

**HOUSE COMMITTEE ON**  
**HEALTH AND HUMAN SERVICES**

June 23, 2003 Hearing Room D  
9:30 A.M. Tapes 117 - 118

**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**  
                                 **David Peffley, Committee Assistant**

**MEASURES HEARD:**      **HB 3515 – Work Session**  
                                 **HB 2511 – Work Session**  
                                 **HB 2742 – 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.

---

<b>TAPE/#</b>	<b>Speaker</b>	<b>Comments</b>
<b>Tape 117, A</b>		
003	Chair Kruse	Calls the meeting to order at 9:37 a.m. and opens a work session on HB 3515.
<b><u>HB 3515 – WORK SESSION</u></b>		
008	Sandy Thiele-Cirka	Administrator. Summarizes HB 3515 and the -2 amendments ( <b>EXHIBIT A</b> ). Notes the bill is required to move to Ways and Means.
020	Chair Kruse	Points out Digital Healthcare Inc. presentation and the relationship to the bill. Reminds the committee that HB 3515 will allow collections to occur on the front end filing claims.
035	Rep. Monnes Anderson	Questions the contents of HB 3515 and whether Oregon will be the first state to enact this type of legislation.
029	Chair Kruse	Replies that Oregon would be one of the first, but not the only state to address this issue.
044	Rep. Tomei	Requests clarification on the implementation process.
048	Chair Kruse	Addresses the preferred timeline for setting the program in motion.
053	Rep. Anderson	Recalls that two or three states that are currently interested in the same type of program.
055	Chair Kruse	Reaffirms that other states, including Idaho are investigating this type of program.
058	Rep. Monnes Anderson	Questions fiscal impact.
059	Chair Kruse	States the bill needs to be referred to Ways and Means.
<b>063</b>	<b>Rep. Westlund</b>	<b>MOTION: Moves to ADOPT HB 3515-2 amendments dated 5/28/03.</b>
<b>065</b>		<b>VOTE: 7-0</b>
<b>066</b>	<b>Chair Kruse</b>	<b>Hearing no objection, declares the motion CARRIED.</b>

070 Rep. Westlund **MOTION: Moves HB 3515 to the floor with a DO PASS AS AMENDED recommendation and BE REFERRED to the committee on Ways and Means.**

073 Rep. Monnes  
Anderson Asserts support for the intent of HB 3515. Expresses concern for the bill's fiscal impact, but adds that the incentives make for viable legislation.

088 **VOTE: 7-0**

089 Chair Kruse **AYE: In a roll call vote, all members present vote Aye. The motion CARRIES.**

090 Chair Kruse Closes the work session on HB 3515 and opens a work session on HB 2511.

**HB 2511 – WORK SESSION**

097 Thiele-Cirka Summarizes HB 2511 and the -2 amendments (**EXHIBIT B**).

106 Holly Robinson Deputy Legislative Counsel, Legislative Counsel. Addresses HB 2511 and begins section by section analysis and changes contained in the -2 amendments.

133 Rep. Monnes  
Anderson Questions the defining rules for specificity treatment relating to outpatient hospital services.

145 Robinson Notes that the rules are in place and adds that the level of services should not change as a result of HB 2511. Continues explanation of the -2 amendments, addressing Subsections 1 and 4.

220 Rep. Monnes  
Anderson Asks about benefits packages and the intent of the bill.

227 Robinson Addresses the big picture in relationship to the bill. Discusses the differences between HB 2511 and SB 540.

262 Chair Kruse Refers to the decision matrix in the Ways and Means committee.

264 Robinson Completes comparison between HB 2511 and SB 540.

296 Rep. Anderson Questions if current funding will maintain the program through the 2003-05 biennium.

308 Robinson Replies that it is difficult to predict how long the revenue will last. Notes that as a policy decision, funding has been addressed in the bill.

324 Rep. Anderson States that he supports finding stable financing for a large number of people.

334 Chair Kruse Refers to the decision matrix in the Senate committee. Details the figures agreed on as part of the Family Health Insurance Assistance Program (FHIAP).

376 Bruce Bishop Oregon Association of Hospitals and Health Systems. Submits written testimony (**EXHIBIT C**) and opposes the -2 amendments. Details concerns with Section 2.

420 Chair Kruse Explains that the intention of Section 2 is to define who is providing the services.

423 Bishop Gives his interpretation of the definition of a primary care provider.

**TAPE 118, A**

012 Chair Kruse Gives a contrary interpretation of what constitutes a primary care provider.

015 Bishop Acknowledges an understanding of the drafters' intent, but questions whether the language in the bill properly expresses that intent and is intelligible to the average reader of the statute. Continues review of concerns regarding Section 3.

052 Chair Kruse Asks Robinson about a provision contained in Section 9.

056	Robinson	States uncertainty. Explains the genesis of Section 9.
063	Jim Edge	Director, Office of Medical Assistance Programs (OMAP). Notes that he doesn't have a complete answer. Addresses the dual eligible, Medicare and Medicaid recipients.
070	Chair Kruse	Asks why coverage would kick in at the 75% threshold and not below.
074	Elizabeth Lopez	Administrator, Office of Employment and Financial Benefits, Department of Human Services. Addresses the eligibility for the dual benefits group vis-à-vis regular Medicare participants in explaining the rationale for the aforementioned threshold.
086	Bishop	Notes that he is not advocating for a position, but merely raising questions for consideration. Adds that those in the families' category cap their eligibility at 75 percent of the poverty level.
098	Chair Kruse	Notes that the cap was instituted for those who are eligible for Temporary Assistance to Needy Families (TANF) or FHIAP.
104	Bishop	Continues review of concerns, addresses Section 4, especially Subsection 7. Asserts that this section is the heart of the Oregon Health Plan (OHP) and details that amending this section could possibly reduce benefits and make other changes which would not be amenable to the continuance of OHP.
198	Chair Kruse	Clarifies the purpose of Section 7 in giving Ways and Means the ability to add increase or reduce benefits. Emphasizes that the intention is to give Ways and Means flexibility.
222	Rep. Tomei	Expresses concern about the elimination of the OHP. Questions if the bill can be held for additional discussions.
229	Chair Kruse	States that he intends to move the bill to Ways and Means today. Recommends that the bill be worked further in Ways and Means. Reasserts that he sees nothing to indicate that this legislation might lead to the demise of OHP.
251	Rep. Tomei.	States that she would like to forward Bishop's concerns to Ways and Means along with the bill.
255	Chair Kruse	Acknowledges request.
256	Rep. Tomei	<b>MOTION: Moves to ADOPT HB 2511-2 amendments dated 6/20/03.</b>
257	Rep. Monnes Anderson	Announces that she will vote nay. Notes concerns relating to the impact on hospitals.
262		<b>VOTE: 6-1</b> <b>AYE: 6 - Anderson, Barker, Dalto, Tomei, Westlund, Kruse</b> <b>NAY: 1 - Monnes Anderson</b>
264	Chair Kruse	<b>The motion CARRIES.</b>
266	Rep. Tomei	<b>MOTION: Moves HB 3515 to the floor with a DO PASS AS AMENDED recommendation and BE REFERRED to the committee on Ways and Means by prior reference.</b>
275	Rep. Tomei	<b>VOTE: 6-1</b> <b>AYE: 6 - Anderson, Barker, Dalto, Tomei, Westlund, Kruse</b> <b>NAY: 1 - Monnes Anderson</b>
270	Chair Kruse	<b>The motion CARRIES.</b>
287	Chair Kruse	Announces that Bruce Bishop's concerns will be forwarded to the committee on Ways and Means. Closes the work session on HB 2511 and opens a work session on HB 2742.

**HB 2742 – WORK SESSION**

295	Thiele-Cirka	Summarizes HB 2742 and the -2 amendments ( <b>EXHIBIT D</b> ).
308	Rep. Alan Bates	House District 5, Ashland. Discusses the intentions of HB 2742. States that the bill directs Secretary of State's office to conduct an audit of Medicaid prescription drug manager (PDM). Points out that this would be the only program of its kind in the United States. Asserts that the cost of the audit is a wise investment.
362	Rep. Dalto	Questions the consequences of a hypothetical case of an audit discovering significant errors.
368	Rep. Bates	Replies that if errors are uncovered, the money would be refunded to Oregon's Medicaid program and to the federal government, due to the 60-40 match.
377	Chair Kruse	Further clarifies the term errors. States that it does not denote an ineptitude but an oversight.
391	Rep. Bates	Concurs with Chair Kruse and comments on the complexities of the commercial market.
413	Rep. Westlund	Responds to Rep. Dalto's query regarding errors. Asserts that HB 2742 is prudent and should save the state a great deal more than that.
<b>TAPE 117, B</b>		
004	Rep. Monnes Anderson	Questions the fiscal impact of the bill.
007	Rep. Bates	Replies that the initial audit would cost approximately \$75,000 with the federal government matching that amount.
021	Rep. Monnes Anderson	Asks if Legislative Fiscal Office (LFO) has addressed the bill.
024	Rep. Bates	Replies that LFO has been an active participant in bringing HB 2742 forward.
027	<b>Rep. Barker</b>	<b>MOTION: Moves to ADOPT HB 2742-2 amendments dated 6/20/03.</b>
028		<b>VOTE: 7-0</b>
029	<b>Chair Kruse</b>	<b>Hearing no objection, declares the motion CARRIED.</b>
030	<b>Rep. Westlund</b>	<b>MOTION: Moves HB 2742 to the floor with a DO PASS AS AMENDED recommendation and BE REFERRED to the committee on Ways and Means by prior reference.</b>
031	Rep. Monnes Anderson	Expresses some concern with the fiscal impact, but will be an aye vote.
042		<b>VOTE: 7-0</b>
044	<b>Chair Kruse</b>	<b>AYE: In a roll call vote, all members present vote Aye. The motion CARRIES.</b>
047	Chair Kruse	Closes the work session on HB 2742 and adjourns the meeting at 10:40 a.m.

## EXHIBIT SUMMARY

- A – HB 3515, -2 amendments, staff, 2 pp.
- B – HB 2511, -2 amendments, staff, 5 pp.
- C – HB 2511, written testimony, Bruce Bishop, 9 pp.
- D – HB 2742, -2 amendments, staff, 2 pp.