House Bill (HB) 2675
Double coverage and opt-out incentives

Problem: Senate Bill (SB) 1067 (passed in 2017) will eliminate double coverage and opt-out incentives for school employees who have insurance through another OEBB- or PEBB-offered plan for plan years starting after July 1, 2019. This is a reduction in benefits for which the employees received nothing and which may not actually contain costs for school districts.

Solution: HB 2675 reverses the unfair and potentially costly effects on double coverage and opt-out incentives, allowing employees to continue the benefits they negotiated in local contracts. The bill needs to take effect immediately to prevent disruption of employee benefit plans.

Background: Passage of SB 1067, the “cost containment” bill, set the stage for all PEBB- and OEBB-eligible employees to lose the options of double coverage for themselves and their families and the incentives offered for opting out of OEBB/PEBB coverage. Like OSEA, school districts oppose the prohibition of opt-out incentives — many of which are negotiated in local contracts as a savings to the district and a benefit to employees. For example, depending on the negotiated employer contribution for health insurance, opt-out incentives of $225 per month in the Bend-La Pine School District or $250 per month in the Lake Oswego School District reduce the district’s benefit costs by hundreds of dollars per employee per month.

To avoid any additional expense in implementing these ineffective “cost containment” provisions and to keep employee benefit issues at the bargaining table where they belong, legislators should immediately enact this bill.