

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

January 29, 2003 Hearing Room 50  
3:00 PM Tapes 10 - 11

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

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

**MEMBER EXCUSED:**     Rep. Randy Miller  
                                  Rep. Jeff Merkley

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

**ISSUES HEARD:**         Informational Meeting  
                                  Rocky King, Insurance Pool Governing Board  
                                  “Health Insurance Resource Manual 2003”

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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>APE/#</b>	<b>Speaker</b>	<b>Comments</b>
<b>APE 10, A</b>		
05	Chair Westlund	Introduces Rocky King of the Insurance Pool Governing Board and opens the informational meeting.
<b><u>INFORMATIONAL MEETING</u></b>		
10	King	Introduces himself and begins the presentation.
30	Rep. Kruse	Asks if one could have a private sector plan that covers everything and then have OMIP.
38	King	Explains the issues about having both insurances and continues presentation.
25	Chair Westlund	Asks what the difference is from the first bullet and the second Bullet in <b>(EXHIBIT A 1/28/03)</b>
40	Rep. March	Asks what are the limits on pre-existing conditions.
48	King	Answers the question about pre-existing conditions and continues presentation.
34	Rep. Kruse	Asks for the dollar figures on moving from three to two.

30 King Answers question to the best of his knowledge and will get more information later. Shared an example. Continues with age rating only.

39 Chair Westlund Asks for clarification on a figure that was stated previously.

35 King Gives clarification, and continues

**APE 11, A**

36 Rep. Monnes Anderson Asks if he can describe the ERISA Waiver.

15 King Give a description of the waiver and continues.

29 Rep. Morgan Makes a comment that this is then killing the employer mandate.

31 King Answers and continues.

52 Berkobien Asks if he is going to go over how this shift in occurring.

55 King Comments that he will get to that soon and continues.

36 Chair Westlund Asks questions on the chart in **(EXHIBIT A 1/28/03)**.

30 King Elaborates and continues.

38 Rep. March Asks questions about HMO's. Are they able to control utilization and therefore keep the costs down

16 King Refers to Rep. Bates to answer the question.

18 Rep. Bates Answers question about the HMO and keeping costs down.

40 Chair Westlund Asks if conventional is another word for commercial.

50 Rep. Kruse Asks if we wiped out mandates would indemnity be a valuable product?.

52 King Answers and makes additional comments about indemnity plans.

55 Chair Westlund Asks if a PPO is a preferred provider organization?

57 King Yes that is true.

70 Rep. Bates Elaborates on his knowledge on PPO's.

39 Chair Westlund Makes additional comments.

31 Berkobien In 1996 we saw a fall of HMO's, asks if this trend continuing.

10 King Gave his opinion about the current HMO's out there. Continues presentation.

52 King Turn over is a huge complicating factor in this whole thing.

55 Chair Westlund Asks how long on average, does it take for an employee to research new insurance.

31 King Describes how the system works in Oregon currently.

32 Chair Westlund Asks if he can have this kind of information within a day.

35 King Elaborates on new technology, that makes the process faster.

38 Chair Westlund Asks if the rate that you pay the agent front loaded.

King Responds to the questions.

**APE 10, B**

10 Chair Westlund Talks more about Agency commissions.

22 King Gives his information about Agency commissions.

36 Rep. Bates Small employers barriers against them.

50	King	Elaborates on the small group market verses the large group market.
58	Rep. March	Asks if these factors are specifically controlled for higher wages and what variable would fall out as being sectioned out.
71	King	Responds to the question on higher wages.
99	Chair Westlund	Asks what period of growth there is going from 4% to 45% just going straight to OMIP.
103	King	Answers and continues presentation.
10	Rep. March	Asks question about rejection rates.
13	King	Replies that there is no cost for that.
23	Rep. March	Comments that you just said that the real rejection rates are much higher and we are giving this credit where the rates are being kept artificially low.
25	King	We agree with you and will look into that. He continues presentation.
34	Rep. Bates	Asks for an OMIP assessment definition.
55	King	Gives a quick review of an OMIP assessment. Comments that we will cover that at tomorrow's meeting.
53	Rep. Monnes Anderson	Asks if those funds have a lot in them or do the rates go up.
15	King	If you wait till tomorrow, I will get this all laid out
76	Chair Westlund	Asks if it is 200 a month for an individual in OMIP.
78	Rep. Bates	Comments that it is high risk
30	Chair Westlund	If it is \$200/month , 2500 per year for a high risk individual.
37	King	Explains the costs.
90	Chair Westlund	Makes comments that he would like everyone to be in the meeting at 3:00. Meeting adjourned at 4:32 PM.

**EXHIBIT SUMMARY**