

## SENATE COMMITTEE ON HEALTH POLICY

February 20, 2003  
1:00 PM

Hearing Room B  
Tapes 22 - 23

**MEMBERS PRESENT:**     **Sen. Bill Morrisette, Chair**  
                                  **Sen. Bill Fisher, Vice-Chair**  
                                  **Sen. John Minnis**  
                                  **Sen. Frank Shields**  
                                  **Sen. Charles Starr**  
                                  **Sen. Vicki Walker**

**STAFF PRESENT:**       **Marjorie Taylor, Administrator**  
                                  **Saranelle Allen, Committee Assistant**

**MEASURE/ISSUES HEARD:**     **Informational Meeting**  
                                  Review of OMAP/OHP Administration

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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.

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<u>TAPE/#</u>	<u>Speaker</u>	<u>Comments</u>
<b>Tape 22, A</b>		
008	Chair Morrisette	Opens an informational meeting at 1:05 p.m.
<b><u>INFORMATIONAL MEETING</u></b>		
<b><u>Review of OMAP/OHP Administration</u></b>		
012	Lynn Read	Acting Administrator, Office of Medical Assistance Program. Introduces Jim Edge, who will begin with an overview of the pharmacy program.
028	Jim Edge	Acting Assistant Administrator of OMAP. Gives an overview of the pharmacy program and details of its operation. States there are two programs, one Managed Care and the other a Fee for Service, which covers the mental health program.
053	Edge	Gives additional details on what drugs are included, and any regulations that must be met.
	Edge	Gives details on a Pharmacy Benefits Manager (PBM). States that we are contracted with First Health. Explains further on specifics of a PBM and how they operate.
	Read	Advises there is currently no audit on PBM, but it has been suggested one be done.
	Chair Morrisette	Asks if he could get written materials on today's presentation.
155	Read	States she will supply information.
	Sen. Minnis	Asks if DHR helps groups get into the program.
	Edge	States that yes, they do assist people to get into a mail order program. States that notification is usually done by mail-outs and replies to phone inquiries.
155	Read	States that over the past couple of months further education has been done for field staff to include specifics on co-pays and on mail order programs.
	Chair Morrisette	Raises questions on difference in 30-day and 90-day rules for mail order and local pharmacy capabilities.
280	Sen. Fisher	Some discussion back and forth with Read on drugs that might be

		filled that weren't on the covered service.
	Sen. Fisher	Asks if any study had been made comparing cost savings on a 90-day mail-in prescription vs. service from a local pharmacy.
	Edge	States none done as yet as more data is required. Gives details on the intent of the 90-day refill program.
<b>Tape 23, A</b>		
041	Sen. Minnis	Asks how payments are made to the pharmacies currently in the plan.
	Read	States all payment is done by automation through the PBM. States that we process 1.7 million claims a month, and this doesn't imply that checks are written on each claim.
104	Sen. Minnis	Asks why the state doesn't do a line transfer to the vendors.
	Read	Advises that checks are written, but we do not do electronic transfer of payments in the Medicaid system. States that electronically they can only do remittance advices. Advises we do not have computer capabilities at the present time, but are moving forward with the procurement of a new Medicaid management information system.
127	Chair Morrisette	Suggests that a cost analysis would be appropriate.
	Sen. Minnis	Questions why we aren't currently using our banking service to do electronic payment as a cost savings to the plan.
	Read	Advises that the Systems staff has reviewed the current system for compatibility with banking hardware and software to implement this program, with the determination that the current computer system is in need of updates before this could happen.
130	Read	Agrees to provide more information in answer these questions.
	Read	Advises that a positive to our pharmacy processing program is that the payments to the providers go out within a week.
144	Sen. Fisher	Asks what the control is over the PBM's.
	Edge	States that they have a controlling document/system in their contract.
	Read	Relates that monitoring is done within OMAP as well, to insure compliance with the contract.
199	Sen. Fisher	Questions cost savings on using a PBM instead of a state level group.
	Sen. Minnis	Asks about administrative costs if we compare state to PBM.
270	Read	Explains the variety of duties and costs of OMAP staffing.
350	Sen. Minnis	Discusses the possibility of upgrading claim processing electronically in lieu of manual or time inefficient processes.
369	Chair Morrisette	Continues discussions back and forth with Sen. Minnis and Read on PBM costs and department costs.
<b>Tape 22, B</b>		
020	Edge	Continues overview on OMAP payment process, and co-payments.
080	Chair Morrisette	Asks for some documentation on lists.
	Read	Advises she will get a list of different categories of people and what plans/benefits are applicable.
130	Sen. Minnis	Notes that during the interim session, staff had provided most of this information to committee members.
	Read	Offers to work with staff to obtain any additional information.
	Edge	Continues review on payment/rebate procedures.
280	Edge	Gives specifics on constraints in the preferred drug plan.
	Read	Suggests it would be good to add Continuing Medical Education

		(CME) to our Oregon Health Plan for physicians on the plan.
<b>Tape 23, B</b>		
010	Sen. Minnis	Asks if other states are having difficulty in working with the Federal government on today's rebate programs, and is there a centralized entity working on our behalf.
	Read	Advises that some states are trying to work together in negotiating for supplemental rebates.
065	Sen. Minnis	Asks if there is a current liaison within Oregon who would be communicating the desires of the state to the Federal government.
088	Read Edge	Suggests further discussions with Governor's office. Explains a summary of needs: ability to operate more like the private sector and less like a government; need more flexibility in the preferred prescription program to save money; have more classes of drugs be evaluated with less exclusions; enhanced ability to use the prior authorization system, and finally, to build on supplemental rebates, over and above what the Federal government negotiates for us.
162	Read	Reviews state rules and restraints.
228	Read Sen. Morrisette	Reviews budget reductions. States that meetings are happening this week, and he would like to be kept apprised of what is on the priority list for OMAP.
355	Read	Gives a wrap up.
389	Chair Morrisette	Adjourns meeting at 2:54 p.m.