



OREGON HOUSE REPUBLICANS

In Case You Missed It

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IN CASE YOU MISSED IT: **DEMOCRATS' OEGB HURTING SCHOOLS IN EASTERN OREGON**

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Drowning In The Insurance Pool

A lesson in "government efficiency": some school workers get hosed.

BY NIGEL JAQUISS

Political candidates love to talk every election season about increasing "government efficiency."

But to see how elusive the "benefits" of that concept can be, consider the rude back-to-school gift that school employees in Eastern Oregon recently got from one measure pushed last year by Gov. Ted Kulongoski, his fellow Democrats in the state Legislature, and the Oregon Education Association.

Those school workers east of the Cascades say the result of that measure is that they now have lousy or no coverage from their preferred medical providers.

To the approval of editorial boards around the state, lawmakers in 2007 passed Senate Bill 426. The measure required the state's 198 school districts (with about a dozen exceptions) to pool employees for insurance purposes under a newly created Oregon Educators Benefit Board.

"This legislation upholds our responsibility to make sure our school system is efficient, accountable and delivering a high-quality education for our students while providing a fair and quality health benefit for our education professionals," Kulongoski said in March 2007 after the bill passed.

Pooling seemed like a no-brainer: Districts would benefit from combining their purchasing power to save what actuaries projected would be tens of millions of dollars annually.

The transition of employees—about 66,000 of around 70,000 eligible employees will switch this year—is supposed to be completed by Oct. 1. But for several thousand school employees in rural areas, those changes aren't going well.

"The Legislature, governor, OEA and others promised the OEGB would provided comparable, cost-effective coverage to all state employees," Malheur Education Service District Superintendent Tim Labrousse wrote the educators benefit board in a Sept. 11 letter. "The 'pooling' of employees has not had any positive effect that we can see in our area of the state."

Labrousse and other administrators in rural Oregon districts such as Nyssa and Vale complain that the rates are, in fact, higher for their districts than those previously offered through Regence Blue Shield or available in the Willamette Valley. Perhaps more problematic, they add, is that ODS, the medical insurance carrier that won the benefits contract for Eastern Oregon, has a miniscule provider network in the area. That means employees have few or, in some cases, no choices who their doctors will be.

“ODS has made very little progress in marketing the medical plans in Eastern Oregon or in Southwestern Idaho,” Labrousse writes.

For instance, Labrousse says, only about a third of the 84 medical providers in Ontario had signed up with ODS as of last week.

The upshot, he says, is that a school employee in Ontario who needs to see a cardiologist or other specialist might have to drive up to eight hours to Portland rather than skipping across the border to Boise.

OEBB administrator Joan Kapowich acknowledges there have been glitches in getting the program started statewide. Last Thursday, Sept. 11, she sent a memo to Eastern Oregon districts responding to the concerns Labrousse and others have expressed.

She tells WW that employees can stay with existing medical specialists until insurers beef up their rosters of providers.

“It’s frustrating that the contracts [in Eastern Oregon] aren’t in place already,” Kapowich says. “But overall, the changeover is going extremely well, particularly considering three times as many employees as expected [in the first year] have switched over.”

Kapowich also says she’s confident the pooling is on track to save nearly \$40 million annually.

Chuck Bennett, a lobbyist for the Confederation of Oregon School Administrators, says he wishes those savings were not coming at the expense of rural school employees.

“The Legislature might have made a mistake in sweeping the old system aside in one swoop,” Bennett says. “What you’re seeing here is an example of the way a Willamette Valley-centric setup often hits complex systems in Oregon.”

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