

HOUSE COMMITTEE ON HEALTH AND PUBLIC ADVOCACY

April 19, 2001
1:30 PM

Hearing Room D
Tapes 90 - 95

MEMBERS PRESENT: Rep. Jeff Kruse, Chair
Rep. Bill Morrisette, Vice-Chair
Rep. Bill Garrard, Vice-Chair
Rep. Phil Barnhart
Rep. Jerry Krummel
Rep. Jan Lee
Rep. Laurie Monnes-Anderson
Rep. Carolyn Tomei
Rep. Cheryl Walker

MEMBER EXCUSED:

STAFF PRESENT: Diane Lewis, Committee Administrator
Rachel Brown, Committee Assistant

MEASURE/ISSUES	HEARD:	HJM	31	-	Work
Session			HB 2627		Public Hearing and
Work Session			HB 2763		Public Hearing
	HB	3951		-	Public
Hearing			HB 2896		Public Hearing and
Work Session			HB 3448		Public Hearing and Work
Session			HB 3027		Public Hearing

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 90, A</u>		
005	Chair Kruse	Calls the meeting to order at 1:45pm and opens a work session on HJM 31.
<u>HJM 31 – WORK SESSION</u>		
007	Rep. Garrard	MOTION: Moves HJM 31 to the House committee on RULES, REDISTRICTING AND PUBLIC AFFAIRS without RECOMMENDATION to passage.
		VOTE: 9-0
025	Chair Kruse	Hearing no objection, declares the motion CARRIED.
027	Chair Kruse	Closes the work session on HJM 31 and opens a public hearing on HB 2627.
<u>HB 2627 – PUBLIC HEARING</u>		
029	Diane Lewis	Committee Administrator. Summarizes HB 2627. Submits a letter from the High Desert Medical Center in support of HB 2627 (EXHIBIT B). Summarizes the –1 amendments from Rep. Morrisette's office (EXHIBIT A).
044	Tom Holt	Oregon State Pharmacists Association. Testifies in favor of HB 2627. Believes the bill allows the greater use of electronic

		transmission and record keeping by pharmacies. Supports the –1 amendments.
078	Rep. Monnes-Anderson	Asks who is already using these electronic systems.
081	Holt	Responds that a local example is Kaiser Health Plan pharmacies, as well as the Lane County Independent Practitioner Organization, which is attempting to implement its own system.
092	Rep. Morrisette	Refers to EXHIBIT B and asks about confidentiality issues.
097	Rep. Barnhart	Comments on the potential risk to privacy, with the transfer of medical data, if it is not handled carefully. Asks about security and unauthorized access to personal information, especially in the case of large health care companies.
110	Holt	Speaks to the importance of distinguishing between overall medical records and one drug prescription. States that HB 2627 would not allow full access to a patient’s medical records and that it eliminates unnecessary paperwork.
127	Rep. Barnhart	Asks if the prescription information is transmitted over the Internet.
132	Holt	Responds that the Internet would be used in some cases, as well as other communication technology systems.
140	Rep. Barnhart	Believes these “other systems” are more secure than Internet systems.
142	Holt	Agrees.
152	Rep. Morrisette	Speaks to the clarity of electronic transmissions and believes that pharmacists appreciate not having to decipher physician’s handwritten prescriptions.
158	Rep. Monnes-Anderson	Discusses her concern that people’s prescription information may become public information.
162	Chair Kruse	Asks if other states transmit prescriptions electronically.
165	Holt	Responds that he is aware of other states transmitting information electronically and that Mississippi is moving in the direction of placing all their medical records on a secure internet website available to practitioners participating in the Mississippi Medicaid program.
170	Chair Kruse	Closes the public hearing on HB 2627 and opens work session on HB 2627.

HB 2627 – WORK SESSION

173	Rep. Morrisette	MOTION: Moves to ADOPT HB 2627-1 amendments dated 4/19/01.
		VOTE: 8-0
		EXCUSED: 1 - Tomei
175	Chair Kruse	Hearing no objection, declares the motion CARRIED.
180	Rep. Morrisette	MOTION: Moves HB 2627 as AMENDED to the floor with a DO PASS recommendation.
		VOTE: 8-0
		AYE: In a roll call vote, all members present vote Aye.
		EXCUSED: 1 – Krummel
195	Chair Kruse	The motion CARRIES.
		MORRISETTE will lead discussion on the floor.
202	Chair Kruse	Closes the work session on HB 2627 and opens a public hearing on HB 2763.

HB 2763 – PUBLIC HEARING

205	Diane Lewis	Committee Administrator. Summarizes HB 2763 and the –1 and –3 amendments (EXHIBIT C and EXHIBIT D).
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218	J.L. Wilson	National Federation of Independent Business. Submits written testimony in favor of HB 2763 (EXHIBIT E). Explains that the issue of inconsistent and confusing drug benefit cards is concerning to pharmacists statewide.
265	Nancy Kaib	Registered pharmacist for 17 years. Submits written testimony in support of HB 2763 (EXHIBIT F). Maintains that pharmacists have an enormous workload and that calling an insurance company is a waste of time considering that the information pharmacists are tracking down could easily be placed on a patient's insurance card.
327	Dan Kennedy	Community pharmacist from Stayton, Oregon. Testifies in favor of HB 2763. Emphasizes the efficiency that universal insurance cards would bring to pharmacists. Explains that pharmacists have waited a long time for this to happen.

TAPE 91, A

008	Kennedy	Concludes testimony by stating that although pharmacists wish this issue could have national recognition, they will be happy with action taken at the state level.
010	Rep. Monnes-Anderson	Asks if any of the pharmaceutical organizations or the pharmacists themselves have approached the insurance companies about this issue.
014	Kennedy	Responds that on both a national level and a state level the "major players" could not come to a consensus on this issue.
019	Rep. Barnhart	Asks how long this issue has been a problem for pharmacists.
023	Kennedy	Responds that a problem has existed for a least eight years.
033	Rep. Barnhart	Asks if different insurance card formats actually results in multi-processing of claims.
038	Kaib	Responds affirmatively.
046	Rep. Morrisette	Asks if anyone has seen the testimony of Mark Landauer (EXHIBIT G), a lobbyist from the City of Portland, who opposed the bill because it does not incorporate the idea of combining a medical card and prescription card into one uniform card.
052	Wilson	Explains that pharmacists spend 20% of their working day calling insurance companies to hunt down missing information. Speaks to the -3 amendments.
096	Chair Kruse	Closes the public hearing on HB 2763 and opens a public hearing on HB 3027.

HB 3027 – PUBLIC HEARING

099	Rep. Kurt Schrader	House District 23. Testifies in favor of HB 3027. Believes that the bill is a positive response to escalating costs of health plans and prescription drugs. Explains that details in the bill can be worked out with the drafting of amendments.
151	Rep. Alan Bates	House District 52. Testifies in favor of HB 3027. Emphasizes the disorganization of the current drug-purchasing program that is in need of guidance.
195	Rep. Krummel	Asks if Rep. Bates is suggesting price fixing.
201	Rep. Schrader	Responds negatively and believes HB 3027 is good for business as well as acting as a market alternative which allows for a discount for buying in volume.
211	Rep. Bates	Explains that commercial carriers do this already, it is a "win-win situation" for all parties, and it is more efficient.
217	Rep. Krummel	Asks if there is a federal law requiring drug companies to offer Medicaid patients the lowest price for the drugs they require.

227	Rep. Schrader	Responds that there is a 15.1% discount offered to Medicaid patients. Wonders if the State of Oregon can do better.
240	Rep. Lee	Adds that this program has been shown to be very effective.
247	Chair Kruse	Indicates that language in the bill may change.
252	Rep. Garrard	Asks if the general population is going to benefit from the action of HB 3027.
263	Schrader	Responds that people with no prescription drug insurance will benefit and those with insurance will not benefit unless they chose not to participate in their own insurance's program.
284	Chair Kruse	Closes the public hearing on HB 3027 and reopens the public hearing on HB 2763.

HB 2763 – PUBLIC HEARING

289	J.L. Wilson	National Federation of Independent Business. Testifies in favor of HB 2763. Discusses the –3 amendments in detail.
337	Wilson	Continues discussing the –3 amendments.
360	Rep. Morrisette	Asks if there is misleading information on current insurance cards.
366	Wilson	Responds affirmatively.
370	Rep. Morrisette	Asks if the insurance company would put the correct and uniform information on the card themselves, the problem would be solved.
375	Wilson	Responds affirmatively.
382	Rep. Morrisette	Asks why erroneous information is placed on the cards at all.
387	Wilson	Responds that he does not know the reason behind the unnecessary information.
390	Rep. Monnes-Anderson	Asks if electronic prescriptions would solve this problem.

TAPE 90, B

003	Wilson	Responds that these are actually two distinct issues but that they may be complimentary. Believes HB 2763 is a reasonable policy.
066	Wilson	Discusses the City of Portland's response to the bill. Believes that the primary benefit of uniformity of information on these cards is for the purpose of allowing pharmacists to do what they do best and to save time.
080	Diane Lewis	Committee Administrator. Asks for clarification of the –1 amendments.
087	Wilson	Responds that the –3 amendments incorporate the –1 amendments and delete the penalty language from the –1 amendments as well as inserting a few words into line 10 of page 1.
102	Chair Kruse	Asks Mr. Wilson if he would be part of a work group to take another look at the issue.
106	Wilson	Responds that he would prefer action on the bill.
123	John Powell	Regence Blue Cross/Blue Shield. Testifies in opposition to HB 2763. Believes that the original bill would be costly and Regence would prefer to work on the issue in an informal setting. Discusses both the –1 and –3 amendments.
211	Rep. Morrisette	Asks if some of the "erroneous" information on the cards is actually for the benefit of the physician.
214	Powell	Responds affirmatively.
217	Rep. Morrisette	Mentions the possibility of two cards.
222	Powell	Responds that the insurance companies would prefer to just print one card.

238	Rep. Tomei	Asks if Regence in other states has supported similar legislation.
246	Powell	Responds that he does not know the answer to this, since each Regence branch is different throughout the country.
277	Rep. Barnhart	Asks about help desks dealing with misleading information on insurance cards.
294	Powell	Responds that insurers wish to assist pharmacies.
301	Patti Church	Vice-President of Pharmacy for Regence Blue Cross/Blue Shield. Testifies in opposition to HB 2763. Believes that appropriate information is on the cards, and when calls from pharmacies come in, they usually are not about transmittal of information but rather are questions that arise as to a patients' co-pay status.
337	Rep. Barnhart	Asks about the occurrence of issuing new cards.
343	Church	Responds that new cards are issued when new clients enroll or when a client's health status or information changes.
354	Rep. Barnhart	Asks if over time, all insurance cards will be replaced.
348	Church	Responds affirmatively.
362	Powell	Reports that he has carried the same health insurance card over a span of a few years.
367	Rep. Lee	Notes that Kaiser Health Plan cards can be scanned through a computer and asks if this system should be modeled.
374	Powell	Responds that in the future this is probable for everyone.
TAPE 91, B		
004	Rep. Lee	States her concern that the cards are a problem as well as the fact that pharmacies do not have coordinated systems.
008	Rep. Walker	Asks why it is so expensive to issue new cards.
027	Powell	Responds that the incurred expenses involve the processing and the mailing of the cards. Mentions the fact that larger companies have the advantage of cheaper prices incurred by the process of issuing cards because they can do things in bulk.
048	Rep. Barnhart	Asks Ms. Church to supply the instruction sheets that pharmacists receive for interpreting the cards to the committee.
052	Church	Responds affirmatively.
056	Rep. Barnhart	Asks how many different insurance companies a typical pharmacist deals with on any given day.
058	Church	Responds that she does not know.
065	Barnhart	Asks if health benefit plans include organizations such as physician groups.
074	Church	Responds that this is not necessarily true.
076	Dave Fiscum	Represents Providence Health Plans and Pacific Care. Testifies in opposition to HB 2763. Believes that this issue should be focusing on pharmacist to pharmacist communication. Explains that the insurance companies are willing to meet with the pharmacists in order to come to an agreement. Does not believe that a bill is necessary to find a solution to the problem.
130	Fiscum	Concludes testimony by stating that the insurance companies are interested in attaining the maximum convenience for pharmacists as well as policyholders.
158	Peggy Anet	Health Insurance Association of America. Submits and presents written testimony in opposition to HB 2763 (EXHIBIT D). Indicates that it is important to note that this bill would mandate implementation of voluntary standards developed by the National Council of Prescription Drug Programs (NCPDP).
229	Anet	Continues testimony by stating that HB 2763 is a "premature action" since the NCPDP will be setting uniform national

252	Rep. Garrard	standards anyway. Comments that standards are necessary and since the “players” are not motivated to come to an agreement among themselves, the state must step in.
264	Anet	Foresees that the federal standards will be implemented by 2003.
303	Anet	Remarks that she will provide more information to the committee pertinent to the issue.
309	Tom Holt	Oregon State Pharmacists Association. Testifies in support of HB 2763. Reiterates the importance of standardized information on health insurance cards.
361	Rep. Barnhart	Asks why this bill does not include a date when it becomes effective.
368	Holt	Responds that the pharmacists are flexible as far as an implementation date.
377	Rep. Barnhart	Asks if the date of effectiveness defaults to January 1, 2002.
379	Holt	Responds affirmatively.
381	Chair Kruse	Requests that all parties must come up with a bill that has consensus.
394	Chair Kruse	Closes the public hearing on HB 2763 and opens a public hearing on HB 3951.

TAPE 92, A
HB 3951 – PUBLIC HEARING

002	Diane Lewis	Committee Administrator. Summarizes HB 3951.
021	Gordon Fultz	Association of Oregon Counties. Testifies in favor of HB 3951. Discusses the importance of using tobacco settlement funding to support health care prevention and early intervention programs.
043	Dr. Alan Melnick	Health Officer for Clackamas County and Vice-Chair for the Coalition of Local Health Officials. Testifies in favor of HB 3951. Speaks to the “gaps” in the public health system and safety net programs. Discusses how tobacco settlement dollars should be used for both the former and the latter.
100	Dr. Gina Firman	Executive Director, Association of Community Mental Health. Submits written testimony in support of HB 3951 (EHXIBIT J).
118	Rep. Monnes-Anderson	Asks how the money distribution figures outlined in the bill were decided on.
123	Rep. Morrisette	Responds that the breakdown of funds was directed by the Governor’s recommended budget.
132	Dr. Melnick	Responds that some of the figures were decided on by the meetings during the interim between representatives of public and mental health systems.
141	Rep. Garrard	States that as a county commissioner for four years, he realized the need for more funding for public health and mental health.
159	Carla McQuillan	President, National Federation of the Blind of Oregon. Testifies in support of HB 3951. Speaks to the portion of the bill that allows money to go to the Oregon Commission for the Blind and the programs that will be cut if the commission does not receive the funds.
218	Rep. Tomei	Asks about the four-to-one federal matching dollars.
221	McQuillan	Responds that the federal department that provides the matching dollars is the Department of Rehabilitation Services.
233	Rep. Walker	Asks about the discussion of the Commission For the Blind’s funding in the Ways and Means Committee yesterday.
239	McQuillan	Responds that the discussion was about the need for the

258	Anthony Bieda	commission's budget to be increased. Represents Lane County. Submits and presents written testimony in favor of HB 3961 (EXHIBIT K). Speaks to the public health impact of the tuberculosis (TB) outbreak at the Eugene Mission for the Homeless.
330	Rep. Morrisette	Asks if people can test positive for TB and yet, not actually be infected with it.
335	Bieda	Responds affirmatively. Explains that people who have tested negative in the past were recently shown to be positive.
341	Rep. Morrisette	Asks at what point TB is considered an epidemic.
351	Karen Gillette	Program Manager, Lane County Public Health. Testifies in support of HB 3951. Discusses what she feels is an outbreak of TB in Lane County because on average, there are 6-7 active cases, and at present there are 90 people being monitored.
385	Rep. Morrisette	Calls Ms. Gillette's attention to submitted material, (EXHIBIT K).
389	Rep. Barnhart	Asks what happens if TB spreads to the general population.
TAPE 93, A 001	Gillette	Responds that the transient population is of a particular concern and infected persons are encouraged to maximize their cooperation in taking the medication.
010	Rep. Barnhart	Asks what happens if the infection spreads to others outside of the community.
014	Gillette	Responds that this would pose a significant dilemma for the public and that prevention efforts by public health workers would need to expand.
026	Rep. Garrard	Emphasizes the fact that a case of an infected TB individual can involve many different government agencies.
044	Chair Kruse	Speaks to the need for an amendment to HB 3951 so that tobacco settlement dollars will be allocated directly to programs.
062	Rep. Morrisette	States that it will be necessary to draft an amendment that will remove Section 2 of the bill.
071	Rep. Barnhart	Asks where the "trust fund" language appears in the bill.
075	Chair Kruse	Responds that it is in line five of section 2 of the bill.
077	Rep. Barnhart	Expresses doubt that HB 3951 actually sets up a "trust fund".
080	Chair Kruse	Clarifies that direct budget allocations will be made for the purpose of clarity.
085	Rep. Barnhart	Wishes to ask legislative council for clarification on whether or not HB 3951 sets up a "trust fund".
091	Chair Kruse	Explains that the bill attempts to "squirrel away" funds for the purpose of long-term and future funding.
105	Rep. Morrisette	Remarks that the fund HB 3951 sets up does not require a 2/3 vote in order to pull money out of it.
109	Chair Kruse	Comments that HB 3951 will be brought back to committee with its respective amendments. Closes the public hearing on HB 3951 and opens a public hearing on HB 2896.

HB 2896 – PUBLIC HEARING

130	Diane Lewis	Committee Administrator. Summarizes HB 2896.
138	Phyllis Rand	Governor's Commission on Senior Services. Submits and presents written testimony in favor of HB 2896 (EXHIBIT L). Reports that: <ul style="list-style-type: none"> ▪ Many seniors in Oregon are having to chose between food, clothes and prescription drugs

		<ul style="list-style-type: none"> ▪ Among the uninsured population, many seniors stretch medications by taking partial doses instead of the prescribed dose and many skip prescriptions altogether
195	Rep. Monnes-Anderson	Comments that agencies must work together to solve this problem.
209	Rep. Janet Carlson	House District 32. Testifies in support of HB 2896. Explains why she sponsored this bill and provides anecdotes to describe how seniors struggle to pay for their prescription drugs. Explains her hope to bring all the “players to the table” to work out the issues and come to agreement as to solutions to this problem.
266	Chair Kruse	Remarks that HB 2896 will be sent to Ways and Means and asks Rep. Carlson to insert into the bill an emergency clause that would allow for the task force to meet directly after the legislative session.
284	Rep. Bates	House District 52. Testifies in support of HB 2896. Discusses his own patients that are most at risk for prescription drug costs and states that most of them are seniors. Believes that there is no answer to resolve the problem for people who have no health insurance.
327	Rep. Lee	Asks if ten people should be appointed by the Senate President and the Speaker of the House and if it might be more appropriate for them to jointly select four people plus two legislators since it is important to stay bipartisan.
353	Rep. Carlson	Responds that she would not be opposed to this suggestion.
372	Chair Kruse	Responds that bipartisan support of the finished product is his goal.
377	Rep. Monnes-Anderson	Asks about responsibilities of the Health Council.
380	Rep. Bates	Responds that the council’s actions fall among a broad spectrum, but that he is not the best person to answer this question.
395	Chair Kruse	Responds that the Office of Medical Assistance Programs (OMAP) is intimately involved in the HB 2896 discussion.

TAPE 92, B

004	Chair Kruse	Closes the public hearing on HB 2896 and opens a work session on HB 2896.
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HB 2896 – WORK SESSION

010	Rep. Barnhart	MOTION: Moves HB 2896 to the committee on WAYS and MEANS with DO PASS recommendation.
014		VOTE: 9-0
021	Chair Kruse	AYE: In a roll call vote, all members present vote Aye. The motion CARRIES.
023	Chair Kruse	Closes the work session on HB 2896 and opens a public hearing on HB 3448.

HB 3448 – PUBLIC HEARING

025	Diane Lewis	Committee Administrator. Summarizes HB 3448.
035	Dr. Kathleen Salvoson	Represents the School of Nursing at the Oregon Health Sciences University (OHSU). Submits and presents written testimony in favor of HB 3448 (EXHIBIT N). Explains that HB 3448 has been proposed to clarify the language of ORS 678.031.
064	Marna Flaherty	Represents OHSU. Testifies in support of HB 3448.
068	Chair Kruse	Closes the public hearing on HB 3448 and opens a work session on 3448.

HB 3448 – PUBLIC HEARING

071 **Rep. Morrisette** **MOTION: Moves HB 3448 to the floor with a DO PASS recommendation.**
VOTE: 9-0
078 Chair Kruse **AYE: In a roll call vote, all members present vote Aye. The motion CARRIES.**
MORRISETTE will lead discussion on the floor.
080 Chair Kruse Closes the work session on HB 3448 and reopens a public hearing on HB 3027.

Chair Kruse discusses upcoming committee meetings and asks how the members wish to approach dinner breaks, etc.

HB 3027 – PUBLIC HEARING

137 Tom Holt Oregon State Pharmacists Association. Testifies in opposition to HB 3027. Believes the state should not become the purchaser of prescription drugs.

201 Holt Continues testimony by discussing the mechanism by which this bill allows for bulk purchasing to happen. Speaks to the disruption of the distribution centers by this new proposed stipulation.

291 Rep. Monnes-Anderson Asks if the Oregon State Pharmacists Association would be open to purchasing at very low costs some drugs through the state.

316 Holt Responds that the people he represents would always want to get a better price.

327 Rep. Morrisette Asks if the Oregon State Pharmacists Association would prefer “the bill in Maine” to HB 3027.

329 Holt Responds that the association would prefer to have neither of the bills become law.

344 Rep. Morrisette Explains that what occurred in Maine was a result of frustration with mounting drug costs.

354 Rep. Garrard Asks for Mr. Holt’s interpretation of section 2, line 30.

362 Holt Responds that it “appears to be a wide-open for any governmental body in Oregon to participate in the program”.

370 Rep. Garrard Asks if any governmental entity could be involved.

374 Holt Responds affirmatively.

382 Jim Gardner Pharmaceutical Research and Manufacturers of America Foundation (Phrma). Testifies in support of HB 3027. Discusses state agencies that purchase drugs for state health plans including OMAP’s involvement in securing low prices.

TAPE 93, B

005 Gardner Continues testimony by stating that legislation may not be necessary if the state of Oregon can join with the Minnesota consortium which is a multi-state purchasing unit.

032 Chair Kruse Explains that the consortium must be a self-contained system that can dispense the drugs once it purchases them and Oregon has not met with this criteria.

038 Gardener Responds that there must be more discussion of ways to solve this very complicated problem.

051 Dr. John Santa Office of Oregon Health Plan Policy and Research. Submits and presents written testimony regarding HB 3027 (**EXHIBIT O**).

115 Santa Continues testimony by discussing three elements of successful drug purchasing:

- Strategies to combine purchasing power
- Agreement among the purchasers regarding specific drugs to be purchased

		<ul style="list-style-type: none"> ▪ Communication between physicians, pharmacists, and patients regarding preferred drugs
163	Chair Kruse	Asks about private companies and potential competition with the state.
176	Santa	Responds that competition is very healthy for business and it requires a “smart purchaser” in order to stay in the game.
203	Rep. Walker	Points out that the state should not be the supplier of drugs who could potentially put everyone out of business.
230	Rep. Tomei	Asks if Minnesota buys its drugs in bulk and, if so, for whom.
238	Santa	Responds that Minnesota organizes its purchasing consortium and focuses on state agencies that distribute drugs to their own employees. Comments that the consortium has agreed not to let the drugs they purchase enter the retail market.
275	Rep. Krummel	Asks about handout (EXHIBIT P) and asks how medications are distributed through university health centers.
280	Santa	Responds that only vaccines and drugs given directly to students without the necessity of a prescription are distributed and not sold.
291	Rep. Krummel	Offers anecdote from Western Oregon University.
300	Santa	Responds that the centers make everyone comfortable with their status as “not a retail pharmacy”.
307	Chair Kruse	Recesses committee at 4:46 p.m.
310	Chair Kruse	Reconvenes the committee at 6:04 p.m.
325	Lewis	Summarizes the –1 amendments (EXHIBIT P) from the American Federation of Labor-Congress of Industrial Organizations (AFL-CIO).
337	Lynn-Marie Crider	AFL-CIO. Submits and presents written testimony in favor of HB 3027 (EXHIBIT Q) Recognizes the importance of healthy competition for the purpose of driving down drug costs. Discusses the –1 amendments.
TAPE 94, A		
001	Rep. Morrisette	Believes that for the state to become an efficient purchaser, it would need to constantly be tracking and monitoring the changes in the market.
006	Crider	Speaks again to –1 amendments.
057	Crider	Discusses how she feels the original bill is strengthened by –1 amendments. Mentions task force bill (HB 2896) of earlier today.
070	Rep. Garrard	Asks if Ms. Crider could envision a prescription drug version of the Oregon Liquor Control Commission (OLCC).
073	Crider	Responds that she could envision this happening.
082	Steve Dixon	Consumer Associate, Oregon State Public Interest Research Group (OSPIRG). Submits and presents written testimony in favor of HB 3027 (EXHIBIT R). Points out that across the country between 1993 and 1998, prescription drug costs rose twice as fast as total nation health spending.
105	Chair Kruse	Asks about cost shifting and making pharmaceuticals available to other countries.
117	Dixon	Responds that much of the research in the field is done in universities with government dollars and is only refined by the pharmaceutical industry.
127	Chair Kruse	Believes that much of the real work is actually done within the private sector.

136	Rep. Morrisette	Asks how much the pharmaceutical industry spends on advertising.
138	Dixon	Responds that 32% is spent on marketing and administration, 11% on research and development, and 19% is profit.
144	Chair Kruse	Asks who compiled these numbers.
146	Dixon	Responds that the American Federation of Labor-Congress of Industrial Organizations (AFL-CIO) did.
147	Elizabeth Byers	Oregon Health Action Campaign. Submits and presents written testimony in favor of HB 3027 (EXHIBIT S).
244	Dugan Petty	Deputy Administrator, Department of Administrative Services (DAS). Testifies in regard to HB 3027.
257	Chair Kruse	Asks why the state hospital “went to Premier”.
260	Petty	Responds that the hospital’s buying consortium works because of its specific nature as a “fit” for the hospital.
267	Chair Kruse	Asks if “this would be a good fit for the hospital but not for Department of Corrections”.
269	Petty	Responds affirmatively.
283	Larry Wright	Central Purchasing Agent, DAS. Testifies as neutral to HB 3027. Adds that the state hospital receives a 2-3% savings by using Premier.
293	Rep. Morrisette	Asks Mr. Wright to describe his job.
296	Wright	Responds that he administers the contract with the Minnesota Multi-state Contracting Alliance.
306	Rep. Morrisette	Asks who makes the final decision about the purchases.
308	Wright	Responds that other people are responsible for this.
326	Petty	Discusses the history of the Minnesota multi-state consortium.
379	Chair Kruse	Asks if the drugs are purchased for the state only once a year.
382	Wright	Discusses the committee that meets to represent all interested parties involved in the consortium.
397	Chair Kruse	Asks if the state contracts for a year, or on a month-to-month basis.

TAPE 95, A

006	Wright	Responds that the contract allows for purchasing once a year.
011	Chair Kruse	Asks if the contract is for both the types of drugs and the volume of drugs.
013	Wright	Responds affirmatively.
015	Chair Kruse	Asks if the contract is modeled on expectations of volume and type.
017	Wright	Responds affirmatively.
021	Chair Kruse	Asks what happens in the situation of a crisis where there is a requirement for more amounts of a certain drug type.
024	Wright	Responds that he is not sure how this would be handled.
025	Petty	Responds that there is a wide array of drugs and if a certain drug were needed it would most likely be obtainable .
033	Chair Kruse	Asks if the Oregon State Penitentiary has its own contract.
037	Wright	Responds that they are part of the state’s contract.
038	Chair Kruse	Asks “how this model deals with a crisis situation”.
044	Wright	Responds that quantities of drugs can be easily changed, within the contract.
054	Rep. Garrard	Asks how volatile the price of drugs is in the Minnesota multi-state arrangement.
057	Wright	Responds that he can provide the committee with annual percentage increases.
062	Rep. Garrard	Asks if each purchaser is guaranteed a certain price of drugs for

068	Wright	the entire year the contract is effective.
072	Chair Kruse	Responds that the price stays at a fixed number. Asks if the drug prices within the contract are protected from the constant market shifts and fluctuations.
074	Wright	Responds affirmatively.
077	Chair Kruse	Comments that this stabling factor is quite advantageous for the state.
091	Chair Kruse	Closes the public hearing and adjourns the committee at 6:45 p.m.

Submitted By,

Reviewed By,

Rachel Brown,
Committee Assistant

Diane Lewis,
Committee Administrator

EXHIBIT SUMMARY

- A – HB 2627, proposed –1 amendments, staff, 1p.**
- B – HB 2627, written material, staff, 1p.**
- C – HB 2763, proposed –1 amendments, staff, 3pp.**
- D – HB 2763, proposed –3 amendments, staff, 2pp.**
- E – HB 2763, written material, J.L. Wilson, 3pp.**
- F – HB 2763, written material, Nancy Kaib, 2pp.**
- G – HB 2763, written material, Mark Landauer, 1p.**
- H – HB 2763, written material, staff, 3pp.**
- I – HB 2763, written material, Peggy Anet, 10pp.**
- J – HB 3951, written material, Dr. Gina Firman, 8pp.**
- K – HB 3951, written material, Anthony Bieda, 3pp.**
- L – HB 2896, written material, Phyllis Rand, 2pp.**
- M – HB 2896 & HB 3027, written material, staff, 3pp.**
- N – HB 3448, written material, Dr. Kathleen Salvoson, 1p.**
- O – HB 3027, written material, Dr. John Santa, 3pp.**
- P – HB 3027, -1 proposed amendments, Lynn-Marie Crider, 2pp.**
- Q – HB 3027, written material, Lynn-Marie Crider, 6pp.**
- R – HB 3027, written material, Steve Dixon, 2pp.**
- S – HB 3027, written material, Elizabeth Byers, 62pp.**
- T – HB 3027, written material, staff, 1p.**
- U – HB 3027, written material, staff, 1p.**
- V – HB 3027, written material, staff, 1p.**