Insurance Benefits Increased, Additional Coverage Approved

Life-AD&D Benefits Given 10% Increase

Life and accidental death and dismemberment insurance benefits for associaton members enrolled under the OSEA-Standard Insurance Company group plan will be boosted 10 percent starting July 1.

Insurance Manager Donald G. Olds said there will be no increase in monthly premiums.

The increase in benefits, which is worth approximately $80,000 was proposed by the OSEA Insurance Committee headed by R. Floyd Baxter and approved by the Board of Directors meeting in Salem May 7.

Open Period Coming

Olds said an open-enrollment period for the life, accidental death and dismemberment and income protection insurance will start August 1. At that time, he said, any full-time state employee who is a member of OSEA may enroll for any or all of the plans without providing evidence of insurability.

He pointed out that new employees do not have to wait for *the open period because the group plan permits them to enroll anytime within the first 60 days of employment without providing evidence of insurability.*

Benefits Described

Olds said the life insurance pays for death from any cause, with no exceptions. It also provides a conversion privilege and waiver of premium benefit guarantees.

He said the accidental death and dismemberment insurance provides 24-hour coverage, both on or off the job. The double indemnity benefit pays in addition to the life insurance for death caused by accidend either on or off the job.

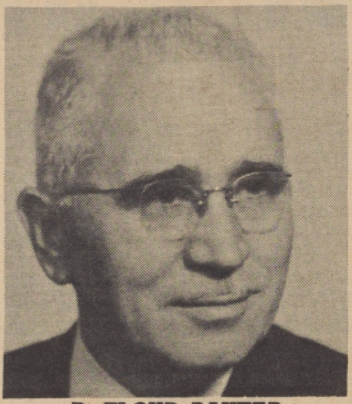
This coverage also pays for accidental loss of hands, feet, or sight of both eyes, Olds said. It pays the insured half of the scheduled amount for loss of any one of the above members.

The OSEA Insurance Manager said the group plan also offers dependent life insurance for each of the insured's eligible dependents. He listed them as the spouse and all unmarried children under 22 years of age.

Dependent insurance on the insured's spouse and children from six months to 22 years is available to the sum of $1,000. Children aged 14 days to six months can be insured for $100.

Olds said the group plan also offers OSEA members income protection insurance. Such insurance pays the insured a weekly benefit when unable to work due to a non-occupational illness or injury, he said. All that is needed is a doctor's statement that insured is unable to work; home or hospital confinement is not required, he said.

Olds urged members to investigate the various insurance programs offered by the OSEA-Standard group plan.



R. FLOYD BAXTER
Director of Retirement

Major Medical Monthly Premiums

Member (Male or Female)	$0.90
Member and 1 Dependent	$1.99
Member and 2 or more Dependents	$2.39

New Life, AD&D Benefits

Salary Class	Old Benefit	New Benefit
Under $300	$ 4,000	$ 4,400
$300 - $399	$ 5,000	$ 5,500
$400 - $499	$ 6,000	$ 6,600
$500 - $599	$ 7,000	$ 7,700
$600 - $799	$ 8,000	$ 8,800
$800 - $899	$ 9,000	$ 9,900
Over $900	$10,000	$11,000

Major Medical Plan Approved By Board

Beginning July 1, members of the Oregon State Employees Association will have the opportunity to protect themselves from serious financial loss due to severe or prolonged illnesses or accidents.

That is the date OSEA will offer to its members a major medical insurance program.

The association's Board of Directors approved a contract between OSEA and the National Hospital Association at a meeting in Salem May 7. The contract was arranged by the association's Insurance Committee under the leadership of R. Floyd Baxter.

Minimum of $10,000

According to Insurance Manager Donald G. Olds, major medical insurance is intended to provide additional benefits beyond those provided by base medical-hospital insurance programs.

Under the contract, the NHA will pay a maximum of $10,000 for treatment of a non-occupational illness or injury.

Olds said that under the program, the insured member is required to pay a $100 deductible amount toward his medical-hospital expenses. NHA will then pay 80 percent of all expenses to a maximum of $10,000.

Monthly Premium

The monthly premium, which will be made on a payroll deduction basis, will be as follows: member, male or female, $.90; member and one dependent, $1.99; member and two of more dependents, $2.39.

The OSEA Insurance Manager emphasized that in order to be eligible for the major medical program, an OSEA member must be enrolled in some type of base medical program, such as the OSEA-Blue Cross medical-hospital group plan.

Charter Entollment

Olds said the charter enrollment period will begin July 1 and end October 6.

In urging all members of the association to enroll during the charter enrollment period, Olds said, "Those who enter the major medical plan during this time will not be subject ot the six month waiting period for coverage of pre-existing conditions.

Those who enter the plan after the charter enrollment period must wait six continuous months before a pre-existing condition or chronic illness is covered."

"However," he added, "for some dread diseases such as polio, spinal meningitis, smallpox, diptheria, tetanus or leukemia, the waiting period is only 30 days for the insurance to become effective."

Coverage November 1

Coverage for the charter enrollment members will commence on November 1. A minimum enrollment of 3,600 is needed before the plan becomes effective.

After the charter enrollment period is over, he said, members will be required to wait for the next open-enrollment period before they can obtain the insurance.

"We don't know at this time how long it might be before there will be another open period. It could be two years or more," he said.

Olds pointed out that new employees will have 60 days from the date of employment to take advantage of the major medical plan.

Reporter Finds Funding Formula Is Inadequate

(Editor's Note: The Emergency Board on December 17, 1964 voted to put the 1965-67 compensation plan into effect on January 1, 1965 -- a full six months early. The Emergency Board made available enough money to fully fund the plan for six months, until July 1, 1965.

However, the 1965 legislature devised a two-thirds salary funding formula in establishing the amount of money placed in agency budgets for making salary increases during the 1965-67 biennium.

The following article by Zan Stark of United Press International, which appeared in the Salem CAPITOL JOURNAL on April 24, explains why the two-thirds pay formula failed.

Readers are advised not to confuse the salary fund mentioned in the story with the mid-biennium salary adjustment fund. This fund is separate from the money mentioned in Stark's article.)

By Zan Stark
United Press International

It probably will be a long, long time before the legislature tries to kid itself and the public by adopting another "two-thirds salary funding plan."

When pay increases for state employees were approved, the legislature didn't appropriate enough money to pay the full amount of the increases.

Instead, only two-thirds of the money needed was authorized. The other third was to come from economy of operation, and savings realized because of job vacancies.

Because most state agencies are never up to fully authorized staff due to employee turnover and delays in granting promotions, the idea sounded good. But the theory failed when put into practice.

Prisons, detention facilities and mental institutions operate 24-hours a day, and there is a point below which the staffs of these institutions cannot be safely reduced.

The problem is not so critical with administrative agencies. If their staffs are reduced, the result is that work doesn't get done. Such reductions don't involve the dangers of prisoner escapes, or inadequate care for the hospitalized.

The legislature made no allowance for this, however, and approved the two-thirds salary funding for all branches of state government. Lawmakers did set aside $500,000 with the Emergency Board "just in case."

It now appears the state is about $3.5 million short of what it needs to pay salaries for the balance of the biennium. State agencies have indicated they can absorb only $2.3 million of this amount.

This is $1.2 million short of what is needed.

The Emergency Board last week released all but $44,598 of its special reserve --- leaving agencies still about $750,000 short of what is needed to meet employee payrolls.

The $44,598 was held back to be used "for any extreme emergency salary situations which might develop in the future."

The legislative fiscal staff noted that "while a number of agencies will be in a difficult salary funding situation for the remainder of the biennium, no better result could be achieved within the limit of funds available."

Because they shorted the salary fund by $3.5 million, lawmakers made the biennium budget appear smaller than it was.

It may be some time before anyone is able to determine how much this so-called "economy" cost in terms of work that won't be done.