

SENATE COMMITTEE ON COMMERCE

March 29, 2005
3:10 P.M.

Hearing Room C
Tapes 45 - 46

MEMBERS PRESENT: Sen. Floyd Prozanski, Chair
Sen. Roger Beyer, Vice-Chair
Sen. Ginny Burdick
Sen. Doug Whitsett

MEMBER EXCUSED: Sen. Charlie Ringo

STAFF PRESENT: Anna Braun, Committee Administrator
Karen Scoffield, Committee Assistant

MEASURES/ISSUES HEARD:

SB 635 – Public Hearing
SB 469 – Public Hearing
SB 669 – Public Hearing
SB 573 – Public Hearing

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 45, A		
005	Chair Prozanski	Calls the meeting to order at 3:10 p.m. Opens public hearing on SB 635.
<u>SB 635 – PUBLIC HEARING</u>		
010	Anna Braun	Committee Administrator. Provides an overview of SB 635. Submits written testimony on behalf of Mike Balanesi, Business Consultant, Hillsboro, Oregon, in opposition to SB 635 (EXHIBIT A) .
020	Sen. Rick Metsger	Senate District 26. Testifies in support of SB 635. Remarks that SB 635 is only for those who make an adult foster home a commercial enterprise.
065	Meredith Cote	Office of the Long Term Care Ombudsman (OLTCO). Testifies in support of SB 635. Discusses duties of care givers.
105	May Dasch	Alzheimer's Network of Oregon. Discusses and submits written testimony in support of SB 635 (EXHIBIT B) .
140	Arthur Towers	Political Director, Service Employees International Union (SEIU), Local 503. Testifies in support of SB 635. Submits written testimony on behalf of Beverly Marks, member, SEIU, Local 503 in support of SB 635 (EXHIBIT C) .
150	Teresa Sims	Homecare worker. Member, SEIU, Local 503. Testifies in support of SB 635. Discusses personal experience of losing benefits as a homecare worker.
168	Sen. Burdick	Inquires what Sims' classification was before and what it has changed to.
170	Sims	Responds.
178	Burdick	States understanding of Sims' response.
180	Sims	Responds.

182	Chair Prozanski	Asks for background on Sims' position.
185	Towers	Responds. Comments that they are concerned with having fairness across the board.
195	Sen. Whitsett	Inquires what the insurance premium rate per \$100 for foster care employees is.
200	Towers	Responds. Comments that there has been some controversy on this subject.
215	Sen. Whitsett	Asks for an estimation of the percentage.
217	Towers	Offers to return the information.
220	Sen. Whitsett	Inquires how many complaints have been received of non compensable injuries.
225	Towers	Answers that the employees are not typically in a position to file a complaint.
235	Sen. Whitsett	Asks Towers for the number of complaints.
238	Towers	Responds that he does not currently have the information.
240	Sen. Whitsett	Provides an example and inquires how SB 635 would relate to it.
245	Cote	Responds that if the owner/operator is in residence there is not a requirement for coverage under SB 635.
250	Sen. Whitsett	Inquires if it is regardless of how many patients they are assisting.
251	Cote	States that the maximum number of patients is five for this license category.
255	Chair Prozanski	Asks Towers to provide the figures requested by Sen. Whitsett. Comments on page 3 of SB 635, line 19 and 20. Clarifies the intent of SB 635.
265	Cote	Responds.
283	Grover Simmons	Independent Adult Foster Home Association. Submits written testimony in opposition to SB 635 (EXHIBIT D) and the legislative fiscal analysis to SB 635 (EXHIBIT E).
350	Simmons	Continues testimony.
400	Dee Humphries	Owner, Adult Foster Care Home. Testifies in opposition to SB 635. Discusses expense of workers' compensation insurance for Adult Foster Care Homes.
TAPE 46, A		
030	Dixie Ellard	Owner, Adult Foster Care Homes, Silverton, Oregon. Testifies in opposition to SB 635.
050	Chair Prozanski	Asks Simmons if he feels it is good public policy to have workers' compensation insurance for workers.
055	Simmons	Responds.
065	Chair Prozanski	Comments that if it is a money issue then this needs to be considered. Asks how injuries of workers are covered if they are not covered by Health Insurance.
075	Simmons	Responds. Discusses the difficulty of making money in the Adult Foster Care Home industry.
115	Chair Prozanski	Asks Humphries how SB 635 would affect her home.
120	Humphries	Responds that she had her Foster Care Home custom built and she has never lived in her homes.
125	Chair Prozanski	Clarifies that Humphries has a separate facility and does not live in it.
127	Humphries	Answers, that is correct.
129	Sen. Whitsett	Estimates how much worker's compensation coverage would cost Humphries. Asks how many employees Humphries has.
134	Humphries	States that she has two employees. Discusses costs of insurance.

145	Chair Prozanski	Asks Humphries about the levels of care for Adult Foster Care Homes.
147	Humphries	Responds that approximately 90% of the homes are level 2.
149	Chair Prozanski	Asks how Humphries would classify her home.
151	Humphries	Responds that she runs a level 2 home.
155	Chair Prozanski	Asks if the Medicaid reimbursement is reflected in the different levels.
157	Humphries	Comments the reimbursement is based on the facility that the patient lives in.
162	Chair Prozanski	Asks Ellard if she has comments.
165	Ellard	Comments that she has five staff members for her two homes. Discusses need for clarification of the intent of SB 635.
170	Chair Prozanski	Comments on his understanding of SB 635.
172	Ellard	Responds.
174	Sen. Whitsett	Asks if Ellard's employees work in more than one home.
176	Ellard	Responds that four of her employees work in both of her Foster Care Homes.
178	Humphries	Invites the committee members to take a tour of her Foster Care Home.
185	Danielle Wilde	Owner, Adult Foster Care Home. Testifies in opposition to SB 635. Discusses pressures of being in the business.
230	Fred Albert	Owner, Adult Foster Care Homes. Testifies in opposition to SB 635. States that he owns seven Adult Foster Care Homes. Discusses concerns with having to provide workers' compensation insurance.
262	Jane Albert	Owner, Adult Foster Care Home. Testifies in opposition to SB 635. Discusses experience as an owner of an Adult Foster Care Home.
285	Jim Carlson	Oregon Health Care Association. Testifies in support of SB 635. Discusses costs of workers' compensation insurance.
350	Carlson	Concludes testimony.
370	Chair Prozanski	Asks Carlson about the fiscal impact of his suggestions.
373	Carlson	Responds.
390	John Shilts	Administrator, Workers' Compensation Division, Department of Consumer and Business Services (DCBS). Discusses and submits written testimony in support of SB 635 (EXHIBIT F).

TAPE 45, B

015	Sen. Whitsett	Asks about the potential change in insurance rates due to claims on the policy.
020	Shilts	Responds.
038	Whitsett	Asks if Shilts can quantify his response.
040	Shilts	Offers to return the information.
042	Whitsett	Remarks that the Foster Care Home owners need an understanding of their potential liability and costs.
047	Shilts	Responds. Comments that employers may have to go into the residual insurance market and would potentially pay higher rates.
080	Chair Prozanski	Closes public hearing on SB 635 and opens public hearing on SB 469.

SB 469 – PUBLIC HEARING

090	Tom Barrows	Oregon Podiatric Medical Association. Discusses and submits written testimony in support of SB 469 (EXHIBIT G) and a letter from the Oregon Podiatric Medical Association dated January 21, 1997 (EXHIBIT H).
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115	Chair Prozanski	Clarifies that Doctors of Podiatric Medicine (DPM) would be limited to their scope of practice if they were considered attending physicians.
117	Barrows	Answers, yes.
122	Linda Barno	Oregon Self-Insurers Association. Testifies in opposition to SB 469.
149	Chair Prozanski	Asks what MCO stands for.
150	Barno	Answers, Managed Care Organization.
152	Sen. Whitsett	Clarifies that currently physicians can refer patients to a specialist.
155	Barno	Answers, yes.
163	Lisa Trussell	Associated Oregon Industries (AOI). Comments that AOI does not have a position on SB 469 because they support the Management Labor Advisory Committee (MLAC) and they have not yet taken a position. Discusses Managed Care Organizations.
186	John Shilts	Administrator, Workers' Compensation Division, Department of Consumer and Business Services (DCBS). Discusses and submits written testimony regarding SB 469 (EXHIBIT I) .
225	Sen. Whitsett	Clarifies that Shilts is describing an attending physician as a gateway physician who examines an individual and refers them to a specialist if needed. Asks if the gateway physician would determine the extent of the compensable damages.
234	Shilts	Remarks that the attending physician could also be the specialist under current definition. Provides an example.
244	Sen. Whitsett	States understanding.
247	Shilts	Responds.
268	Chair Prozanski	Closes public hearing on SB 469 and opens public hearing on SB 669.

SB 669 – PUBLIC HEARING

283	Art Keil	Oregon Association of Naturopathic Physicians. Discusses and submits written testimony in support of SB 669 (EXHIBIT J) .
360	Keil	Summarizes and concludes testimony.
380	Aris Campbell	Gresham Naturopathic Clinic. Discusses and submits written testimony in support of SB 469 (EXHIBIT K) .

TAPE 46, B

025	Campbell	Relates anecdote regarding treatment of a patient. Summarizes and concludes.
050	Kevin Wilson	Naturopathic Doctor. Discusses and submits written testimony in support of SB 669 (EXHIBIT L) .
078	Chair Prozanski	Asks how many times the witnesses have had to go through the referral process in their practices.
083	Campbell	Estimates that 10% of his work over the past 18 years has gone through the referral process.
090	Chair Prozanski	Asks witnesses to state if their testimony regarding SB 669 is similar to their previous testimony regarding SB 469.
095	Linda Barno	Oregon Self Insurers Association. States that her testimony on SB 669 is the same as her testimony on SB 469.
098	Lisa Trussell	Associated Oregon Industries (AOI). States that her testimony on SB 669 is the same as her testimony on SB 469.
102	John Shilts	Administrator, Workers' Compensation Division, Department of Consumer and Business Services (DCBS). Discusses and submits written testimony regarding SB 669 (EXHIBIT M) .
108	Chair Prozanski	Asks for clarification of why Naturopathic doctors were not considered preferred primary care providers in the past.

110	Trussell	Responds.
124	Chair Prozanski	Asks if the Management Labor Advisory Committee (MLAC) is going to look at SB 669.
127	Trussell	Answers, yes.
129	Shilts	Responds that MLAC is meeting next Monday.
132	Chair Prozanski	Closes public hearing on SB 669 and opens public hearing on SB 573.

SB 573 – PUBLIC HEARING

135	Anna Braun	Committee Administrator. Provides an overview of SB 573. Introduces the -1 amendments to SB 573 (EXHIBIT N).
150	Joel Ario	Administrator, Insurance Division, Department of Consumer and Business Services (DCBS). Discusses and submits written testimony in support of SB 573 (EXHIBIT O). Discusses the desire to revise SB 573.
235	John Powell	State Farm Insurance Companies, Liberty Northwest dba North Pacific Insurance Company. Testifies regarding SB 573. Discusses broadness of the -1 amendments. Discusses desire to work with DCBS to amend SB 573 further.
285	Chair Prozanski	Responds to Powell's testimony.
293	Shawn Miller	Property Casualty Insurers Association of America (PCI). Testifies regarding SB 573. Discusses desire to work with DCBS to amend SB 573 further.
325	Jack Munro	American Insurance Association (AIA). Testifies regarding SB 573. Discusses desire to work with DCBS to amend SB 573 further.
350	Chair Prozanski	Asks Powell, Munro and Miller to work with DCBS on further amendments to SB 573. Closes public hearing on SB 573. Adjourns the meeting at 5:05 p.m.

EXHIBIT SUMMARY

- A. SB 635, written testimony of Mike Balanesi, Anna Braun, 1 p
- B. SB 635, written testimony, May Dasch, 1 p
- C. SB 635, written testimony of Beverly Marks, Arthur Towers, 1 p
- D. SB 635, written testimony, Grover Simmons, 3 pp
- E. SB 635, fiscal analysis, Grover Simmons, 1 p
- F. SB 635, written testimony, John Shilts, 1 p
- G. SB 469, written testimony, Tom Barrows, 2 pp
- H. SB 469, letter, Tom Barrows, 1 p
- I. SB 469, written testimony, John Shilts, 2 pp
- J. SB 469, written testimony, Art Keil, 4 pp
- K. SB 669, written testimony, Aris Campbell, 3 pp
- L. SB 669, written testimony, Kevin Wilson, 1 p
- M. SB 669, written testimony, John Shilts, 2 pp
- N. SB 573, -1 amendments, staff, 1 p
- O. SB 573, written testimony, Joel Ario, 2 pp