

HOUSE COMMITTEE ON STATE AND FEDERAL AFFAIRS

July 28, 2005 Hearing Room 357

11:00 A.M. Tapes 49 - 50

MEMBERS PRESENT: Rep. Rep. Wayne Krieger, Chair

Rep. Rep. Jeff Barker, Vice-Chair

Rep. Brian Boquist, Vice-Chair

Rep. Linda Flores

Rep. Greg Macpherson

STAFF PRESENT: Bill Taylor, Counsel

Sandy Thiele-Cirka, Committee Administrator

Louann Rahmig, Committee Assistant

MEASURES/ISSUES HEARD:

SB 1- Work Session

SB 1083A – Work Session

These minutes are in compliance with Senate and House Rules. Only text enclosed in quotation marks reports a speaker's exact words. For complete contents, please refer to the tapes.

TAPE/#	Speaker	Comments
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TAPE 49, A

003	Chair Krieger	
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Calls the meeting to order at 11:23 a.m. and opens a work session on SB 1 which requires group health insurance policies to cover expenses for treatment of chemical dependency, mental or nervous conditions at the same level as and subject to limitations no more restrictive than those imposed on coverage or reimbursement of expenses for treatment of other medical conditions. Invites testimony.

SB 1 – WORK SESSION

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| 009 | Sen. Avel Gordly | Senate District 23. Testifies in support of SB 1. Describes her personal circumstances. Reads information from Dr. Norwood Knight Richardson, Director of Public Psychiatry, Oregon Health and Science University. |
| 076 | Sen. Gordly | Concludes with a statement from the President’s New Freedom Commission. Urges support of SB 1. |
| 091 | Chair Krieger | Reminds everyone that this is a work session and that special courtesies were extended to legislators to testify. |
| 098 | Sen. Margaret Carter | Senate District 22. Testifies in support of SB 1. Provides history of her work on mental health issues. Discusses children’s mental health needs. Urges mental health parity in Oregon. |
| 144 | Angela Kimball | Association of Oregon Community Mental Health Programs. Testifies and submits written testimony in support of SB 1 (EXHIBIT A) . Reads from written testimony. Urges parity of health insurance coverage for mental health and substance abuse disorders. |
| 230 | Chair Krieger | Asks Sen. Gordly how one might measure the long-term savings by investing “up front” in mental health. |
| 235 | Sen. Gordly | Defers to those who can speak to that question. |
| 248 | Rep. Scott Bruun | House District 37. Testifies in support of SB 1. Cites personal circumstances. Believes physical and mental impairments need to be treated the same. Discusses cost to an employer in loss of time. |
| 299 | Gina Firman | Director, Association of Oregon Community Mental Health Programs. Indicates willingness to respond to questions on cost. |
| 317 | Chair Krieger | Advises that the bill will be moved today. |

- 322 Firman Refers to an estimated .46 percent to two percent front-end cost.
- 343 Mike Wilkerson Marion County Sheriff's Office. Testifies in support of SB 1. Shares information from a July 2005 survey of 442 offenders in custody in Marion County: 74 percent had used methamphetamine; 73 percent had children; 34 percent were diagnosed with mental illness; 29 percent received some mental health services while in custody.

TAPE 50, A

- 016 Vince Salvi National Alliance for the Mentally Ill. Testifies in support of SB 1. Describes personal and family circumstances. Continues that parity does not just provide economic relief but allows socialization. Distributes a study on insurance discrimination (**EXHIBIT B**).
- 070 Stan Baumhofner Resident, Portland, Oregon. Testifies in support of SB 1. Explains why he believes that Oregon should become the 36th state to have parity.
- 086 Chair Krieger Announces that SB 1083A will be carried over until 1:00 p.m.
- 095 Elise Brown America's Health Insurance Plans. Testifies in opposition to SB 1. Informs that SB 1 targets only those covered by commercial group insurance and Oregon's most vulnerable will not be served. Discusses the number of mandates. Asserts that premiums will go up.
- 139 Lisa Trussell Associated Oregon Industries. Testifies in opposition to SB 1. Comments that the bill targets only group health insurance plans. Refers to a rate chart produced by the insurance division (**EXHIBIT C**) and points out the costs of insurance for families. Comments that the number of uninsureds will increase and more people will look at self insurance.
- 214 Rep. Deborah Boone House District 32. Testifies in support of SB 1. Refers to other recently passed mandates which are prevention tactics that keep people healthier.
- 249 Sen. Gordly Provides cost information from a 2000 study *Insurance Parity for Mental Health* of states that had parity.
- 276 Rep. Boquist**

MOTION: Moves SB 1 to the floor with a DO PASS recommendation.

279 Rep. Barker Discusses his experience in law enforcement dealing with mentally ill people. Cites examples. States reasons for support of the bill.

VOTE: 5-0-0

AYE: In a roll call vote, all members present vote Aye.

314 Chair Krieger **The motion CARRIES.**
REP. FLORES & REP. BOONE will lead discussion on the floor.

318 Chair Krieger Closes the work session on SB 1 and recesses the meeting at 12:10 p.m.

321 Chair Krieger Reconvenes the meeting at 1:17 p.m. and opens a work session on SB 1083A.

SB 1083A – WORK SESSION

327 Bill Taylor Counsel. Explains SB 1083A which creates credit against personal and corporate income tax liability for increased labor costs associated with inflation based increases in Oregon's minimum wage; limits credit to employers in farming activities defined as crop, livestock and horticultural production. Cites exceptions.

339 Chair Krieger Asks if this aligns the revenue with the existing bill.

345 Taylor Reports on discussions with Paul Warner and Legislative Counsel and states the revenue impact statement (**EXHIBIT D**) more accurately reflects the bill.

353 Rep. Boquist **MOTION: Moves SB 1083A to the floor with a DO PASS recommendation.**

357 Rep. Barker Expresses concern about the impact in the 2007-09 biennium. Comments that he wishes the bill could be reworked as agriculture needs help with the minimum wage increase. Believes agriculture should be exempt from the increases but tax credit for everyone on the farm payroll should not be granted.

375 Chair Krieger Notes objection.
380 Rep. Macpherson Agrees with Rep. Barker.
389 Chair Krieger Notes objection.

VOTE: 3-2-0

AYE: 3 - Boquist, Flores, Krieger

NAY: 2 - Barker, Macpherson

**394 Chair Krieger The motion CARRIES.
REP. FLORES & REP. KROPF will lead discussion on the floor.**

401 Chair Krieger Closes the work session on SB 1083A and adjourns the meeting at 1:25 p.m.

EXHIBIT SUMMARY

- A. **SB 1, written testimony, Angela Kimball, 2 pp**
- B. **SB 1, insurance discrimination study, Vince Salvi, 42 pp**
- C. **SB 1, insurance rate chart, Lisa Trussell, 3 pp**
- D. **SB 1083, revenue impact statement, staff, 1 p**