

HOUSE COMMITTEE ON
AUDIT & HUMAN SERVICES BUDGET REFORM

March 27, 2003 Hearing Room 50
3:00 PM Tapes 73 - 74

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

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

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

ISSUES HEARD: Informational Meeting
 “Marion Polk Community Health Plan’s Administrative Service Organization Model”

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 73, A | | |
| 005 | Chair Westlund | Calls meeting to order and opens the informational meeting at 3:00 p.m. |
| <u>INFORMATIONAL MEETING</u> | | |
| 020 | Jan Buffa | CEO, Marion Polk Community Health Plan (MPCHP). Offers a PowerPoint presentation with prepared materials describing how their health plan and the Oregon Health Plan provide services. (EXHIBITS A, B, C) |
| 177 | Chair Westlund | Indicates this is a key component and it is very impressive the way this program is managed. |
| 180 | Buffa | Explains how they function with such a small staff. |
| 221 | Rep. Bates | Notes a wonderful job is being done with cost controls which has taken away the adverse relationships between physicians and insurance companies |
| 255 | Buffa | Describes again how they make the process work |
| 274 | Chair Westlund | Asks for definition of an ancillary cost. |
| 280 | Buffa | Answers providers that are not physicians and continues to explain with tight staffing and medical management software they are able to continue to provide services. |
| 300 | Rep. Merkley | Asks for an overview of their software. |
| 308 | Buffa | Answers it is the wide area network. |
| 354 | Chad Negel | Chairman, Marion County Health Plan. States that this network is available to every physician. |
| 360 | Chair Westlund | Asks if there are any further incentives. |
| 365 | Buffa | Responds yes and explains the process of the Independent Physicians Association (IPA) membership. |
| 400 | Berkobien | Asks if there is a minimum amount of clients that each physician should serve. |

TAPE 74, A

003 Buffa Responds yes but it is difficult to monitor.
062 Rep. Bates Asks what is preventing the open card patients from being accepted.
066 Buffa States they have accepted these people in the past.
077 Negel Explains not all open card members are eligible for the health plan.
106 Buffa States they have held open the open enrollment.
122 Chair Westlund Asks how well do the other plans know this population
125 Buffa Responds that they do know them well.
129 Rep. Bates Asks if family care is included.
135 Negel Answers it is illegal to market the health plan to the public.
143 Buffa Responds to the number of the population recruited.
157 Rep. March Asks if he has a number of those in the ineligible categories.
160 Buffa Expresses no idea of the percentages of the population but could research and email the numbers.
165 Negel Notes the population on the health plan does have Primary Care Physicians (PCP) assigned to them.
167 Buffa States there are twenty-five percent that is not eligible.
190 Jeff Heatherington Family Care. Indicates less than two percent are not enrolled in a health plan and some are in transition.
227 Buffa Comments that they are open for open enrollment but the Office of Medical Assistance Program (OMAP) is behind in processing applications and offers information on the prescription cuts.
267 Chair Westlund Asks how many patients are involved.
274 Buffa Answers one hundred and twelve.
299 Rep. March Asks for the costs per person for methadone patients per year.
306 Buffa Responds in addition to methadone treatments the patients need to be managed.
317 Chair Westlund Notes twenty-three hundred dollars a year.
322 Berkobien Comments that he has heard a booking in jail cost approximately the same.
329 Buffa Offers the cost of two clients in the hospital.
338 Rep. Merkley Asks how many were in because of overdoses.
341 Buffa Comments about a client coming off of methadone and the price of hospital care.
352 Rep. Bates Offers information on a patient becoming infected from shooting up when off methadone and the cost of hospital fees.
368 Buffa Comments about those who lost their methadone treatment.
370 Negel Expresses the analysis of the costs of the Marion Polk Health Plan.

TAPE 73, B

030 Rep. March Asks for clarification on the annual statewide figures.
033 Negel Responds that figure was a mid biennial figure.
034 Chair Westlund States the key is to know they have good solid data.
051 Rep. March Notes we know that five percent is different and what we need to do is get OMAP to run statistics of the open card population.
065 Rep. Bates Explains some counties have managed care and some do not.
070 Chair Westlund States OMAP will not have as good of data as MPCHP.
081 Buffa Offers if OMAP would give them the figures they could produce the data.
090 Chair Westlund *****RECESS – TECHNICAL PROBLEMS*****
109 Michael Roar Salem Doctor. Offers information on the unmanaged population indicating that delegation of management of the following

services will save costs:

- Utilization management
- Chemical dependency and mental health
- Authorization management for hospital and physician services
- Case management
- Payment and adjudication of claims
- Member services and coordination of benefits
- Transfer of third party liability
- Disease management

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| 115 | Chair Westland | Asks if the chemical dependency program is already provided by OMAP. |
| 170 | Buffa | Answers yes this is inside the OMAP umbrella. |
| 180 | Roar | Responds if there is an effective management in place it would not be necessary to delegate it out. |
| 195 | Berkobien | Asks with coordination of benefits are you able to pull the data to tell how much you receive from that portion of clients. |
| 202 | Negel | Answers around two to three dollars per member per month. |
| 204 | Chair Westlund | Asks if the black box concept from HIPAA (Health Insurance Portability Accountability Act) on the centralized data system has been considered. |
| 220 | Roar | Responds having no knowledge of that but it sounds like a good idea but states budget predictability is what is important. |
| 251 | Rep. Merkley | Asks if these individuals are being put in this structure within the federal rules pertaining to open card individuals. |
| 264 | Roar | Responds regarding open card patients and how it works. |
| 306 | Rep. Merkley | Asks would an open card patient have a primary care provider. |
| 314 | Roar | Responds he does not know the answer. |
| 316 | Chair Westlund | Asks for clarification about waivers. |
| 329 | Rep. Merkley | Asks if the Federal Law requires the option to have an open card or restricts the number of physicians a patient could see. |
| 349 | Rep. Bates | Responds the need to research the issue. |
| 374 | Roar | Describes the steps to achieve the delegation process and how it would be handled with managed care contracts and services being provided locally. |

TAPE 74, B

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| 043 | Rep. Bates | Asks if the same system is being using on commercial plans. |
| 047 | Roar | Responds they are using the same technology for all contracts. |
| 053 | Rep. Bates | Asks if they could take over the eligibility enrollment process. |
| 056 | Roar | Responds affirmatively. |
| 060 | Rep. Bates | Asks what part of OMAP could MCPHP take over. |
| 065 | Roar | Responds that they could manage all the components but it wouldn't necessarily be easy. |
| 073 | Rep. Bates | Asks if it would be less expensive for the state. |
| 095 | Roar | Answers they could not take over all that OMAP does but what they could would be more cost effective. |
| 102 | Rep. March | Asks about their Obstetrics and Gynecology (OBGYN) program. |
| 106 | Buffa | Responds to the rise in the cost of malpractice premiums. |
| 134 | Chair Westlund | Asks how the recommendations we have made impact your PBM (Pharmacy Benefit Manager). |

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| 142 | Buffa | States the contractors are going to go through the committee's report and supply a written response. |
| 197 | Chair Westlund | States they would like to see this addressed at the meeting on Monday. |
| 215 | Rep. Bates | Comments on what the stakeholders group want to see happen. |
| 231 | Chair Westlund | States you are the backbone of the delivery system so it has to work. |
| 241 | Buffa | Answers negotiations with PBM have been a learning experience. |
| 271 | Chair Westlund | Calls informational meeting to a close and adjourns committee meeting at 4:48 pm |

EXHIBIT SUMMARY

- A – Informational, A Study of Alternative Rate-Setting Approaches for Oregon Health Plan, Jan Buffa, 12 pp**
- B – Informational, Marion/Polk Community Health Plan, Jan Buffa, 10 pp**
- C – Informational, Performance Health Technology Packet, Jan Buffa, 7 pp**