

HOUSE COMMITTEE ON
AUDIT & HUMAN SERVICES BUDGET REFORM

March 20, 2003 Hearing Room 50
 3:00 PM Tapes 65 - 66

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

MEMBERS EXCUSED: **Rep. Susan Morgan, Vice-Chair**
 Rep. Randy Miller

GUEST MEMBERS: **Rep. Gordon Anderson**
 Rep. Mitch Greenlick
 Rep. Carolyn Tomei

STAFF PRESENT: **Rick Berkobien, Committee Administrator**
 Patricia Nielsen, Committee Assistant

ISSUES HEARD: **Informational meeting**
 Committee Discussion on OHP Recommendations
 Work Session
 Adoption of Committee Recommendations

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.

TAPE/#	Speaker	Comments
TAPE 65, A		
005	Chair Westlund	Calls meeting to order at 3:14 p.m. Opens informational meeting.
<u>INFORMATIONAL MEETING</u>		
020	Chair Westlund	Recesses the committee at 3:15 p.m. Asks members to review the submitted draft recommendations, primary Medicaid cost-containment recommendations, and secondary Medicaid cost-containment recommendations (EXHIBITS A, B, C).
*****		RECESS *****
025	Chair Westlund	Reconvenes the committee at 3:28 p.m. Gives brief overview of proposals.
050	Rep. Merkley	Refers to EXHIBIT A and raises concerns: <ul style="list-style-type: none"> • Urges the committee to clarify it is responding to a directive to bring ideas, not endorsing establishment of a budget for Medicaid categoricals. • Asks to include language in the document that translates the fact of reduced coverage due to budget limitations into devastating impact on quality of life: <ul style="list-style-type: none"> ○ Additional medical complexities for those who cannot get preventative treatment

		<ul style="list-style-type: none"> ○ Personal suffering ○ Inability to live productive lives
095	Rep. Bates	Asks if more explicit language is needed, to describe the effect if only the basic plan is approved.
105	Rep. Merkley	Responds the report must communicate concerns over loss of quality of life for those without coverage.
115	Rep. Bates	Suggests inserting language into recommendation two.
120	Rep. Merkley	Asks the committee to clarify the report is presenting a health care package as instructed, not recommending the package.
130	Chair Westlund	Asks to express concerns about impact of the plan as presented. Points out the instruction was to prepare a package within existing resources; also it is wise to actually keep the plan within existing resources. Expresses satisfaction that it is established within resources as a baseline to build on. Points out there is language to add services later if resources become available.
160	Rep. Merkley	Asks for the language to be stated in the actual document. Suggests modified wording.
170	Chair Westlund	Comments the first page says “as a base plan.” Committee discussion of where to add language.
220	Rep. Merkley	Suggests language and location.
225	Rep. Bates	Suggests the problem is the location of the language. Suggests putting the disclaimer language right at the beginning.
250	Rep. Merkley	Acknowledges it is the best plan within existing resources, but notes reservations and concerns about the effect on people.
260	Chair Westlund	Suggests recognizing economic consequences and cost shifts, and inability to predict all effects.
285	Rep. Merkley	Suggests we can predict the consequences, and should acknowledge we do know what severe consequences there will be.
300	Rep. March	Asks for specific suggested language. Agrees it is a good proposal but it is the minimum which should be done. Points out this is not the Oregon Health Plan (OHP); it is a Medicaid-based plan to which items can be added later.
385	Rep. Bates	Comments on the structure of the plan <ul style="list-style-type: none"> • Maintains care organizations which have evolved from the OHP • Significant change from other Medicaid plans because it has a defined list of benefits
405	Chair Westlund	Recommends the report go forward to Ways and Means. Closes informational meeting. Opens work session to consider committee recommendations.

TAPE 66, A
WORK SESSION

005 Rep. Bates **MOTION: Moves the Committee Recommendations report to the Joint Ways and Means Committee, Subcommittee on Human Resources, with a DO ADOPT recommendation.**

010 Rep. Greenlick Suggests a cover memo to clarify the concerns of the committee outside the language of the report.

015 Chair Westlund Reiterates the report was not intended to document all consequences. Agrees with the memo idea.

035 Rep. Merkley Suggests mentioning cost shifts and human impacts as well. Proposes specific language:
The committee presents below the best possible plan it could design based on the premise of operating within available resources. The committee notes, however that the base plan in this document would eliminate health coverage for 150,000 Oregonians, and that such loss of coverage would have significant human consequences. The loss of insurance will translate into less preventative care, diseases that progress to higher disease states and impacts upon individuals' families and productivity and community.

050 Chair Westlund Asks for Rep. Merkley and committee staff to work on language. Invites members to write personal letters to accompany the report.

065 Rep. Bates Comments sometimes specific words are important, and in fact the committee is recommending a plan, with the caveat offered by Rep. Merkley. Suggests protecting the report from further alterations.

075 Chair Westlund Advises tougher times may be ahead, and the committee may look back and see it was a good plan, which is a base and a place to fall back to. Points out it is possible revenue forecasts will continue to deteriorate, and this covers 350,000 Oregonians with a benefits package significantly greater than federal Medicaid coverage.

095 Rep. Kruse Suggests the document go forward as is, and members with concerns prepare a supplemental document or letter expressing concerns. Reminds members the Ways and Means Subcommittee will consider this later, and things may change as additional information becomes available.

115 Rep. Anderson Commends committee on work accomplished. Agrees this is a framework and things can be added later. Expresses concern over member disagreements about details. Suggests a positive statement is needed about what can be done at this time.

130 Chair Westlund Acknowledges this represents work of many, and many concessions. Opines this is more comprehensive than federal Medicaid minimum.

155 Rep. Merkley Agrees the difference is in presentation.

205 Chair Westlund Suggests adding a sentence or two explaining recommendations, which is not part of the recommendations themselves.

230 Vice-chair March Recommends voting. Recesses the committee at 4:12 p.m.

250 Chair Westlund **RECESS *******
Reconvenes at 4:19 p.m.

255	Rep. Bates	Withdraws his previous motion.
257	Rep. Bates	MOTION: Moves the committee vote out to the Joint Ways and Means Committee, Subcommittee on Human Resources, the recommendations of the report with a BE ADOPTED recommendation, and that committee staff with appropriate members add a preamble to encompass the information above the recommendation, as well as the additional language requested by Rep. Merkley.
270	Chair Westlund	Clarifies the motion includes the primary and secondary Medicaid cost containment recommendations (EXHIBITS B, C).
275	Rep. Bates	Affirms.
280	Chair Westlund	Clarifies the preamble would go out in letter form which individual members can sign if desired.
282	Rep. Bates	Affirms.
285	Chair Westlund	Restates and discusses the motion to move the recommendations to the full Ways and Means Committee.
290	Rep. March	Clarifies the primary and secondary cost containment recommendations are part of the report.
295	Chair Westlund	Confirms. Continues reviewing language.
300	Rep. Merkley	Agrees.
330	Chair Westlund	Summarizes.
350		VOTE: 5-0-2
	Chair Westlund	EXCUSED: 2 - Miller, Morgan
		Hearing no objection, declares the motion CARRIED.
395	Rep. Greenlick	Asks whether long term care is part of the committee's recommendation.
400	Chair Westlund	Discusses mandate for various areas to be considered.
420	Chair Westlund	Closes work session. Adjourns the committee at 4:27 p.m.

EXHIBIT SUMMARY

A – Informational OHP, draft recommendations, staff, 8 pp

B – Informational OHP, primary medicaid cost-containment, staff, 7 pp

C – Informational OHP, secondary medicaid cost-containment, staff, 3 pp