

SENATE COMMITTEE ON HEALTH AND HUMAN SERVICES

January 20, 1999 Hearing Room B

8:00 AM Tapes 4 - 5

MEMBERS PRESENT: Sen. Bill Fisher, Chair

Sen. Frank Shields, Vice-Chair

Sen. Susan Castillo

Sen. Verne Duncan

Sen. Marilyn Shannon

MEMBER EXCUSED:

STAFF PRESENT: Sandy Thiele-Cirka, Administrator

Becky Albert, Administrative Support

MEASURES HEARD: SB 236 Work Session

SB 14 Public Hearing

SB 140 Public Hearing

SB 205 Public Hearing and Work Session

These minutes are in compliance with Senate and House Rules. Only text enclosed in quotation marks reports a speaker's exact words. For complete contents, please refer to the tapes.

TAPE/#	Speaker	Comments
TAPE 4, A		
000	Chair Fisher	Opens meeting at 8:05 a.m. and addresses committee meeting time. Opens work session on SB 236. Introduces committee staff.

SB 236 WORK SESSION

031	Sen. Duncan	MOTION: Moves SB 236 to the floor WITHOUT RECOMMENDATION as to passage and BE REFERRED to the committee on Judiciary.
		VOTE: 4-0 EXCUSED: 1 ñ Shannon
	Chair Fisher	Hearing no objection, declares the motion CARRIED.
036	Chair Fisher	Closes work session on SB 236 and opens public hearing on SB 14.

SB 14 PUBLIC HEARING

050	Claudia Black	Oregon Health Division. Introduces Edward Johnson (State Registrar for Vital Records). Requests a later hearing date for SB 14.
059	Charles Stern	Yamhill County Clerk and chair of Recording and Public Records Subcommittee of the Oregon Association of County Clerks. Comments on a draft bill pending. Comments on defrocking those who have performed marriage ceremonies.
069	Sen. Shields	Questions why the marriage record is recorded once.
072	Stern	Responds he is not sure, it is included in current law.
082	Chair Fisher	States there is some record of those who perform ceremonies.
090	Stern	Comments there are ways to track the authority of those who are performing ceremonies.
097	Sen. Duncan	Comments on experiences as chair of National Commission on Education Credits and Credentials, and notes concerns regarding the minimal requirements to acquire certificates.
114	Chair Fisher	States SB 14 will be addressed at a future date. States the relating clause may not address all of the issues. Closes public hearing on SB 14 and opens public hearing on SB 140.

SB 140 PUBLIC HEARING

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141	Michael A. Maier	Deschutes County Administrator. Testifies in support of SB 140 and submits (EXHIBIT A) . Comments on the importance of self-insurance plans. States the private sector does not have minimum requirements for insurance of employees. States SB 140 lowers the number of employees needed to utilize self-insurance. It expands the amount of employers who may have the option to self-insure.
188	Sen. Shields	Asks if Deschutes County could utilize self-insurance if the requirement were lowered to 500 employees.
192	Maier	Explains there is an option in current law to allow employers with less than 1,000 employees to utilize self-insurance, but it is a complex option.
207	Chair Fisher	Comments on the 100 employee figure and self-insurance.
214	Maier	Responds some private sector employers with 100 to 150 employees have used self-insurance. Comments on a company they have worked with in the past.
232	Sen. Castillo	Asks if this would be treated differently than private companies. Asks if private companies would be affected by various mandates.
242	Maier	Responds they would probably follow the current mandates and still require oversight. Explains they have a program in Deschutes County with a benefits advisory committee to bring different entities together to implement one plan, rather than multiple plans.
273	Sen. Castillo	Asks if other counties are implementing these types of programs.
274	Michael	States many are waiting to see how it works in Deschutes County. Notes Deschutes County would like to implement the plan, which others would use as a model.
294	Chair Fisher	Asks if Bend has an acceptable amount of employees for the program.
295	Maier	Responds they do not have an adequate amount of employees.
301	Chair Fisher	Asks if this would fall under the rules of combining two or more that could collaborate together.
303	Maier	Responds it is possible.
312	Sen. Shields	Refers to EXHIBIT A , page 1. Asks if it was the intention to leave the number at 1,000 employees.
320	Michael	Responds to reduce the minimum to 500, so the county could comply.

325	Sen. Shields	Discusses the difference between 500 and 1,000.
340	Maier	Comments on the wording of "or" and that it does not take many employees to create a \$500,000 premium.
343	Chair Fisher	Asks about who has the \$500,000 premium.
345	Maier	Clarifies who has it.
349	Sen. Shields	Comments on possible combinations and numbers of employees that could create the various premiums.
359	Maier	Comments one could have ten organizations with ten employees and have a \$500,000 premium combined, with less than 100 employees, and still comply.
375	Sen. Duncan	Asks how many employees Deschutes County has.
377	Maier	States, on an average, 750 employees.
380	Sen. Castillo	Asks about policies relating to the current minimum requirement level.
384	Michael	Responds he assumes it is a fairly old number.
390	Sen. Castillo	Asks if anyone is present who could determine why the initial numbers were set where they are.
401	Chair Fisher	Calls Mark Nelson and Bruce Bishop to testify.
409	Mark Nelson	Oregon Clinical Social Workers. States their concerns are the mandates. Refers to the mandates mentioned on page 1, line 30 of SB 140, relating to mental health, chemical dependency, etc.
450	Bruce Bishop	Attorney, Harrang Long Gary Rudnick, P.C., Kaiser Permanente, and chair of Associated Oregon Industries Health Care Committee. States the organizations he represents do not have a position concerning the threshold of self-insured public employees, but is concerned about the benefit mandate issue. Explains that current law requires mandated benefits be applied to self-insured public employers.
500	Bishop	Comments on confusion over mandated benefits.
TAPE 4, B (Tape out of sequence)		

001	Bishop	Comments on the provision in ORS 743, relating to self-insurance mandates. Provides an example of continuation of insurance coverage that may not have mandated benefits. Notes the confusion as to which parts of the insurance codes employers need to comply with.
018	Chair Fisher	Clarifies this would not affect the change of group numbers to 1,000.
021	Bishop	Agrees. Comments currently self-insured public employers might vary in their understanding of which coverage needs to be offered. States as more entities are allowed to self-insure there may be greater variations as to what coverage is given to employees.
030	Chair Fisher	Asks if Bishop has clarification language.
031	Bishop	States he has no amendments at this time, but has some suggestions.
038	Chair Fisher	Invites Peggy Anet to provide background.
042	Sen. Duncan	Questions Nelson's concern.
047	Peggy Anet	Comments in answer to Sen. Castillo's question regarding the origin of the 1,000 employee minimum. States the numbers were established to ensure the public sector entities that were self-insured were large enough to assume liability, in the event there were problems with the program.
056	Chair Fisher	Comments on liability.
059	Anet	Comments on the risk of claims. Comments in the 1997 Session, when the bill was amended to add school districts into it, there was still a lack of clarity on the part of Department of Consumer and Business Services (DCBS) as to how to treat public sector self-insured employers.
083	Nelson	Comments further on current law relating to eligibility.
092	Sen. Shields	Asks if it would be logical to raise the \$500,000 figure, to account for inflation.
097	Anet	Suggests the figure could have been initiated in 1982. Will provide the committee with inflation rates.
103	Sen. Shields	Questions if municipalities moved to self-insurance, how that would effect private sector entities and other insurance companies.
112	Bishop	Responds that many employers have moved from self-insurance back to group insurance, due to liability risk.

126	Anet	Comments that groups of that size would be experience rated and that would mean rates would be established based on the group. Discusses the reinsurance costs and the retiree liability.
162	Sen. Duncan	Asks Nelson about Bishop's amendment suggestions.
165	Nelson	Responds his concerns relate to chemical dependencies as addressed in the bill, and notes the other mandates are outside the scope of those identified in SB 140.
175	Chair Fisher	Asks about the collective opinion of inviting DCBS to speak on this topic.
180	Nelson	States that might be advisable.
181	Chair Fisher	Asks if anyone else would like to testify. Asks about retirees in Deschutes County.
188	Maier	Comments if they self-insure they are not sure how the retirees would be classified. States employees with over 30 years of county service will be treated differently than those with less than 30 years in the county system. Explains the current retiree system. States they are considering other options and that Klamath Medical Association has provided options.
229	Sen. Shields	Asks if he agrees with the competition issue.
235	Maier	Explains they are in the middle of a review and their main concern is administrative expenses. States what the changes will probably save some administration costs.
271	Chair Fisher	Closes public hearing on SB 140 as further work will be done on amendments. Opens public hearing on SB 205.
<u>SB 205 PUBLIC HEARING</u>		
280	Ron Adams	Director, Oregon Youth Conservation Corps (OYCC). Presents (EXHIBIT B) . Explains OYCC works with at-risk youth to place them on natural resource jobs, get them back on track, and back into school. Explains SB 205 transfers the OYCC from Oregon Commission on Children and Families (OCCF) to the Oregon Office of Community College Services (OCCS). It creates synergy between age groups and an opportunity to work with the community colleges.
342	Sen. Duncan	Declares a conflict of interest, saying "I do serve on the board of this group" and was involved in the first program of OYCC in the 1970s. States the education connotation of SB 205 is a good match for community colleges.
363	Mickey Lansing	Deputy Director, OCCF. Explains they are present to support the transfer in SB

		205. Describes OYCC as a postitive program which would benefit from the resources offered by the transfer to OCCS.
404	Bret West	Deputy Commissioner, OCCS. States OCCS supports SB 205.
427	Chair Fisher	Asks about the fiscal adjustment.
TAPE 5, A (tapes out of order)		
010	West	Explains the fiscal adjustment is for \$1.5 million. States the package included the assumption of growth, although the increase was not included in the Governor's budget.
033	Chair Fisher	Continues to ask about the increase.
035	West	States these figures concern the proposed budget.
188	Sen. Shannon	States her full support of SB 205.
058	Adams	Refers to page 3, lines 7 to 32, and explains they currently seek approval of the local Children and Family Commission for the summer projects in each county. By transferring to the community colleges they would no longer be required to seek that approval. Explains he will assure the local counties that they are still in the loop, if they want to be.
073	Chair Fisher	Reiterates the way the bill is written it relieves that approval issue.
077	Adams	Explains local counties have worked well with the youth programs. Has assured county partners that want to remain "in the loop" that they are invited to continue doing so.
091	Chair Fisher	States he understands. Closes public hearing on SB 205 and opens work session on SB 205.
<u>SB 205 WORK SESSION</u>		
108	Sen. Shields	MOTION: Moves SB 205 to the floor with a DO PASS recommendation and BE REFERRED to the committee on Education by prior reference.
		VOTE: 5-0

	Chair Fisher	Hearing no objection, declares the motion CARRIED. SEN. DUNCAN will lead discussion on the floor.
146	Chair Fisher	Closes work session on SB 205 and adjourns meeting at 9:15 a.m.

Submitted By, Reviewed By,

Becky Albert, Sandy Thiele-Cirka,
Administrative Support Administrator

Transcribed By,

Jennifer Peck,
Committee Coordinator

EXHIBIT SUMMARY

A ñ SB 140, written testimony, Michael Maier, 4 pp

B ñ SB 205, written testimony and annual report, Ron Adams, 5 pp