

## HOUSE COMMITTEE ON HUMAN RESOURCES

March 30, 1999 Hearing Room E

1:00 PM Tapes 48 - 49

**MEMBERS PRESENT:** Rep. Jeff Kruse, Chair

Rep. Kitty Piercy, Vice-Chair

Rep. Betsy Close, Vice-Chair

Rep. Tim Knopp

Rep. Jerry Krummel

Rep. Bill Morrisette

Rep. Jackie Taylor

Rep. Jackie Winters

**MEMBER ABSENT:** Rep. Mike Lehman

**STAFF PRESENT:** Janet L. Carlson, Administrator

Diane M. Lewis, Administrative Support

**MEASURE/ISSUES HEARD:** HB 2700 Public Hearing and Work Session

HB 3355 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.

TAPE/#	Speaker	Comments

**TAPE 48, A**

006

Chair Kruse

Calls the meeting to order at 1:12 P.M. Reminds the committee members that the legislative WebAudio system is now active and committee meetings are being transmitted on the Internet. Opens a public hearing on HB 2700.

**HB 2700 PUBLIC HEARING**

018

Janet Carlson

Committee Administrator, summarizes the bill and introduces HB 2700-1, proposed by Sen. Neil Bryant during the Human Resources Committee public hearing on HB 2700 held on March 11, 1999 (**EXHIBIT A**) and HB 2700ñ2, which intend to clarify "eligibility" and "enrollment" (**EXHIBIT B**).

030

Chair Kruse

States that it is not his intention to move the bill with the ñ1 amendments. Explains that the ñ1 amendments are being re-worked and, if it passes on the House floor, the bill will go to Senate Judiciary Committee, Chaired by Sen. Bryant. Explains that the ñ2 amendments are not necessary to the bill. States that the committee will hear the bill as it stands alone.

051

Hersh Crawford

Director, Office of Medical Assistance Programs (OMAP), testifies in support of the original HB 2700. States that the amendments are not necessary.

060

Amy Milone

Providence Health Plan, testifies in support of the original HB 2700. States that she was planning on testifying in opposition to the ñ1 amendments and supports the Chair's intention of passing the bill out without amendments.

068

Bruce Bishop

Kaiser Permanente, testifies in support of HB 2700. States that he supports the ñ1 and ñ2 amendments should the committee choose to adopt them.

073

Rep. Krummel

States his support of HB 2700ñ1 amendments.

085

Chair Kruse

Closes the public hearing on HB 2700 and opens a work session on HB 2700.

**HB 2700 WORK SESSION**

089

Rep. Krummel

**MOTION: Moves HB 2700 to the floor with a DO PASS recommendation.**

**VOTE: 8-0**

**AYE: In a roll call vote, all members present vote Aye.**

**ABSENT: 1 - Lehman**

097	Chair Kruse	<p><b>The motion CARRIES.</b></p> <p><b>REP. KRUSE will lead discussion on the floor.</b></p>
100	Chair Kruse	Closes the work session on HB 2700 and opens a public hearing on HB 3355.
<b><u>HB 3355 PUBLIC HEARING</u></b>		
102	Carlson	Summarizes the bill and HB 3355's amendments ( <b>EXHIBIT C</b> ), HB 3355-2 amendments ( <b>EXHIBIT D</b> ), and HB 3355-3 amendments ( <b>EXHIBIT E</b> ).
120	Rep. Close	Refers to the amendments and asks how the co-pay amount of \$3 was determined.
125	Chair Kruse	Explains that the \$3 amount was his decision. Believes it is a low figure that provides some financial responsibility to Oregon Health Plan (OHP) clients.
140	Carole Romm	Director, Health Services of Care Oregon, testifies in opposition to HB 3355 and explains that Care Oregon is a "health plan" providing services to Medicaid recipients under OHP. States that Care Oregon members are poor people, struggling to make ends meet. Explains that health care providers for Care Oregon work in safety-net clinics which function differently than most clinics and serve the poorest of the poor. States that safety-net clinics will lose additional reimbursements because they will not turn away clients that cannot pay a co-pay. Believes that if a client does not have the co-pay, that client will delay needed care or skip preventative care altogether.
188	Martha Minor	Member, Advisory Committee, Care Oregon, submits and presents written testimony in opposition to HB 3355 ( <b>EXHIBIT F</b> ).
265	Minor	Continues by stating that she does not have an additional \$10 each month for co-payments.
275	Rep Krummel	Asks Romm if she would choose a decrease in OHP utilization or a raise in the line of covered services.
278	Romm	Responds that the people of Oregon made a statement of commitment to the line of services when OHP was implemented. Understands the line will be raised before eligibility is cut. States that citizens of this state will suffer if either decision is implemented. Would like the legislature to look at cutting back on other expenditures the state is involved with before going after needed health care services.
295	Rep. Krummel	Comments that people like Ms. Minor, who need care, should be taken care of. States that, as a provider, he is more concerned about people who abuse the use of insurance because they don't have to pay for it.

320	Romm	Concurs with Rep. Krummelis remarks by stating that there are people who don't take care of their health the way more affluent people do. Explains that there is a Care Oregon support group for people who need to learn about correct use of health services. States that this "counseling" is provided in nine languages.
360	Rep. Taylor	Asks how co-payment billing and reimbursement payments are conducted.
370	Rep. Krummel	Explains that co-payments are not a billable charge, they are paid by the patient at the time of service. Payments made to the practitioner are based on a contracted price.
<b>TAPE 49, A</b>		
003	Rep. Taylor	Comments that people don't always appear at a doctor's office with the ability to make a co-payment. Wonders if there will be more trouble for practitioners that must bill a patient for an unpaid \$3 co-pay.
008	Rep. Krummel	Responds that, as a provider, he refuses to bill for co-payments. States that if a patient doesn't have the co-pay he will still see them, but he asks them to bring their co-pay next time. Explains that he informs his patients that he will not see them without their co-payment in the future.
016	Rep. Taylor	Asks if the intent of the bill is to allow providers to do better under the OHP's current reimbursement system or is it to further the use of OHP. Asks if providers will submit for less reimbursement from OHP since they are receiving a co-payment.
026	Chair Kruse	Responds that money is not the primary issue with regard to the intent of the bill. States that the bill's intent is to take the burden off the system which is in trouble because of insurance abuse by clients that are not selective about their medical visits.
040	Rep. Morrisette	Asks if there is a relationship between the additional 12,000 low-income people receiving OHP benefits and HB 3355.
043	Chair Kruse	Responds negatively.
045	Rep. Morrisette	Asks if the bill is an attempt to make OHP clients more selective about the ways they make use of their health insurance.
048	Chair Kruse	Responds affirmatively. States that conversations took place with providers and health systems where co-pays have been implemented with positive results. Explains that the bill's amendments make this a pilot program to see if it will help the current OHP system.
055	Rep. Winters	Asks if other states have this kind of co-payment system.

058	Chair Kruse	Responds that no other state has the Oregon Health Plan. Explains that when health systems in Oregon have implemented a minimal co-payment, the results were positive regarding a reduction of superfluous insurance claims for doctor visits.
060	Rep. Krummel	States his support for HB 3355 and explains that other managed care systems have co-pay plans. Believes that co-pay plans make people think about the need for a doctor's visit before they create medical bills for the state. Comments that HB 3355 will control the utilization of OHP which may keep rising costs from forcing the deletion of services from the plan.
096	Rep. Taylor	Refers to written testimony the committee members received from Eugene Organ, Director of the Oregon Disabilities Commission ( <b>EXHIBIT G</b> ) and states that OHP eligibility requirements already require that clients be at a certain poverty level and be unable to pay for health insurance. States that a co-payment will be an unnecessary burden to many OHP clients. Believes that decisions regarding the need for medical care and service payments should be between physicians and their patients. Wonders if the co-pay will set up a barrier between the patient-physician relationship.
125	Rep. Morrisette	Asks about the length of time for the pilot project.
128	Chair Kruse	Responds that HB 3355 has a two-year time frame. Explains that there is no sunset date because it is unclear when the program will start.
140	Madeline Olson	Assistant Administrator, Office of Mental Health Services, submits and presents written testimony in opposition to HB 3355 ( <b>EXHIBIT H</b> ). Fears that people with mental illness will see co-payments as barriers to health services. Explains that, for most of her clients, reducing health care services will result in civil commitments to state institutions, creating additional funding burdens for the state.
170	Sylvia Caley	Oregon Law Center, submits and presents written testimony in opposition to HB 3355 ( <b>EXHIBIT I</b> ). States that she was moved by the testimony of Martha Minor and comments that Ms. Minor is typical of OHP Medicaid clients. Refers to EXHIBIT I, page 1, and discusses examples of how the co-pay would jeopardize the intended benefits of OHP.
220	Caley	Refers to EXHIBIT I and states that there is no ceiling on how much money OHP clients might pay out each month in co-payments.
239	Rep. Winters	Asks if there is a co-pay amount that Caley would not see as excessive.
245	Caley	Responds that any co-pay amount is excessive for the population this co-payment is targeting. Believes that HB 3355 will have a "chilling effect" in the poor communities of Oregon. Comments that there is no place in the bill requiring that health care services be provided to clients who cannot make the co-payment. States that the Federal Health Care Financing Administration (HCFA) will have many questions regarding these issues.

268	Rep. Winters	Comments that funding OHP is a difficult and complicated task and asks what Caley means by HB 3355 having a "chilling effect."
280	Caley	Responds that "it is time to grow the pie." Provides the committee with the example that sick children don't learn very well and education is a way out of poverty.
292	Rep. Krummel	Asks Caley if she would choose to decrease OHP utilization or raise the line of health services.
295	Caley	Reiterates that "the pie must grow." States that the line has been raised too high already. Believes that to raise the line any higher will risk the provision of basic health care. States that health care for treatable cancers are now at risk for removal from the list of covered services.
306	Rep. Krummel	States that the co-pay may cause clients to think twice about going to the doctor for minor health concerns that generally do not need a doctor's service.
324	Caley	States her concern that patients with more serious health problems or conditions such as pregnancy, which require regular doctor visits, will not see a doctor if there is a co-pay attached to each visit.
337	Rep. Krummel	States that there is a reason that health care organizations require co-payments. Reiterates that most physicians will see a patient even if the co-payment has not been made during that visit.
370	Rep. Morrisette	Comments that a few years ago voters increased the price of cigarettes to supplement OHP and the legislature took money from "the other end" with the idea that additional cigarette revenue could be spent on other general fund needs. Believes that the voters wanted to "grow the pie."
388	Caley	Discusses the Georgia system that installed a co-payment program that had adverse effects. States that emergency room visits went up and prenatal care decreased.
<b>TAPE 48, B</b>		
004	Hersh Crawford	Director, OMAP, submits and presents written testimony in regard to HB 3355 including written testimony opposing HB 3355 from the Governor's Medicaid Advisory Board ( <b>EXHIBIT J</b> ). Explains how HB 3355, as written, will violate current Medicaid laws.
018	Chair Kruse	Clarifies that Crawford's comments are in regard to the original bill without the amendments.

020	Crawford	Responds affirmatively. Continues by referring to EXHIBIT J, page 1, and discusses average utilization rates and the impact of co-payments on OHP clients.
041	Crawford	Discusses current HCFA exemptions from co-payments, EXHIBIT J, pages 3 and 4.
066	Rep. Piercy	Asks if prenatal care is exempt from co-payments.
069	Crawford	Responds affirmatively.
071	Chair Kruse	Asks what is considered "preventative" services and asks what health services are left.
073	Crawford	Responds that defining "preventative care" has been a dilemma. States that co-payments for OHP were looked at as an option in 1995. Explains that the 1995 proposal included all appropriate exemptions and was limited to outpatient visits. States that before OMAP was through the process of acquiring approvals it became apparent that the proposal was too restrictive and would cost more than originally was figured. States that the hassle to providers was not worth continued efforts to try a co-payment program. Explains that in 1995 the amount for premiums was adjusted to compensate for any revenue that would have been generated from co-pays. Reminds the committee that 70 percent of OHP participants pay monthly premiums. States that in the 1999-2001 biennium OMAP anticipates approximately \$13 million dollars in premium revenues.
100	Crawford	Refers to EXHIBIT J, pages 4 and 5, and discusses the implementation of HB 3355.
118	Rep. Krummel	Asks if 1.5 percent of the cost of OHP comes back in terms of premiums.
126	Crawford	Responds affirmatively. Explains that the state cost for operating OHP for biennium 1999-2001 is estimated at \$825 million. Putting \$13 million of paid premiums against the cost would equal approximately 1.5 percent.
137	Rep. Winters	Comments on the points made that self-esteem issues are involved with HB 3355. States that people always feel better when they are participating in their own interests. Asks if OMAP has looked at the 1995 proposal since it was discarded in order to find solutions to problems it originally highlighted.
154	Crawford	Responds that the issues of self esteem and personal responsibility are very important. Explains that in 1995 premiums and co-payments were being implemented at the same time. It became apparent that, from an administrative point of view, it was not productive to do both. States that the co-pay program would have saved \$1.5 million of general fund over the course of one biennium. It was easier to shift this amount to revenue collected from premiums.
170	Bob Miller	Operations Manager, Office of Alcohol and Drug Abuse Programs (OADAP),

		submits and presents written testimony in opposition to HB 3355 ( <b>EXHIBIT K</b> ).
230	Rep. Krummel	Asks Miller if he would choose to reduce OHP utilization or raise the line of health care services.
236	Miller	Responds that OADAP is underutilized. States that an increase of drug and alcohol treatment will reduce health care costs overall. Comments that he would prefer neither a decrease in OHP utilization nor a decrease in covered health services. States that HB 3355 is not the vehicle to get the state where it wants to be in regard to OHP revenue and expenditures.
256	Rep. Winters	Asks if OADAP has also underutilized its funding.
258	Miller	Responds that OADAP does not have the funding to meet the needs of all Oregonians abusing drugs and alcohol. States that if the full funding was available, OADAP would find ways to reach the rest of the population that needs help. Explains that addicts are further enabled to delay treatment and deny their problems when treatment waiting lists exist.
290	Dr. Phil Leveque	Retired Physician, Molalla, testifies in opposition to HB 3355. Explains how his practice functioned regarding patient payments. Discusses an example of a family on welfare and the need they had for medical treatment. States that his office was willing to see patients that could not afford to pay full price for medical care or insurance premiums. States that children will suffer greatly if HB 3355 is passed. Maintains that OHP is the least the state can do for its poorer citizens.
380	Rep. Krummel	Commends the efforts that Dr. Leveque demonstrated in his years of practicing medicine.
392	Rep. Winters	Asks what the current reimbursement is for providers.
396	Dr. Leveque	Replies that he is not sure of the current reimbursement rates. Explains that every physician is suffering financially from HMO contracts and from OHP.
415	Rep. Krummel	Concurs with the comments of Dr. Leveque.
<b>TAPE 49, B</b>		
020	Jack Kane	Osteopathic Physicians of Oregon and Family Care Inc., testifies in support of the concept of co-payments found in HB 3355. States that this bill will help bolster the confidence of Oregonians in OHP. This bill helps instill responsibility of OHP clients to the system.
050	Rep. Krummel	Asks if Kane would choose to see a decrease of OHP utilization or a rise in the line of health services.



060	Kane	Responds that these issues have not been discussed by the Osteopathic Physicians and he could not accurately answer for the organizations he represents.
065	Rep. Krummel	Asks if Family Care, as a health plan contractor, has a co-pay plan on the open market.
073	Kane	Responds affirmatively. States that co-pay amounts range from \$5 to \$10. Explains that Family Care believes co-pays bring responsibility to the system as well as assist in provider costs.
090	Richard Boyle	Social Worker, Advocate for Homeless and Mentally Ill Oregonians, testifies in opposition to HB 3355. States that his objection is a matter of social policy. Believes that HB 3355 will create a barrier between poor people and health care services. States that it is irresponsible to fix a problem at the expense of the lowest and poorest people.
115	Bob Joondeph	Director, Oregon Advocacy Center, testifies in opposition to HB 3355. Explains that co-payments tend to penalize people with chronic illnesses and disabilities that require multiple uses of OHP. States that poor people on fixed incomes don't have extra funds for co-pays. States that people with disabilities are looking for ways of becoming self-sufficient and independent and can't do it without health insurance. Explains that preventative care is meant to prevent disabling conditions and patients may avoid preventative care because they don't have the funds to meet co-payments.
190	Joondeph	Discusses the difficulty of getting people in treatment for mental health issues and substance abuse issues. Explains that multiple co-payments required for ongoing treatment visits may act as disincentives for clients to continue necessary treatment.
220	Elizabeth Beyers	Project Equality, testifies in opposition to HB 3355. States that people at the federal poverty level should not be additionally taxed for medical care. States that she is not aware of documentation regarding people superfluously overusing health care services. States that if this is indeed occurring, then these people need education regarding good health care practices and better self-evaluation methods. Believes that HB 3355 is another attempt at making money at the expense of the poorest of the poor and discusses an option of opening the OHP as a buy-in program for people who can afford it.
273	Chair Kruse	Closes the public hearing on HB 3355. States that this issue will be revisited. Comments that OHP clients have statistically been found to be the largest population of tobacco consumers in the state. Believes that it is not unreasonable to ask these people to give up a pack of cigarettes in order that they may contribute to their own health care.
290	Chair Kruse	Adjourns the meeting at 2:50 P.M.

Submitted By, Reviewed By,

Diane M. Lewis, Janet L. Carlson,  
Administrative Support Administrator

**EXHIBIT SUMMARY**

**A ñ HB 2700-1 amendments dated 3/10/99, Sen. Neil Bryant, 1 p.**

**B ñ HB 2700-2 amendments dated 3/24/99, Staff, 1 p.**

**C ñ HB 3355-1 amendments dated 3/8/99, Staff, 1 p.**

**D ñ HB 3355-2 amendments dated 3/15/99, Rep. Jeff Kruse, 1 p.**

**E ñ HB 3355-3 amendments dated 3/25/99, Rep. Jeff Kruse, 2 pp.**

**F ñ HB 3355 written testimony in opposition, Martha Minor, 3 pp.**

**G ñ HB 3355 written testimony in opposition, Eugene Organ, 2 pp.**

**H ñ HB 3355 written testimony in opposition, Madeline Olson, 2 pp.**

**I ñ HB 3355 written testimony in opposition, Sylvia Caley, 2 pp.**

**J ñ HB 3355 written testimony in regard to the bill, Hersh Crawford, 8 pp.**

**K ñ HB 3355 written testimony in opposition, Bob Miller, 2 pp.**