

**PROPOSED AMENDMENTS TO
HOUSE BILL 4154**

1 On page 1 of the printed bill, line 2, after “ORS” insert “238.538, 243.135,
2 292.430,”.

3 In line 3, delete “and 741.025” and insert “, 741.025 and 741.201”.

4 After line 19, insert:

5 **“SECTION 2. ORS 243.135 is amended to read:**

6 “243.135. (1) Notwithstanding any other benefit plan contracted for and
7 offered by the Public Employees’ Benefit Board, the board shall contract for
8 a health benefit plan or plans best designed to meet the needs and provide
9 for the welfare of eligible employees, the state and the local governments.
10 In considering whether to enter into a contract for a plan, the board shall
11 place emphasis on:

12 “(a) Employee choice among high quality plans;

13 “(b) A competitive marketplace;

14 “(c) Plan performance and information;

15 “(d) Employer flexibility in plan design and contracting;

16 “(e) Quality customer service;

17 “(f) Creativity and innovation;

18 “(g) Plan benefits as part of total employee compensation; and

19 “(h) The improvement of employee health.

20 “(2) The board may approve more than one carrier for each type of plan
21 contracted for and offered but the number of carriers shall be held to a
22 number consistent with adequate service to eligible employees and their

1 family members.

2 “(3) Where appropriate for a contracted and offered health benefit plan,
3 the board shall provide options under which an eligible employee may ar-
4 range coverage for family members.

5 “(4) Payroll deductions for costs that are not payable by the state or a
6 local government may be made upon receipt of a signed authorization from
7 the employee indicating an election to participate in the plan or plans se-
8 lected and the deduction of a certain sum from the employee’s pay.

9 “(5) In developing any health benefit plan, the board may provide an op-
10 tion of additional coverage for eligible employees and their family members
11 at an additional cost or premium.

12 “(6) Transfer of enrollment from one plan to another shall be open to all
13 eligible employees and their family members under rules adopted by the
14 board. Because of the special problems that may arise in individual instances
15 under comprehensive group practice plan coverage involving acceptable
16 physician-patient relations between a particular panel of physicians and
17 particular eligible employees and their family members, the board shall pro-
18 vide a procedure under which any eligible employee may apply at any time
19 to substitute a health service benefit plan for participation in a comprehen-
20 sive group practice benefit plan.

21 “(7) The board shall evaluate a benefit plan that serves a limited ge-
22 ographic region of this state according to the criteria described in subsection
23 (1) of this section.

24 “(8) **Notwithstanding ORS 741.310 (1), if a member of the Legislative**
25 **Assembly elects to enroll in a health benefit plan offered by the board,**
26 **the member must select a board-approved health benefit plan that is**
27 **offered through the health insurance exchange administered by the**
28 **Oregon Health Insurance Exchange Corporation under ORS 741.002.**

29 “(9) **If the Director of the Department of Consumer and Business**
30 **Services, an administrator of any division of the department or an**

1 **employee of the department who is in management service, as de-**
2 **scribed in ORS 240.212, elects to enroll in a health benefit plan offered**
3 **by the board, the director, administrator or manager must select a**
4 **board-approved health benefit plan that is offered through the health**
5 **insurance exchange.**

6 **“SECTION 3.** ORS 292.430 is amended to read:

7 “292.430. (1) In addition to the annual salaries established as provided in
8 ORS 292.907 to 292.930, the Oregon Department of Administrative Services
9 may ‘pick-up,’ assume and pay to the Public Employees Retirement Fund any
10 employee contributions, otherwise required by ORS 238.200, for the Governor,
11 Secretary of State, State Treasurer, Attorney General, Commissioner of the
12 Bureau of Labor and Industries and members of the Legislative Assembly.

13 “(2) The department may provide health, dental, life and long-term disa-
14 bility insurance without cost to the officers referred to in subsection (1) of
15 this section and to judges of the Supreme Court, Court of Appeals, Oregon
16 Tax Court and circuit courts in such amounts as are provided from time to
17 time to employees in the unclassified service of the state.

18 **“(3) Notwithstanding ORS 741.310 (1), the department must purchase**
19 **health and dental insurance under subsection (2) of this section that**
20 **is offered through the health insurance exchange administered by the**
21 **Oregon Health Insurance Exchange Corporation under ORS 741.002.**
22 **To the extent that this subsection constitutes a reduction in compen-**
23 **sation of a judge during the term for which the judge is elected, the**
24 **Judicial Department shall reimburse the judge in an amount that off-**
25 **sets the reduction.**

26 **“SECTION 4.** ORS 238.538 is amended to read:

27 “238.538. (1) A judge member who elects to retire under ORS 238.535 (1)(b):

28 “(a) Shall continue to be eligible as a nonretired employee for health
29 benefit plans, **subject to ORS 292.430**, [*contracted for under ORS 243.135*]
30 during the time that the judge member is serving as a pro tem judge under

1 ORS 238.535 (1)(c); and

2 “(b) Subject to availability of funding, shall continue to receive the
3 monthly state contribution as payment of all or part of the cost of a health
4 benefit plan during the time that the judge member is serving as a pro tem
5 judge under ORS 238.535 (1)(c).

6 “(2) A judge member receiving the monthly state contribution as payment
7 of all or part of the cost of a health benefit plan under this section is not
8 eligible for payments against the cost of Medicare supplemental insurance
9 under ORS 238.420 until such time as the judge member is no longer serving
10 as a pro tem judge under ORS 238.535 (1)(c).”.

11 In line 20, delete “2” and insert “5”.

12 On page 2, line 15, delete “3” and insert “6”.

13 In line 31, delete “4” and insert “7”.

14 On page 3, after line 30, insert:

15 **“SECTION 8.** ORS 741.201 is amended to read:

16 “741.201. (1) The Oregon Health Insurance Exchange Corporation is under
17 the supervision of an executive director appointed by the corporation board
18 of directors. The executive director serves at the pleasure of the board. The
19 executive director shall be paid a salary as prescribed by the board.

20 “(2) Before assuming the duties of the office, the executive director shall:

21 “(a) Give to the state a fidelity bond, with one or more corporate sureties
22 authorized to do business in this state, in a penal sum prescribed by the
23 Director of the Oregon Department of Administrative Services, but not less
24 than \$50,000. The premium for the bond shall be paid from an account es-
25 tablished under ORS 741.101.

26 “(b) Subscribe to an oath that the executive director faithfully and
27 impartially will discharge the duties of the office and that the executive di-
28 rector will support the Constitution of the United States and the Constitu-
29 tion of the State of Oregon. The executive director shall file a copy of the
30 signed oath with the Secretary of State.

1 “(3) The executive director has such other powers as are necessary to
2 carry out the duties of the corporation, subject to policy direction by the
3 board.

4 “(4) The executive director may employ, supervise and terminate the em-
5 ployment of such staff as the executive director deems necessary. The exec-
6 utive director shall prescribe their duties and fix their compensation, in
7 accordance with the personnel policies adopted by the board. Employees of
8 the corporation may not be individuals who are:

9 “(a) Employed by, consultants to or members of a board of directors of:

10 “(A) An insurer or third party administrator;

11 “(B) An insurance producer; or

12 “(C) A health care provider, health care facility or health clinic;

13 “(b) Members, board members or employees of a trade association of:

14 “(A) Insurers or third party administrators; or

15 “(B) Health care providers, health care facilities or health clinics; or

16 “(c) Health care providers, unless they receive no compensation for ren-
17 dering services as health care providers and do not have ownership interests
18 in professional health care practices.

19 “(5)(a) The board shall adopt personnel policies, subject to ORS 236.605
20 to 236.640, for any transferred public employees. **Except as provided in**
21 **paragraph (b) of this subsection,** the board may elect to provide for par-
22 ticipation in a health benefit plan available to state employees pursuant to
23 ORS 243.105 to 243.285 and may elect to participate in the state deferred
24 compensation plan established under ORS 243.401 to 243.507. If the board so
25 elects, employees of the corporation shall be considered eligible employees
26 for purposes of ORS 243.105 to 243.285 and eligible state employees for pur-
27 poses of ORS 243.401 to 243.507.

28 “[*(b) In order to facilitate the development of innovative health benefit*
29 *plans, the board or the executive director may contract with one or more car-*
30 *riers to offer to employees of the Oregon Health Insurance Exchange Corpo-*

1 *ration proof of concept health benefit plans approved by the Director of the*
2 *Department of Consumer and Business Services. A plan offered under this*
3 *paragraph is not subject to ORS 743.730 to 743.773.]*

4 **“(b)(A) If the executive director or any managerial employee of the**
5 **corporation elects to enroll in a health benefit plan that is paid for in**
6 **whole or in part by the corporation, the director or managerial em-**
7 **ployee must select a health benefit plan that is offered through the**
8 **health insurance exchange.**

9 **“(B) As used in this paragraph, ‘managerial employee’ means an**
10 **employee who possesses authority to formulate and carry out man-**
11 **agement decisions, or who represents management’s interest by taking**
12 **or effectively recommending discretionary actions that control or im-**
13 **plement employer policy, and who has discretion in the performance**
14 **of these management responsibilities beyond the routine discharge of**
15 **duties.**

16 **“(6) With respect to the Public Employees Retirement System, employees**
17 **of the corporation shall be considered employees for purposes of ORS chapter**
18 **238 and eligible employees for purposes of ORS chapter 238A.**

19 **“(7) Employees of the corporation may participate in collective bargaining**
20 **in accordance with ORS 243.650 to 243.782.”.**

21 In line 31, delete “5” and insert “9”.

22 On page 6, after line 25, insert:

23 **“SECTION 10. The amendments to ORS 238.538, 243.135, 292.430 and**
24 **741.201 by sections 2, 3, 4 and 8 of this 2014 Act become operative Jan-**
25 **uary 1, 2017.”.**

26 In line 26, delete “6” and insert “11”.

27