

SENATE COMMITTEE ON HEALTH POLICY

April 08, 2005
1:00 P.M.

Lifewise Building, Bend, Oregon
Tapes 55 - 56

Corrected 10/25/2005

MEMBERS PRESENT: Sen. Laurie Monnes Anderson, Chair
Sen. Peter Courtney
Sen. Bill Morrisette

GUEST MEMBER: Sen. Ben Westlund

MEMBER EXCUSED: Sen. Jeff Kruse, Vice-Chair
Sen. Gary George

STAFF PRESENT: Rick Berkobien, Committee Administrator
Brittany Kenison, Committee Assistant

MEASURES/ISSUES HEARD:

SB 880 – Public Hearing and Work Session
Healthcare Savings Accounts – Informational Meeting
SB 429 – Public Hearing
SB 618 – Public Hearing and Work Session
SB 936 – Public Hearing and Work Session
SB 962 – Public Hearing and Work Session
SB 783 – Work Session
SB 784 – Work Session
SB 195 – Public Hearing
SB 541 – Public Hearing and Work Session
SB 819 – Public Hearing and Work Session
SB 976 – 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.

<u>TAPE/#</u>	<u>Speaker</u>	<u>Comments</u>
TAPE 55, A		
003	Chair Monnes Anderson	Calls the meeting to order at 1:12 p.m. Asks Rick Berkobien to make opening comments.
018	Rick Berkobien	Committee Administrator. Makes opening comments.
024	Chair Monnes Anderson	Introduces herself.
028	Sen. Morrisette	Introduces himself.
030	Sen. Courtney	Introduces himself
031	Sen. Ben Westlund	Senate District 27. Introduces himself.
035	Chair Monnes Anderson	Opens a public hearing on SB 880.
<u>SB 880 – PUBLIC HEARING</u>		
	Rick Berkobien	Committee Administrator. Introduces the -2 amendments (EXHIBIT A), the -3 amendments (EXHIBIT B) and the -4 amendments (EXHIBIT C) to SB 880.
037	Chair Monnes Anderson	Provides overview of the -2 amendments and the -4 amendments to SB 880.

077	Berkobien	Provides overview of the -3 amendments to SB 880.
085	Chair Monnes Anderson	Explains why the -3 amendments will not be considered. Asks Berkobien for further explanation of the -4 amendments to SB 880.
093	Berkobien	Provides overview of the -4 amendments to SB 880.
100	Chair Monnes Anderson	Discusses SB 708 (2003) and the purpose of SB 880. States why she would like the -2 amendments and the -4 amendments to be amended to the bill.
111	David Coutin	M.D., Practicing Physician. Trustee, Oregon Medical Association (OMA). Submits and presents written testimony in opposition to SB 880 (EXHIBIT D).
137	Chair Monnes Anderson	Discusses what was deleted from SB 880 with the -2 amendments and the -4 amendments.
142	Sen. Courtney	Asks if the OMA would change their position if the -2 amendments and the -4 amendments were amended to SB 880.
147	Coutin	Responds.
187	Brian DeLashmutt	Oregon Nurses Association. Testifies in support of SB 880 with the -2 amendments and the -4 amendments.
214	Chair Monnes Anderson	Discusses why she supports SB 880 with the -2 amendments and the -4 amendments.
244	Coutin	Acknowledges nurse practitioners scope of practice.
252	Chair Monnes Anderson	Continues to discuss why she supports SB 880 with the -2 amendments and the -4 amendments. Closes the public hearing and opens a work session on SB 880.

SB 880 – WORK SESSION

262 Sen. Morrisette **MOTION: Moves to ADOPT SB 880-2 amendments dated 4/7/05.**

VOTE: 3-0-2

EXCUSED: 2 – George, Kruse

Hearing no objection, declares the motion CARRIED.

264 Sen. Morrisette **MOTION: Moves to ADOPT SB 880-4 amendments dated 4/7/05.**

VOTE: 3-0-2

EXCUSED: 2 - George, Kruse

Hearing no objection, declares the motion CARRIED.

266 Sen. Morrisette **MOTION: Moves SB 880 to the floor with a DO PASS AS AMENDED recommendation.**

VOTE: 3-0-2

EXCUSED: 2 - George, Kruse

Hearing no objection, declares the motion CARRIED.

SEN. MONNES ANDERSON will lead discussion on the floor.

271 Chair Monnes
Anderson Closes the work session on SB 880 and opens an informational meeting on Healthcare Savings Accounts.

HEALTHCARE SAVINGS ACCOUNTS – INFORMATIONAL MEETING

278 Jack McRay Senior Vice President, Lifewise Health Plan. Introduces himself. Presents overview of the presentation.

283 Farah Loudermilk Lifewise Health Plan. Submits and presents slide presentation on Health Savings Accounts (HSA) (**EXHIBIT E**).

325 Chair Monnes
Anderson Asks a question regarding income and HSA.

005	McRay	Responds.
009	Sen. Westlund	Asks to explain the chart in EXHIBIT E, page 6.
013	McRay	Provides explanation.
017	Sen. Westlund	Clarifies McRay's explanation.
024	McRay	Re-clarifies his statement regarding income levels and healthcare insurance.
026	Loudermilk	Continues presentation regarding HSA.
033	Sen. Morrisette	Asks a question regarding the chart in EXHIBIT E, page 6.
036	McRay	Responds.
038	Sen. Morrisette	Clarifies that McRay is referring to the "\$0-15,000" income category.
039	McRay	Answers, yes.
040	Sen. Morrisette	Asks McRay about the phrase "stand alone."
041	McRay	Answers, yes.
042	Sen. Morrisette	Asks if Lifewise Health Plan provides prescription drug insurance.
043	Loudermilk	Answers, yes. Elaborates.
047	Sen. Morrisette	Asks if Lifewise Health Plan does not require clients to take the prescription drug plan.
048	Loudermilk	Responds.
051	Sen. Morrisette	Explains the state prescription drug plan. Asks a question regarding combining health plans and prescription drug plans from different companies.
058	Loudermilk	Asks Sen. Morrisette if he is specifically referring to HSA.
059	Sen. Morrisette	Answers, yes.
060	Loudermilk	Responds to question. Continues presentation regarding HSA.
069	Chair Monnes Anderson	Asks Loudermilk for total numbers instead of percentages for Lifewise Health Plan of Oregon.
075	Loudermilk	Answers that percentages are national. Defers to later in her presentation for specific statistics. Continues presentation regarding HSA.
088	Chair Monnes Anderson	Verifies statistics in EXHIBIT E, page 9.
091	Loudermilk	Adds that statistics assume that \$2,000 is deposited each year.
092	Chair Monnes Anderson	Asks if employees make contributions to the HSA.
094	Loudermilk	Responds. Continues presentation regarding HSA.
116	Sen. Morrisette	Asks if statistics on EXHIBIT E, page 11 are specific to Oregon.
117	Loudermilk	Answers that they are for Oregon during 2004. Continues presentation regarding HSA.
127	Chair Monnes Anderson	Notes that Sen. Westlund needs to leave to attend another meeting. Asks Loudermilk how long HSA have been available.
143	Loudermilk	Responds.
149	Chair Monnes Anderson	Comments on average balance of HSA after 18 months.
150	McRay	Comments on the number of HSA in relation to the HSA bank.
155	Sen. Morrisette	Asks Loudermilk to define HSA.
158	Loudermilk	Responds, Healthcare Savings Accounts.
161	Chair Monnes Anderson	Closes the informational meeting on Healthcare Savings Accounts and opens a public hearing on SB 429.

SB 429 – PUBLIC HEARING

165	Rick Berkobien	Committee Administrator. Provides overview of SB 429. Submits written testimony on behalf of Jean Thorne, Administrator, Public Employees' Benefit Board (PEBB),
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180	Chair Monnes Anderson	regarding SB 429 (EXHIBIT F). Reviews PEBB's concerns of SB 429. Asks Lifewise employees to address PEBB's concerns. States why she likes HSA.
208	Mark Charpentier	Chief Executive Officer, Lifewise Health Plan of Oregon. Addresses concerns as stated in EXHIBIT F by PEBB.
220	Chair Monnes Anderson	States that PEBB has a proposal request for medical plans effective in 2006. Asks Charpentier to confirm her interpretation of contracting with healthcare providers who offer HSA.
230	Charpentier	Responds.
240	Loudermilk	Discusses the advantages of HSA's for healthcare groups.
248	Charpentier	Discusses why transparency and evidence based medicine are needed.
256	Chair Monnes Anderson	Comments on PEBB's statement regarding why there are short term advantages but long-term issues are not addressed with HSA's. States that she believes that they are two separate issues.
260	Charpentier	States agreement with the Chair. Elaborates.
268	Chair Monnes Anderson	Discusses why unions would not agree with HSA. States that a work session will not be held on SB 429 until further discussions are held with PEBB.
275	Sen. Morrisette	States why he opposes SB 429.
283	Chair Monnes Anderson	Discusses why she supports SB 429.
290	Don Clipness	Independent Agent. Third Party Administrator. Testifies regarding SB 429.
340	Chair Monnes Anderson	States that she will address the issues of the bill.
345	Sen. Morrisette	Discusses concerns brought up by Clipness.
350	Chair Monnes Anderson	Closes the public hearing on SB 429 and opens a public hearing on SB 618.

SB 618 – PUBLIC HEARING

355	Rick Berkobien	Committee Administrator. Provides an overview of SB 618 and introduces the -2 amendments (EXHIBIT G).
385	Chair Monnes Anderson	Discusses that the -2 amendments were a result of the collaboration of the proponents and opponents.

TAPE 55, B

005	Chair Monnes Anderson	Closes the public hearing and opens a work session on SB 618.
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SB 618 – WORK SESSION

010	Sen. Morrisette	MOTION: Moves to ADOPT SB 618-2 amendments dated 4/7/05.
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VOTE: 3-0-2

EXCUSED: 2 - George, Kruse

Hearing no objection, declares the motion CARRIED.

012	Chair Monnes Anderson Sen. Morrisette	MOTION: Moves SB 618 to the floor with a DO PASS AS AMENDED recommendation.
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015	Sen. Courtney	Points out that there is no designated area in the Oregon State Capital for nursing mothers. States that he and Speaker of the House, Karen Minnis will find an appropriate area whether or not the bill becomes law.
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020		VOTE: 3-0-2
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EXCUSED: 2 - George, Kruse

Hearing no objection, declares the motion CARRIED.

SEN. BURDICK will lead discussion on the floor.

Chair Monnes Anderson

024	Chair Monnes Anderson	Closes the work session on SB 618 and opens a public hearing on SB 936.
<u>SB 936 – PUBLIC HEARING</u>		
025	Rick Berkobien	Committee Administrator. Presents overview of SB 936 and introduces the -2 amendments (EXHIBIT H).
The following material is submitted for the record without public testimony:		
	Kathleen Haley	Executive Director, Board of Medical Examiners. Submits written testimony in support of SB 936 with the -2 amendments (EXHIBIT I).
045	Chair Monnes Anderson	Provides explanation of the word “demonstrate” in line 18 of the -2 amendments for acupuncturists that are not licensed in Oregon. Closes the public hearing and opens a work session on SB 936.
<u>SB 936 – WORK SESSION</u>		
053	Sen. Morrisette	MOTION: Moves to ADOPT SB 936-2 amendments dated 4/4/05.
		VOTE: 3-0-2
		EXCUSED: 2 - George, Kruse
	Chair Monnes Anderson	Hearing no objection, declares the motion CARRIED.
056	Sen. Morrisette	MOTION: Moves SB 936 to the floor with a DO PASS AS AMENDED recommendation.
		VOTE: 3-0-2
		EXCUSED: 2 - George, Kruse
	Chair Monnes Anderson	Hearing no objection, declares the motion CARRIED.
		SEN. MORRISETTE will lead discussion on the floor.
062	Chair Monnes Anderson	Closes the work session on SB 936 and opens a public hearing on SB 962.
<u>SB 962 – PUBLIC HEARING</u>		
064	Rick Berkobien	Committee Administrator. Provides overview of SB 962 and introduces the -5 amendments (EXHIBIT J), and the -8 amendments (EXHIBIT K).
070	Chair Monnes Anderson	Provides further explanation of SB 962. Stands the committee at ease.
090	Chair Monnes Anderson	Reconvenes the meeting. Provides explanation of the -5 amendments and the -8 amendments.
100	Sen. Courtney	Asks who will be creating the report.
102	Chair Monnes Anderson	Responds that the Oregon Department of Human Services will be.
107	Sen. Morrisette	Asks the Chair about her research regarding SB 962.
112	Chair Monnes Anderson	Responds.
113	Sen. Morrisette	Re-clarifies question.
115	Chair Monnes Anderson	Responds.
120	Sen. Morrisette	Commends the Chair for her work regarding SB 962.
122	Berkobien	Reminds the committee that the bill has a referral to the committee on Ways and Means. Notes that the Legislative Fiscal office has issued a minimal fiscal impact.
130	Chair Monnes Anderson	Closes the public hearing and opens a work session on SB 962.
<u>SB 962 – WORK SESSION</u>		
133	Sen. Morrisette	MOTION: Moves to ADOPT SB 962-8 amendments dated 4/7/05.

VOTE: 3-0-2
EXCUSED: 2 - George, Kruse
Hearing no objection, declares the motion CARRIED.

135 Chair Monnes
 Anderson
 Sen. Morrisette

MOTION: Moves SB 962 to the floor with a DO PASS AS AMENDED recommendation and the SUBSEQUENT REFERRAL to the committee on Ways and Means BE RESCINDED.

VOTE: 3-0-2
EXCUSED: 2 - George, Kruse
Hearing no objection, declares the motion CARRIED.
SEN. MONNES ANDERSON will lead discussion on the floor.

146 Chair Monnes
 Anderson

Closes the work session on SB 962 and opens a work session on SB 783.

SB 783 – WORK SESSION

155 Rick Berkobien

Committee Administrator. Provides an overview of SB 783 and introduces the -2 amendments (**EXHIBIT L**).

165 Sen. Morrisette

Discusses the intent of the bill and the amendments.

175 Chair Monnes
 Anderson

States her support of SB 783 with the -2 amendments.

180 Sen. Morrisette

MOTION: Moves to ADOPT SB 783-2 amendments dated 4/5/05.

VOTE: 3-0-2
EXCUSED: 2 - George, Kruse
Hearing no objection, declares the motion CARRIED.

185 Chair Monnes
 Anderson
 Sen. Morrisette

MOTION: Moves SB 783 to the floor with a DO PASS AS AMENDED recommendation and BE REFERRED to the committee on Ways and Means by prior reference.

VOTE: 3-0-2
EXCUSED: 2 - George, Kruse
Hearing no objection, declares the motion CARRIED.

192 Chair Monnes
 Anderson

Closes the work session on SB 783 and opens a work session on SB 784.

SB 784 – WORK SESSION

193 Rick Berkobien

Committee Administrator. Presents an overview of SB 784 and introduces the -2 amendments (**EXHIBIT M**).

204 Sen. Morrisette

Thanks the Oregon Department of Human Services for their support of the bill.

206 Sen. Morrisette

MOTION: Moves to ADOPT SB 784-2 amendments dated 4/6/05.

VOTE: 3-0-2
EXCUSED: 2 - George, Kruse
Hearing no objection, declares the motion CARRIED.

210 Chair Monnes
 Anderson
 Sen. Morrisette

MOTION: Moves SB 784 to the floor with a DO PASS AS AMENDED recommendation and BE REFERRED to the committee on Ways and Means by prior reference.

VOTE: 3-0-2

EXCUSED: 2 - George, Kruse

Hearing no objection, declares the motion CARRIED.

213	Chair Monnes Anderson	Closes the work session on SB 784 and opens a public hearing on SB 195.
<u>SB 195 – PUBLIC HEARING</u>		
214	Rick Berkobien	Committee Administrator. Presents an overview of SB 195 and introduces the -1 amendments (EXHIBIT N).
225	Wayne Schumacher	BikePac – Oregon. President, American Motorcyclist Association (AMA), District 28. Submits and presents written testimony in support of SB 195 with the -1 amendments (EXHIBIT O), a fact sheet on SB 195 (EXHIBIT P), written testimony on behalf of Jim Stewart (EXHIBIT Q), and Brian Stovall (EXHIBIT R), in support of SB 195.
287	Mel Yeager	Member, BikePac – Oregon. Submits and presents written testimony in support of SB 195 with the -1 amendments (EXHIBIT S).
314	Duane Calkins	Member, BikePac – Oregon. Testifies in support of SB 195.
TAPE 56, B		
015	Calkins	Continues testimony.
040	Chair Monnes Anderson	States why a work session will not be held. Asks Berkobien for comments.
047	Berkobien	Discusses conversations by telephone with the Insurance Division.
058	Chair Monnes Anderson	Discusses preemptive legislation.
060	Schumacher	Addresses the Insurance Division’s concern.
070	Sen. Morrisette	Comments on using motorcycles for transportation. Asks if other activities, like rock climbing and surfing would be covered.
075	Schumacher	Responds.
080	Sen. Morrisette	Provides recommendations for SB 195.
090	Schumacher	Clarifies that Sen. Morrisette would prefer that recreational activities be listed in the bill.
093	Sen. Morrisette	States concerns with SB 195.
099	Iris Yeager	Citizen, Oregon. Asks that bicycles be included in the bill.
103	Sen. Morrisette	Agrees that bicycles should be included in the bill also.
108	Schumacher	Clarifies that the -1 amendments were included to cover transportation vehicles.
112	Calkins	Argues that alternative forms of transportation, including motorcycles and bicycles, should be passed into law.
120	Chair Monnes Anderson	Explains that the bill is a mandate and discusses why insurance companies need room for negotiations.
127	Calkins	States that SB 195 would be a guideline.
131	Sen. Courtney	States that he sees “modes of transportation” and “recreational use” as two separate issues. Asks which issue came first in previous legislation.
139	Schumacher	Responds that it was transportation. Explains that this session, the Legislative Counsel office, put in recreational use only.
141	Sen. Courtney	Asks why the bill was drafted with recreational use.
142	Schumacher	Responds that he is not sure. Speculates.
149	Sen. Courtney	Clarifies that testimony refers to means of transportation be addressed in the bill.
153	Schumacher	Answers, yes and adds that BikePac also represents other recreational activities.

163	Sen. Courtney	States that he now understands the issues at hand.
165	Chair Monnes Anderson	States that the issues will continue to be worked on. Closes the public hearing on SB 195 and opens a public hearing on SB 541.
<u>SB 541 – PUBLIC HEARING</u>		
170	Rick Berkobien	Committee Administrator. Provides an overview of SB 541 and introduces the -1 amendments to SB 541 (EXHIBIT T). (Note: Due to technical difficulties some of the audio can not be heard.)
179	Chair Monnes Anderson	Asks to confirm that the -1 amendments replaces the bill.
180	Berkobien	Replies, yes.
181	Chair Monnes Anderson	Closes the public hearing and opens a work session on SB 541.
<u>SB 541 – WORK SESSION</u>		
183	Sen. Morrisette	MOTION: Moves to ADOPT SB 541-1 amendments dated 4/6/05.
		VOTE: 3-0-2
		EXCUSED: 2 - George, Kruse
		Hearing no objection, declares the motion CARRIED.
185	Chair Monnes Anderson Sen. Morrisette	MOTION: Moves SB 541 to the floor with a DO PASS AS AMENDED recommendation and BE REFERRED to the committee on Ways and Means by prior reference.
187	Sen. Morrisette	Withdrawals his motion.
188	Chair Monnes Anderson	States that she thought the referral to the committee on Ways and Means was to be rescinded. Asks Sen. Courtney about the referral.
190	Sen. Courtney	Advises that the Chair can make the request to rescind the referral, but will have to submit a letter for approval.
197	Sen. Morrisette	MOTION: Moves SB 541 to the floor with a DO PASS AS AMENDED recommendation and the SUBSEQUENT REFERRAL to the committee on Ways and Means BE RESCINDED.
		VOTE: 3-0-2
		EXCUSED: 2 - George, Kruse
		Hearing no objection, declares the motion CARRIED.
		SEN. MORSE will lead discussion on the floor.
205	Chair Monnes Anderson	Closes the work session on SB 541 and opens a public hearing on SB 819.
<u>SB 819 – PUBLIC HEARING</u>		
213	Rick Berkobien	Committee Administrator. Provides an overview of SB 819 and introduces the -1 amendments (EXHIBIT U).
222	Alison Hamway	Central Oregon Labor Council. Testifies in support of SB 819. States that she has not seen the -1 amendments.
The following material is submitted for the record without public testimony:		
	Jim Carlson	Oregon Health Care Association. Submits written testimony in support of SB 819 with the -1 amendments (EXHIBIT V).
244	Chair Monnes Anderson	Discusses the -1 amendments to SB 819. Closes the public hearing on SB 819 and opens a work session on SB 819.
<u>SB 819 – WORK SESSION</u>		
253	Sen. Morrisette	MOTION: Moves to ADOPT SB 819-1 amendments dated

4/7/05.

VOTE: 3-0-2

EXCUSED: 2 - George, Kruse

Hearing no objection, declares the motion CARRIED.

	Chair Monnes Anderson	
256	Chair Monnes Anderson	Closes the work session on SB 819. Opens a public hearing on SB 973.
<u>SB 976 – PUBLIC HEARING</u>		
262	Rick Berkobien	Committee Administrator. Provides overview of SB 976. Submits written testimony on behalf of Ken Strobeck, Executive Director, League of Oregon Cities, in opposition to SB 976 (EXHIBIT W) , and Jean Thorne, Administrator, Public Employees' Benefit Board (PEBB) with a neutral position to SB 976 (EXHIBIT X) .
290	Chair Monnes Anderson	Notes that written testimony was just received via fax.
291	Berkobien	Submits and reads written testimony on behalf of Mary Botkin, Oregon American Federal of State County and Municipal Employees Council 75 in support of SB 976 (EXHIBIT Y) .
304	Sen. Morrisette	Discusses why he supports local groups to be permissive.
316	Chair Monnes Anderson	Closes the public hearing on SB 976. Adjourns the meeting at 3:14 p.m.

EXHIBIT SUMMARY

- A. SB 880, -2 amendments, staff, 5 pp**
- B. SB 880, -3 amendments, staff, 5 pp**
- C. SB 880, -4 amendments, staff, 5 pp**
- D. SB 880, written testimony, David Coutin, 8 pp**
- E. Healthcare Savings Account, slide presentation, Farah Loudermilk, 13 pp**
- F. SB 429, written testimony of Jean Thorne, staff, 1 p**
- G. SB 618, -2 amendments, staff, 1 p**
- H. SB 936, -2 amendments, staff, 1 p**
- I. SB 936, written testimony, Kathleen Haley, 1 p**
- J. SB 962, -5 amendments, staff, 1 p**
- K. SB 962, -8 amendments, staff, 1 p**
- L. SB 783, -2 amendments, staff, 4 pp**
- M. SB 784, -2 amendments, staff, 5 pp**
- N. SB 195, -1 amendments, staff, 1 p**
- O. SB 195, written testimony, Wayne Schumacher, 2 pp**
- P. SB 195, fact sheet, Wayne Schumacher, 1 p**
- Q. SB 195, written testimony of James Stewart, Wayne Schumacher, 1 p**
- R. SB 195, written testimony of Brian Stovall, Wayne Schumacher, 1 p**
- S. SB 195, written testimony, Mel Yeager, 2 pp**
- T. SB 541, -1 amendments, staff, 4 pp**
- U. SB 819, -1 amendments, staff, 2 pp**
- V. SB 819, written testimony of Jim Carlson, 1 p**
- W. SB 976, written testimony, Ken Strobeck, 2 pp**
- X. SB 976, written testimony, Jean Thorne, 3 pp**
- Y. SB 976, written testimony, Mary Botkin, 1 p**
- Z. SB 976, written testimony, Randy Tucker, 1p**