

HOUSE COMMITTEE ON HEALTH AND HUMAN SERVICES

April 18, 2003 Hearing Room D
8:30 A.M. Tapes 93 – 94

MEMBERS PRESENT: **Rep. Jeff Kruse, Chair**
 Rep. Billy Dalto, Vice-Chair
 Rep. Carolyn Tomei, Vice-Chair
 Rep. Gordon Anderson
 Rep. Jeff Barker
 Rep. Laurie Monnes Anderson
 Rep. Ben Westlund

STAFF PRESENT: **Sandy Thiele-Cirka, Committee Administrator**
 Mara McGraw, Committee Assistant

MEASURES: **HB 2120 – Work Session**
 HB 2165 – Work Session
 HB 3394 – Work Session
 HB 2251 – Work Session
 HB 2609 – Work Session
 HB 3378 – Work Session
 HB 2943 – Work Session
 HB 3411 – 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>
<u>TAPE 93, A</u>		
005	Chair Kruse	Calls meeting to order at 8:45 A.M. and opens work session HB 2120.
<u>HB 2120 – WORK SESSION</u>		
011	Janet Carlson	Marion County Commissioner. Submits written testimony in support of bill (EXHIBIT A). Presents -5 amendments, dated 4/17/03 (EXHIBIT B). Discusses Comprehensive Plan (EXHIBIT C) and Service Plan (EXHIBIT D). Details findings and efforts of workgroup.
150	Gordon Fultz	Association of Oregon Counties. Submits written testimony on behalf of local partners (EXHIBIT E). Discusses local concerns related to service plans and coordinated plans. Notes interest in coordinating a birth to death plan.
220	Sue Nelson	Deputy, Health Services, Department of Human Services (DHS). Notes language in -5 amendments may not address DHS concerns regarding disapproval and approval process.
241	Chair Kruse	States intent regarding bill. Closes work session on HB 2120 and opens work session on HB 2165.
<u>HB 2165 – WORK SESSION</u>		
274	Sandy Thiele-Cirka	Administrator. Summarizes bill and -2 amendments, dated 4/16/03 (EXHIBIT F).
294	Kathleen Haley	Executive Director, Board of Medical Examiners (BME). Notes Board intent regarding bill. Notes conceptual agreement between interested parties.
312	Bruce Bishop	Hospital Association. Notes further amendments are in draft.

323	Chair Kruse	Inquires on consensus on proposed amendments.
326	Scott Gallant	Oregon Medical Association (OMA). Reports agreement of interested parties pending amendments are drafted correctly. Notes potential conflict in draft amendments.
352	Rep. Monnes Anderson	Inquires on process issue.
357	Chair Kruse	Clarifies need for new amendments. Closes work session on HB 2165 and opens work session on HB 3394.

HB 3394 – WORK SESSION

370	Thiele-Cirka	Summarizes bill, -1 amendments, dated 4/15/03 (EXHIBIT G), -2 amendments, dated 4/18/03 (EXHIBIT H) and -3 amendments, dated 4/18/03 (EXHIBIT I).
408	Rep. Alan Bates	House District 5. Summarizes changes to bill. Notes importance of personal injury protection (PIP) funding.
426	John Powell	State Farm Insurance Companies. Discusses support for -2 amendments.
450	Rep. Bates	Accepts -2 amendments. Agrees to forgo -3 amendments.
455	Chair Kruse	Addresses differences between amendments.
464	Rep. Tomei	Inquires on fiscal impact.
470	Rep. Bates	Reports bill with -2 amendments has no fiscal impact.
471	Chair Kruse	Notes fiscal will be rescinded.
478	Rep. Barker	MOTION: Moves to ADOPT HB 3394-2 amendments dated 4/18/03.
480		VOTE: 5-0-2
481	Chair Kruse	EXCUSED: 2 - Anderson, Westlund
483	Rep. Barker	Hearing no objection, declares the motion CARRIED.
		MOTION: Moves HB 3394 to the floor with a DO PASS AS AMENDED recommendation and the SUBSEQUENT REFERRAL to the committee on Ways and Means BE RESCINDED.
492		VOTE: 5-0-2
		AYE: In a roll call vote, all members present vote AYE.
		EXCUSED: 2 - Anderson, Westlund
500	Chair Kruse	The motion CARRIES.
		REP. BATES will lead discussion on the floor.
511	Chair Kruse	Closes work session on HB 3394 and opens work session on HB 2251

TAPE 94, A

HB 2251 – WORK SESSION

033	Thiele-Cirka	Summarizes bill and -1 amendments, dated 4/16/03 (EXHIBIT J).
045	Grant Higginson	State Public Health Officer, DHS. Offers overview of bill. Notes need to limit authority to serious health crisis. Discusses efforts of work group. Reports minor changes needed in amendments.
074	Chair Kruse	Closes work session on HB 2251 and opens work session on HB 2609.

HB 2609 – WORK SESSION

087	Jim Gardner	Pharmaceutical Researchers and Manufacturers of America (PhRMA). Submits SB 819 (EXHIBIT K). Addresses issues related to carve out provisions. Discusses preferred drug lists and physician charter of freedom. Comments on intent of SB 819.
196	Rep Tomei	Inquires on specific section of SB 819.
203	Gardner	Discusses formulary used to create preferred drug list.

223	Thiele-Cirka	Submits written testimony on behalf of Governors office (EXHIBIT L) .
226	Bruce Goldberg	Administrator, Office of Health Policy and Research. Discusses preclusion of cost effective drugs. Suggests legislature neither expand nor contract priority drug list.
271	Chair Kruse	Inquires on clinical differences between drugs.
283	Goldberg	Explains determination on differences between drugs.
299	Chair Kruse	Inquires on ability for physician to make the call on prescribing drugs.
302	Goldberg	Discusses public policy as it relates to cost.
319	Jim Edge	Acting Assistant Administrator, Office of Medical Assistance Programs (OMAP). Addresses exclusion of specific drugs on preferred drug list.
336	Rep. Tomei	Inquires on exclusion process.
338	Edge	Details the SB 819 mandate regarding exclusion of specific drugs from consideration on the priority list.
344	Rep. Tomei	Inquires on percent excluded.
347	Edge	Discusses carve-out drugs from managed care. Notes increase in expenditure exclusions via bill. Expresses DHS concern over cost savings.
391	David Pollock	Medical Director, Office of Mental Health and Addictions Services, DHS. Discusses efforts of stakeholder group. Notes conflicting policies and management interventions. Comments on drug effectiveness. Addresses issues related to cost savings and restrictions of bill.
TAPE 93, B		
019	Tom Holt	Oregon State Pharmacists Association. Submits written testimony in opposition to bill (EXHIBIT M) . Discusses federal guidelines regarding prescribing generic versus brand drugs for Medicaid/Medicare. Comments on Federal Drug Administration (FDA) policy regarding drug differences.
056	Rep. Westlund	Inquires on superior versus equivalent drugs.
066	Holt	Reports on scale used to rate drugs. Notes generic drugs are not intended to be superior but replicas that are more cost effective.
081	Rep. Westlund	Inquires on page and line number of citation.
082	Holt	Reports information.
088	Rep. Tomei	Requests clarification on superior status for preferred drug lists.
093	Holt	Clarifies generic drugs are disallowed on list due to equivalent not superior status.
097	Rep. Tomei	Inquires on requirements for preferred drugs.
100	Holt	Explains implication of policy as bill is written.
105	Rep. Tomei	Illustrates cost differences.
108	Holt	Concurs with example and presents other examples of cost differentials between generic and brand.
122	Pam Harkins	Associate State Director, American Association of Retired Persons (AARP). Submits written testimony in opposition to bill (EXHIBIT N) . Presents examples of impact of drug cost on seniors.
160	Chair Kruse	Submits written testimony from ALO-CIO (EXHIBIT O) and orders committee to stand at ease. Reconvenes and announces language conflicts in bill. Closes work session on HB 2609 and opens work session HB 3378.

HB 3378 – WORK SESSION

182	Thiele-Cirka	Summarizes bill. Submits written testimony from Department of
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206 Joel Ario Consumer and Business Services (**EXHIBIT P**). Insurance Administrator, Department of Business and Consumer Services. Reports department can mandate plan. Notes specific concerns over language in bill.

253 Chair Kruse Presents scenario on mandates. Comments on discretionary aspect of fund.

265 Ario Requests mandate remain in section three. Reports employee choice. Notes discretion of employee regarding mandates and deductible as separate issues. Discusses benefit structure and emphasizes mandates should be applied evenly.

311 Chair Kruse Comments on defined contribution plans. Addresses assumptions under high deductibles.

325 Ario Clarifies high deductibles as they relate to benefit structures. Presents alternative scenarios. Restates department position on mandates.

365 Chair Kruse Inquires on ability of employee to purchase individual supplemental insurance.

374 Ario Notes current law prohibits such purchase but bill allows purchase of individual plans. Reports on group purchase of individual plans. Notes disparity when individual purchase is allowed in group market. Comments on provisions that can be made in legislation.

TAPE 94, B

001 Craig Urbane Oregon Medical Insurance Pool (OMIP). Submits written testimony on behalf of Rocky King (**EXHIBIT Q**). Details several concerns. Notes difference between OMIP and employer markets. Comments on impact of individual coverage clause on OMIP.

035 Chair Kruse Inquires on bill as it compares to Family Health Insurance Assistance Program (FHIAP).

039 Urbane Notes mandates are below benchmark OMIP can use to subsidize.

044 Chair Kruse Closes work session on HB 3378 and opens work session on HB 2943.

HB 2943 – WORK SESSION

061 Thiele-Cirka Summarizes bill and -1 amendments, dated 4/16/03 (**EXHIBIT R**).

061 Gardner Discusses changes made by amendments. Notes bill sponsor approves amendments.

086 Rep. Tomei MOTION: Moves to ADOPT HB 2943-1 amendments dated 4/16/03.

089 Rep. Monnes Anderson Comments on legislative involvement with drug priority lists.

**099 VOTE: 5-1-1
 AYE: 5 - Anderson, Barker, Dalto, Tomei, Kruse
 NAY: 1 - Monnes Anderson
 EXCUSED: 1 - Westlund**

100 Chair Kruse The motion CARRIES.

101 Rep. Tomei Inquires on workgroup membership.

104 Gardner Details workgroup membership.

111 Rep. Tomei MOTION: Moves HB 2943 to the floor with a DO PASS AS AMENDED recommendation and BE REFERRED to the committee on Ways and Means.

119		VOTE: 6-0-1
		AYE: In a roll call vote, all members present vote AYE.
		EXCUSED: 1 - Westlund
122	Chair Kruse	The motion CARRIES.
126	Chair Kruse	Closes work session on HB 2943 and opens work session on HB 3411.
<u>HB 3411 – WORK SESSION</u>		
128	Thiele-Cirka	Summarizes bill and -1 amendment, dated 4/17/03 (EXHIBIT S).
147	Rep. Jeff Merkley	House District 47. Provides overview of bill. Presents data on early childhood care. Discusses proposed conceptual changes in -1 amendments regarding fiscal impact. Relates intent of bill.
199	Rep. Monnes Anderson	Expresses concern over abuses of policy.
211	Rep. Tomei	Inquires on section of proposed -2 amendments, dated 4/17/03 (EXHIBIT T) eliminated from -1 amendments.
217	Rep. Merkley	Clarifies intent of policy.
231	Michael Buckley	Acting Administrator, Self-Sufficiency Program, DHS. Explains employment exemptions under Temporary Assistance to Needy Families (TANF). Notes child development and parenting classes required during exemption period.
258	Tamara Brickman	Employment Department. Clarifies intent of bill and amendments.
272	Rep. Monnes Anderson	Restates question on abuses.
283	Rep. Merkley	Speaks to TANF regulation regarding child care stipend.
297	Buckley	Speaks to employment department regulation regarding child care stipend.
309	Rep. Merkley	Notes impact of waiver on parents who choose to remain home for extended period.
317	Buckley	Notes funding requirement.
326	Rep. Monnes Anderson	Notes funds are federal block grants.
335	Rep. Tomei	MOTION: Moves to ADOPT HB 3411-1 amendments dated 4/17/03.
338		VOTE: 6-0-1
		EXCUSED: 1 - Westlund
339	Chair Kruse	Hearing no objection, declares the motion CARRIED.
340	Rep. Kruse	MOTION: Moves to SUSPEND the rules for the purpose of conceptually amending the -1 amendment to HB 3411.
342		VOTE: 6-0-1
		EXCUSED: 1 - Westlund
343	Chair Kruse	Hearing no objection, declares the motion CARRIED.
344	Rep. Kruse	MOTION: Moves to ADOPT HB 3411-1 amendments dated 4/17/03 and that the measure be FURTHER AMENDED on page 2, line 23, by deleting lines 23 through 26 after line 23 text "section 1 of this 2003 Act."
352		VOTE: 6-0-1
		EXCUSED: 1 - Westlund
354	Chair Kruse	Hearing no objection, declares the motion CARRIED.
356	Rep. Tomei	MOTION: Moves HB 3411 to the floor with a DO PASS AS

AMENDED recommendation and BE REFERRED to the committee on Ways and Means by prior reference.

366	Rep. Merkley	Speaks to intent regarding fiscal impact.
376	Buckley	Reports funding as it relates to General Fund. Explains current exemption policy.
402	Chair Kruse	Notes funding limitation requires approval by Ways and Means.
430		VOTE: 6-0-1 AYE: In a roll call vote, all members present vote AYE. EXCUSED: 1 - Westlund The motion CARRIES.
435	Chair Kruse	
437	Chair Kruse	Closes work session on HB 3411 and adjourns meeting at 10:39 A.M.

EXHIBIT SUMMARY

A – HB 2120, written testimony, Janet Carlson, 2 pp.
B – HB 2120, -5 amendments, dated 4/17/03, staff, 21 pp.
C – HB 2120, Comprehensive Plan, Janet Carlson, 34 pp.
D – HB 2120, Service Plan, Janet Carlson, 14 pp.
E – HB 2120, written testimony, Gordon Fultz, 3 pp.
F – HB 2165, -2 amendments, dated 4/16/03, staff, 2 pp.
G – HB 3394, -1 amendments, dated 4/15/03, staff, 1 p.
H – HB 3394, -2 amendments, dated 4/18/03, staff, 1 p.
I – HB 3394, -3 amendments, dated 4/18/03, staff, 1 p.
J – HB 2251, -1 amendments, dated 4/16/03, staff, 31 pp.
K – HB 2609, SB 819, Jim Gardner, 6 pp.
L – HB 2609, written testimony, Erin Kelley-Siel, 2 pp.
M – HB 2609, written testimony, Tom Holt, 7 pp.
N – HB 2609, written testimony, Pam Harkins, 2 pp.
O – HB 2609, written testimony, Lynn-Marie Crider, 2 pp.
P – HB 3378, written testimony, Joel Ario, 1 p.
Q – HB 3378, written testimony, Rocky King, 2 pp.
R – HB 2942, -1 amendments, dated 4/16/03, staff, 1 p.
S – HB 3411, -1 amendments, dated 4/17/03, staff 3 pp.
T – HB 3411, -2 amendments, dated 4/17/03, staff, 6 pp.