

## CONFERENCE COMMITTEE ON SB 782

July 12, 2005 Hearing Room D

4:45 P.M. Tapes 1 - 2

**MEMBERS PRESENT:** Sen. Bill Morrisette, Chair  
Sen. Jeff Kruse  
Sen. Laurie Monnes Anderson  
Rep. Deborah Boone  
Rep. Tom Butler  
Rep. Billy Dalto

**STAFF PRESENT:** Rick Berkobien, Committee Administrator  
Erin Seiler, Committee Assistant

**MEASURES/ISSUES HEARD:**  
**SB 782B – 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.

<b>TAPE/#</b>	<b>Speaker</b>	<b>Comments</b>
<b>TAPE 1, A</b>		
001	Chair Morrisette	Opens the meeting at 4:50 p.m. Opens a work session on SB 782B.
<b><u>SB 782B – WORK SESSION</u></b>		
005	Rick Berkobien	Committee Administrator. Explains SB 782B, which requires Department of Human Services to inform former recipients of public assistance who have been terminated from programs due to ineligibility or termination of program that former recipient may reapply if circumstances affecting eligibility change. Submits and summarizes –B7 amendments ( <b>EXHIBIT A</b> ). Submits and summarizes –B8 amendments ( <b>EXHIBIT B</b> ). Submits –B9 amendments ( <b>EXHIBIT C</b> ).
015	Lynn Reed	Administrator, Office of Medical Assistance Programs. Summarizes how –B7 amendments effect the administrative responsibilities of DHS.
032	Sen. Kruse	Questions whether a former recipient must “come current” before reapplying for assistance.
035	Reed	Explains that eligibility criteria for recertification are dealt with via the administrative rulemaking process.
041	Sen. Kruse	States that recertification needs to be contingent on whether an individual is current on payments.
045	Bruce Goldberg	Administrator, Office of Health Policy. States that an individual “has a six month period to make six months of payment.”
060	Sen. Kruse	Questions the application of the grace period and whether recertification is effected.
065	Reed	Addresses how grace period effects recertification.
070	Goldberg	Clarifies a recipients' payment responsibility during and after grace period.
077	Rep. Butler	Asks if it is possible for a recipient to retain certification if that person is eleven months behind in payments.

085	Goldberg	Explains why it is not possible for an individual to be eleven months behind and remain certified.
105	Sen. Kruse	Referring to –B7 amendments, asks why is it “suddenly better” to deal with payment premium for 10 percent federal poverty after a previous attempt failed.
110	Sen. Monnes	Asks if SB 824 was moved to Senate Budget Committee.
114	Anderson	
114	Berkobien	Verifies that SB 824 was sent to Senate Budget Committee.
117	Sen. Kruse	Asks that if SB 824 needed to go to the Budget Committee, why the same issues are being discussed in this Committee and not in Budget.
120	Reed	Speaks to the fiscal statement, explaining how losing the revenue from payment premiums will affect the ability of DHS to serve people below 10 percent federal poverty level.
136	Sen. Kruse	States that cutting more people off from services is not good public policy.
144	Rep. Dalto	Clarifies the analysis of the fiscal statement and asks if DHS is collecting any payment from the zero to 10 percent poverty population.
154	Reed	Confirms the accuracy of the fiscal assessment and explains that DHS is collecting premium payments from individuals at the zero to 10 percent poverty level.
165	Rep. Dalto	Questions ascertain made by DHS that people are going to lose spots, stating that DHS could absorb the costs.
169	Reed	Acknowledges the potential that DHS expenditures could be less, but current estimates indicate the likelihood that DHS will have to serve fewer people.
177	Goldberg	Explains why the policy choice is where and how “we lose people.”
199	Rep. Dalto	Asks where the zero to 10 percent population falls on the poverty level.
206	Reed	Believes that most of the people are at zero percent of the poverty level.
211	Rep. Dalto	Explains how the decrease in clients is a result of program attrition.
225	Sen. Kruse	Summarizes how the reduction of revenue will affect the budget and the ability of DHS to maintain specific programs.
260	Rep. Butler	Asks what is the current DHS workload and when will the 300 plus individuals go off the program.
270	Reed	Summarizes the number of clients that DHS serves and what DHS anticipates the attrition rate will be for the biennium.
298	Rep. Butler	Expresses concern that DHS intends to reduce the number of clients served by 3000 over the next 24 months.
317	Reed	Speaks to the rate of attrition since the program closed in July 2004 and why DHS anticipates that the number of clients will drop below 23,300.
330	Rep. Butler	Confirms that those numbers can be reached with –B7 amendments.
337	Goldberg	Explains what budgetary options DHS will have if attrition does not continue at the anticipated rate.
355	Rep. Butler	Expresses concern that all families involved in the program maybe in danger if DHS misjudges rate of attrition.
368	Chair Morrisette	Asks if the entire program would be lost if attrition rate is

		misjudged.
374	Reed	Explains why DHS does not anticipate that outcome.
380	Chair Morrisette	In reference to private organizations that collect money and pay premiums, asks if these organizations keep a percentage of what is collected.
391	Reed	Explains that DHS has a contract with a vendor to bill and collect premiums.
398	Chair Morrisette	Asks if contracts would be affected if the bottom 10 percent were eliminated from premiums.
402	Reed	Speculates what the impact would be if the bottom 10 percent of the paying group were eliminated.
412	Sen. Kruse	Explains why excusing the bottom 10 percent from paying premiums would be a disincentive to attrition and force DHS to “kick people off” of the program.
<b>TAPE 2, A</b>		
018	Goldberg	Explains why rate of attrition will be determined more by who and why people leave, not obligation to pay premium.
036	Sen. Kruse	Comments how it would be hard to diffreniate between someone at 10 percent federal poverty and 15 percent federal poverty.
038	Goldberg	Agrees that 10 percent and 15 percent cut-off percentages are arbitrary.
046	Chair Morrisette	Citing DHS statistics on poverty, states satisfaction in the ability of DHS to absorb costs and will support the bill.
061	Berkobien	Summarizes –B9 amendments.
084	Richard	Representative, Johnson & Johnson. Explains why –B9 amendments give DHS the flexibility to use either the generic or brand name drug.
0125	Sen. Kruse	Asks for opinion of DHS on –B9 amendments.
134	Tom Holt	Executive Director, Oregon State Pharmacy Association (OSPA). Summarizes OSPA concerns with –B9 amendments.
169	Chair Morrisette	Asks if OSPA was involved in discussions of budget note.
171	Holt	Summarizes the directives in the budget note.
178	Reed	Explains what the budget note specifically directs DHS to accomplish with a task force.
194	Sen. Kruse	Citing the permissive language in –B9 amendments, questions why does DHS would need to conduct a study.
210	Reed	Cites the need to study the administrative issues to make sure it works.
212	Sen. Kruse	States that with –B9 amendments DHS would not have to wait for the Emergency Board, DHS would have the statutory authority to go forward with program.
219	Holt	Agrees that –B9 amendments are permissive. Summarizes why OSPA would want the flexibility to work with DHS.
244	Rep. Dalto	Asks whether DHS anticipates a fiscal impact with –B9 amendments.
249	Reed	States that DHS will not know if there will be a fiscal impact unless the department engages all stakeholders and determines if the saving off-set administrative costs.
258	Rep. Dalto	Asks how the concerns of OSPA could be alleviated.
265	Holt	Identifies the key issues that OSPA would need assurance from DHS on if OSPA is to support –B9 amendments.
287	Chair Morrisette	Discusses how to proceed with the different amendments.
298	Sen. Kruse	Speaks in support of moving forward with –B9 amendments.

334	Sen. Monnes	Expresses concern that the administrative costs would be higher than the amount of money saved in drug costs.
351	Rep. Butler	Discusses the flexibility that –B9 amendments give DHS to study the program while at the same time moving forward with the program.
391	Chair Morrisette	Expresses struggle with how to move forward on the bill.
406	Sen. Kruse	States that the budget note allows for study and amendment changes the statute.
431	Holly Robinson	Deputy Legislative Counsel, Office of Legislative Counsel. Confirms the need for –B9 amendments.
<b>TAPE 1, B</b>		
008	Robinson	Summarizes the protection provided the statute and how additional concerns can be resolved through rulemaking process.
030	Robinson	States the burden and affirmative duty is on DHS to notify a pharmacy that they may dispense a brand.
036	Chair Morrisette	Asks if –B9 amendments were passed would DHS make the necessary administrative rules.
041	Reed	Confirms that DHS would go through rulemaking process.
044	Holt	Asks if DHS would be agreeable to notifying pharmacy in time to clear product out of pharmacies.
057	Sen. Kruse	Questions that if a generic drug becomes available, nobody else is ever going to buy the brand name drug.
073	Berkobien	Clarifies the effect of –B9 amendments.
081	Sen. Monnes	Expresses being uncomfortable moving forward on –B9 amendments.
093	Rep. Butler	Clarifies the difference between –B7 amendments and –B9 amendments.
097	Berkobien	Restates what the differences are in –B7 amendments, -B8 amendments, and -B9 amendments.
107	Chair Morrisette	Comments on satisfaction with moving forward with –B9 amendments.
114	Sen. Kruse	<b>MOTION: Moves SB 782B to the floor with the recommendation that the Senate CONCUR in House amendments dated 06/27/05 and that the bill be FURTHER AMENDED by –B9 amendments dated 07/12/05 and the measure be REPASSED.</b>
127	Sen. Monnes	States objection to –B9 amendments.
133	Sen. Kruse	States support for –B9 amendments.
141		<b>VOTE: 5-1-0</b> <b>AYE: 5 - Rep. Boone, Rep. Butler, Rep. Dalto, Sen. Kruse, Sen. Morrisette</b> <b>NAY: 1 - Sen. Monnes Anderson</b> <b>The motion Carries.</b> <b>REP. DALTO AND SEN. MORRISETTE will lead discussion on the floor.</b>
146	Chair Morrisette	Closes the work session on SB 782B. Adjourns the meeting at 6:01 p.m.
147	Chair Morrisette	Opens the meeting at 6:05 p.m. Opens a work session on SB 782B.

**SB 782B – WORK SESSION**

149	Rep. Butler	<b>MOTION: Requests unanimous consent that the rules be SUSPENDED to allow SEN. MONNES</b>
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**ANDERSON to CHANGE vote from NAY to AYE on the  
"MOTION: Moves SB 782B to the floor with the  
recommendation that the Senate CONCUR in  
House amendments dated 06/27/05 and that the  
bill be FURTHER AMENDED by –B9  
amendments dated 07/12/05 and the measure be  
REPASSED".**

**VOTE: 6-0-0**

**AYE: In a roll call vote, all members present vote Aye.  
The motion CARRIES.**

**Chair Morrisette**

**REP. DALTO AND SEN. MORRISETTE will lead  
discussion on the floor.**

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Chair Morrisette

Closes the work session on SB 782B. Adjourns the meeting at  
6:10 p.m.

### **EXHIBIT SUMMARY**

- A. SB 782B, -B7 amendments, staff, 2 pp
- B. SB 782B, -B8 amendments, staff, 2 pp
- C. SB 782B, -B9 amendments, staff, 6 pp