

HOUSE COMMITTEE ON
AUDIT & HUMAN SERVICES BUDGET REFORM

May 13, 2003 Hearing Room 50
3:15 PM Tapes 111 - 112

MEMBERS PRESENT:

Rep. Steve March, Vice-Chair
Rep. Susan Morgan, Vice-Chair
Rep. Jeff Kruse
Rep. Jeff Merkley
Rep. Alan Bates

MEMBERS EXCUSED:

Rep. Randy Miller
Rep. Ben Westlund, Chair

GUEST MEMBERS:

Rep. Mitch Greenlick
Rep. Carolyn Tomei
Rep. Laurie Monnes Anderson

STAFF PRESENT:

Rick Berkobien, Committee Administrator
Kelly Fuller, Committee Assistant

MEASURES/ISSUES HEARD:

HB 3624 – Public Hearing and Work Session
HB 2189 – Work Session
HB 2537 – Work Session
HB 2641 – Work Session

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.

<u>TAPE/#</u>	<u>Speaker</u>	<u>Comments</u>
TAPE 111, A		
003	Chair March	Calls the meeting to order and opens the work session on HB 2189.
<u>HB 2189 WORK SESSION</u>		
020	Rep. Kruse	MOTION: Moves HB 2189 to the floor WITHOUT RECOMMENDATION as to passage and BE REFERRED to the committee on Health and Human Services and BE REFERRED to the Joint Committee on Ways and Means by prior reference.
021		VOTE: 4-0-3
022	Chair March	EXCUSED: 3 - Merkley, Miller, Westlund
023	Chair March	Hearing no objection, declares the motion CARRIED.
		Closes the work session on HB 2189 and opens the work session on HB 2537.
<u>HB 2537 WORK SESSION</u>		
030	Rep. Kruse	MOTION: Moves HB 2537 to the floor WITHOUT RECOMMENDATION as to passage and BE REFERRED to the committee on Health and Human Service and BE REFERRED to the Joint Committee on Ways and Means by prior

		reference.
031		VOTE: 4-0-3
		EXCUSED: 3 - Merkley, Miller, Westlund
032	Chair March	Hearing no objection, declares the motion CARRIED.
037	Chair March	Closes the work session on HB 2537 and opens the work session on HB 2641.
<u>HB 2641 WORK SESSION</u>		
041	Rep. Kruse	MOTION: Moves HB 2641 to the floor WITHOUT RECOMMENDATION as to passage and BE REFERRED to the committee on Health and Human Services and BE REFERRED to the Joint Committee on Ways and Means by prior reference.
042		VOTE: 4-0-3
		EXCUSED: 3 - Merkley, Miller, Westlund
043	Chair March	Hearing no objection, declares the motion CARRIED.
048	Chair March	Closes the work session on HB 2641 and opens the public hearing on HB 3624.
<u>HB 3624 PUBLIC HEARING</u>		
054	Holly Robinson	Gives a detailed explanation of the current summary of the -4 amendments. (EXHIBIT A) (EXHIBIT B)
078	Rep. Greenlick	Asks a question about the ages in one line to another.
080	Robinson	Gives information about the difference in ages.
129	Rep. Greenlick	Comments about what he think section one is stating.
140	Rep. Bates	Replies that this was a major part of our conversations and elaborates.
146	Robinson	Explains what they took away and why and who develops the criteria.
165	Rep. Kruse	Agrees with Holly and comments on what the intentions of this legislation are.
171	Rep. Greenlick	Makes comments about Sub one trying to get more clarification.
182	Rep. Bates	Comments that when we wrote the language we did not want to put in anything other than that we are not prescribing them from getting involved in the conditions you are talking about and elaborates.
197	Rep. Greenlick	Ask legislative council if that is their reading of this amendment.
200	Robinson	Responds yes and continues presentation.
218	Rep. Kruse	Points out that this was a key point in working this out and agreed that we need to be clear and distinct between creation and conversion and elaborates.
226	Robinson	Continues presentation.
299	Rep. Bates	Would like to pause and cover a couple of issues that may come up in testimony.
331	Rep. Kruse	Comments on their intent.
375	Robinson	Continues on section 14 – 16.
390	Rep. Kruse	Comments that in no way is to infringe on the PBM's (Pharmacy Benefit Managers) that already exist.
400	Rep. Monnes Anderson	Asks if the fee for service folks would be eligible to participate in this.
403	Rep. Bates	Answers yes, and elaborates.
TAPE 112, A		
017	Robinson	Continues on section 16.
029	Rep. Kruse	Makes closing comments for Holly Robinson.
045	Bruce Bishop	Presents testimony and begins presentation. (EXHIBIT C)

082	Rep. Merkley	Asks the panel of experts a question for clarification related to the OHP.
095	Rep. Bates	Give an explanation of what happens when you show up at a hospital and gives more elaboration.
142	Rep. Kruse	Comments his preference would be, rather than removing section twelve, lets make section nine is very clear as to what reimbursement will be.
153	Lynn Read	Presents testimony (EXHIBIT D) and begins presentation.
180	Rep. Bates	Ask if she is suggesting that some PCO's may be exempt from having to manage pharmaceuticals.
185	Read	Comments about their intent.
190	Rep. Bates	Comments that a PCO that does not take risks for prescription drugs does not have much value from my point of view and elaborates.
205	Read	Continues presentation.
229	Rep. Bates	Comments on the purpose of this section.
247	Rep. Monnes Anderson	Please re define what FCHP is.
248	Rep. Bates	Responds Fully Capitated Health Plan.
250	Read	Continues presentation.
256	Rep. Kruse	Comments that he does not think the language precludes an MHO contracting with a PBM for a purchase of drugs.
260	Read	Continues with section ten through twelve.
298	Rep. Monnes Anderson	Asks what is the incentive for the hospitals to accept those with an FCHP if they will get the same reimbursement rate if they get the plan or not.
312	Rep. Kruse	Conveys how the system works.
343	Rep. Monnes Anderson	Gives an example to make sure she understands.
371	Read	Continues with section thirteen.
TAPE 111, B		
005	Rep. Tomei	Asks if she has any idea about the amount of staff that they would need.
010	Read	Responds no and elaborates.
012	Rep. Tomei	Asks if they will also need a new computer system.
013	Read	Responds yes, as it is written and explains.
018	Rep. Bates	Comments that he would like to talk to the PBM's for their feedback and elaborates.
026	Read	Continues presentation with section fifteen.
041	Rep. Kruse	Comments why we used that date for completion.
052	Rep. Bates	Would like to agree with Rep. Kruse and comments that we choose that date so we could move forward at a good pace.
068	Rep. Kruse	Comments that his understanding is that this allows us to move further out in time.
073	Chair March	Thanks Lynn Read for her testimony and call the next witness.
075	Ellen Lowe	Represent the Oregon Law Center and the low income folks that they serve and makes comments on section nine.
100	Paul Cosgrove	Would like to put a point on the record having to do with the interplay with section ten and section thirteen.
137	Rep. Bates	Makes comment about the fee for service and prescription drugs.
154	Cosgrove	Makes additional comments.
156	Rep. Bates	Comments that that is one question he would disagree with and elaborates.
164	Chair March	Closes public hearing on HB 3624 and opens the work session on

		HB 3624.
HB 3624 - WORK SESSION		
181	Rep. Kruse	MOTION: Moves to ADOPT HB 3624-4 amendments dated 05/12/03.
182		VOTE: 4-0-3
		EXCUSED: 3 - Miller, Morgan, Westlund
183	Chair March	Hearing no objection, declares the motion CARRIED.
		MOTION: Moves HB 3624 to the floor with a BE ADOPTED AS AMENDED recommendation and the SUBSEQUENT REFERRAL to the committee on Ways and Means BE RESCINDED.
190		VOTE: 4-0-3
		EXCUSED: 3 - Miller, Morgan, Westlund
200	Rep Kruse	Comment that we miss Rep. Westlund and this is not the same without him.
205	Rep. Merkley	Compliments the inner circle that has worked so hard on this bill.
215	Chair Westlund	Hearing no objection, declares the motion CARRIED.
232	Rep. March	Motion passes and closes the work session on HB 3624 and adjourns 4:27 PM.

EXHIBIT SUMMARY

- A – HB 3624 -4 amendment, staff, 13. pp.**
- B – HB 3624 Section by Section Breakdown, staff, 2 pp.**
- C – HB 3624 Written testimony, Bruce Bishop, 1. p**
- D – HB 3624 Written testimony, Lynn Read, 3 pp.**