

# SENATE SPECIAL COMMITTEE ON THE OREGON HEALTH PLAN

June 11, 2003  
4:00 P.M.

Hearing Room C  
Tapes 33 - 34

**MEMBERS PRESENT:** Sen. Peter Courtney, Co-Chair  
Sen. Jackie Winters, Co-Chair  
Sen. Kate Brown  
Sen. Margaret Carter  
Sen. Bill Fisher  
Sen. Lenn Hannon  
Sen. John Minnis  
Sen. Bill Morrisette

**STAFF PRESENT:** Marjorie Taylor, Committee Administrator  
Megan Jensen, Committee Assistant

**MEASURE/ISSUES HEARD: HB 3624 A - Work Session**

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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 33, A</b>		
005	Co-Chair Winters	Calls the meeting to order at 4:15 p.m., opens a work session on HB 3624 A, and announces that it is the intent to have Holly Robinson, Legislative Counsel, review the amendments, and the committee will vote on the amendments conceptually so Robinson can put the amendments in the legal form for final consideration by the committee Friday morning.
<b><u>HB 3624 A – WORK SESSION</u></b>		
018	Marjorie Taylor	Administrator. Advises members they have the same explanatory materials provided to the committee yesterday ( <b>SEE EXHIBITS OF COMMITTEE MINUTES DATED JUNE 10, 2003</b> ), and that the committee has received today the HB 3624-A26 ( <b>EXHIBIT A</b> ), HB 3624-A27 ( <b>EXHIBIT B</b> ), and the HB 3624-A28 ( <b>EXHIBIT C</b> ) amendments.
028	Holly Robinson	Legislative Counsel. Provides an overview of the HB3624-A26 amendments ( <b>EXHIBIT A</b> ).
044	Robinson	Explains the HB 3624-A27 amendments( <b>EXHIBIT B</b> ).
049	Robinson	Explains the HB 3624-A28 amendments ( <b>EXHIBIT C</b> ).
060	Robinson	States there was a question yesterday about the “any willing provider” provisions and the Medicaid law and whether it applied. A Kentucky statute applied on its face to the Medicaid programs and the statute was upheld. States that she does not think it is a problem.
066	Co-Chair Winters	Comments there was some confusion on the HB 3624-A17 amendments that were reviewed yesterday surrounding mental health. States that Robinson has suggested a statement made on record would probably satisfy that issue. The statement is, “It is not the intent of the legislature to transfer mental health services currently delivered through mental health organizations to any other prepaid managed

health care service organization.” Recalls testimony by Gina Firman and their concerns.

068 Sen. Minnis Comments that he disagrees. Believes that the amendment should be very clear in what it is saying. On its surface, it says “all” these programs have to be served.

080 Robinson Comments she does not believe the Chair is recommending that the language be adopted. Thinks the intent of the amendment was to maintain the status quo.

078 Sen. Minnis Comments the committee should scratch the amendment and make the statement.

Co-Chair Winters Thanks Sen. Minnis.

088 Co-Chair Winters Asks if the amendments deal with the emergency ambulance.

Robinson Responds that provision is not included in this bill.

**NOTE:** Proposed amendments HB 3624-A6, HB 3624-A10, HB 3624-A11, HB 3624-A12, HB 3624-A13, HB 3624-A14, HB 3624-A15, HB 3624-A17, HB 3624-A18, HB 3624-A19, HB 3624-A20, HB 3624-A21, HB 3624-A22, HB 3624-A23, and HB 3624-A25 were previously discussed (**SEE EXHIBIT C OF COMMITTEE MINUTES DATED JUNE 10, 2003**).

095 Robinson Discusses the HB 3624-A12 amendments modifying definitions. Explains that the HB 3624-A10 and-HB 3624-A21 amendments propose the same change, that is, to modify the definition of fully capitated health plan (FCHP)and the definition of physician care organization (PCO). States that the concept is that reasonable access is one that is required by federal Medicaid law.

135 Sen. Morrisette Comments that A and B hospitals are exempted in the HB 3624-A10 amendments and again in the HB 3624-A15 amendments. Asks why A and B hospitals are exempted.

133 Robinson Notes that the committee is only considering the definition section of the HB 3624-A10 and HB 3624-A21 amendments.

144 Taylor Advises members that the HB 3624-A12, HB 3624-A10, and the HB 3624-A21 amendments modify Section 2 of HB 3624 A.

156 Robinson Advises that the questions are on the changes to the definitions of FCHP and PCO.

158 Sen. Carter Asks if the language in the HB 3624-A12 amendments that changes the definition of FCHP includes beneficiaries.

153 Robinson Explains the process staff has established to have the committee consider the specific proposed changes in the various amendments.

192 Taylor Clarifies that the HB 3624-A10 and HB 3624-A21 amendments make the same changes in Section 2, and that the committee does not need to adopt both amendments.

195 Sen. Morrisette Asks what the language in line 2 on page 2 in the HB 3624-A10 amendments means.

201 Robinson Clarifies that only amendments to the definitions are being discussed at this time.

208 Co-Chair Courtney Moves conceptually the amendments as represented to Section 2 of HB 3624 A by the HB 3624-A12, HB 3624-A10, and HB 3624-A21 amendments.

223 Sen. Minnis Asks for clarification of the motion.

210 Robinson Explains that the effect of the motion is to request a set of amendments that will contain changes to the definition of FCHP and PCO that will

		include language that they are organizations that provide an adequate network of providers to ensure that services are reasonably accessible to enrollees, which is the federal access standards.
252	<b>Consensus</b>	<b>Committee agrees to approve conceptually the HB 3624-A10, HB 3624-A12, and HB 3624-A21 amendments, amending Section 2 of HB 3624 A.</b>
238	Robinson	Provides explanation of HB 3624-A12 amendments to Section 3 of HB 3624 A. Suggests that the committee separate the amendments contained within the HB 3624-A12 amendments.
	Sen. Carter	Moves that the provision in the HB 3624-A12 amendments relating to Native Americans be approved.
	<b>Consensus</b>	<b>Committee agrees to conceptual approval of the provision relating to Native Americans.</b>
272	Robinson	Explains that the second request was to exempt persons with chronic or serious health conditions that have special health needs (HB 3624-A21 amendments)—to include them on the list of individuals who would be exempted by the department by rules; it creates a new category.
290	Rep. Westlund	Asks what the amendment would do that is not already covered in the bill.
292	Robinson	Explains there currently is a group of individuals receiving services who have serious and chronic health conditions and special health needs whose comfort level was much greater if they were specifically included in the bill. The department does have the ability to exempt them by rule. As a group that is now on the fee-for-service system were uncomfortable that they were not specifically listed and did not want to rely on the department to exempt them out.
301	Rep. Bates	Asks if it pertains only to Section 3 of HB 3624 A.
	Robinson	Responds affirmatively. Explains this would be the sixth category that the department may exempt by rule from the mandatory enrollment requirement.
309	Co-Chair Winters	Comments that testimony came from the special needs populations.
<b>315</b>	<b>Consensus</b>	<b>Committee agrees to conceptual approval of the provision on allowing the department to exempt by rule the new category of people.</b>
319	Co-Chair Winters	Recesses the meeting for a short period then reconvenes the meeting.
333	Robinson	Explains the HB 3624-A23 amendment to Section 3 of HB 3624 A. States she considers this a clarification of what is currently in HB 3624 A, not new policy.
<b>334</b>	<b>Consensus</b>	<b>Committee agrees to conceptually approve the HB 3624-A23 amendment to Section 3 of HB 3624 A.</b>
335	Robinson	Explains that the HB 3624-A5 amendments would add another category of persons who would be exempted from the mandatory enrollment by rule by the department. The group resides in long-term care facilities, residential facilities, or licensed foster homes.
342	Co-Chair Courtney	Comments that the issue was discussed yesterday and he thought it would be separated out. Asks about the problems with this previously.
325	Robinson	Explains that the provision has been deleted from the HB 3624-A5 amendments and is now in the HB 3624-A27 amendment.
356	Robinson	Advises the committee can consider the remainder of the HB 3624-A25 amendments, independent of this provision.
339	Co-Chair Winters	Asks for guidance on the difference between the HB 3624-A25 and

		HB 3624-A27 amendments.
340	Robinson	Explains she thinks the concern is about the department's authority to make certain exceptions, and whether this body wants to make its own exceptions. Believes the question is whether the committee wants to expand the list.
383	Sen. Hannon	Asks if the HB 3624-A27 amendment grow the list of exemptions.
386	Robinson	Responds affirmatively.
	Co-Chair Winters	Asks if the HB 3624-A25 amendments incorporate the HB 3624-A27 amendment.
390	Robinson	Responds that it has what the proponents of the HB 3624-A25 amendments wanted left in. Adds that the HB 3624-A26 and HB 3624-A28 amendments contain what is left of the HB 3624-A25 amendments.
395	Co-Chair Winters	Ask if the HB 3624-A27 amendment could contain the amendment in the HB 3614-A25 amendments; the committee probably would not need to have a consensus on the HB 3624-A25 amendments.
400	Robinson	Responds that if the committee wants to deal with Section 3 of HB 3624 A, they should decide on the HB 3624-A25 amendment provision.
404	Sen. Fisher	Comments that the programs are under a different waiver and not subject to this, and that they need to be in there as an exception. The HB 3624-A27 amendments deals with that issue along. Suggests the committee have a consensus on removing the HB 3624-A25 and put the HB 3614-A27 amendment in its place. Explains that it would allow the HB 3624-A25 amendments to be thrown out.
<b>422</b>	<b>Consensus</b>	<b>Committee agrees to replace the HB 3624-A25 amendments with the HB 3624-A27 amendments.</b>
423	Robinson	Explains that Section 4 of HB 3624 A is a continuation of the discussion regarding use of the managed care system versus fee-for-service payment system. The issue is whether to require prepaid managed care organizations to provide enrollees with information about available contract providers within 30 days of the enrollee's assignment (HB 3624-A12 amendments).
443	Rep. Westlund	Comments he does not see a problem with the provision.
449	Rep. Bates	Asks that someone from a FCHP clinic explain the difficulty of physicians in certain instances.
458	Co-Chair Winters	Explains that the committee discussed the issue yesterday. They can send notification within 30 days to the individuals. The committee did not want the individuals not notified and not know they had the opportunity to get a doctor.
460	Jeff Heatherington	Representing fully capitated health plans. Clarifies that this clarifies that they will provide information about contacting an available provider. States that they already have this in their contract and rule; they are already required to do it.
461	<b>Consensus</b>	<b>Committee agrees to conceptually accept the provision to require prepaid managed care organizations to provide enrollees with information about available contract providers within 30 days of the enrollee's assignment (HB 3624-A12 amendments).</b>
<b>TAPE 34, A</b>		
023	Robinson	Asks for confirmation that the HB 3624-A17 amendments have been withdrawn.
025	<b>Consensus</b>	<b>Committee agrees that the HB 3624-A17 amendments have been</b>

		<b>withdrawn.</b>
027	Robinson	Reviews the HB 3624-A21 amendments to Section 4.
031	Rep. Westlund	Asks for further explanation of the HB 3624-A21 amendments.
032	Robinson	Further explains the HB 3624-A21 amendments.
037	Rep. Westlund	Asks if the HB 3624-A21 amendments has not applied to public health care before.
039	Robinson	Responds they have not, but the requirement is comparable to what is in the federal Medicaid provisions.
<b>046</b>	<b>Consensus</b>	<b>Committee agrees to conceptually accept the HB 3624-A21 amendments.</b>
048	Robinson	Reviews the HB 3624-A23 amendments to Section 4 of HB 3624 A.
<b>052</b>	<b>Consensus</b>	<b>Committee agrees to conceptually accept the HB 3624-A23 amendments.</b>
053	Robinson	Reviews the HB 3624-A25 amendments to Section 4 of HB 3624 A. Explains that an additional amendment is contained in the HB 3624-A28 amendments to limit the any willing provider provision to pharmacy providers only. Advises that the provision has been significantly narrowed by the HB 3428-A28 amendments.
056	Sen. Minnis	Comments that everyone is in agreement with the HB 3624-A28 amendment and suggests the committee approve it.
<b>066</b>	<b>Consensus</b>	<b>Committee agrees to conceptually accept the portion of the HB 3428-A28 amendments addressing any willing provider in lieu of the HB 3624-A25 amendments.</b>
070	Robinson	Explains the provisions of Section 5 of HB 3624 A and the HB 3624-A12 amendments that delete the requirement that the PCO not threaten the financial liability of the other FCHPs in the area.
083	Rep. Westlund	Comments that if this provision should become law, a PCO could establish itself anywhere, even if it threatened the financial viability of and existing fully capitated health plan.
090	Robinson	Explains there are three criteria in the bill that would be used to make the determination. By removing this, it would be silent as opposed to a prohibition or some other legislative direction about the issue.
100	Rep. Westlund	Explains that one of the issues while crafting the bill was the introduction of PCOs, and that he does not think it creates a fair competitive environment if an FCHP has to assume hospital risks operating in a given area and all of a sudden someone sets up a PCO next door that does not have to assume the very significant hospital risk.
104	Sen. Minnis	Comments he agrees with Rep. Westlund; this was part of their negotiations in the House and absent some compelling testimony, the committee should retain that portion of the bill.
123	Rep. Bates	Comments that we trying to control the health care costs in the OHP another issue involved and when an organization does not assume a full risk, we lose a significant tool in trying to hold the costs down.
139	Sen. Minnis	Notes that the HB 3624-A12 amendment deletes the provision from the bill.
<b>152</b>	<b>No Consensus</b>	<b>Committee agrees to not accept the HB 3624-A12 amendments.</b>
153	Robinson	Explains the HB 3624-A18 amendments to Section 5 of HB 3624 A.
<b>150</b>	<b>Consensus</b>	<b>Committee agrees to conceptually accept the HB 3624-A18 amendments.</b>
163	Robinson	Explains that Section 6 directs the department to contract with Kaiser

		<p>Permanente to provide certain health services, and that the provision in the HB 3624-A25 amendments clarify that the department cannot have a sole contract in a designated area; the department would have to contract with other entities as well as Kaiser. States that she considers it a clarification of the underlying policy.</p>
168	Sen. Fisher	Asks if the HB 3624-A28 amendments are being substituted for the HB 3624-A25 amendments.
177	Robinson	Explains that this is a specific part of the HB 3624-A25 amendments.
179	Sen. Fisher	Asks if approval would say the committee wants to keep the provision in the HB 3624-A25 amendments.
179	Robinson	Responds affirmatively.
<b>180</b>	<b>Consensus</b>	<b>Committee agrees to conceptually accept the provision in the HB 3624-A25 amendments that clarifies that the department cannot have a sole contract with Kaiser Permanente in a designated area.</b>
181	Robinson	Explains that the HB 3624-A12 amendments would establish a new Section 6a that establishes a methodology for setting capitation rates for PCOs. HB 3624 A does not address the issue.
<b>186</b>	<b>Consensus</b>	<b>Committee agrees to conceptually accept the portion of the HB 3624-A12 amendments adding a new Section 6a to HB 3624 A.</b>
188	Robinson	Explains that Section 10 of HB 3624 A talks about contracting with FCHPS to provide administrative services for fee-for-service clients if it is cost neutral to the department. It would include, for an ASO type contract, management services for all prescription drugs except for psychiatric drugs. This reflects a policy choice that appears later on in terms of the carve out for psychiatric drugs, antipsychotic drugs, and antidepressants. Explains the HB 3624-A11 amendments.
209	Sen. Fisher	Asks why different definitions were used here than those used for the other exemptions on the resident and nursing facilities.
213	Robinson	Explains that she made a mistake and will make sure the language is similar.
<b>222</b>	<b>Consensus</b>	<b>Committee agrees to conceptually accept the HB 3624-A11 amendments.</b>
223	Robinson	Explains the HB 3624-A13 amendments contain new language that would subject the ASO contracts, if they are providing pharmaceutical coverage services, to have to comply with the requirements of SB 819 (2001 Session).
<b>232</b>	<b>Consensus</b>	<b>Committee agrees to conceptually accept the HB 3624-A13 amendments.</b>
234	Robinson	Explains the HB 3624-A14 amendments to Section 10 of HB 3624 A.
246	Rep. Westlund	Comments that he had thought the HB 3624-A14 amendments were in conflict with the HB 3624-A13 amendments but no longer sees a conflict because the HB 3624-A13 amendments functionally deal with the fee-for-service population only, and that the HB 3624-A14 amendments deal with the FCHP populations.
266	Sen. Brown	Asks if the House committee included antidepressants under managed care for cost savings.
272	Rep. Westlund	Responds affirmatively and states it was also the fact that a very high percentage, 60-80 percent, of the lower level antidepressants are dispensed by primary care physicians in FCHPs. They do not want to interfere with medications taken by the chronic and severely mentally ill.
296	Sen. Brown	Asks if Reps. Bates and Westlund oppose the amendment.

277	Reps. Bates and Westlund	Respond affirmatively.
300	Sen. Carter	Asks why we would want to exclude doctors from prescribing low level antidepressants.
	Rep. Bates	Comments on different prescriptions being dispensed to depressed and psychotic persons.
	Sen. Carter	Asks if Rep. Bates and Westlund want to exempt them so this can continue, or whether they want to exempt them so it will not continue.
317	Rep. Bates	Explains that they want to have an opportunity to manage the use of antidepressants for the population other than antipsychotics.
324	Angela Kimball	National Alliance for the Mentally Ill of Oregon. States they are concerned that without the carve out in the HB 3624-A14 amendments those who are consistently mentally ill may have restricted access to the full array of psychiatric medications, including the antidepressants. Believes there are other cost containment measures that can be done without putting those medications under the management of the FCHPs.
	Anne Tweedt	Bristol-Myers Squibb. States that they share the concerns stated by Kimball, and that there will be a presentation before Ways and Means on the broader drug utilization review for the mental health drugs. They want to put it in statute rather than rely on the administrative carve out as it is now.
369	Sen. Brown	Asks how they would manage the depression component under managed care and the psychotic component under fee-for-service, and what would be the practical implications. States she is not clear what the access barriers would be.
375	Kimball	Replies that their concern is for those who have serious mental illnesses. If antidepressants are part of that and are managed by the health care plans, they could be subject to a formulary or prior authorization methods that may make it very difficult for them to easily get the exact antidepressant that might best compliment the array of medications they are taking. Any access barriers seem to present huge implications in terms of quality of care.
385	Rep. Westlund	Agrees they need access and should not be restricted from whatever mix of drugs they need. The issue is trying to get not to the population that Kimball is addressing. Most of that population does not go to a primary care physician for their psychiatric care. States they have the exceptions process in the FCHPs and cannot imagine a physician not writing a given prescription for whatever drug the individual needs.
435	Sen. Minnis	States that some patients are denied access because the physician will not go the extra hoops of getting the clearance to get a drug other than one on the formulary list. Believes the physician ought to make the decision, and that is the policy in SB 819 (2001 Session).
462	Sen. Brown	States that she doesn't disagree but is not sure that is any different under managed care or fee-for-service.
465	Sen. Minnis	Responds that the materials on Pharmaceutical Benefit Management companies (PBMs) and formularies show there are certain strategies about relationships with drug companies.
<b>TAPE 33, B</b>		
026	Co-Chair Winters	Comments that we are back to SB 819 because we are dealing with the population that cannot always get to the doctor for their medications.
033	Sen. Minnis	States that these populations are very difficult populations, and if it is difficult to access the medications, they will not get it. States there is

no doubt this will save money and the trade off is bad health care for mental health patients.

045 Robinson Explains the HB 3624-A19 amendments to Section 10 of HB 3624 A.

**057 Consensus Committee agrees to conceptual approval of the HB 3624-A19 amendments to Section 10 of HB 3624.**

059 Robinson Explains the HB 3624-A22 amendments to Section 10 of HB 3624 A.

064 Co-Chair Winters Advises, and is supported by the committee, that the provision on public contracting in the HB 3624-A22 amendments was removed yesterday.

068 Robinson Explains that a new section on standardized forms and training would be created by the HB 3624-A22 amendments.

071 Sen. Brown Asks if the new section would have a fiscal impact.

072 Robinson Responds there probably is a fiscal impact.

074 Sen. Minnis Comments the committee had discussion about the department doing this without the amendments; they could if they should choose to.

077 Robinson Clarifies that the issue for consideration is whether to include the provision on training that is in the HB 3624-A22 amendments.

**090 Consensus Committee agrees to conceptually accept the provision on standardized forms and training in the HB 3624-A22 amendments.**

092 Robinson Explains the HB 3624-A25 amendments to Section 10 of HB 3624 A.

**098 Consensus Committee agrees to accept the provision in the HB 3624-A25 amendments to Section 10 of HB 3624 A.**

099 Robinson Explains the provisions of Section 11 of HB 3624 A and the HB 3624-A14 and HB 3624-A19 amendments. Discusses options for Section 11.

124 Sen. Minnis Suggests deleting the entire Section 11, and flagging the HB 3624-A14 amendments for further discussion if that is necessary.

Sen. Fisher Questions how much will happen if it is not codified.

127 Co-Chair Winters Advises that the committee can flag the section and come back later.

131 Sen. Minnis Suggests deleting Section 11 for now.

140 Sen. Brown Request that amendments that are problematic be drafted separately and that the committee be given 24 hours to review them.

149 Robinson Responds that she would like to have the comprehensive amendment include the deletion, and then have the policy choices in separate amendments.

170 Sen. Minnis Notes the HB 3624-A11 and HB 3624-A12 amendments to Section 11 and states that he thought the committee had dealt with institutional pharmacies.

166 Sen. Brown States she is not so concerned with the HB 3624-A11 and HB 3624-A12 amendments to Section 11, but is concerned about the HB 3624-A14 and HB 3624-A19 amendments in Section 11 and the carve out for antidepressants. Believes the fiscal issues could be included in a separate amendment and would like clarification about people who are severely mentally ill and whether they are even covered under the managed care provision, and how many we re talking about. If we are carving out the antidepressants because of the concern for people with severe mental illness, those might come under other exemptions. If that is the case, the debate is moot.

198 Sen. Fisher Asks if there is consensus on the HB 3624-A11 and HB 3624-A12



204	<b>Consensus</b>	amendments as it would be reworded according to the definition. <b>Committee agrees to approve conceptually the HB 3624-A11 and HB 3624-A12 amendments and the rewording according to the definition, and to delete the HB 3624-A14 and HB 3624-A19 amendments.</b>
209	Robinson	Explains Section 12 of HB 3624 A and the HB 3614-A10 and HB 3624-A15 amendments.
232	Sen. Morrisette	Comments that exempting the A and B hospitals leads to confusion as to whether they are exempted from all sections of the bill.
	Robinson	Advises that type A and B hospitals are only exempt from this section.
	Sen. Hannon	Asks if there is a federal or state exemption already in place.
228	Robinson	Explains that there are statutes that talk about how the department has to pay a type A and B hospital; they get paid at cost. Those statutes will not be changed.
258	Sen. Hannon	Asks if the HB 3624-A10 amendments take out the prohibition on the hospitals.
240	Robinson	Responds she thinks it does. The HB 3624-A10 and HB 3624-A12 amendments overlap and one decision is whether the committee wants the no-decline policy in or out. The second decisions is whether the committee wants the non-arbitration piece that is in both, and the third decision is whether the committee wants reimbursement to be set at the lesser of bill charges or a blank of Medicare, or whether the committee wants the blank filled in.
274	<b>Consensus</b>	<b>Committee agrees conceptually to leave a blank for the percentage of Medicare and to leave the prohibition as it is in HB 3624 A.</b>
256	Robinson	Advises members that the remaining issue is non-binding arbitration..
259	Rep. Westlund	Comments that the House committee tried to figure out a way that the FCHPs and hospitals could enter into some type of arbitration/negotiations while setting the rate. Currently, if they cannot come to terms, it automatically falls to the fee-for-service level, which gives the FCHPs an advantage in the negotiations. Explains this is trying to raise the rates for hospitals while at the same time requiring hospitals to take all members who are enrolled in FCHPs. Believes it is fair to leave the rate blank in order to continue the discussion and it is equally fair that the hospitals have to take the patients, and it is fair for both parties that there be some type of arbitration process if negotiations between the FCHPs and hospitals break down. Adds that he thinks it is fair to exempt the Type A and B hospitals.
308	Co-Chair Winters	Asks Rep. Westlund what his position is if the rates are not increased.
	Rep. Westlund	Explains that is why he is suggesting that the rate be left blank.
316	<b>Consensus</b>	<b>Committee agrees to conceptually accept the provision on non-binding arbitration in the HB 3624-A10 amendments.</b>
302	Robinson	Clarifies that the consensus is that the current provision on declining a patient will stay in HB 3624 A, there will be a reimbursement scheme that the hospitals will have to take the lesser of billed charges or some blank percentage of Medicare, there will be a provision about non-binding arbitration, and A and B hospitals will be exempted from this section of HB 3624 A.
337	Sen. Carter	Comments that it would appear that while the committee is trying to craft a package today and bring partners on board, the committee

		should also build the kind of relationships that people would not mind being a partner to, and does not know if that has been done in terms of the hospitals and how they are reimbursed.
346	Robinson	Explains the HB 3624-A20 amendments creating new Section 12a and 12b on mail order pharmacies.
	<b>Consensus</b>	<b>Committee agrees conceptually to accept the HB 3624-A20 amendments.</b>
368	Sen. Fisher	Comments there was a reference made yesterday to the HB 3624-A12 amendments and part of the amendment having been left out.
	Robinson	Advises that she has added the language.
376	Robinson	Explains Section 13 of HB 3614 A and the HB 3614-A11 amendments to exempt institutional pharmacies.
<b>386</b>	<b>Consensus</b>	<b>Committee agrees conceptually to accept the portion of the HB 3624-A11 amendments to Section 13 of HB 3624 A.</b>
390	Robinson	Explains the HB 3624-A12 amendments to Section 13 of HB 3624 A.
393	Rep. Westlund	Asks what is different about the provision than what is in HB 3624 A.
	Robinson	Explains that it was not included in all the sections and the decision was made to have that same requirement apply to all the contracts.
	Sen. Morrisette	Comments on previous audit discussion and states that the committee said that an audit is possible under the existing rules. Asks if the committee needs language for audits.
416	Robinson	Responds the answer is yes, and that there is also some discussion about doing a separate audit bill.
423	Robinson	Explains the HB 3624-A13 amendments to Section 13 of HB 3624 A.
<b>440</b>	<b>Consensus</b>	<b>Committee agrees to conceptually accept the HB 3624-A13 amendments to Section 13 of HB 3624 A.</b>
441	Robinson	Explains the HB 3624-A25 amendments to Section 13 of HB 3624 A establishing a pharmacy benefits administrator.
<b>454</b>	<b>Consensus</b>	<b>Committee agrees to conceptually accept the HB 3624-A25 amendments to Section 13 of HB 3624 A.</b>
458	Rep. Westlund	Asks if there is anything in the Section 13 amendments that requires the FCHPs to utilize the services of the state PBM, now PBA.
468	Robinson	Responds negatively.
<b>TAPE 34, B</b>		
020	Robinson	Explains Section 15 of HB 3624 and the HB 3624-A13 amendments that were requested by Sen. Minnis making it subject to the PDL.
<b>024</b>	<b>Consensus</b>	<b>Committee agrees to conceptually accept the HB 3624-A13 amendments to Section 15 of HB 3624 A.</b>
028	Robinson	Explains that the HB 3624-A12 amendments change the operative date from a date certain of October 1 to a date contingent on waiver approval.
<b>031</b>	<b>Consensus</b>	<b>Committee agrees conceptually to accept the HB 3624-A12 amendments to Section 18 of HB 3624 A.</b>
030	Robinson	Explains the new Section 20 in HB 3624 A that would be created by the HB 3624-A6 amendments.
<b>040</b>	<b>Consensus</b>	<b>Committee agrees conceptually to accept the HB 3624-A6 amendment creating a new Section 20 in HB 3624 A.</b>
039	Rep. Westlund	Asks if nurse practitioners get full cost reimbursement.
040	Robinson	Responds they do not.
042	Robinson	Explains that the HB 3624-A26 (EXHIBIT A) and HB 3624-A28

amendments (**EXHIBIT C**) are new and have pieces that have not been included. Explains the HB 3624-A26 and HB 3624-A28 amendments and the differences. Advises that the committee must decide if they want a long or short report.

065 Sen. Hannon Asks if it is important to have quarterly statements of outstanding provider claims as provided in the HB 3624-A26 amendments.

070 Robinson Explains that she believes those who wanted the additional information would be satisfied with the more limited information that is on page 2 of the HB 3624-A28 amendments.

083 Tom Holt Oregon State Pharmacists Association. Explains that the reason for the difference between the two amendments was their misunderstanding of what Sen. Minnis requested yesterday. Believes Sen. Minnis' amendments are the HB 3624-A26 (**EXHIBIT A**). Explains that the reason for the various reports was to be able to provide a regular statement of financial condition. It would be a good way for the department to monitor the condition of the plans and providers and to be able to monitor the conditions of the plans. Their intention in the HB 3624-A28 amendments was simply to try to comply with what Sen. Minnis seemed to be saying but they obviously misunderstood. States that they recommend the HB 3624-A26 amendments.

103 Sen. Carter Asks if the information being requested is from the planned membership piece—those who are partners with the OHP.

115 Holt Responds that the FCHPs would be reporting this information.

118 Sen. Hannon Asks if the fee-for-service providers would have to provide this information.

Holt Replies the fee-for-service providers would not; the managed care plans such as pharmacies or physicians would have to provide the information.

140 Rep. Westlund Asks that the representative for the FCHPs explain what they currently do, and states he believes it is similar to what is requested in the HB 3624-A26 amendments.

145 Jan Buffin Manager, Marion-Polk Community Health Plan in Marion and Polk counties. Explains they have historically provided solvency reports on a quarterly basis. Those solvency reports are turned into OMAP and are public information. As a plan, they go in quarterly and access everybody's solvency reports and prepare quarterlies which they share amongst the plans. Any person or agency is capable of doing that also. Feels the solvency reports, if they are prepared properly, provide information as to whether the plan is solvent or not.

167 Rep. Westlund Asks if the information is required or if it is something they just do.

Buffin Responds they are required by contract to report to OMAP.

168 Rep. Westlund Asks if Buffin has looked at the HB 3624-A26 amendments.

Buffin Responds that she has not looked at the HB 3624-A26 amendments specifically today.

Co-Chair Winters Questions whether the provision needs to be in the bill if the agency is already requiring it.

176 Sen. Carter Asks Holt why he thinks this language is necessary, and if there is something outstanding that partners have missed because she can understand being a pharmacist when a partner in the plan does not pay the pharmacy on time or correctly. Asks if that is what he is saying by the proposed language.

183	Holt	Responds affirmatively. Adds that the element that should not be overlooked is the reporting of aggregate rebate dollars from the manufacturers. That provision is in both the HB 3614-A26 and HB 3624-A28 amendments.
189	Co-Chair Winters	Comments she does not think it has any negative factor and would just as soon leave it in and deal with it.
200	Robinson	Advises that she has left a provision off the list. Explains that a group has requested language relating to the ASO contracts discussed in Section 10. Notes the additional amendment language in lines 15-23 of the HB 3624-A28 amendments to Section 10(3) of HB 3624 A.
226	Sen. Carter	Comments she does not have a problem with the amendment because she thinks the committee passed some language previously in terms of timely payments to outstanding debtors or partnerships.
<b>230</b>	<b>Consensus</b>	<b>Committee agrees conceptually to the HB 3624-A28 amendments.</b>
231	Co-Chair Winters	Suggests that the committee include the HB 3624-A14 and HB 3624-A19 amendments instead of having them separate.
<b>243</b>	<b>Consensus</b>	<b>Committee agrees conceptually to accept the HB 3614-A14 and HB 3624-A19 amendments.</b>
243	Sen. Brown	Comments that in Section 3, she is extremely concerned the HB 3624-A21 amendments exempting people with serious or chronic health condition is extremely broad and would include most everybody in the system.
251	Co-Chair Winters	Suggests that the committee may want to be more specific in the amendment.
251	Sen. Carter	Comments that she has the same concern as Sen. Brown.
253	Sen. Morrisette	Comments that the HB 3624-A27 amendments replace the HB 3624-A25 amendments. Asks if people who are disabled and live in their own homes would be included.
268	Co-Chair Winters	Responds that the reason institutionalized people are excluded is because the arrangement with them is different.
263	Sen. Fisher	Comments that those who live in their own homes are not included in the waiver.
266	Sen. Minnis	Asks if mandating hospitals to treat patients undermines the need to have a contract or to get the parties together and agree to a contract.
276	Co-Chair Winters	Responds that she believes Sen. Carter was raising the same issue, and advises that the committee will revisit it because there was not a consensus on that language.
286	Robinson	Asks for permission to include pieces in future amendments that may have been missed and further clarification if necessary.
290	Co-Chair Winters	Acknowledges Robinson's requests and gives permission for drafting. Asks that the amendments be available by tomorrow.
298	Rep. Westlund	Asks if the HB 3624-A18 amendments to Section 5 of HB 3624 A, which allow DHS the flexibility in using the criteria in determining a contract with a PCO, would allow the department to not consider the three mandatory criteria.
	Robinson	Explains that the department would have to consider them as opposed to absolutely following them; that gives the department flexibility.
315	Sen. Minnis	Asks if the committee can force a binding arbitration mechanism for FCHPs and hospitals.
	Robinson	Responds affirmatively. They could be required to arbitrate and accept the terms.
325	Co-Chair Winters	Closes the work session on HB 3624 A and adjourns the meeting at 5:55 p.m.

**EXHIBIT SUMMARY**

**A - HB 3624, HB 3624-A26 amendments, Sen. Minnis, 1 p**

**B – HB 3624, HB 3624-A27 amendments, staff, 1 p**

**C – HB 3624, HB 3624-A28 amendments, Ton Holt, 2 pp**