

**HOUSE COMMITTEE ON**  
**VETERANS' AFFAIRS**

March 3, 2005 Hearing Room C

8:30 A.M. Tapes 34 - 35

**MEMBERS PRESENT:**           **Rep. Donna Nelson, Chair**

**Rep. Phil Barnhart, Vice-Chair**

**Rep. Debi Farr, Vice-Chair**

**Rep. Brian Boquist**

**Rep. Scott Bruun**

**Rep. Dave Hunt**

**Rep. Betty Komp**

**STAFF PRESENT:**           **Jim Stembridge, Committee Administrator**

**Erin Seiler, Committee Assistant**

**MEASURES/ISSUES HEARD:**

**Introduction of Committee Measures – Work Session**

**Veterans' Issues – Informational Meeting**

**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**

**TAPE 34, A**

002 Chair Nelson Opens the committee meeting at 8:39 a.m. Opens a work session for the introduction of committee measures.

**INTRODUCTION OF COMMITTEE MEASURES – WORK SESSION**

037 Jim Stembridge Committee Administrator. Summarizes the legislative drafts for introduction as committee measures.

079 Rep. Barnhart Asks, regarding LC 3125, what the effect of reconnecting to the federal definition of taxable income and how it will affect Oregon taxable income.

099 Rep. Boquist Estimates that revenue will decrease by \$1.6 million dollars over the biennium.

110 Chair Nelson Confirms that LC 3125 is the measure that exempts veterans’ death benefits from Oregon taxable income.

115 Rep. Boquist States that this is a decrease in state revenue of \$31,000 dollars over the biennium.

122 Rep. Farr **MOTION: Moves the following list of LC drafts: BE INTRODUCED as committee bills.**

**LC 3125 (EXHIBIT A)**

**LC 3201 (EXHIBIT B)**

**LC 3202 (EXHIBIT C)**

**LC 3204 (EXHIBIT D)**

**LC 3207 (EXHIBIT E)**

**LC 3228 (EXHIBIT F)**

**LC 3229 (EXHIBIT G)**

**LC 3424 (EXHIBIT H)**

**LC 3425 (EXHIBIT I)**

**LC 3426 (EXHIBIT J)**

**LC 3427 (EXHIBIT K)**

**LC 3206 (EXHIBIT L)**

**LC 3429 (EXHIBIT M)**

**LC 3232 (EXHIBIT N)**

**LC 3434 (EXHIBIT O)**

**VOTE: 6-0-1**

**EXCUSED: 1 - Hunt**

**Chair Nelson**      **Hearing no objection, declares the motion CARRIED.**

131      Chair Nelson      Closes the work session on the introduction of committee measures. Opens an informational meeting on Veterans' Issues.

**VETERANS' ISSUES – INVITED TESTIMONY – INFORMATIONAL MEETING**

147      Alfred Brandt      Director of Government Affairs and Marketing United Concordia Companies, Inc. Addresses issues regarding dental support for Oregon Military National Guard and Reservists.

171      Brandt      Introduces Richard Panepinto and Ty Obenoskey. Clarifies that he does not speak officially for the military, but will provide antidotal information on most issues.

182      Brandt      Discusses the background of the dental program. Addresses why it has not been a successful program.

214      Brandt      Explains that only 3 percent of eligible Reservists nationally and 4 percent of eligible Oregon Reservists participate in the dental program.

242      Brandt      Speaks to the problems with dental coverage and reviews the additional dental programs that take care of the unmet dental needs of Reservists.

271      Brandt      States that the "big question" is how to these individuals to make sure that they have dental needs met.

284      Brandt      Speaks to the responsibility of United Concordia (UC), as the contractor and administrator of the dental program, for marketing the program. Explains that the

dental benefits are the same as active duty and are comparable to benefits offered in private industry.

- 297 Chair Nelson Asks what UC marketing and advertising plan is for the dental program.
- 317 Brandt Responds that the Reserve Affairs Office has put out the message, including putting brochures in all of their offices, establishing links to local guard websites.
- 334 Brandt Acknowledges the difficulties associated with administering the system and the breakdown in chain of communication between UC and soldiers.
- 354 Brandt Speaks to the restrictions within UC contract with the DOD that are preventing them from reaching out to soldiers. Explains that the current contract prevents UC from contacting soldiers during boot camp and requires that Reservists pay the dental premium up front.
- 411 Ty Obenoskey Dental Benefit Advisor, UC. Explains his responsibility is to travel throughout Oregon, giving briefings to all mobilizing National Guard Units and their family members or upon the request of a unit.

#### **TAPE 35, A**

- 014 Brandt Submits UC Dental Marketing packet, which includes benefits booklet, PowerPoint presentation, TRICARE Dental Program information, enrollment form, and informational brochures (**EXHIBIT P**). Explains the different co-pay structures for dental services.
- 032 Brandt Clarifies that soldiers do have to get new coverage after they leave the Reserves or return to their civilian lives.
- 045 Rep. Komp Confirms the premium costs for family enrollment.
- 051 Brandt Clarifies the difference in the cost of the premiums for the families of active duty soldiers and families of Reserve soldiers.
- 060 Chair Nelson Asks how quickly UC reimburses dental care providers.
- 064 Brandt States that there has been good success with repayment schedules because they are required, as a condition of UC contract with DOD.

- 072 Rich Panepinto Manager for Benefit Relations, UC. States that if reimbursement requirements are not met, there is a significant financial penalty. Explains the claims reimbursement schedule that UC.
- 081 Panepinto Speaks to the primary way of distributing information on the program.
- 109 Rep. Farr Asks if there are any areas in Oregon that do not have contracted dental providers.
- 119 Brandt Discusses how many participating dentists there are in Oregon.
- 153 Brandt Speaks to the primary difficulties that UC has contracting with dental providers.
- 184 Obenoskey Explains the “35 mile rule”, which states that if there is no participating dentist within 35 miles of where a family resides and the company cannot locate a contracted provider, then the family can go to go a local dentist and the dentist is reimbursed at full cost.
- 211 Rep. Boquist Questions the rationale for requiring up-front payment for dental insurance as opposed to pay-roll deductions.
- 236 Brandt States that the primary rationale is that many reservists do not always attend drills.
- 286 Rep. Boquist Explains the administrative process when Reserve soldiers are activated for duty.
- 303 Brandt Confirms that once a soldier is activated, DEERS is notified and they are then eligible for all active duty benefits.
- 363 Chair Nelson Comments on the need for an Ombudsman for the National Guard.

**TAPE 34, B**

- 020 Rep. Farr Comments on the high cost of dental services to Reservists (**EXHIBIT P, Page 56**).
- 034 Brandt Acknowledges that the DOD has a critical shortage of dentists.
- 050

- Rep. Barnhart Asks who establishes the reimbursement rate for dental procedures (**EXHIBIT P, Page 56**).
- 059 Brandt Explains that the company establishes the fee rates paid to dentist, but the contract with the DOD requires that the fees be paid at a specific percentile for participating providers and at a specific percentile for non-participating providers.
- 076 Rep. Barnhart Asks for information on the formula that was used as the basis for establishing the cost for dental procedures.
- 079 Jim Stembridge Committee Administrator. Submits list of participating dentists in Oregon (**EXHIBIT Q**).
- 089 Brandt Explains that the DOD contracts for dental insurance are for five years and that the new contract will be awarded on March 31, 2005.
- 109 Rep. Boquist Comments how the Oregon Military Department sends out a monthly to magazine to every soldier in the state, questioning if UC has considered placing an advertisement in the magazine.
- 121 Panepinto States that every February the Times magazines includes a TRICARE supplement that details all medical, dental, and healthcare benefits, for soldiers.
- 132 Chair Nelson Closes the informational meeting on Veterans' Issues. Adjourns the meeting at 9:24 a.m.

## **EXHIBIT SUMMARY**

- A. **Introductions, LC 3125, staff, 5 pp**
- B. **Introductions, LC 3201, staff, 2 pp**
- C. **Introductions, LC 3202, staff, 2 pp**
- D. **Introductions, LC 3204, staff, 2 pp**
- E. **Introductions, LC 3207, staff, 2 pp**
- F. **Introductions, LC 3228, staff, 2 pp**
- G. **Introductions, LC 3229, staff, 2 pp**
- H. **Introductions, LC 3424, staff, 2 pp**
- I. **Introductions, LC 3425, staff, 2 pp**
- J. **Introductions, LC 3426, staff, 2 pp**
- K. **Introductions, LC 3427, staff, 2 pp**

- L. Introductions, LC 3206, staff, 2 pp**
- M. Introductions, LC 3429, staff, 1 p**
- N. Introductions, LC 3232, staff, 2 pp**
- O. Introductions, LC 3434, staff, 2 pp**
- P. Healthcare, United Concordia Dental Program, marketing packet, Alfred Brandt, 77 pp**
- Q. Healthcare, United Concordia Dental Program, provider list, staff, 11 pp**