

June 26, 2008

08-107

AUTHORIZATION FOR PORTLAND COMMUNITY COLLEGE TO PROVIDE EMPLOYEE INSURANCE COVERAGE THROUGH THE OREGON EDUCATORS' BENEFIT BOARD AND APPROVAL OF AMENDMENTS TO INSURANCE PROVISIONS OF THE COLLECTIVE BARGAINING AGREEMENTS BETWEEN PORTLAND COMMUNITY COLLEGE AND THE PORTLAND COMMUNITY COLLEGE FEDERATION OF FACULTY AND ACADEMIC PROFESSIONALS AND BETWEEN PORTLAND COMMUNITY COLLEGE AND THE PORTLAND COMMUNITY COLLEGE FEDERATION OF CLASSIFIED EMPLOYEES

PREPARED BY: Jerry Donnelly, Director, Human Resources

APPROVED BY: Wing-Kit Chung, Vice-President, Administrative Services  
Randy McEwen, District Vice President  
Dr. Preston Pulliams, District President

REPORT: In 2007 the Oregon legislature created the Oregon Educators' Benefit Board (OEBB) to provide a cost-effective means for K-12 districts and ESD's statewide to deliver employee health insurance programs. Within three years, K-12 districts and ESD's are mandated to participate in the OEBB, with limited exceptions. Community Colleges were given the option to join.

For more than 25 years, PCC has participated in an insurance pool with many K-12 districts and ESD's through the Oregon School Boards Association Insurance Trust (OSBA) to provide coverage for medical, pharmacy, vision and dental insurance for college employees. As a result of the legislative enactment and decisions of the OSBA, this pool will cease to exist effective September 30, 2008.

Since the legislative session, PCC staff have worked closely with the other Oregon Community Colleges and the Oregon Community College Association to evaluate the feasibility of multiple options including merger into other local government insurance pools, creating either

an OCCA hosted "association plan" or a joint purchase agreement program. In addition, PCC staff have considered and evaluated options from self-insurance to a stand alone PCC program. This assessment of options included obtaining bids for providing replacement insurance coverage to match our current offerings. None of these options have proved successful in garnering bids which did not result in substantially higher costs for the College and eligible employees.

Concurrent with the analysis of our options, the OEGB has progressed through the stages of Board appointments, hiring key staff, developing insurance plan designs comparable to the full range of plans being offered by K-12 districts and ESD's statewide, bidding those plans for rates and developing the necessary administrative rules and processes to implement their program effective October 1, 2008.

PCC staff, working jointly with the Federation of Faculty and Academic Professionals and the Federation of Classified Employees through our existing Joint Committee on Insured Benefits, has evaluated the plan offerings of the OEGB; identified comparable plans to those we currently offer; assessed the impact of the rates for those plans at each of the coverage tiers currently offered to PCC employees; prepared a package of recommended actions; and, negotiated a tentative agreement on the collective bargaining agreement modifications which would be necessary to allow the college to opt in to the OEGB program effective October 1, 2008 as a replacement for the plans currently offered through the OSBA Trust and our current stand alone Kaiser plans.

A two part summary of those agreements is attached to this resolution. The summaries represent first the necessary amendments to the collective bargaining agreements (Exhibit A) and second a set of administrative procedures necessary to implement the transition to OEGB as our plan provider. (Exhibit B)

RECOMMENDATION: That the Board of Directors approve the recommendation to opt in to the OEBC as our plan provider;

That the Board of Directors ratify the collective bargaining amendments; (Exhibit A)

That the Board of delegate authority to the District President or his designee to further develop, maintain and modify as needed from time to time, the administrative procedures necessary to implement the transition to OEBC participation. (Exhibit B)

**MEMORANDUM OF AGREEMENT  
TRANSITION OF  
PORTLAND COMMUNITY COLLEGE BENEFIT PLANS  
TO  
PLANS PROVIDED BY THE OREGON EDUCATORS' BENEFIT BOARD**

Portland Community College (the College) and the Portland Community College Faculty Federation (PCCFF) and Portland Community College Federation of Classified Employees (PCCFCE) working through the Joint Committee on Insured Benefits (JCIB) in accordance with the provisions of Article 17.21 of the collective bargaining agreement between the College and PCCFF and Article 18.1 of the collective bargaining agreement between the College and PCCFCE, have reached tentative agreement on key components of the transition of employee health insurance plans from the Oregon School Boards' Association Insurance Trust (OSBA) to the health insurance plans to be offered by the Oregon Educators' Benefit Board (OEBB).

The terms of the 2007 Memorandum of Agreement adopting JCIB recommendations regarding Part Time Faculty benefits shall remain in effect except where expressly modified below.

In accordance with the Memorandum of Understanding creating the JCIB, the following changes are subject to ratification by the Executive Councils of the respective bargaining units and the Board of Directors of the College. Attachments to this MOA relating to administrative processes are provided to articulate planned implementation of these changes and may in the future be modified or amended without need to bargain or reach tentative agreements. The College retains the authority to implement modifications or changes for non-represented employees of the College without the involvement of the JCIB.

1. The College will exercise its right to "opt in" to the OEBB in accordance with ORS 243.886(2)(c) effective October 1, 2008.
2. The College will offer the following package of medical, pharmacy, vision and dental coverage to eligible full time Faculty (instructors, counselors, librarians); full-time and part-time Academic Professionals; full-time and part-time Classified staff; and, full-time and part-time Management and Confidential staff, subject to the provisions of the respective PCCFF and PCCFCE collective bargaining agreements, this Memorandum and the policies and administrative practices of the College:

Selected OEBB Medical Plans: Plan 1 (Kaiser), Plan 3, Plan 6, and Plan 8.

Selected OEBB Pharmacy Plans: Kaiser HMO Rx with Plan 1; Pharmacy Option A with Plans 3, 6, and 8.

Selected OEBB Vision Plans: Plan 5.

Selected OEBB Dental Plans: Kaiser Plan 7, ODS Plan 5, and Willamette Dental Plan 8.  
(Orthodontia coverage shall not be included with the dental plans)

3. For the benefit plan year beginning October 1, 2008 the College's maximum monthly contribution to health care premiums for eligible employees in section 2 above, shall be

as follows for the levels of coverage selected by the employee: Employee only = \$520, Employee + Spouse = \$765, Employee + Child(ren) = \$765, Family = \$860.

4. The College will offer the following package of medical and pharmacy coverage to eligible Part-Time faculty, subject to the provisions of the PCCFF collective bargaining agreement, including the 2007 Memorandum of Agreement under which Part-time Faculty became eligible for health insurance benefits, except as amended by this Memorandum and the administrative practices of the College:

Selected OEBB Medical Plans: Plan 1 (Kaiser), Plan 3, Plan 6, and Plan 8.

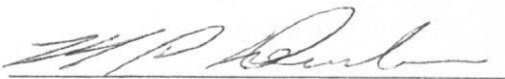
Selected OEBB Pharmacy Plans: Kaiser HMO Rx with Plan 1; Pharmacy Option A with Plans 3, 6, and 8.

6. For the benefit plan year beginning October 1, 2008 the College's maximum monthly contribution to health care premiums for eligible employees in section 5 above, shall be 50% of the Employee Only contribution rate for full-time faculty (\$260). SECTION 4

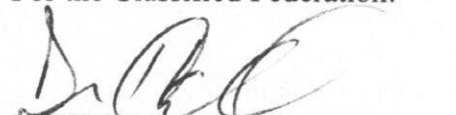
7. For the benefit plan year beginning October 1, 2008 the cycle of eligibility for Part-time faculty shall be modified from a calendar year basis (January 1 through December 31) to a benefit plan year basis which coincides with the academic cycle (Fall term through Summer term). In order to accommodate this transition, for the plan year beginning October 1, 2008 determination of eligibility will be based on the cycle of instructional terms beginning with Fall term 2007 through Summer term 2008; and, during Fall term 2008 the College will also determine which Part-time faculty would have been eligible in 2009 based on the cycle of terms from Winter 2008 through Fall 2008. Part-time faculty who meet the eligibility criteria based on the Fall term 2008 review will be treated as newly eligible hires beginning Winter term 2009 for the remainder of the plan year. Determination of eligibility thereafter will be based on cumulative instructional FTE during the preceding benefit plan year cycle, coinciding with the academic year.

Signed this 26<sup>th</sup> day of June, 2008.

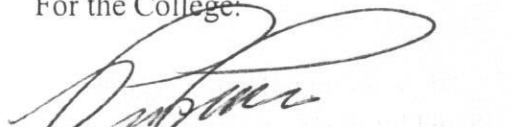
For the Faculty Federation:

  
Michael Dembrow, PCCFF President

For the Classified Federation:

  
Deborah Hall, PCCFCE President

For the College:

  
Preston Pulliams, District President

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Selected OEBB Dental Plans: Kaiser Plan 7, ODS Plan 5, and Willamette Dental Plan 8.

(Orthodontia coverage shall not be included with the dental plans)

3. For the benefit plan year beginning October 1, 2008 the College's maximum monthly contribution to health care premiums for eligible employees in section 2 above, shall be as follows for the levels of coverage selected by the employee: Employee only = \$520, Employee + Spouse = \$765, Employee + Child(ren) = \$765, Family = \$860.

4. The College will offer the following package of medical and pharmacy coverage to eligible Part-Time faculty, subject to the provisions of the PCCFF collective bargaining agreement, including the 2007 Memorandum of Agreement under which Part-time Faculty became eligible for health insurance benefits, except as amended by this Memorandum and the administrative practices of the College:

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Selected OEBB Pharmacy Plans: Kaiser HMO Rx with Plan 1; Pharmacy Option A with Plans 3, 6, and 8.

6. For the benefit plan year beginning October 1, 2008 the College's maximum monthly contribution to health care premiums for eligible employees in section 5 above, shall be 50% of the Employee Only contribution rate for full-time faculty (\$260). *per Jerry Donnelly 6-26-08*

7. For the benefit plan year beginning October 1, 2008 the cycle of eligibility for Part-time faculty shall be modified from a calendar year basis (January 1 through December 31) to a benefit plan year basis which coincides with the academic cycle (Fall term through Summer term). In order to accommodate this transition, for the plan year beginning October 1, 2008 determination of eligibility will be based on the cycle of instructional terms beginning with Fall term 2007 through Summer term 2008; and, during Fall term 2008 the College will also determine which Part-time faculty would have been eligible in 2009 based on the cycle of terms from Winter 2008 through Fall 2008. Part-time faculty who meet the eligibility criteria based on the Fall term 2008 review will be treated as newly eligible hires beginning Winter term 2009 for the remainder of the plan year. Determination of eligibility thereafter will be based on cumulative instructional FTE during the preceding benefit plan year cycle, coinciding with the academic year.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2008.

For the Faculty Federation:

For the Classified Federation:

\_\_\_\_\_  
Michael Dembrow, PCCFF President

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Deborah Hall, PCCFCE President

For the College:

\_\_\_\_\_  
Preston Pulliams, District President

**Administrative Provisions Relating to  
Implementation of the Transition to OEGB Insurance Plans**

1) Effective dates of coverage:

Individuals employed by the College in benefits eligible positions as of the effective date of this transition (October 1, 2008) continue to be eligible; retirees of the College actively enrolled and eligible for benefits shall continue to be eligible; former employees and/or dependents enrolled and eligible for benefits under COBRA shall continue to be eligible.

All such employees, retirees and COBRA beneficiaries must complete a positive enrollment during the 2008 open enrollment period of August 15, 2008 through September 15, 2008.

Coverage for new hires into benefit eligible positions becomes effective on the first day of the month following 30 days of employment, except for Part-time faculty who become eligible on an annual basis as set forth in the Memorandum of Understanding.

2) For the transition year, there will be three groups of Part-time faculty going through OEGB enrollment as follows:

Group	<b>Eligible Yr 1 (1/08 – 12/08); not for 2009</b>	<b>Eligible for Yr 1 (1/08 – 12/08) and 2009</b>	<b>Eligible for the first time, 2009</b>
Enrollment Action	Must sign up with OEGB to continue insurance for the balance of the 2008 calendar year.	Must sign up with OEGB to begin second year of PT faculty benefits at Oct. 1, 2008 Open Enrollment.	Will enroll for the first time in conjunction with Oct. 1, 2008 Open Enrollment.
Duration of coverage.	Will be dropped from insurance effective 1/1/09 due to not reestablishing eligibility. Will be COBRA eligible thereafter. If not working and already taken bridge term, will be COBRA eligible Fall 2008.	Will continue on insurance through the plan year as long as remains eligible; i.e., still employed by the college, is current on payment for any FBO, is current on payment during bridge term, etc.	Will continue on insurance through the plan year as long as remains eligible; i.e., still employed by the college, is current on payment for any FBO, is current on payment during bridge term, etc



Bridge Terms	If no bridge term taken in 2008, Fall 2008 could be their bridge term.	Will be forgiven if bridge term taken in 2008. Eligible again starting Fall 2008.	Eligible for one bridge term during the OEGB plan year (2009).
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3. Benefits eligible employees who already have group coverage through a spouse/domestic partner or other employment, may "opt out" of PCC/OEGB coverage during the open enrollment period. Employees covered by section 2 of the Memorandum of Agreement on Transition of PCC Benefit Plans to Plans Provided by the Oregon Educators' Benefit Board, who exercise the opt out will receive a monthly stipend of \$200. Part-time faculty may also opt out under this provision, but are not eligible for the \$200 stipend.

4. Benefits eligible employees will not be allowed to "waive" coverage, unless the employee registers a bona fide religious objection.

5. Benefits eligible employees who fail either to enroll or opt out of coverage during the open enrollment period will be defaulted to the "high deductible" Plan 8 at the Employee Only tier.