

HOUSE COMMITTEE ON
AUDIT & HUMAN SERVICES BUDGET REFORM

April 03, 2003 Hearing Room 50
3:15 PM Tapes 82 - 83

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. Laurie Monnes Anderson
 Rep. Carolyn Tomei

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

ISSUES HEARD: **Informational Meeting**
 Recommendations on Changes to the OHP from the Perspective of Health
 Plans' Medical Directors
 Invited Testimony
 Joel Daven, MD, Douglas Co. IPA
 David Labby, MD, CareOregon
 Rick Wopat, MD, InterCommunity Health Network

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 82, A		
003	Chair Westlund	Calls the meeting to order and opens the informational meeting.
INFORMATIONAL MEETING		
015	Rick Berkobien	Gives an explanation of (EXHIBIT A) presented at the dais.
065	Chair Westlund	Calls the witness forward for the invited testimony.
070	Dr. Joel Daven	Introduces himself from Douglas County IPA and begins testimony.
102	Dr. David Labby	Introduces himself from CareOregon, presents testimony (EXHIBIT B) and begins presentation.
142	Dr. Rick Wopat	Introduces himself as a family physician in Lebanon and also as Director of InterCommunity Health Network.
173	Daven	Begins presentation.
271	Labby	Begins presentation.
319	Rep. Greenlick	Asks how do they pay the hospitals.
322	Labby	Responds about how they pay the hospitals.
325	Chair Westlund	Asks if it is mandatory.
331	Labby	Responds and continues presentation. Presents (EXHIBIT C)
TAPE 83, A		
048	Rep. March	Asks if you have noticed a higher instance of asthma in the youth

		in Multnomah County.
056	Labby	Responds that he does not have that data at his finger tips, but elaborates about some of the studies done in that area.
063	Rep. March	Asks if he has been involved in the studies on chronic pain.
071	Labby	Responds about his role in the chronic pain area.
090	Rep. Bates	Your organization is different because it is spread across the state and most organizations are community oriented and feels that's how they make it work, you seem to be different do you feel that you have a relationship with any of your providers that is close even though you are statewide on the point of view of being efficient and elaborates more.
096	Labby	Responds that he feels there is a difference.
117	Berkobien	Asks if CareOregon is doing anything to look at the best practice uniform treatment.
125	Labby	Responds to the question on best practice uniform treatment.
149	Wopat	Begins presentation and presents testimony (EXHIBIT D) .
232	Chair Westlund	Asks that everyone in the room looks at the recommendations as a base and just a format to make this all come together comments that this is not an end product and give more elaboration.
275	Wopat	Makes comments and continues his presentation.
308	Rep. Bates	Makes comments about the "Carve Out" paragraph in (EXHIBIT D) .
345	Wopat	Responds to the "Carve Out" paragraph and continues presentation.
380	Rep. Tomei	Does not understand how rebates work and how they are scientifically based asks for clarification.
390	Wopat	Responds with clarification on rebates.
TAPE 82, B		
015	Rep. Tomei	She finds this very interesting, as she has heard is how important rebates are and you are saying to stay away from them.
025	Wopat	Elaborates his feelings on rebates.
028	Rep. Greenlick	Comments that there is a feeling on a drug for drug basis, any drug, name the drug, the state paying for a Medicaid drug can get the best price per unit for that drug and if you take that assumption as a given, the state can get a better price than you can, and elaborates in great detail.
035	Wopat	Responds to comments about rates for drugs.
048	Rep. Bates	Comments that what we are trying to do here is get the best of both worlds and elaborates.
062	Wopat	Comments attempting to carve out is very problematic.
065	Rep Greenlick	Asks why it seems that Wopat doesn't care.
070	Wopat	He is not going to worry about the costs and responds that of course he cares and explains why he feels the way he feels.
082	Rep. Bates	Comments that it seems that we are mis-communicating, and states that we are talking about purchasing and you would still be purchasing those drugs at a lower price, but would be still be at risk with a capitation rate based on that lower price and will still be at risk if you do not manage those drugs.
085	Wopat	Reads from the recommendations what his understanding is of what they say.
087	Rep. Bates	Comments that he guesses we were not clear in our communication about carve outs.
091	Wopat	When you are talking to me about administrative fee, to me it clearly says carve out the cost of the drugs, and elaborates.

095	Chair Westlund	Comments that we are not going to change rebate policy, you employ a PBM that utilizes the practice that you are speaking against.
100	Rep. Greenlick	Comments on the paragraph stating that the most important factor in price is a physician having a stake in the cost and comments on his study of physicians for years and states what he is hearing is that he can't be socially responsible as a clinician unless you have a financial incentive in being socially responsible, asks if that is what he is saying.
125	Wopat	Responds by commenting about what he is trying to say.
140	Vice Chair March	Asks if the state gathers a rebate we may have to return that at some point.
147	Daven	Responds that he will be looking into that.
152	Rep. Merkley	Makes comments about the rebates and asks if the state was negotiating for a rebate, those would not be tied into making that drug a preferred drug or so forth, and asks if it is fundamentally different.
162	Rep. Bates	State the goal of the statement that was made.
170	Wopat	Makes comments about formulary. Continues presentation.
287	Rep. Merkley	Asks why is it that in the commercial world that something like the prioritized list has not been adopted.
298	Wopat	States his opinion on the prioritized list in the commercial world.
327	Daven	Comment on the uniqueness of the Oregon Health Plan.
343	Wopat	When he says he would use the Oregon Health Plan, he makes his known that he can pay for that.
353	Labby	Makes comments about making treatment more "scientific."
381	Rep. Greenlick	Comment that he loves all of their recommendations and wonders if they have a politically feasible way to raise the kind of money it would take to fill your recommendations.
006	Wopat	He believes that we will not be able to maintain this level without funds, we need to look at additional tax revenue and he realizes measure 28 failed, and thinks the alcohol tax would work as additional revenue as well, he elaborates in more detail
028	Labby	One of the issues we need to figure is how do we make more of the communities that don't have any form of organization or manage care be able to move in the direction of being a cohesive medical community.
050	Daven	Comments that most doctors are support some of the items on the prioritized list and elaborates.
058	Wopat	Comments about cutting A and B hospitals and shares that they look at the costs of doing that and elaborates.
095	Rep. Merkley	Thanks the panel for their testimony and described the task they started with and elaborates.
102	Vice Chair March	Calls meeting to a close and adjourns 4:50 pm

EXHIBIT SUMMARY

A – Informational, OHP recommendations, staff, 2 pp

B – Informational, prepared testimony, David Labby, 8 pp

C – Informational, handbook, David Labby, 97 pp

D – Informational, prepared testimony, Richard Wopat, 5 pp