

**HOUSE COMMITTEE ON**  
**AUDIT & HUMAN SERVICES BUDGET REFORM COMMITTEE**

January 28, 2003 Hearing Room 50  
3:00 PM Tapes 8 - 9

**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

**MEASURES/ISSUES HEARD:** Informational Meeting  
HB 2127 Work Session  
Invited Testimony, Private Market Health Insurance, Including  
Employer Sponsored Insurance Part 1- Rocky King,  
Insurance Pool Governing Board

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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 8, A</b>		
005	Chair Westlund	Convenes meeting at 3:15 pm and opens into a brief work session.
<b><u>HB 2127 WORK SESSION</u></b>		
012	Rep. Morgan	<b>MOTION: Moves HB 2127 to the floor WITHOUT RECOMMENDATION as to passage and BE REFERRED to the committee on Health and Human Services by prior reference.</b>
012		<b>VOTE: 6-0</b>
		<b>EXCUSED: 1 - Miller</b>
	Chair Westlund	<b>Hearing no objection, declares the motion CARRIED.</b>
015	Rep. Bates	Discussion.
017	Chair Westlund	Closes the work session and opens the informational meeting.
<b><u>INFORMATIONAL MEETING</u></b>		
020	Chair Westlund	Welcome announcements and introduction of Rocky King,

		Administrator from the Insurance Pool Governing Board.
025	Rocky King	Recognizes Kelly Harms on his staff for her hard work and gives an overview of material presented.
182	Chair Westlund	Acknowledges the staff of the Insurance Pool Governing Board for their hard work as well.
185	King	Gives an overview and a theme of what will be discussed.
190	Chair Westlund	Comments that as much detail as possible in the presentation would be great.
193	King	Relates a story of when he started and his history with Bob DiPrete. Continues presentation.
197	Chair Westlund	Asks what the population of Medicare is.
198	King	Answer about the population of Medicare.
200	Chair Westlund	Asks if it is fair to infer that larger companies that self insure may save 2%.
208	King	Answers the questions about larger companies.
216	Rep. Kruse	Are there risk requirements for that group. If they are going to partially self insured, will they have a risk.
220	King	Asks for his guest to come up and speak to this question.
226	Peggy Anet	Peggy Anet, Health Insurance Association of America.
234	Anet	Answer question about risk requirements.
240	Rep. Kruse	Asks if they have a reserve to cover the risk and if not, then what.
245	Anet	Answers question about reserve.
250	Chair Westlund	Asks for definition of the acronym MEWA.
254	Anet	Multiple Employer Welfare Arrangement.
270	Rep. March	Asks about less than fully insured, when they pick up the high risk part, is that also know as major medical coverage.
272	King	Answers question about major medical coverage.
290	Rep. Bates	Comments on insurance risks.
298	Anet	Elaborates on the comments on insurance risks.
324	Chair Westlund	Asks what percentage of the population is self insured.
335	King	Responds to the percentage of self insured question and asks if Anet has any comments.
342	Anet	Made comments about the self insured.
362	King	Comment that two of the those three employers are major health plans or hospital systems and they are pulling out of the market themselves.
370	Rep. Monnes Anderson	Question on small employers having self insurance.
378	King	Answers and comments about small employers having self insurance.
385	Rep. Monnes Anderson	Asks about less than fully insured.
389	King	Answers the questions about fully insured.
<b>TAPE 9, A</b>		
020	Rep. Monnes- Anderson	Asks if there is a minimum number of services that you can take as an employer on an insurance plan.
023	King	Answers question on the number of services.

026	Rep. Monnes Anderson	Was curious if small employers are mandated to have Mental Health, prescription drugs and physical therapy.
030	King	Answers the questions about mandates.
043	Rep. Tomei	Is amazed at that comment about the mandates.
047	King	Answers question about State Mandates. Continues presentation on page 6 ( <b>EXHIBIT A</b> )
096	Chair Westlund	Asks how long does portability lasts.
102	King	Answers question about how long portability lasts..
103	Chair Westlund	Asks if you can go to another commercial carrier.
105	King	Talks about back-up insurance and give examples.
107	Chair Westlund	Asks if along with the same basic coverage.
110	King	Answers.
112	Chair Westlund	Asks if you were forced into OMIP would you have the same coverage that you had before.
120	King	Answers and continues.
148	Rep. Kruse	Asks what the major difference is between an Association plan and a MEWA.
155	King	Answers question about the basis difference.
160	Rep. Kruse	Communicates question more clearly.
170	Anet	Explains MEWA entities, they have a similar employment base.
195	King	Continues presentation
220	Rep. Kruse	Asks as we move from \$500 to \$1000 deductible, can we have some information on the benefits that are being removed.
225	King	Explains.
227	Rep. Kruse	Asks if it is more of a co-pay situation.
230	King	Answers question on deductibles and continues with wages verses benefits
251	Rep. Kruse	Comments that he is a small business owner, can he give my employees the money to find their own Insurance.
272	King	Comments on Insurance regulations who can opt out and who can't and continues presentation.
330	Chair Westlund	Asks if he can get the numbers again of those effected by 5100.
335	King	Responds with the numbers of those effected.
360	Rep. Bates	Comments on the possibility of measure 28 not passing and comments about the medically needy.
378	King	Responds to that there is no private sector option for the medically needy.
390	Chair Westlund	Asks if \$8500 of the medically needy program are in for the for the benefits.
400	King	Responds to the questions of the medically needy program.
402	Rep. Tomei	Asks if the folks having mental health benefits eliminated will be part of the medically needy program, will they be applying for OMIP.
<b>TAPE 8, B</b>		
008	King	Responds to the medically needy being on OMIP.
024	Rep. Tomei	Asks for those losing their benefits may have to find, can you give

036	King	me some sense of how much it will cost for those folks to find their own mental health benefits. See <b>(EXHIBIT A)</b> , it has information with the different benefits listed.
045	Rep. Bates	Clarifies and discusses a situation.
057	King	Comments and continues presentation on page 12.
086	Berkobien	Asks if you have a sense on the uninsured how we compare to the nation overall.
090	King	Answers.
092	Rep. Kruse	Comments that when the economy was good we were moving in a positive direction.
095	Rep. Bates	Makes comments to members on when the OHP was first in place.
105	King	Gave dates for OHP opening. Continues presentation.
140	Chair Westlund	Asks if there is anymore questions.
148	Rep. Kruse	Makes comments about what he has paid in his lifetime in premiums.
159	Chair Westlund	Rep. Kruse's comment is a prime example.
160	Chair Westlund	Closes informational meeting adjourns 4:45 pm

## **EXHIBIT SUMMARY**

**A – Oversized Exhibit, Health Insurance Resource Manual, 368 pp.**