

## SENATE COMMITTEE ON HUMAN SERVICES

January 20, 2005  
3:00 PM

Hearing Room D  
Tapes 4 - 5

Corrected 10/25/2005

**MEMBERS PRESENT:** Sen. Bill Morrisette, Chair  
Sen. Rick Metsger  
Sen. Laurie Monnes Anderson

**MEMBER EXCUSED:** Sen. Jeff Kruse, Vice-Chair  
Sen. Charles Starr

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

### **MEASURES/ISSUES HEARD & WITNESSES:**

#### **Federally Qualified Health Centers and Other Community Health Centers - Informational Meeting**

Craig Hostetler, Executive Director, Oregon Primary Care Association

Doug Riggs, Legislative Affairs Coordinator, Oregon Primary Care Association

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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.

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<b>TAPE/#</b>	<b>Speaker</b>	<b>Comments</b>
<b>TAPE 4, A</b>		
003	Chair Morrisette	Calls committee meeting to order at 3:05 PM. Opens an informational meeting.
<b><u>FEDERALLY QUALIFIED HEALTH CENTERS, INFORMATIONAL MEETING</u></b>		
020	Craig Hostetler	Executive Director, Oregon Primary Care Association (OPCA). Introduces himself and submits written testimony ( <b>EXHIBIT A</b> ).
030	Hostetler	Gives background of OPCA.
045	Hostetler	Explains characteristics of a Community Health Center (CHC). Adds that CHC also is referred to as Federally Qualified Health Center (FQHC).
070	Hostetler	Gives overview and statistics of health centers nationally.
085	Hostetler	Presents overview and statistics of health centers in Oregon.
095	Chair Morrisette	Asks if OPCA accepts patients who have lost Oregon Health Plan (OHP) coverage.
100	Hostetler	Affirms.
101	Hostetler	Presents overview of the FQHC budget.
120	Rick Berkobien	Committee Administrator. Asks if people with commercial insurance are able to get care.
125	Hostetler	Answers that it ranges by community.
130	Hostetler	Continues discussing FQHC budget.
140	Chair Morrisette	Requests examples of private funding.
141	Hostetler	Gives examples of operations (short-term), fundraisers, federal foundations and adds other foundations like the Myer Memorial trust, North West health foundation, and the Ford foundation.
155	Chair Morrisette	Asks which foundations are involved currently and which could be involved and requests lists.
165	Steve Manela	Community Health Centers of Lane County. There FQHC has partnerships locally with hospitals, schools, government and

		foundations.
180	Chair Morrisette	Refers information to go to Rick and expresses his interest to get involved.
195	Hostetler	Comments on new Director for Development for OPCA and his ideas for funding.
205	Chair Morrisette	Would like to get in touch with the new Director.
210	Hostetler	Discusses FQHC Encounters.
220	Hostetler	Remarks on CHC benefits. Discusses also how the CHC's are cost effective.
255	Chair Morrisette	Wonders what the pharmaceutical savings are.
260	Hostetler	Answers that savings are 41 percent.
275	Chair Morrisette	Verifies that OPCA is not receiving savings from programs but that they are finding the savings through other methods.
278	Hostetler	Affirms
285	Berkobien	Asks what are the general cost for pharmacy is under the B43 program.
295	Hostetler	Defers to Steve Manela, CareOregon, Inc.
300	Manela	Confirms that there is a 40-60% savings for medications. Federal has contract that determines cost on quarterly basis to service FQHC patients.
315	Berkobien	Clarifies that the cost under the B43 program is below what Medicaid and the OHP pays.
318	Manela	Believes that Medicaid pays wholesale plus 15 percent and the B43 program saves 40-60% off of the wholesale price.
322	Chair Morrisette	Asks how patients obtain savings.
325	Manela	Answers that it varies by center. Adds that it can be an in-house dispensary, or have contracts with a pharmacy.
330	Chair Morrisette	Clarifies that a contract can be with an individual pharmacy.
335	Manela	Specifies that only one pharmacy contract can be made per center.
340	Chair Morrisette	Asks if patients have to go to pharmacy for that discount.
341	Manela	Affirms. Adds that a contract with same pharmacy at multiple locations can be made.
345	Hostetler	Points out correlation with health centers and decrease in percentage of emergency room (ER) visits.
355	Hostetler	Reviews how CHC's provide high quality care. Remarks that JCAHO stands for Joint Commission on Accreditation for Health Care Organization. Presents background on this type of certification.
385	Chair Morrisette	Requests studies for correlation of Diabetes patients in the ER.
390	Hostetler	Offers to return information to the committee.
400	Hostetler	Reviews community benefits of health centers.
410	Hostetler	Emphasizes need for state and local support.
<b>TAPE 5, A</b>		
003	Chair Morrisette	Asks when the last time organization had line items from the state.
005	Hostetler	Believes three sessions ago, defers to Joyce Soares, CareOregon, Inc.
007	Joyce Soares	CareOregon, Inc. Reports that the last time was in the 2001-2003 biennium. Adds that after the five special sessions (2003-2005), the money was not allocated.
010	Chair Morrisette	Asks what the percentage of the funds was that the organization was depending on.
012	Hostetler	Reports between \$12,000 to \$14,000.

015	Chair Morrisette	Asks what changed from when they had enough money to fund the organization.
017	Soares	Believes that it started when safety net groups formed and asked for money on behalf of all the safety net clinics. Comments on the amounts the group received.
020	Chair Morrisette	Comments on amount received and the competition involved between the groups. Ask what are the compelling needs of the organization for state funding and if they can get along without state funding.
025	Hostetler	Expresses that there have been clinic closures and cut back in services because of the cuts in the OHP.
032	Chair Morrisette	Asks if foundations require state matching funds.
033	Hostetler	Affirms.
035	Soares	Comments on the safety net clinics' dependency on OHP.
037	Chair Morrisette	Comments that if money is put into the OHP, that it would filter down to their organization.
040	Hostetler	Continues discussing how state and local support is needed.
050	Hostetler	Discusses solutions.
060	Chair Morrisette	Comments on bill to start tobacco tax. Asks if there is awareness of the bill and if there is a dedication attached to it.
065	Hostetler	Notes that not currently, but adds that a group is coming together.
075	Chair Morrisette	Comments on alcohol recovery fee bill and determining allocations of the money. Comments on whether groups are trying to pass the bill.
080	Doug Riggs	Oregon Primary Care Association. Comments on trying to get a coalition together to support the proposed bill.
085	Chair Morrisette	Notes that he supports the effort from the organization.
090	Riggs	Remarks on trying to take advantage of drawing the maximum federal match.
095	Chair Morrisette	Clarifies that the money would go into the OPH to get the match and the state would have more money to disperse.
100	Manela	Remarks that the way people have been cut from the OHP doesn't match their health needs and that a partnership with the safety net clinics could be a good alternative.
115	Hostetler	Continues discussing and identifying solutions.
130	Riggs	Adds that they met with Senator Ben Westland in Prineville a month ago and many members from around the community were on the list of board members. Stresses the importance of community involvement to bring everyone together for the program.
140	Chair Morrisette	Comments on correlation with the Ford Family Foundation and getting people involved. Comments also on attracting new businesses with good medical care.
150	Berkobien	Asks if Medicare cost-based reimbursement is true.
155	Hostetler	Answers that it is a little less than cost-based. Explains how it changes each year and how it can fluctuate.
160	Berkobien	Asks how CHC's claim money.
165	Hostetler	Answers that centers have to be registered by the state as a FQHC. Comments on procedures with different patients.
168	Berkobien	Asks how long it takes to receive wrap around payments.
170	Hostetler	Explains that it can take nine to twelve months to receive payment and adds that it causes cash flow issues.
175	Sen. Monnes Anderson	Asks if all FQHC have electronic billing.

180	Hostetler	Answers almost. Adds that they are still working on it.
185	Sen. Monnes	Comments on the difference of receiving payments in six days
	Anderson	compared to several weeks or months.
190	Hostetler	Comments on the delay and the procedure of sending requests in "batches." Adds that the organization is working for a timelier solution.
200	Sen. Monnes	Clarifies that there will be no dual eligibility after the new
	Anderson	Medicare bill.
205	Hostetler	Believes that there still will be some patients that are.
207	Chair Morrisette	Confirms that pharmaceuticals will not be dual eligible.
209	Hostetler	Affirms.
210	Berkobien	Asks what will become of dual eligible centers.
215	Hostetler	Alleges that there will be options available to the patients. They have been looking at ways to maximize options.
220	Chair Morrisette	Asks Steve Manela to give specifics on a wrap around payment procedure.
225	Manela	Summarizes wrap around payment process.
240	Chair Morrisette	Comments on wrap around procedure and wants to know if wrap around issues have been resolved.
245	Manela	Remarks that issues have not been resolved.
250	Manela	Continues discussing the wrap around procedure.
255	Chair Morrisette	Asks if they have started process to change this procedure.
260	Manela	Notes that negotiations have started.
270	Chair Morrisette	Comments on unacceptability of receiving payment months later
275	Hostetler	Summarizes and concludes.
280	Chair Morrisette	Asks if issue with wrap around payment issue is with a certain company.
283	Manela	Answers that is an issue through the Office of Medical Assistance Programs (OMAP).
284	Chair Morrisette	Asks if OMAP pays half.
285	Manela	Explains billing procedure.
295	Ruby Haughton	Director, Legislative and Public Affairs, Care Oregon. Comment that the organization has been seeking prompter payment. Comments on creating a bill and working with everyone involved to address the wrap around payment issue.
310	Chair Morrisette	Clarifies that bill would address state portion of funds only.
312	Haughton	Remarks that they cannot impact federal monies, however believes that state amount received is larger.
325	Sen. Monnes	Comments on health center she worked for and how it became a
	Anderson	FQHC and should encourage more centers to be formed in communities in need.
340	Hostetler	Comments on national statistics compared to Oregon.
360	Chair Morrisette	Comments that communities in Oregon do qualify because of demographics.
375	Gil Munoz	Executive Director, Virginia Garcia Memorial Health Center. Reaffirms issue of needing prompter payments, remarks that they have opened new centers and have problems with cash flow.
395	Chair Monnes	Summarizes and concludes. Closes informational meeting.
	Anderson	Adjourns meeting at 4:05 PM.

## **EXHIBIT SUMMARY**

**A. Federally Qualified Health Centers, slide presentation, Craig Hostetler and Doug Riggs, 16 pp**