

HOUSE COMMITTEE ON
AUDIT & HUMAN SERVICES BUDGET REFORM

April 21, 2003 Hearing Room 50
 3:15 PM Tapes 96 - 97

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. Monnes Anderson

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

ISSUES HEARD: Work Session
 Possible Introduction of Committee Bill

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 96, A		
003	Chair Westlund	Calls meeting to order and opens the work session..
<u>WORK SESSION</u>		
003	Rep. March	Moves LC Draft 3547 be introduced as a committee bill.
008	Chair Westlund	Asks if there is any discussion and goes over the changes that may occur on the draft they have in hand. <ul style="list-style-type: none"> • Section 6, Page 5, line 1 • Section 9, Page 7, line 24 & 25 Extends a thank you to all that have participated to get us this far and states that this is still a work in progress.
048	Rep. Kruse	Would also like to mention Holly Robinson.
050	Rep. March	MOTION: Moves LC 3547 BE INTRODUCED as a committee bill. VOTE: 5-0 EXCUSED: 2 - Morgan, Miller Hearing no objection, declares the motion CARRIED.
055	Chair Westlund	Also extends a thank you to the staff for their work and participation.
*****	*****	RECESS*****
067	Chair Westlund	Calls Holly Robinson up for her testimony on the LC Draft 3547.
085	Holly Robinson	Introduces herself from Legislative Council and begins the description of the LC Draft 3547. (EXHIBIT A)
105	Chair Westlund	Would like to add that the bigger overarching policy discussion here is to get as many people as possible into Managed Care.
113	Robinson	Agrees that that is the overarching policy in sections 1 & 2.
105	Rep. Monnes	Asks is our fully capitated health plan CareOregon.

	Anderson	
109	Rep. Kruse	Answers that there is fourteen of them.
114	Robinson	Continues presentation on Sections 4 &5 of the Draft.
139	Rep. Greenlick	Asks if there is a smaller number of those in Section 5 than in Section 14.
143	Chair Westlund	Comments that those are really two different issues, but at some level they are achieving the same thing and elaborates.
151	Robinson	Continues presentation in Section 6.
158	Rep. Greenlick	Asks if the Section 5 organization is not a fully capitated health plan.
160	Robinson	Responds that, that is correct.
162	Rep. Monnes	Asks for clarification on Section five.
	Anderson	
166	Chair Westlund	Responds and gives clarification about how it works.
168	Rep. Anderson	Asks are there more than one that serve more than 2000.
170	Chair Westlund	Responds no.
172	Robinson	Continues presentation.
195	Rep. Kruse	Comments that the sections she is discussing will most likely have an extensive rewrite.
203	Robinson	Continues presentation.
213	Rep. Anderson	Asks if Section 8, Sub Section 3 is saying that different areas within the State will be receiving different capitation rates.
218	Robinson	Explains what Department of Human Services is doing with the five major regions.
230	Rep. Kruse	Gives a follow up for an example.
240	Chair Westlund	Comments that there are a lot of bells and whistles that have to come off of this bill or a companion to this bill, there still are a lot of issues to be determined.
250	Rep. Greenlick	Asks how Secretary of State got into this in naming an actuary instead of DAS.
256	Chair Westlund	Explains how this process worked.
275	Rep. Monnes Anderson	Trying to grasp what we have now and how this is different, and asks the reason our plans would want to form contracts with OMAP, is because an incentive for them would be because we don't have hospital costs.
313	Chair Westlund	Explains that no, they already have contracts and this is very difficult and elaborates.
325	Rep. Kruse	Comments that Chair Westlund is describing right now is not reflected in this bill and will be part of the re-writes.
351	Robinson	Finishes her discussion of Section 9.
354	Chair Westlund	Comments that currently transportation costs are not included and in particular number 3 in prescription drugs accepting the anti-psychotic drugs and whether they are included or not.
362	Robinson	Continues on Section 10.
375	Chair Westlund	Comments that it is fair to say that at least long term, section 10 could go away if we can figure out a methodology of what I had described before, with projecting a costing and a cost differential that we can establish.
381	Robinson	Continues on through section eleven.
396	Chair Westlund	Comments this is how we go about getting pharmaceuticals at the lowest cost.
TAPE 97, A		
007	Rep. Kruse	Comments that this section may also be up for revision.
015	Robinson	Continues presentation.
028	Rep. Kruse	Comments that section seventeen may also need to be written.

032	Rep. Greenlick	Asks how these three organizations fit into this and what is the relevance of the three of them in the Medicaid reform.
038	Robinson	Explains how these three different organization fit into this LC draft.
055	Rep. Greenlick	Does not see anything of substance in here except the fully capitated health plan and asks is there somewhere in here where there is some responsibility given to pre-paid Managed Care health services organizations and is there some where in here where there is some responsibility except to collect contributions for physician care organizations.
065	Robinson	Gives explanation of the part of the Oregon Revised Statutes that talks about this.
081	Rep. Greenlick	It looks like in section 2 we have everyone in a fully capitated health care system or in fee for service managed by a fully capitated health care system.
090	Robinson	Comments that the majority of the actors that are primarily effected at this point it is true that it would be fully capitated health plans and hospitals to some degree and elaborates.
111	Rep. Greenlick	Comments that then page 1 line 22 – 24 that provides everything in that larger bucket.
115	Chair Westlund	Comments that a lot of this revolves around capacity and elaborates.
123	Rep. Kruse	Comments that there are some outlying here, redefining access and moving in the direction we are wanting to go.
125	Rep. Monnes Anderson	Comments right now a person is eligible for Medicaid dollars for services rendered without being in a health plan, is this what we have now.
134	Robinson	Responds yes and give a more detailed explanation.
144	Rep. Monnes Anderson	So a person that shows up at the hospital door and is eligible for Medicaid or is not, this shows Managed Care does not pay for anything for hospitals at this point, because they don't meet the criteria or a Managed Care plan won't take them.
158	Robinson	Comments that this LC Draft does not address that issue and elaborates.
161	Chair Westlund	Comments that this is a delivery system model, we can do what we have all been talking about in here for so long, with the Federal minimums, if there is to be additional populations, that is a revenue question.
186	Rep. Anderson	Not sure which categories fully capitated health plan or pre paid managed health care an IPA would fit into, or would it fit into both.
190	Robinson	Comments it depends on the contact they have with the state and elaborates.
208	Chair Westlund	Asks if there is any more questions for Holly Robinson and reiterates that this is the frame work and is a work in progress.
217	Rep. March	Comments that this is the delivery system design that would allow us to cover the categorical Medicaid population with what we have been allotted to spend at this time.
235	Chair Westlund	Wants to make a real distinction that this is a deliver system model and while in its efficiencies it allows us to buy some benefits that we think are minimal benefits and does have revenue implications in that this is a more efficient delivery model and he would encourage everyone to think of this as a delivery system model and not a revenue producing vehicle although it does produce cost savings.
265	Rep. Merkley	Comments wouldn't this frame work that has been written provide a framework for anyone else that we make eligible.
267	Chair Westlund	Responds absolutely and explains in more detail.

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Chair Westlund

Make announcements and calls meeting to a close and adjourns 4:46 pm.

EXHIBIT SUMMARY

A – LC Draft 3547, staff, 11 pp