



**SENATOR TED FERRIOLI**

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April Kelly  
Rules Coordinator  
Oregon Health Authority, Oregon Educators Benefit Board  
1225 Ferry St. SE, Suite B  
Salem, OR 97301

Re: Comments on Proposed Changes to OAR 111-040-0050

June 2, 2016

Dear Ms. Kelly,

I am writing to officially request modification of OEGB's proposed change to OAR 111-040-0050. The new \$100 fee per month per member for teachers and other public servants who opt out of OEGB medical coverage unfairly reduces employee choices. I join the minority of the board that voted against the rule in seeking to protect schools, community colleges, local governments, and the 5,383<sup>1</sup> public employees who have chosen to opt-out. We rely on dedicated OEGB members every day to teach our children and provide critical services across the state. They should not be penalized for seeking the best health care options for their families.

OEGB was created with the goal of reducing health care costs for all participating schools and local governments while also providing quality health care options to public employees. Levying a \$100 fee on public employees who opt-out contradicts OEGB's mission, is unfairly punitive, and unnecessarily restricts health care choices for all 150,000 OEGB members. Currently, many part-time teachers opt out because they cannot afford the cost of prorated OEGB plans, and it is cheaper for them to purchase insurance from the health care exchange. Others would have double coverage through a spouse and benefit more from opting out so they can redirect the cost of otherwise unneeded health insurance to a health savings account.

School districts that seek to protect their employees from this new fee increase by absorbing costs could face losses of tens of thousands of dollars, further eroding the educational mission of many small and mid-sized school districts that are already underfunded. I have heard reports that some districts could face losses up to \$100,000, which could force teacher layoffs. The same is true of community colleges, education service districts, charter schools, and other local governments. School districts that make financially responsible health care decisions that benefit both their employees and their district should not be punished. Please protect Oregon's teachers and schools by rejecting this \$100 fee increase.

Sincerely,

  
Ted Ferrioli  
Senate District 30

<sup>1</sup> Oregon Educators Benefit Board, *April 27, 2016 Board Meeting* at 1:26:19 to 1:26:42,  
<https://www.youtube.com/watch?v=fvtvDWLXkTQ&feature=youtu.be>