

## DIVISION 30

### PLAN DESIGN DEVELOPMENT AND SELECTION

#### **111-030-0001**

##### **Development of OEGB Medical, Pharmaceutical, Dental and Vision Plan Designs**

(1) As used in this section, "comparable plan design" means the actuarial value of the OEGB plan design is within 2.5 percent (higher or lower) than a current district plan.

(2) OEGB will develop plan designs for medical, pharmaceutical, dental and vision benefit plans that are comparable to the plan designs provided by Subject Districts prior to entering the OEGB.

(3) OEGB will develop comparable plan designs by:

(a) Collecting the medical, pharmaceutical, dental and vision plan designs provided by Subject Districts that will be entering OEGB on October 1, 2008, October 1, 2009, and October 1, 2010.

(4) Following initial implementation of the OEGB benefit plans on October 1, 2008, OEGB will re-evaluate its plan designs for the October 1, 2009, and October 1, 2010, plan year start dates to determine if the Subject District plan design was included in the comparability assessment performed for plan design development in 2008.

(a) If the Subject District plan design was considered during the initial plan design process no further analysis will be conducted.

(b) If the plan design was not considered during the initial plan design process OEGB will:

(A) Calculate the actuarial value for the Subject District plan design using an industry standard actuarial model; and

(B) Identify whether a current OEGB plan design has an actuarial value 2.5 percent higher or lower than the Subject District plan design.

(5)(a) If none of the OEGB plan designs has an actuarial value within 2.5 percent higher or lower than the Subject District plan and the Subject District has 100 or more enrollees, OEGB will develop and implement a plan design with an actuarial value of 2.5 percent higher or lower than the Subject District's plan unless;

(b) There is an OEGB plan that has an actuarial value that is more than 2.5 percent higher than the Subject District's plan and it is determined that OEGB can still meet the comparable cost requirement.

#### **111-030-0055**

##### **Comparability Assessment Process**

**(1) Provisional Non-Subject or Non-Subject districts not yet in OEGB are required to pass comparability assessments that show that the district-wide premium costs are less than or equal to the OEGB "comparator plan" to continue remaining outside of OEGB.**

(2) Comparability assessments will generally be conducted by OEGB every two years, unless requested earlier by a district or an employee group representing employees at the district.

(3) Districts are required to provide the following information for the comparability assessment:

(a) Insured Districts:

(A) Completed Comparability Assessment Application;

(B) Plan design or summary plan description including any special or unique benefits the policy covers, like hearing aids, weight management programs and bariatric surgery, or other elective or cosmetic procedures that are typically not covered;

(C) Copy of the last premium rate renewal notification for the assessment plan year from the health insurance company who insures or administers the district's benefit plans;

(D) Benefit plan enrollment at the time of application;

(E) Health Insurance Company contact information;

(F) Letter authorizing OEGB and/or consultant to contact the Health Insurance Company and discuss relevant information provided;

(G) Most recent Carrier Year End Accounting Report(s) for benefit plan(s);

(H) Most recent compensation statement for benefit plan broker/consultant; and

(I) Total funds expended by district to buy down rates for the assessment year.

(b) Self-Insured Districts:

(A) Completed Comparability Assessment Application;

(B) Plan design or summary plan description including any special or unique benefits the policy covers, like hearing aids, weight management programs and bariatric surgery, or other elective or cosmetic procedures that are typically not covered;

(C) Copy of the last premium rate renewal notification for the assessment plan year from the administrator (not broker) who administers the district's benefit plans including administration/retention charges;

(D) COBRA rates established by administrator or broker;

(E) Benefit plan enrollment at the time of application;

(F) Benefit plan administrator contact information;

(G) Letter authorizing OEGB and/or consultant to contact the district broker/consultant and Health Insurance Company and discuss relevant information provided;

(H) Most recent Carrier Year End Accounting Report(s) for district benefit plan(s);

(I) paid claims experience for past two years split by year and by medical/pharmacy and dental;

**(J) Most recent compensation statement for benefit plan broker/consultant; and**

**(K) Total funds expended by district to buy down benefit plan rates for the assessment year.**

**(4) The process for comparability assessments includes the following steps:**

**(a) District submits a Comparability Assessment Application and all required information to OEGB for the upcoming plan year not less than three months prior to the start of the plan year.**

**(b) Plan design comparability is determined by calculating the actuarial value of district plan(s) and matching them with the OEGB plan that has the closest actuarial value, or "comparator plan." District plans that are valued higher than the OEGB comparator plan will be credited so the district plan's premium rate can be compared to the OEGB comparator plan's premium rate. If a District plan is valued lower than the OEGB comparator plan, the OEGB premium rate will be credited.**

**(c) District-wide cost comparability is determined by calculating aggregate premium for the district plan(s) and the aggregate premium for participating in the comparator OEGB plan(s). The aggregate premium is determined using enrollment and premium rate information or the adjusted premium rate, if applicable.**

**(d) OEGB will notify the district in writing of the results of the comparability assessment.**

**(e) Special initial enrollment will be available for districts with plan years other than October 1 through September 30.**