

HOUSE COMMITTEE ON
AUDIT & HUMAN SERVICES BUDGET REFORM

April 17, 2003 Hearing Room 50
3:15 PM Tapes 94 - 95

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

GUEST MEMBERS: Rep. Mitch Greenlick
 Rep. Gordon Anderson

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

ISSUES HEARD: Informational Meeting
 Managed Care and Fee-For Service Cost to State Comparisons
 Judy Mohr-Peterson, Ph.D., Department of Human Services

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 94, A		
003	Chair Westlund	Calls meeting to order and opens the informational meeting.
<u>INFORMATIONAL MEETING</u>		
006	Berkobien	Gives an explanation of the information presented at the dais. (EXHIBIT A & B)
019	Judy Mohr-Peterson	Introduces herself as Manager for the Analysis and Evaluation Unit in the Office of Medical Association. Presents testimony and begins presentation. (EXHIBIT C)
085	Rep. Greenlick	Asks if the retro active costs are included in the fee for service.
087	Mohr-Peterson	Responds that if they incurred any costs at that time, they will pay for it and it will be paid for on the fee for service side, and continues presentation.
138	Rep. Bates	Comments that the eight percent paid to FCHIP is understandable to him, but I have trouble imaging that fee for services clients can be managed for two percent, there must be other costs in doing that.
140	Mohr-Peterson	Responds that it is two percent of the total and elaborates.
180	Rep. Bates	Comments that most commercial insurers feel like they are doing a good job if they can get their administrative costs down to six to eight percent and you are doing it for two percent.
198	Mohr-Peterson	Answers that it is two percent of total and elaborates.
205	Rep. Bates	Asks if they charge on the eight percent to FCHIP and does any of that two percent get charged to them.
209	Mohr-Peterson	Comments that they get paid a capitated rate for these services

		and then 8 percent on all that capitation, elaborates and continues presentation.
322	Vice Chair March	Asks if there is a reason for the drop in transportation in the fully capitated.
325	Mohr-Peterson	Responds that no, she is still trying to find a reason for the drop.
TAPE 95, A		
012	Rep. Greenlick	Asks if she has a sense that there is some sort of time lag for Managed Care to get organized and how do you account for the growing difference between them.
021	Mohr-Peterson	Responds to the lag time and organization of Managed Care.
038	Rep. Greenlick	Makes comments that they may be managing at a tighter and tighter to the capitation rate and there is no such limitation on that in terms of the fee for service.
042	Mohr-Peterson	Responds that, that is correct and elaborates.
050	Vice Chair March	Asks if she could describe what data set she is working from.
056	Mohr-Peterson	Explains what data set they use for their information.
075	Vice Chair March	Is there some sort of equivalency evaluation of the clients prior to enrollment.
077	Mohr-Peterson	Responds no and explains how they gauge individuals health is the paperwork submitted on their behalf.
087	Vice Chair March	Thanks the witness for her testimony and adjourns 4:25.

EXHIBIT SUMMARY

A – Oregon’s Medicaid Program, Medicaid Payments and the Impact of Proposed Budget Reductions, Key Findings from an Independent Evaluation by The Lewin Group, 4 pp.

B – Analysis of Medicaid Reimbursement in Oregon, The Lewin Group, 59 pp.

C – Testimony Presented by Judy Mohr-Peterson; Managed Care & Fee For Service Cost to State Comparisons 1999-2002, 14 pp