued by the state of Oregon's agencies.

(15) "Proposer" means a person or entity submitting a proposal in response to a Request for Proposal.

(16) "Renewal contractor" means a contractor or consultant who provided the same or similar employee benefit plan or other services under a contract with the Board in the plan year immediately prior.

(17) "Request for Proposal" or "RFP" means the written document soliciting competitive written proposals and setting forth the criteria and method to be used by the Board to the best responsive proposals, apparent successful proposer, and the eventual contractor.

(18) "Responsible proposer" means the proposer:

(a) Is qualified legally to contract with the Board;

(b) Has supplied all necessary information in connection with the inquiry concerning responsibility;

(c) Is authorized to do business in Oregon;

(d) Has the appropriate financial, material, equipment, facility, and personnel resources and expertise necessary to indicate the proposer can meet all contractual responsibilities;

(e) Has a satisfactory record of contract performance; and

(f) Has a satisfactory record of business integrity. This includes no convictions for violations of confidentiality, monetary fraud, or collusion.

(19) "Responsive proposal" means that the proposal meets the minimum requirements of the RFP and has not been deemed "non-responsive" as described in section (11).

(20) "Selection committee" means the group of individuals appointed and approved by the Board to review, evaluate and score proposals received as part of an intermediate or extensive procurement and who recommend the apparent successful proposer (ASP) for the Board's approval.

(21) "Small procurement" means the process of securing contractors or consultants for services amounting to \$5,000 or less.

(22) "Sole source" means the only contractor or consultant of a particular product or service reasonably available.

Stat. Auth.: Ch. 7 OL 2007

Stats. Implemented: Sec. 19, Ch. 7 OL 2007

Hist.: OEBB 1-2007(Temp), f. & cert. ef. 7-23-07 thru 1-4-08

111-005-0040

Extensive Procurement Process

The Board will use the following procedure except as provided for under OAR 111-005-0046 or 111-005-0048.

(1) Announcement. The Board will post solicitation notices for benefits or other consultant, broker, or advisory services via the Oregon Procurement and Information Network (ORPIN). The Board may also post solicitation notices for benefits, consultant, broker, or advisory services in trade periodicals or newspapers of general or specialized circulation. The solicitation notice will include a description of the benefits or services sought, the scope of the services required, evaluation and selection criteria, and a description of any special requirements. The notice will invite qualified prospective proposers to submit proposals. The notice will specify when and where to obtain the application, return the application, and the closing date.

(2) Pre-proposal conference. If a pre-proposal conference requires mandatory attendance by prospective proposers, no remuneration will be offered to prospective proposers for attendance, travel, document preparation, etc. Unless identified otherwise in the procurement, the pre-proposal conference will:

- (a) Be voluntary; and
- (b) Be held in Salem, Oregon.
- (3) RFP protest; request for change or request for clarification.
- (a) Protest.

(A) A proposer may deliver a protest to the Board not less than ten calendar days prior to closing, unless otherwise specified in the RFP.

(B) Proposer protests must be in writing and must include:

- (i) A detailed statement of the legal and factual grounds for the protest;
- (ii) A description of the resulting prejudice to the proposer; and
- (iii) A statement of the desired changes to the RFP.

(C) The Board will not consider a proposer's protest after the submission deadline.

(i) The Board will provide notice to the applicable entity if it entirely rejects a protest. If the Board agrees with the entity's protest, in whole or in part, the Board will issue an addendum reflecting its determination under OAR 137-030-0055 and 137-047-0430 or cancel the solicitation under OAR 137-030-0115.

(ii) If the Board receives a written protest from a proposer according to this rule, the closing may be extended if the Board determines an extension is necessary to consider the protest and to issue any addendum to the RFP.

(b) Request for change.

(A) A proposer may request in writing a change to the RFP specifications, unless otherwise specified in the RFP. If the RFP allows a proposer to make a request for changes and does not specify otherwise, proposer must deliver the written request for change to the Board not less than ten calendar days prior to closing.

(B) A proposer's written request for change must include a statement of the requested changes to the RFP specifications, including the reason for the requested change.

(C) The Board will not consider a proposer's request for change after the submission deadline.

(i) The Board will provide notice to the applicable entity if it entirely rejects a change. If the Board agrees with the entity's request for change, in whole or in part, the Board will issue an addendum reflecting its determination under OAR 137-030-0055 and 137-047-0430 or cancel the solicitation under OAR 137-030-0115.

(ii) If the Board receives a written request for a change from a proposer according to this rule, closing may be extended if the Board determines an extension is necessary to consider the request and to issue any addendum to the RFP.

(c) Request for clarification.

(A) A proposer may request in writing clarification of the RFP specifications, unless otherwise specified in the RFP. If the RFP allows a proposer to make a request for clarification and does not specify otherwise, a proposer must deliver the written request for clarification to the Board not less than ten calendar days prior to closing.

(B) A proposer may request that the Board clarify any provision of the RFP.

(C) The Board will not consider a proposer's request for clarification after the submission deadline. The Board's clarification to a proposer, whether orally or in writing, does not change the RFP and is not binding on the Board unless the Board amends the RFP by addendum.

(4) Addenda to an RFP following an appeal or request for change or clarification.

(a) Issuance; receipt. The Board may change an RFP only by written addenda. A proposer must provide written acknowledgement of receipt of all issued addenda with its proposal, unless the Board otherwise specifies in the addenda.

(b) Notice and distribution. The RFP must specify how the Board will provide notice of addenda and how the Board will make the addenda available.

(c) Timelines; extensions. The Board will issue addenda within a reasonable time to allow prospective proposers to consider the addenda in preparing their proposals. The Board may extend the closing if the Board determines prospective proposers need additional time to review and respond to addenda. The Board will not issue addenda less than 72 hours before the closing unless an addendum also extends the closing, except to the extent required by public interest.

(d) Request for change or protest. A proposer may submit a written request for change or protest to the addendum by the close of the Board's next business day after issuance of the addendum, unless a different deadline is set forth in an addendum.

(5) Submission. All proposals submitted must comply with the procurement's specifications.

(a) If portions of the proposal to any solicitation are deemed unacceptable or non-responsive portions of the proposal to any solicitation are deemed unacceptable or non-responsive to the specifications of the solicitation, the proposal will be deemed non-responsive and will not be given further evaluation or consideration. If a proposal to any solicitation is delivered late, it will be deemed non-responsive to the specification of the solicitation and will be returned to the proposer unopened.

(b) Submission of proposals must be in writing and delivered in the written format, as required by the specifications of the solicitation. Proposals may also be submitted electronically with the written proposal and will be considered as a supplemental and not the sole format.

(6) Evaluation. The Selection Committee will evaluate proposals only in accordance with criteria set forth in the RFP and applicable law. The Board will not divulge the names of the selection committee until completion of the cost negotiations or the apparent successful proposer has been announced. The Board will evaluate proposals to determine the responsible proposer or proposers submitting the best responsive proposal or proposals.

(7) Rejection of proposal. The Board may reject any proposal for good cause upon written finding it is in the states, Districts', or

employees' interest to do so, or acceptance of the proposal may impair the integrity of the procurement process.

(a) The Board will notify all proposers of the rejection of all proposals, along with the good cause justification and finding. The Board may reject any proposal for benefit plan or other services and deem the proposal as non-responsive or the Board finds that:

(8) Intent to award, discuss or negotiate. After the protest period provided in subsection (3)(a) expires, or after the Board has provided a final response to any protest, whichever date is later, the Board may engage in discussions and negotiations with proposers in the competitive range.

(9) Discussions and negotiations. If the Board chooses to enter into discussions and negotiations with the Proposers in the competitive range, the Board will proceed as follows:

(a) Initiating discussions. The Board must initiate oral or written discussions and negotiations with all of the proposers in the competitive range regarding their proposals.

(b) Conducting discussions. The Board may conduct discussions and negotiations with each proposer in the competitive range as necessary to fulfill the purposes of this section, but need not conduct the same amount of discussions or negotiations with each proposer. The Board may terminate discussions and negotiations with any proposer in the competitive range at any time. All proposers in the competitive range will be offered the opportunity to discuss their proposals with the Board before the Board notifies proposers of the award decisions. In conducting discussions, the Board and any designated representatives:

(A) Will treat all proposers fairly and will not favor any proposer over another.

(B) Will not discuss proposers' proposals with any other proposers and will maintain all proposals as confidential documents.

(C) Will not divulge the name of the proposers or the content of the proposals until cost negotiations are complete or an apparent successful proposer has been announced.

(D) Will determine whether other factors, including but not limited to, Oregon residency of the primary business office and proposer demonstration of services and products, will be used to determine the apparent successful proposer, if a tie between proposers occurs.

(c) At any time during the period allowed for discussions and negotiations, the Board may:

(A) Continue discussions and negotiations with a particular proposer or proposers; or

(B) Terminate discussions with a particular proposer and continue discussions with other proposers in the competitive range.

(d) The Board may continue discussions and negotiations with proposers until determining who will be awarded contracts.

(10) Notice of intent to award. The Board will provide written notice to all proposers of intent to award the contract, unless otherwise provided in the RFP. The Board's award will not be final until the later of the following:

(a) Seven days after the date of the notice, unless the RFP provided a different period for protest; or

(b) The Board's written response to all timely filed protests that denies the protests and affirms the award.

(11) Right to protest award. An adversely affected or aggrieved proposer may submit to the Board a written protest of the Board's intent to award. The protest must be made within fourteen days after issuance of the notice of intent to award the contract, unless a different protest period is provided under the RFP.

(a) The proposer's protest must be in writing and must specify the grounds upon which the protest is based.

(b) A proposer is adversely affected or aggrieved only if:

(A) The proposer is eligible for award of the contract as a responsible proposer;

(B) The Board committed a substantial violation of a provision in the RFP or of an applicable procurement statute or administrative rule; and

(C) The protesting proposer was unfairly evaluated.

(c) The Board will not consider a protest submitted after the time period specified in this section or a different period if provided in the RFP.

(d) The Board Chair, or designee, has the authority to settle or resolve a written protest meeting the submission requirements of this rule.

(e) If a protest is not settled, the Board Chair, or designee, will promptly issue a written decision on the protest. Judicial review of this decision will be available if provided by statute.

(12) Award of contracts. The Board will make final selections based on the evaluation criteria including, but not limited to, contractor or consultant availability; capability; experience; approach; compensation requirements; previous litigation and remedy applied; customer service history with the OEGB, members and clients; debarment status; and references. The Board will place emphasis on employee choice among high-quality plans, plan performance and information, a competitive marketplace, employer flexibility in plan design and contracting, quality customer service, creativity and innovation and the improvement of employee health.

(13) Contract. The successful proposer must promptly execute the contract after the award is final. The Board Chair, or designee, will execute the contract only after it has obtained all applicable required documents and contractor signatures.

(14) An amendment for additional services that are reasonably related to the scope of work under the original benefits plan or other services contract, including extra work or a change that increases the original contract price or length of time, may be made with the contractor or consultant without re-entering the formal procurement process provided that the cumulative amendment does not materially alter the contract.

Stat. Auth.: Ch. 7 OL 2007

Stats. Implemented: Sec. 19, Ch. 7 OL 2007

Hist.: OEGB 1-2007(Temp), f. & cert. ef. 7-23-07 thru 1-4-08

111-005-0042

Intermediate Procurement Process

The Board will use the following procedure except as provided for under OAR 111-005-0046 or 111-005-0048.

(1) Announcement. The Board will post solicitation notices for benefits or consultant, broker, or advisory services via the Oregon Procurement and Information Network (ORPIN). The Board may also post solicitation notices for benefits, consultant, broker, and advisory services in trade periodicals or newspapers of general or specialized circulation. The notice will include a description of the benefits or services sought, the scope of the services required, and a description of any special requirements. The notice will invite qualified prospective proposers to submit proposals. The notice will specify when and where to obtain the application, return the application, and the closing date.

(2) Submission. All submitted proposals must comply with the procurement's specifications. If portions of the proposal to any solicitation are deemed unacceptable or non-responsive to the specifications of the solicitation, the proposal will be deemed non-responsive and will not be given further evaluation or consideration. If a proposal to any solicitation is delivered late, it will be deemed non-responsive to the specification of the solicitation and will be returned to the proposer unopened.

(a) Submission of proposals must be in writing and delivered in the written format, as required by the specifications of the solicitation. Proposals may also be submitted electronically with the written proposal and will be considered as a supplemental and not the sole format.

(b) The proposal from the prospective proposers will consist of a statement that describes the prospective proposer's credentials, performance data and other information sufficient to establish proposer's qualifications for providing the benefits or consultant, broker, or advisory services sought. The proposal must also contain information requested in the announcement.

(3) Evaluation. The Selection Committee will evaluate proposals in accordance with the Board's needs and applicable law. The Board will not divulge the names of the selection committee until completion of the cost negotiations. The Selection Committee will evaluate proposals to determine the responsible proposer or proposers submitting the best responsive proposal or proposals.

(4) Discussions and negotiations. If the Board chooses to enter into discussions and negotiations with the proposers, the Board:

(a) Will treat all proposers fairly and will not favor any proposer over another.

(b) Will not discuss proposers' proposals with any other proposers and will maintain all proposals as confidential documents.

(c) Will not divulge the name of the proposers or the content of the proposals until cost negotiations are complete.

(d) Will determine whether other factors, including but not limited to, Oregon residency of the primary business office and proposer demonstration of services and products, will be used to award the contract.

(5) Notice of award. The Board will provide written notice to all proposers when the Board awards the contract. The Board's award will be final.

(6) Award of contracts. The Board will make final selections based on the evaluation criteria including, but not limited to, contractor or consultant availability; capability; experience; approach; compensation requirements; previous litigation and remedy applied; customer service history with the OEBB, members and clients; debarment status; and references. The Board will place emphasis on employee choice among high-quality plans, plan performance and information, a competitive marketplace, employer flexibility in plan design and contracting, quality customer service, creativity and innovation and the improvement of employee health.

(7) Contract. The successful proposer must promptly execute the contract after the award is final. The Board Chair, or designee, will execute the contract only after it has obtained all applicable required documents and contractor signatures.

(8) An amendment for additional services that are reasonably related to the scope of work under the original benefits plan or other services contract, including extra work or a change that increases the original contract price or length of time, may be made with the contractor or consultant without re-entering the formal procurement process provided that the cumulative amendment does not:

(a) Materially alter the contract; or

(b) Increase the total contract cost to a sum that is greater than twenty-five percent of the original contract cost.

Stat. Auth.: Ch. 7 OL 2007

Stats. Implemented: Sec. 19, Ch. 7 OL 2007

Hist.: OEBB 1-2007(Temp), f. & cert. ef. 7-23-07 thru 1-4-08

111-005-0044

Small Procurement Process

OEBB may procure contractor and consultant services in any manner it deems practical, including by direct selection, negotiation and award.

(1) The Board Chair delegates authority to the Public Employees' Benefit Board Administrator and the OEBB Deputy Administrator to enter into contracts on behalf of the Board.

(2) Award of contracts. The PEBB Administrator or OEBB Deputy Administrator will base selections on evaluation criteria which may include, but is not limited to, contractor or consultant availability; capability; experience; approach; compensation requirements; previous litigation and remedy applied; customer service history with the OEBB, members and clients; debarment status; and references. Emphasis will be placed on quality customer service, creativity and innovation and the improvement of employee health.

(3) Contract. The selected contractor must promptly execute the contract. The PEBB Administrator or OEBB Deputy Administrator will execute the contract only after obtaining all applicable required documents and contractor signatures.

(4) An amendment for additional services that are reasonably related to the scope of work under the original benefits plan or other services contract, including extra work or a change that increases the original contract price or length of time, may be made with the contractor or consultant without re-entering the formal procurement process provided that the cumulative amendment does not:

(a) Materially alter the contract; or

(b) Increase the total contract cost to a sum that is greater than twenty-five percent of the original contract cost.

Stat. Auth.: Ch. 7 OL 2007

Stats. Implemented: Sec. 19, Ch. 7 OL 2007

Hist.: OEBB 1-2007(Temp), f. & cert. ef. 7-23-07 thru 1-4-08

111-005-0046

Sole Source Procurement Process

The Board may negotiate with a single source provider of benefits or consultant, broker or advisory services if the services are available only from one prospective proposer, or the prospective proposer has special skills uniquely required for the adequate performance of the services.

(1) Contract. The single source provider must promptly execute the contract after the award is final. The Board Chair, or designee, will execute the contract only after it has obtained all applicable required documents and contractor signatures.

(2) An amendment for additional services that are reasonably related to the scope of work under the original benefits plan or other services contract, including extra work or a change that increases the original contract price or length of time, may be made with the contractor or consultant without re-entering the formal procurement process provided that the cumulative amendment does not materially alter the contract.

Stat. Auth.: Ch. 7 OL 2007

Stats. Implemented: Sec. 19, Ch. 7 OL 2007

Hist.: OEBB 1-2007(Temp), f. & cert. ef. 7-23-07 thru 1-4-08

111-005-0048

Emergency Contract Process

The Board may select a contractor to provide benefit plan or consultant, broker, or advisory services without following any of the procedures under OAR 111-005-0040, 111-005-0042, 111-005-0044, or 111-005-0046 when required by emergency. The Board will determine if an emergency exists, declare the emergency and negotiate a contract with the contractor or consultant based on the following criteria: contractor or consultant availability; capability; experience; approach; compensation requirements; previous litigation and remedy applied; customer service history with the OEBB, members and clients; debarment status; and references. The Board will place emphasis on employee choice among high-quality plans, plan performance and information, a competitive marketplace, employer flexibility in plan design and contracting, quality customer service, creativity and innovation and the improvement of employee health.

Stat. Auth.: Ch. 7 OL 2007

Stats. Implemented: Sec. 19, Ch. 7 OL 2007

Hist.: OEBB 1-2007(Temp), f. & cert. ef. 7-23-07 thru 1-4-08

111-005-0050

Mistakes

(1) Treatment of mistakes. If the OEBB discovers certain mistakes in a proposal after opening, but before award of the contract, and the mistakes are not identified as those qualifying as non-responsive to the specifications of the procurement, the OEBB may take the following action:

(a) Waive or permit a proposer to correct a minor informality. A minor informality is a matter of form rather than substance that is evident on the face of the proposal, or an insignificant mistake that can be waived or corrected without prejudice to other proposers. Mistakes including, but not limited to, signatures not affixed to the proposal document, proposals sent to the incorrect address, insufficient number of proposals submitted, or incorrect format will not be considered minor.

(b) Correct a clerical error if the intended proposal and the error are evident on the face of the proposal, or other documents submitted with the proposal, and the proposer confirms the correction in writing. A clerical error is a proposer's error in transcribing its proposal.

(2) Rejection for mistakes. OEBB may reject any proposal in which a mistake is evident on the face of the proposal and the intended correct proposal is not evident or cannot be substantiated from documents accompanying the proposal. In order to ensure integrity of the competitive procurement process and to assure fair treatment of proposers, mistakes discovered that are contrary to the specifications of the procurement will be carefully reviewed and will be determined, under sole authority of the OEBB, to be waived or not be waived.

(3) If the OEBB discovers mistakes in the proposal after award, and the mistakes are not considered minor, the Board reserves the right to determine if the award will be revoked. The Board will then re-evaluate proposals deemed to be in second, third, fourth, etc., in the standings.

Stat. Auth.: Ch. 7 OL 2007

Stats. Implemented: Sec. 19, Ch. 7 OL 2007

Hist.: OEBB 1-2007(Temp), f. & cert. ef. 7-23-07 thru 1-4-08

111-005-0060

Records Maintenance

OEBB will maintain all files pertaining to the selection process for all benefits and other service contracts entered on behalf of the state for six years. Files include, but are not limited to:

- (1) The method and copy of announcement.
- (2) The names of firms or individuals and cost estimates considered.
- (3) The basis for selection.
- (4) A copy of the resulting contract and any subsequent amendments.

Stat. Auth.: Ch. 7 OL 2007

Stats. Implemented: Sec. 19, Ch. 7 OL 2007

Hist.: OEBB 1-2007(Temp), f. & cert. ef. 7-23-07 thru 1-4-08

111-005-0070

Renewal process for Contractor or Consultant Contracts

(1) Renewal procedure. If the Board does not issue a procurement to solicit formal proposals for benefit plans and other services, the Board may invite renewal proposals, directly negotiate and enter into renewal contracts with renewal contractors or consultants to provide benefit plans and consultant, broker, or advisory services without following the procedures set forth in OAR 111-005-0040.

(2) The Board may renew contracts with renewal contractors or consultants for as many years as the Board determines is in the best interest of the state, Districts, and employees.

(3) The Board will negotiate with renewal contractors or consultants and enter into contracts with them after giving full consideration to factors which include, but are not limited to, contractor or consultant capability, experience, approach, compensation requirements and references.

Stat. Auth.: Ch. 7 OL 2007

Stats. Implemented: Sec. 19, Ch. 7 OL 2007

Hist.: OEBB 1-2007(Temp), f. & cert. ef. 7-23-07 thru 1-4-08

DIVISION 10

POLICY AND DEFINITIONS

111-010-0001

Policy

The policy of the Oregon Educators Benefit Board (OEBB) is to provide benefit plans designed to meet the needs and provide for the welfare of eligible employees and the districts. To accomplish this, when considering whether to enter into a contract for a benefit plan, the Board will place emphasis on the following:

- (1) Offering high-quality plans;
- (2) Employee choice;
- (3) Plan performance and information;
- (4) District flexibility in plan design and contracting;
- (5) Quality customer service;
- (6) Creativity and innovation;
- (7) Plan benefits as part of total employee compensation; and
- (8) Improvement of employee health.

Stat. Auth.: ch. 7, OL 2007

Stats. Implemented: ch. 7, sec. 4(1), OL 2007

Hist.: OEBB 2-2007(Temp), f. & cert. ef. 9-21-07 thru 3-18-08

111-010-0015

Definitions

Unless the context indicates otherwise, as used in OAR chapter 111, divisions 1 through 50, the following definitions will apply:

(1) "Benefit plan" includes, but is not limited to, insurance or other benefits including:

- (a) Medical;
- (b) Dental;
- (c) Vision;
- (d) Life, disability and accidental death;
- (e) Long term care;
- (f) Flexible spending accounts;
- (g) Supplemental medical, dental and vision;
- (h) Any other remedial care recognized by state law, and related services and supplies; and
- (i) Comparable benefits for employees who rely on spiritual means of healing.

(2) "Board" means the ten-member board established in the Department of Administrative Services as the Oregon Educators Benefit Board under chapter 00007, Oregon Laws 2007.

(3) "Eligible employee" means and includes:

(a) "Active eligible employee" means an employee of an OEBB participating organization who is employed on a half-time or greater basis or is in a job-sharing position or meets the definition of an eligible employee under a separate OEBB rule or under a collective bargaining agreement.

(b) "Retired eligible employee" means a previously active eligible employee, who meets retiree eligibility as defined in OAR 111-050-0010.

(4) "Employee Group" means one or more similarly situated employees (i.e., nonrepresented or represented by a specific collective bargaining contract) in a common school district, union high school district, education service district, community college district or charter school.

(5) "Non-subject District" means a community college district or a charter school if the employees are not considered employees of a school district.

(6) "Oregon Educators Benefit Board or OEBB" means the program created under chapter 00007, Oregon Laws 2007.

(7) "OEBB participating organization" means a Subject District, Non-subject District, or Provisional Non-subject District that participates in benefit plans provided by the Oregon Educators Benefit Board (OEBB).

(8) "Provisional Non-subject District" means a common school district, a union high school district, or an education service district that was self-insured or that had an independent health insurance trust established and functioning on or before December 31, 2006.

(9) "Subject District" means a common school district, a union high school district, or an education service district that did not self-insure or have a health trust in effect on or after January 1, 2007.

Stat. Auth.: ch. 7, OL 2007

Stats. Implemented:

Hist.: OEBB 2-2007(Temp), f. & cert. ef. 9-21-07 thru 3-18-08

DIVISION 20

EFFECTIVE AND TERMINATION DATES

111-020-0001

Initial Employee Group Phase-in

(1) Any Employee Group in Subject Districts or Provisional Non-subject Districts may elect to participate in benefit plans provided by the Board beginning on October 1, 2008, October 1, 2009, or October 1, 2010, without having to meet the phase-in requirements outlined under Sections 2, 3, and 4; however:

(a) Eligible employees of a Subject District who are represented under a collective bargaining agreement with an end date of July 1, 2007, through June 30, 2008, must participate in benefit plans provided by the Board beginning October 1, 2008.

(b) Eligible employees of a Subject District who are represented under a collective bargaining agreement with an end date of July 1, 2008, through June 30, 2009, must participate in benefit plans provided by the Board beginning October 1, 2009.

(c) Eligible employees of a Subject District who are represented under a collective bargaining agreement with an end date on or after July 1, 2009, must participate in benefit plans provided by the Board beginning October 1, 2010.

(d) Eligible employees of a Subject District who are not represented under a collective bargaining agreement must participate in benefit plans provided by the Board consistent with the requirements governing eligible employees of the Subject District who are represented under a collective bargaining contract as outlined under section 1(a), (b) and (c) above. If more than one collective bargaining contract exists in the Subject District, the earliest collective bargaining contract end date must be applied.

(2) An Employee Group electing to participate in benefit plans provided by the Board under section 1 must provide notice of such election not later than May 31 of the year in which they plan to move to the OEBB benefit plans on October 1.

(3) A Provisional Non-subject District that wants to continue providing benefit plans other than those benefit plans provided by the Board must submit an application requesting to be excluded from the requirements of this Section. The application must show that the premiums for the benefit plans provided or contracted for by the district are equal or less than the premiums for comparable benefit plans provided by the Board. Applications must be submitted not later than May 31, 2010, and each year that follows.

(4) Employee Groups in Provisional Non-subject Districts who elect to participate in benefit plans provided by the Board cannot return to benefit plans provided or administered by an entity other than the Board.

Stat. Auth.: ch. 7, OL 2007

Stats. Implemented: Sec. 14, ch. 7, OL 2007, Sec. 16, ch. 7, OL 2007

Hist.: OEBB 2-2007(Temp), f. & cert. ef. 9-21-07 thru 3-18-08; OEBB 3-2007(Temp), f. & cert. ef. 11-15-07 thru 3-18-08

DIVISION 50

CONTINUATION OF COVERAGE

111-050-0001

Continuation of Group Medical and Dental Insurance Coverage Under The Consolidated Omnibus Budget Reconciliation Act (COBRA)

COBRA allows an eligible individual losing group health plan coverage due to a qualifying event to continue their coverage for a limited time on a self-pay basis.

(1) OEBB will issue or cause the issuance of an initial COBRA notice explaining the right to continue medical and dental insurance plans to all newly eligible employees and individuals.

(a) The notice must be mailed to the eligible employee's known address including family members, a domestic partner and a domestic partner's dependent children immediately following enrollment in OEBB medical or dental insurance plans. The notice must include all known eligible individuals residing at the address. Known eligible individuals residing separately from the eligible employee must be mailed a separate notice at their known address.

(b) The initial COBRA notice must be mailed to individuals becoming newly eligible due to marriage or the formation of a domestic partnership.

(2) A COBRA triggering event must cause the loss of benefit coverage. COBRA triggering events include:

- (a) An involuntary reduction in hours or layoff;
- (b) A strike or lockout;
- (c) The beginning of an unpaid leave of absence;
- (d) The termination of employment;
- (e) Retirement;
- (f) A dependent child no longer satisfying eligibility requirements;

(g) The loss of employer-sponsored group coverage for dependents due to Medicare eligibility;

- (h) A divorce or termination of a domestic partnership; and
- (i) The death of the employee.

(3) All individuals losing eligibility due to a triggering event must receive a COBRA continuation notice.

(4) An eligible employee or dependent has 60 days from the receipt of the COBRA notice to activate their COBRA rights of continuation. OEBB-sponsored insurance coverage must be continuous through COBRA implementation.

(5) Generally, medical plans may be continued under COBRA provisions for the following basic maximum coverage periods:

(a) 18 months after the date of the triggering events specified in section 2(a)–(e) above; or

(b) 36 months after the date of the triggering events specified in section 2(f)–(i) above.

(6) An eligible employee's spouse or domestic partner who is 55 years of age or older and who loses benefit coverage due to events specified in section 2(h) and (i) above, may continue OEBB medical insurance coverage for themselves and their dependent children beyond the general 36-month COBRA continuation period. An eligible individual may continue their OEBB medical insurance coverage until they are entitled to Medicare, are covered under another group medical insurance plan or otherwise lose eligibility.

(7) An eligible individual continuing OEBB medical insurance coverage only or medical and dental insurance coverage under COBRA provisions has the same rights as active eligible employees for making changes midyear and during the open enrollment period.

Stat. Auth.: ch. 7, OL 2007

Stats. Implemented: sec. ORS 659A.060-069, 743.600-602, 1(4)(a)(B), ch. 7, OL 2007, sec. 4(7), ch. 7, OL 2007

Hist.: OEBB 2-2007(Temp), f. & cert. ef. 9-21-07 thru 3-18-08

111-050-0010

Eligibility for Medical and Dental Insurance Coverage upon Retirement

An eligible employee and their eligible dependents enrolled in OEBB plans for active employees immediately prior to retirement may continue participation in any OEBB retiree medical or dental insurance plan upon retiring until becoming Medicare eligible. Insurance coverage under the OEBB active and retiree health plans must be continuous.

(1) A retired employee must be:

(a) Receiving a service or disability retirement allowance or pension under the Public Employees Retirement System (PERS) or under any other retirement or disability benefit plan or system offered by an OEBB participating organization for its employees;

(b) Eligible to receive a service retirement allowance under PERS and has reached earliest retirement age under ORS Chapter 238;

(c) Eligible to receive a pension under ORS 238A.100 to 238A.245 and has reached earliest retirement age as described in ORS 238A.165; or

(d) Eligible to receive a service retirement allowance or pension under another retirement benefit plan or system offered by an OEBB participating organization and has reached earliest retirement age under the plan or system.

(2) A retired eligible employee may elect insurance coverage for themselves only or may elect to cover any eligible dependents covered by the employee's active plan immediately prior to the retirement.

(3) A former eligible employee who elects COBRA and later becomes eligible as a retired employee will have the right to transfer the COBRA medical or dental insurance coverage to the OEBB retiree health plans at any time during or immediately following COBRA. Insurance coverage under the OEBB active, COBRA and retiree health plans must be continuous.

Stat. Auth.: ch. 7, OL 2007

Stats. Implemented: sec. ORS 659A.060-069, 743.600-602, 1(4)(a)(B), ch. 7, OL 2007, sec. 4(7), ch. 7, OL 2007

Hist.: OEBB 2-2007(Temp), f. & cert. ef. 9-21-07 thru 3-18-08

111-050-0015

Retirees Eligible for Medicare Coverage

(1) A retiree and eligible individuals enrolled in OEBB retiree insurance plans who become eligible for Medicare coverage may not continue an OEBB retiree medical insurance plan. The exception is for Medicare eligibility as a result of end-stage renal disease. Insurance coverage ends the last day of the month that eligibility is lost.

(2) If a retiree becomes eligible for Medicare coverage, but his or her currently enrolled eligible dependents are not, these eligible individuals may continue OEBB medical and dental insurance coverage. The eligible individuals must submit the application for

enrollment to the retiree plan administrator within 60 days of the retiree's eligibility for Medicare.

(3) If a retiree becomes eligible for Medicare coverage and loses eligibility for continued medical coverage on the OEBB medical insurance plan as provided for under section 2 and enrolls in and maintains a group Medicare supplement plan provided by the Public Employees' Retirement System (PERS) or a retirement or pension plan or system offered by an OEBB participating organization, the retiree may continue coverage on the OEBB dental plans.

Stat. Auth.: ch. 7, OL 2007

Stats. Implemented: sec. ORS 659A.060-069, 743.600-602, 1(4)(a)(B), ch. 7, OL 2007, sec. 4(7), ch. 7, OL 2007

Hist.: OEBB 2-2007(Temp), f. & cert. ef. 9-21-07 thru 3-18-08