

HOUSE COMMITTEE ON
AUDIT & HUMAN SERVICES BUDGET REFORM

April 28, 2003 Hearing Room 50
3:15 PM Tapes 103 - 104

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:

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

ISSUES/MEASURES 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 103, A		
003	Vice Chair March	Calls the meeting to order and opens the public hearing on HB 3624.
<u>HB – 3624 PUBLIC HEARING</u>		
009	Rick Berkobien	Gives an explanation of the for members only materials presented at the dais.
015	Vice Chair March	Notes for the record that we have received testimony from Delores Hubert from the Health and Long Term Care Committee for the Governor's commission on Senior Services. (EXHIBIT A)
025	Jean Lewis	Presents testimony (EXHIBIT B) and begins presentation.
182	Rep. Bates	Asks how it has been for her to get the pharmaceuticals that she needs.
194	Lewis	Responds about how she feels about this current situation.
238	Angela Kimball	National Alliance of the Mentally Ill, testifies that she knows what the Representatives are going through and thanks them, she testifies about the way the calls to her organization have changed from people asking for services to people asking for NAMI to help saves their lives.
281	Rep. Greenlick	Would like to touch on her last point, mental illness is a chronic relapsing brain disorder, and therefore requires parity in its treatment with diabetes, hypertension or lost of other diseases because by its nature it is the same as those, then you say on the other hand, that is not really true when it comes to prescriptions because it is really different than everything else and can't be treated the same way, asks how you reconcile those two compelling positions.

301	Kimball	Understand that chronic mental illness is a part of our everyday life that is where her comments come from and she elaborates.
342	Rep. Greenlick	All you are saying is that treating patients takes skill, comments that the assumption is that there is no way to treat patients with mental illness with empathetic way to keep their desires in account, they seems to be other ways to move this forward.
375	Kimball	States that one of the things NAMI does is educating Physicians and elaborates in more detail.
TAPE 104, A		
009	Mike Volpe	Would like to make a few quick comments, would like to discuss the comment from Rep. Bates last week on the possible choice between going to the alternative that is mentioned in HB 3624 or perhaps going to 100% of SSI. Correct me if I am wrong, did I mis understand your comments.
030	Rep. Bates	Not sure what Mike is talking about.
031	Volpe	Comments that some of the measurements in HB 3624 would make receiving care very difficult for those who receive them simply because of the cost containing measures contained in this bill. I believe you mentioned that certain cost cutting measures were necessary to meet the parameters of the budget.
035	Rep. Bates	Comments that we want to contain cost in certain areas but not deny people basis care because if we don't do that we are going to have large segments of the population receiving care won't be receiving care at all and elaborate in much more detail.
039	Volpe	Comments that he will end up losing some care options and feels that he does not use care inefficiently. I do not want to see the doctor more than anyone else, I do feel it is a high priority to have the doctor of my choice and I don't feel this will be my choice under a fee for service option or for me to secure prescriptions in my home town. Please try to consider all the options. Comments he has not heard anything about raising revenue.
070	Vice Chair March	Comments that if we had more cuts we would not have a Medicaid program at all and elaborates.
090	Rep. Bates	I appreciate who you are and what you do, comments that we are not trying to hurt anybody and what we are doing is trying to do is maintain a program for people like yourself so you can get the medications that you need and see the doctors that you want to see and need to see, we recognize that there are some very special people in the Oregon Health Plan that need specialized care and I believe that will be build into this bill and elaborates.
109	Volpe	Makes additional comments about the services that may help Oregon to survive.
127	Lynn Read	Presents testimony (EXHIBIT C)and begins presentation. We believe many parts of this bill will require amendments and all three will require approval from the Federal Government.
175	Rep. Bates	Comments that this bill has been checked over with Legislative Council and there is a difference of opinion here, we cannot find statute in the Federal Law or in the waiver itself that would require what we perceive to be a need for change in waiver in the bill that is presently stated. If you could give us the actual statutes that would require an actual waiver we would like to see them.
185	Read	Comments that she will have her staff go though that information and get it to the committee and elaborates.
200	Rep. Bates	Comments that there is no significant change than what we are

		doing now, he would still like to see the statutes that she is concerned about and gives more detail about why he is not sure what her concerns really are.
215	Read	Comments that they would be glad to do so, they will identify those issues that he is concerned about.
218	Rep. Bates	Makes comments that as he reads the bill or see the policy behind the bill there is no significant in my mind change in what we are doing other than we are expanding one part of the Managed Care primarily and contracting another part of the plan for fee for service. I would still like to see the statutes and the part of the waiver you are concerned about.
231	Read	In many cases it will not be the regulations that we cite it will be a term in condition and operational protocol.
237	Chair Westlund	We are not only concerned but perplexed on the emphasis that you put on the additional CMS approvals we would need to do to implement. . If you could get that to us as soon as possible that would be great.
248	Read	Continues presentation.
277	Rep. Bates	I assume your agency feels that going back for e-board approval is an adequate way for oversight to change statutory language, or exchange emphasis if it is in the bill, I am a little concerned about the possibility of a conflict between the executive branch, the legislative branch on these kinds of issues, have you discussed that with your counterpart to the Governor's office.
291	Read	Not specifically, this testimony has been shared, but we have not specifically talked about this issue.
293	Rep. Bates	Comments that type of permissive language if it came back to e-board would be adequate from my point of view, but we do not want to change the thrust of the bill by doing that.
297	Read	Continues presentation.
311	Rep. Westlund	Would like to back up a couple of bullet points and ask this bill does not appear to address Federal and State requirements related to contracting. Aren't Federal and State requirements related to contracting part of the body of law well known, should we include every reference to every contractual change and to every specific regarding that change. Asks what are you trying to get at here.
320	Read	Comments that that is an ambiguous statement and states that there is a section later on that relates to the selection process and elaborates.
345	Rep. Westlund	Comments that he thinks she is referring to section eight and regardless of who selects the actuary Oregon Medical Assistance Programs (OMAP) will still be responsible for the contracting thereof.
359	Read	Continues presentation.
373	Rep. Bates	Brings up the issue of work capacity and that they are trying to balance so that capacity is meaningful, and describes in more detail.
TAPE 103, B		
008	Read	Certainly that has been an issue and has been identified as an issue and one example of a way we might think about addressing that is that right now for certain segments of our population the exception process is in deed driven by the field worker, now it may be possible that having a centrally operated exception process would get to that issue of consistent application of appropriate exceptions

		and elaborates.
019	Rep. Bates	Asks if she could even suggest some language that would be helpful in that, also if you could reference the specific Federal regulations that you are concerned about that would be helpful for us in working in the capacity regulations.
021	Rep. Kruse	Clearly there are some carve outs that need to take place and need to be reference in some place, simply because I think it is appropriate that the state assume the risk for those and I will second what Rep. Bates said about getting some more definitive language there. I would also like if you know where the specific reference is to American Indian and Alaskan Natives, I would like to know where that is.
032	Read	Comments that they would be happy to get that information and elaborates.
041	Rep. Kruse	Comments that we just need the site on that and clearly to be we need to be more definitive in our language relative to those populations.
047	Rep. Westlund	Asks if she feels the list of exceptions is complete to her knowledge.
050	Read	Comments that she does not feel that it is complete and elaborates.
058	Rep. Westlund	If you could get us that list, we would like to include some exceptions. Asks some more questions about the material that they are looking at.
069	Read	Remarks that there is a process in place, but the process is an exception process to the requirement that someone be enrolled in a fully capitated health plan and elaborates.
074	Rep. Bates	Comments if Lynn Read, Alan Bates and Rep. Ben Westlund can't figure this out, how can we expect a case worker to figure this out. This is so extremely important to show in this bill.
085	Read	Comments that they will certainly give a great amount of attention to the importance of the task in doing that.
093	Rep. Kruse	Would like to point out Rep. Westlund's reference to challenging behaviors is probably an outlier to that process, because most of these categories can be fairly well defined, as to how you qualify, because that one is a little mushy.
098	Read	Many of these exceptions are an Administrative Rules and workers guides and we will try to craft some language that is workable for you.
103	Rep. Kruse	With the understanding that there are in Administrative Rule but they still are cumbersome and there has got to be a cleaner way to make the determination that what we have.
106	Read	Continues presentation.
117	Rep. Westlund	Comments that he feel that the bill does need to be cleaned up at this time.
123	Read	Continues presentation.
143	Rep. Bates	I am glad you brought this to our attention, I am concerned those that we do not make the language to permissive and elaborates and asks if this would be close to what they had before.
151	Read	Responds yes, elaborates and moves on to page four, section six.
208	Rep. Bates	As I read this bill, the full capitated health plans would not limit service, they might, limit payment for services, first I don't think they have the power to say you can't be seen there, to get some control on the over use of emergency rooms is going to be very important. Shares that he does not agree with her and elaborates.
248	Read	Agrees with what has been said and apologizes if she has used the

		wrong words here in terms of denying services, she understand it is denying payments that we are discussing.
258	Rep. Westlund	Comments that he is glad you brought this up and we need to get our arms around this and elaborates.
284	Rep. Merkley	Asks why wouldn't management of fee for service providers include an effort to connect someone with Managed Care.
291	Read	Explains what she thinks would be ideal and elaborates.
311	Rep. Kruse	Makes comments about what we are driving for here.
345	Read	Continues presentation.
370	Vice Chair March	Asks if there is language that you can suggest for that.
372	Read	Will have her staff look into that to help address that issue.
373	Rep. Greenlick	The notion of the long term care payment is not about these services right, it is about other services that are covered in a different section of things.
376	Read	It is brought up here because here are some of the services used by long term care clients that now may have additional controls that would stop us from making payment for those services.
388	Rep. Greenlick	States he is not really sure what she said and could she elaborate.
390	Read	Gives more clarification about what she is saying.
TAPE 104, B		
001	Rep. Greenlick	Asks if those folks that are qualifying for OHP under this model because of the categorical.
003	Read	Respond with the information of how they qualify.
014	Rep. Greenlick	Asks if they would come in under a fully capitated health plan.
016	Read	Comments that they could, this particular was dealing with someone in the fee for service delivery system.
025	Rep. Bates	Comments that we go back and forth between fee for service and capitated care and I think we get confused about where we are and we lose the logic that we are starting with and elaborates.
043	Read	Understands what he said and certainly it will be very important to have the oversight to address these issues in the contracts. Continues presentation.
056	Rep. Bates	Comments that we need some more clarification on this issue in the bill and will do so.
061	Read	Continues presentation.
096	Rep. Kruse	Asks if we are currently tied to the Federal fiscal year is that correct.
105	Read	Respond yes, it does start with the Federal fiscal year, we have moved it out to the October date. Asks about he actuarial selection process that is stated in the bill.
156	Rep. Kruse	Comments that parts of this section will be rewritten.
162	Read	Continues with section ten.
214	Berkobien	Asks in section 13 can we seek rebates under a PBM or is that double dipping.
217	Read	Answers and continues presentation.
251	Berkobien	Asks questions on the by in issue.
259	Tina Kitchin	Medical Director for Seniors and People with Disabilities. Yes, we can get you that information and gives details about the question asked.
278	Rep. Kruse	Asks if there has been a significant movement of twelve's and thirteen's down.
283	Kitchin	We can also get those for you can comments that they have been working on that.
287	Rep. Kruse	One would assume that when is was one through seventeen that as long as you were somewhere in the system you had access to the same services and as we started dropping we had assumed people

290	Kitchin	would be looking harder at things. Yes, that is correct and that system was not originally intended to be a mechanism to cut the budget and move people out of the services and elaborates.
299	Rep. Anderson	Asks how the transition in their mind can be smooth.
304	Read	Comments that it will depend on the broader reconfiguration of the Oregon Health Plan and gives detailed elaboration.
315	Vice Chair March	Calls meeting to a close and adjourns 5:06 pm

EXHIBIT SUMMARY

A – HB 3624, written testimony, Dolores Hubert, 1 p

B – HB 3624, written testimony, Jean Lewis, 3 pp

C – HB 3624, written testimony, Lynn Read, 13 pp