



Oregon

Theodore R. Kulongoski, Governor

Public Employees Retirement System

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Memorandum

MEETING DATE	6-30-03
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AGENDA ITEM	A.4.
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To: PERS Board

From: Gloria English, Retiree Insurance Program Manager

Date: June 25, 2003

Subject: - **June 30, 2003 PERS Board Meeting**
- **Minutes and [Recommendations from the Insurance Committee Meeting of June 24th](#)**

The PERS Board Insurance Committee met June 24th to discuss the 2004 health insurance carrier contracts.

Contract renewal discussions were relatively uneventful this year. Rising health care premium costs in the PERS health plans has been slowed somewhat through improved patient care management practices by health plans, and “better than expected” reimbursement from Medicare funding for the Medicare+Choice plans. The Medicare reimbursement amounts directly impacts the Kaiser Permanente, Providence, and Clear Choice health plan premiums required from PERS participants. Please refer to the attached document outlining the committee recommendations for 2004 premium rates and other changes described.

Contract renewals included no changes in health plan benefits for 2004.

Health plan premium adjustments for the 2004 plan year will come from a variety of causes. Kaiser Permanente Health Plan has the greatest percent of increase at 24.3%. The ODS Medicare supplement health plan which provides coverage for the largest number of PERS retirees was renewed with a 0% increase. Providence Health Plan members in Region II (Linn, Benton and Lane counties) have a slight decrease in their rate. (The *actual rate billed by PERS to retirees* for ODS members and Providence members in Region II will show a slight increase due to an increase in PERS’ administrative fees that will be added for 2004.)

While most of the renewal process was on a very positive note, we are disappointed that we will no longer be able to offer Clear Choice Health Plans in Crook and Harney counties. After reviewing the options available, and understanding the decision process already completed by Clear Choice Health Plans (CCHP), the committee agreed with the carrier that terminating the plans in those counties would be the best option available given the circumstances. Communication to members will be carefully coordinated with staff at CCHP.

If you have questions or would like to discuss any of these materials prior to the meeting, please call at 503-378-3730 x234 or email gloria.english@state.or.us.

Minutes not final until approved by the committee

Public Employees Retirement System Board

Insurance Committee Meeting

June 24, 2003

Tigard

MEETING MINUTES

Committee members present:

Chair Glenn Harrison, and Todd Schwartz.

Staff:

David Bailey, Deputy Director; Gloria English, Manager, and Linda Weber, Admin. Assistant, Retiree Insurance Program.

Consultants:

Molly Butler, B.W. Reed Benefits; Kris Norgaard, B.W. Reed Benefits; Kevin McCartin, McCartin Analytical Services.

Retirees:

Jeanne Mackie, George Porter, and William Hughes.

Guests:

CJ McLeod	Jim Light	Robin Richardson	Karen Beauchamp
Patrick Weisgerber	Liz Farruggia	Cynthia Kane	Bill Lindekugel
Doug Dillon	Cary Walker	Carrie Smith	Walter Burkhartsmeier

Chair Harrison called the meeting to order at 8:32 a.m. Chair Harrison noted that because of the small committee of two persons, that no seconds would be necessary on a motion. And the committee would vote by consensus.

A. Minutes of the February 25, 2003 Insurance Committee Meeting

Chair Harrison asked for any changes to the minutes of the February 25th meeting. There were none offered. Member Schwartz moved to approve the minutes as written. Chair Harrison and member Schwartz voted approval of the minutes.

B. Program Manager Report

English reported on the status of the Long Term Care Request for Proposals. There were two proposals received as of the close of the request period. English asked the committee of their interest in participating in the interview process. Both members declined. Interviews are scheduled for the week of July 14th.

English gave an overview of the process for the PERS Health Plan Contract renewals for the year 2004. Following these opening remarks the committee went immediately into *Executive Session*.

C. Health Plan Contract Renewal

The committee moved out of *Executive Session* at 3:50 p.m.

The committee discussed the information received from staff, consultants, and health plan representatives during Executive Session, and recommendations were then developed to present to the PERS Board at the June 30th, 2003 Telephone Conference Call meeting. The recommendations are detailed in the attached documents.

The meeting adjourned at 4:20 p.m.

Respectfully submitted,

Gloria English

GNE:ljw