

SENATE COMMITTEE ON HEALTH AND HUMAN SERVICES

February 24, 1999 Hearing Room B

8:00 AM Tapes 36 - 37

MEMBERS PRESENT:

Sen. Bill Fisher, Chair

Sen. Frank Shields, Vice-Chair

Sen. Susan Castillo

Sen. Verne Duncan

MEMBER EXCUSED:

Sen. Marylin Shannon

STAFF PRESENT:

Sandy Thiele-Cirka, Administrator

Andrew Morris, Administrative Support

MEASURES HEARD:

SB 312 Work Session

SB 406 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 36, A		
004	Chair Fisher	Calls meeting to order at 8:14 AM. States that SB 421 will be rescheduled. Requests that cell phones and pagers be turned off. Opens works session on SB

		312.
<u>SB 312 WORK SESSION</u>		
027	Sandy Thiele-Cirka	Explains the 11 amendments dated 02/18/99 to SB 312.
039	Sen. Duncan	MOTION: Moves to ADOPT SB 312-1 amendments dated 02/18/99.
		VOTE: 4-0 AYE: 4 - Castillo, Duncan, Shields, Fisher EXCUSED: 1 11 Shannon
043	Chair Fisher	The motion CARRIES.
044	Sen. Duncan	MOTION: Moves SB 312 to the floor with a DO PASS AS AMENDED recommendation.
		VOTE: 4-0 AYE: 4 - Castillo, Duncan, Shields, Fisher EXCUSED: 1 11 Shannon
	Chair Fisher	The motion CARRIES. SEN. DUNCAN will lead discussion on the floor.
062	Chair Fisher	Closes the work session on SB 312 and opens public hearing on SB 406.
<u>SB 406 PUBLIC HEARING</u>		
069	Thiele-Cirka	Explains SB 406 to the committee.
076	Cindy Robert	Representing Pacific Source. Testifies in support of SB 406. States that the bill allows insurance companies to adjust premiums based on tobacco usage. States that 8 percent (\$89 million) of health care costs are related to smoking. Explains that smokers require expanded medical care and nonsmokers assume a portion of

		the increased costs.
130	Greg McCumsey	Pacific Source. Testifies in support of SB 406. Comments that health care costs are increasing, and people who choose to increase health risks should assume responsibility.
156	Sen. Castillo	Asks how insurance companies will identify smokers.
159	McCumsey	Responds that it will work on the honesty of the individuals.
165	Sen. Castillo	Asks how this differs from someone who eats unhealthy.
169	McCumsey	Responds that the increased cost of medical services relating to tobacco use are documented.
184	Sen. Castillo	Questions tobacco addiction.
192	McCumsey	Responds that depends on whether people believe that people have a free will or not.
202	Robert	Responds to Sen. Castillo. States that smoking has a direct link to health problems.
211	Sen. Shields	Asks if other states have implemented this requirement.
213	McCumsey	Responds that, at one time, it was common.
217	Sen. Shields	Asks why it is not currently supported.
218	McCumsey	Responds that it began to dissipate with health care reforms.
221	Chair Fisher	Refers to the 1995 reform bills dealing with discrimination in health insurance.
236	Robert	Explains that other states still use the law. Elaborates that Oregon uses tobacco usage for life insurance premiums. Notes that Blue Cross/Blue Shield is concerned with line 14, page 1, and would like to have the language not withstanding removed.
259	Chair Fisher	Questions if a person wanted to utilize that aspect of their insurance rights would they be allowed to have specific conditions written into the policy.
266	Robert	Responds that portability laws dictate that insurance offers the same benefit

		design.
269	Sen. Shields	Asks if age is used in determining life insurance premiums.
274	Robert	Responds affirmatively.
280	Sen. Shields	Asks about family members who smoke and others who choose not to smoke.
288	Robert	Responds that SB 406 only affects individual health insurance, not group plans.
308	Sen. Duncan	Asks for the percentage of people participating in group health insurance.
311	McCumsey	Responds that 200,000 people are covered by private insurance.
316	Sen. Duncan	States that the bill impacts a small group of people.
320	Robert	States that she would like to see a discount for people who do not smoke. States that SB 406 provides the insurance companies the option to adjust prices, and it is not a mandate. States that the bill provides rights for nonsmokers.
351	Jim Gardner	Representing Philip Morris. Testifies in opposition to SB 406. States that smokers are of lower income and raised costs could create a hardship in obtaining health insurance which would put the burden on tax payers. States that smokers should be encouraged to be involved in health plans. Comments that SB 406 could begin the slippery slope issue.
TAPE 37, A		
000	Gardner	States that, if the bill passes, other activities could be included in adjusting insurance premiums.
018	Pat Amedeo	Representing Smokers Tobacco Council. Testifies in opposition to SB 406. States that SB 406 is discrimination against smokers. Comments that insurance companies could use this to increase premiums in other areas.
039	Mark Nelson	Representing RJ Reynolds. Testifies in opposition to SB 406. States this is not a tobacco issue, but a segregation issue.
077	Chair Fisher	Questions demographics, and asks why people would drop health insurance coverage, but not drop cigarettes.
084	Gardner	Responds that SB 406 creates a disincentive to purchase insurance.

094	Sen. Shields	Explains community-based rating. Asks about a discount for nonsmokers and prohibiting an increase for smokers.
108	Amedeo	Responds that offering discounts to non-smokers creates discrimination. States that if insurance companies start offering discounts for high risk behaviors it will create a slippery slope.
127	Sen. Shields	Asks why differential rates are allowed in life insurance and not health insurance.
130	Gardner	Responds it is not done in health insurance to give incentives for people to sign up for service.
153	Nelson	States the bill causes discrimination and segregation.
175	Sen. Duncan	Asks about differentiation in states where rates are based on tobacco usage.
185	Nelson	Responds that he does not have that information.
200	Sen. Duncan	Requests actual insurance rates of smokers from other states.
209	Sen. Castillo	Notes concerns that the bill begins to single out groups of people.
238	Peggy Anet	Representing Health Insurance Association of America. Testifies in support of SB 406. States the bill is not a slippery slope issue, there is documentation that proves cause and effect with smoking.
272	Sen. Duncan	Asks if there is an argument for removing age discrimination in health insurance premiums.
285	Anet	Refers to the universal health care bill.
314	Sen. Shields	Asks if Anet has data from other states.
319	Amet	Responds that she will obtain it and provide it to the committee.
349	Chair Fisher	Closes public hearing on SB 406 and adjourns the meeting at 9:07 AM.

Andrew Morris, Sandy Thiele-Cirka,
Administrative Support Administrator

EXHIBIT SUMMARY

No exhibits were submitted.