HOUSE COMMITTEE ON
AUDIT & HUMAN SERVICES BUDGET REFORM COMMITTEE

January 27, 2003   Hearing Room 50
3:00 PM   Tapes 6 - 7

MEMBERS PRESENT: Rep. Ben Westlund, Chair
                          Rep. Steve March, Vice-Chair
                          Rep. Susan Morgan, Vice-Chair
                          Rep. Alan Bates
                          Rep. Jeff Kruse
                          Rep. Jeff Merkley

GUEST MEMBERS: Rep. Billy Dalto
                          Rep. Gordon Anderson
                          Rep. Laurie Monnes-Anderson
                          Rep. Carolyn Tomei

MEMBER EXCUSED: Rep. Randy Miller

STAFF PRESENT: Rick Berkobien, Committee Administrator
                          Kelly Fuller, Committee Assistant

ISSUES HEARD: Informational Meeting
                          Invited Testimony - Bob DiPrete, and Dr. Bruce Goldberg
                          "The Health Care Marketplace"

These minutes are in compliance with Senate and House Rules. <u>Only text enclosed in quotation marks reports a speaker's exact words.</u> For complete contents, please refer to the tapes.

TAPE/#	Speaker	Comments

TAPE 6, A

005	Chair Westlund	Called meeting to order 3:10 pm, introduces Bob DiPrete and opens the meeting.

INFORMATIONAL MEETING

025	Berkobien	Announcements and overview of materials presented on the Dais. Invitation to the next two Judiciary Committee meetings on Mental Health in the Criminal Justice System.
028	Chair Westlund	If your schedule allows you to attend the judiciary meeting this will aid the process of the committee. Welcome to Bob DiPrete and Dr. Bruce Goldberg from the Office for Policy & Research.
030	DiPrete	Introduction, recap and answers to questions of last weeks presentation.
086	Rep. Kruse	Questions about the High Risk pool, he can wait for the details from Rocky King's presentation.
100	DiPrete	Made comments about those that are denied coverage because of pre-existing conditions will be looked at for the High Risk Pool. Continues presentation.
164	Rep. Merkley	Are their any states that have been given permission to essentially provide the participant in their Medicaid demonstration project with a

		subsidy that they use in the private market rather than a specific designed Insurance program like the Oregon Health Plan?
175	DiPrete	Answers question about other states insurance programs.
180	Rep. Merkley	In the OHP we define what is covered and such, but a subsidy that is a voucher. Have any states been allowed to do something like that within the demonstration project?
189	DiPrete	Answers about subsidized insurance.
195	Rep. Kruse	Is the Utah waiver a define benefit, or is it a series of choices?
215	DiPrete	Discusses the Utah waiver, concludes his summary and asks for questions.
228	Rep. Kruse	Are there other States that have been more aggressive and innovative with match dollars with Medicaid.
244	Goldberg	Is aware there in interest in what other states are doing and have done. Comments about preparing a brief summary to answer these questions.
251	Chair Westlund	Yes, it would be very handy to know what other States are doing.
258	Rep. Bates	Made comments about an innovative program in Washington. Would like Bob DiPrete to look into user fees.
300	Rep. Monnes Anderson	I would like to be aware of what litigation could occur with the decision making about cutting back benefits.
312	Chair Westlund	Comment on the issue of litigation.
322	Rep. March	His question and others concerns are the inner section of the Oregon Health Plan and the long term care issues. It would be nice to know where our dollars are expending there what we can expect as the Federal Government cuts back on Medicare and will that cause an acceleration on our costs?
332	Rep. Merkley	Comment on a call he received today from a constituent about waivers. Would like to see a list of the current waivers and what they do.
346	Berkobien	Could we get some updates on SCHIP dollars being used?
350	DiPrete	Responded to the question on the SCHIP dollars.
377	Rep. Monnes Anderson	Could SCHIP dollars be used for providing health care in the school system.
385	DiPrete	Responded on the use of Federal Funds.
408	Rep. Monnes Anderson	Why couldn't we come up with an insurance plan or a Managed Care Plan with that approach?
421	DiPrete	Responded about an insurance plan with that approach.

TAPE 7, A

015	Chair Westlund	Makes comments about utilization.
	Rep. Monnes Anderson	Comments on percentages.
025	Rep. Bates	Articulates his understanding of what has just been said.
030	DiPrete	Responds to Rep. Bates his understanding is correct and elaborates.
042	Rep. Bates	Could a school base clinic access CHIP money, not on an individual basis for students but could ask for a capitated amount base number of student that qualify for SCHIP.
049	DiPrete	Responds to the SCHIP program for schools.
052	Rep. Bates	Would that be based on the number of student treated that qualified for SCHIP?

)58	DiPrete	Responds.
)64	Rep. Bates	Would you envision the Federal Government might require a full panel for that or would they be satisfied that children were receiving there primary care in a school based setting and would give us a waiver for that to happen.
)67	DiPrete	Response and can't answer the question as it is a Federal issue.
)70	Chair Westlund	Responds to try to get clarification on Rep. Bates comment.
)75	Rep. Bates	Gives clarification about his comments.
)85	Rep. Kruse	Would we have to do Means testing to see what student are eligible for CHIP Funding.
)98	Rep. Bates	Comments that this is already being done though the school based lunch & breakfast program.
101	Rep. Kruse	The rules around free and reduced are rather loose, basically anyone showing up can eat breakfast or lunch, we might need to be a little tighter around something like this.
105	Goldberg	Makes comments to the members about their questions on the lunch programs. Vs. CHIP dollars
107	Rep. Kruse	Questions about the federal government being this loose with this stuff.
	Goldberg	Gives clarification about the dollars that would be used.
125	Rep. Bates	They would fund some of the program not all of it. It is an innovate way of getting money into these health clinics.
	Rep. Kruse	Would it be safe to assume 40% of kids will be eligible for CHIP money?
139	Rep. Bates	Comments about the percentage of kids on CHIP.
142	Chair Westlund	Comment on relative value of service that is on the list.
155	Rep. Kruse	Shares concern about how steep the hoops are to jump through.
162	DiPrete	Comments on the Federal government requirements.
178	Rep. Kruse	Would it have to be part of a larger safety net?
182	DiPrete	Makes comment to Rep. Kruse on his question.
190	Rep. Merkley	Is part of the challenge, where people are to go and the paperwork to follow up with it.
200	Goldberg	Responds to the challenges that Rep. Merkley raised.
226	Rep. Anderson	Comments on the school based clinic.
235	Chair Westlund	Any other questions before we move off this topic.
257	Rep. Monnes Anderson	You know our special ed dollars from the Feds does not cover the services that we need and that we are mandated to provide in the schools and some of these children have skilled nursing in the system. Is this another way to tap dollars that are obviously needed in health care that schools are providing already?
258	Goldberg	Comments that his understanding is that everyone is saying is how can we be creative and still maximize all of the SCHIP dollars.
260	Chair Westlund	Dr. Goldberg, do not hesitate to bring any ideas or comment you have forward.
261	Chair Westlund	How much money gets shifted to the commercial markets?
275	DiPrete	Makes comments to money being shifted in commercial markets.
295	Chair Westlund	Part two of this question, how many money goes on top for the

325	Goldberg	administration before it gets shifted. Comments to part two of the question.
373	Chair Westlund	Understands the comments from Dr. Goldberg, but how do they shift cost to someone who is not paying a full reimbursement to begin with.
400	DiPrete	Comment on what is not covered by the person receiving the service.
405	Chair Westlund	Agrees but still does not understand how that shift; which he knows occurs, works.
410	Rep. Bates	In Oregon that dollar shift goes right straight to commercial and private pay.

TAPE 6, B

026	Goldberg	Comments on fees and how he feels the program works.
040	Chair Westlund	How much of the dollars of medical dollars get shifted in Oregon, is 100% is that correct.
045	Goldberg	Yes, that is correct and elaborates.
047	Chair Westlund	Hospitals are functionally made whole?
050	DiPrete	Articulates his opinion about hospitals.
052	Chair Westlund	Comments of physicians costs.
055	Goldberg	Discusses the access issue of services in different markets.
070	Chair Westlund	If you live in a geographic area with a large enough market of private/commercial payers.
071	Goldberg	Yes and furthers comments.
080	Rep. Merkley	Made some comments on some articles he read last year and it would be useful to have a report about what percentage of the state is no longer served by doctor that except OHP patients or Medicare Patients.
098	Rep. March	Relates his opinion that a number of the hospital are non-profit, so the costs end up getting spread out though the tax payers.
107	Chair Westlund	Makes comments that he feels that hospitals do not have the choice not to serve someone, physicians do.
114	Rep. Bates	Gives facts about patients that are excepted with there insurance or not. He elaborate some of his experiences.
142	Goldberg	Makes additional comments on this issue.
157	Rep. Anderson	Comments that he would hate to see people penalized, it would be better to give incentives.
169	Berkobien	How much providers write off in loss? Is it an issue, do providers of any type write off loss on their taxes.
181	Rep. Bates	Not allowed to write off losses.
195	Chair Westlund	Had questions about loss of profits.
204	Rep. Bates	Comment about his loss experiences.
229	Rep. Morgan	Would like to pursue the conversations above about writing off bad debt.
242	Rep. March	Comments that you can only write off your costs, not your earnings or losses.
248	Rep. Merkley	You have a receivable and what you are writing off is a receivable when it is un collectable.
253	Chair Westlund	Here is an instance when you have an institutionalized loss.
	Rep. Kruse	Comments about the above conversations.
302	Westlund	Thanks Bob DiPrete and Dr. Bruce Goldberg. Closes informational

meeting and adjourns.

<u>EXHIBIT SUMMARY</u>

None