

HOUSE COMMITTEE ON
AUDIT & HUMAN SERVICES BUDGET REFORM

April 24, 2003 Hearing Room 50
3:15 PM Tapes 101 - 102

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

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

GUEST MEMBERS: **Rep. Mitch Greenlick**
 Rep. Monnes Anderson

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

MEASURES/ISSUES HEARD: HB 3624 - Public Hearing

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 101, A		
003	Vice Chair March	Calls the meeting to order and opens the public testimony.
<u>HB 3624 - PUBLIC HEARING</u>		
008	Berkobien	Gives information about the materials presented at the dais. (EXHIBIT A)
019	Jim Russell	Mid Valley Behavioral Care Network begins testimony.
025	Bob Beckett	Executive Director of Jefferson Behavioral Health, representing Josephine, Coos Curry, Douglas, Jackson and Klamath Counties.
030	Jim Russell	Begins testimony by asking about the Mental Health Organizations not specifically being addressed at this point and continues.
048	Chair Westlund	Comments as soon as we get this through the pipe line and on its merry way we will be working on the Mental Health Issues.
061	Beckett	Thanks the committee for all of their efforts on this issue and in the stakeholders group.
075	Lynne Marie Crider	Board Member of the Oregon Health Action Campaign begins testimony.
088	Mary Lou Hennrich	Board member for the Oregon Health Action Campaign.
095	Crider	<ul style="list-style-type: none">• Supports the intent of the HB 3624 to increase the number of Oregon Health Plan enrollees that are in Managed Care, from the stand point of cost containment and in terms of delivering quality services to enrollees.• Supports the way the bill endeavors to create more flexibility in contracting for pre-paid medical services.

- Support the portion of the bill that would allow contract for management of services by the fully capitated plans for some folks that are enrolled in fee for service.

Would like to discuss section one, which requires applicants to enroll in fully capitated health plans where available in the geographical area and elaborates.

130	Chair Westlund	Asks if she feels there should be some exceptions to the process.
136	Crider	Responds yes and elaborates.
140	Chair Westlund	Agrees and comments we should strengthen these things up and elaborates.
150	Crider	Agrees with the statements and give a more detail explanation of her comments.
155	Rep. Merkley	Comments on testimony from last week regarding special needs and asks are you comfortable with those exemptions.
161	Henrich	Comments that it is difficult to come up with a one size fits all program for the whole state and elaborates.
200	Chair Westlund	Makes comments about how they can help us through the rest of this process.
205	Crider	Their last comments are in regards to the sections that endeavor to establish systems for setting reimbursement rates for providers, and we do feel that adequate reimbursement rates are necessary to ensure access for enrollees. They are concerned that in the Co-Chair budget, this would dis-enroll 150,000 people from the plan and we need to beware of the risks.
228	Chair Westlund	Makes comments that this is a delivery system for the largest amount of people we can buy back.
237	Crider	Makes additional comments to the advocacy of services and it looks like the bill addresses fully capitated rates for hospitals but not primary care providers.
248	Chair Westlund	Makes comments that, that is a fair comment and may be something we need to look at.
250	Crider	Comments that it just seems like that the access to primary care providers is what is most lacking.
258	Chair Westlund	Makes comments about PPO's fit into this bill.
261	Rep. Greenlick	Asks if she has specific comments on page
267	Crider	Was actually referring to the lack of anything that addresses reimbursement rates for physicians that are in fee for service.
271	Chair Westlund	Comments what we are trying to get to with this section. We could possibly go through a major rewrite on this section after working with all of you.
285	Rep. Greenlick	Comments that her point is talking about fee for service hospitals and not fee for service physicians.
288	Crider	Was not aware that section eight states that it will encompass all providers.
291	Chair Westlund	Makes comments about what section ten is trying to state.
318	Rev. Carolyn Palmer	Special Concerned Ministries, Public Policy Director extends a thank you for all of the committee's hard work on this issue. Begins her testimony around the concerns that she has.
		Concerned about the fee for service clients, would like to see a pretty strong clause the states that the pay is coming from Medicare and elaborates.
TAPE 102, A		
030	Chair Westlund	Makes comments about the story she related about a single mother of a child with Acute Asthma.

040	Palmer	Continues presentation regarding people on fee for service.
049	Rep. March	We have discussed this prior, about the language their needs to be exception language for those special case needs folks. Would like to talk about the first point that she made.
065	Palmer	Asks what they mean by standard population.
069	Rep. March	Gives a definition about the standard population.
084	Rep. Merkley	Comments that he read this as an underlying structure on which both an OHP Standard categorical could be place and an expanded population could be placed because there is no common that divides those, asks if he is mis reading this.
090	Rep. March	Comments that we have not touch on all the technical pieces yet.
095	Rep. Merkley	Comments what this bill does not address and asks if it will all be addressed elsewhere.
101	Palmer	Makes comments about the monthly fee for prescriptions for some folks.
128	Rep. March	Comments that, that is the expanded population that he would like to cover.
140	Palmer	Continues presentation.
184	Chair Westlund	Thanks Carolyn for coming to testify and states that it is a real important part of the legislative process.
209	Palmer	Makes a few additional comments about people she is in contact with and shares some feelings from her heart.
225	Rep. Greenlick	Comments about the intent under line nine section two page two of HB 3624.
235	Chair Westlund	Makes additional comments.
242	Rep. Greenlick	Agrees and continues comments on the language in the HB.
247	Chair Westlund	Comments it depends on what exceptions we make and on premiums and co-pays.
262	Laura Woodruff	Introduces herself and begins her testimony.
345	Mike Volpe	States his concern about this bill. Has a concern about the Co-Chairs budget and what it will not be covering.
398	Chair Westlund	Makes comments about the Co-Chairs budget and what will be covered and what will not.
TAPE 101, B		
015	Volpe	Makes additional comments and discusses the long term care system in Oregon.
037	Chair Westlund	Makes comment about the Managed Care program to put his mind at ease.
051	Volpe	Asks if that person then assigned to a physician or does the person get to choose the physician.
053	Chair Westlund	Comments that the patient has the choice. We understand that this will not make everyone happy and elaborates.
060	Volpe	Comments that they are just thinning the soup.
070	Chair Westlund	Disagrees and comments that he feels that the individual can still receive some of the best medical care on the face of the planet.
078	Volpe	Disagrees with the chair and makes comments about his situation.
080	Chair Westlund	Comments that maybe the middle ground is that your physician would find her way into the Managed Care System.
085	Volpe	Comments that then he will have to have each doctor take a look at the system and then decide to be a part of it or not.
095	Chair Westlund	Comments that the bottom line is that we need to encourage more physicians to get involved in Managed Care.
105	Rep. Bates	Makes comments about the wavered populations it goes directly with what the chair was talking about and comments that if we can't find enough in the delivery system we have and those wavered populations

		that will not be covered any more, and that is where we will have our real loss. The categorical's, those that we have to cover, we have barely have enough money to cover their pharmaceuticals and durable medical goods, alcohol and drug dependency and mental health issues, we have found enough to pay for that, but we need more revenue to go beyond that. Asks if he is on Medicare.
129	Volpe	Comments that he is on Medicaid and Medicare.
130	Rep. Bates	He would expect then that your physicians are dealing with have also refused to take Medicare as well as Medicaid and that they are using the Medicaid as a supplemental to that.
130	Volpe	Comments that that is correct.
131	Rep. Bates	Comments that we need to encourage those physicians to work with us and to get them into Managed Care so that people like you can continue your relationship with your current physicians, I personally feel that they will step up to that if we structure Managed Care in a proper way, and we are working on changing that structure and comments on the real issue that we face right now. I would guess the most important thing you are getting out of Medicaid right now is medications because Medicare does not have that benefit for you.
142	Volpe	That is correct and comments that Medicaid picks up the percentage that Medicare does not.
145	Rep. Bates	Comments that we understand that and we do not want you to lose that and the work this committee has done is to prevent this from happening.
149	Volpe	Asks that we allow as many physicians as possible into the process as you can.
140	Rep. Merkley	Comments that one of the points being made is that health care is not like shopping for other things, and we need to wrestle with when we provide exceptions for people who have long standing relationships with medical providers. Gives more elaboration about solving the problems.
173	Volpe	Would be very happy to come back and work with them on this process.
179	Tina Kitchin	Medical Director for Seniors and People with Disabilities. Not here to testify on this bill but would like to make one small correction. People who are on the DHS waivers are categorically eligible and are not at risk of losing their OHP services.
194	Palmer	Asks if they have some doctors that they can approach about this fee for service and asks that they make this a part of their decision process.
235	Jacqueline Zimmer-Jones	Makes comments for clarification about those categorically eligible not being at risk.
288	Chair Westlund	Calls meeting to a close and adjourns 4:58 pm

EXHIBIT SUMMARY

A – HB 3624, DHS New Release, staff, 2 pp

B – HB 3624, Provisions and Background, staff, 2 pp