

## SENATE COMMITTEE ON HEALTH AND HUMAN SERVICES

**March 8, 1999 Hearing Room B**

**8:00 AM Tapes 49 - 50**

### **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 527 Public Hearing**

**SCR 1 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 49, A		
004	Chair Fisher	Calls meeting to order at 8:08 AM and opens public hearing on SB 527.
<u>SB 527 PUBLIC HEARING</u>		

011	Sen. Lenn Hannon	Senate District 26. Testifies in support of SB 527. Explains background of SB 527. States the need for long term insurance, and SB 527 is an attempt to combine the private and public sectors to collaborate together. States that President Clinton addressed the subject in his State of the Union Address.
063	Sen. Shields	Asks if the bill would help states move in the direction of providing incentives for people to purchase long term care insurance.
078	Sen. Hannon	Responds that he supports tax credits and other incentives to generate participation.
088	Sen. Shields	Comments on the debt of Medicare and Medicaid. Asks if the insurance industry has figures for potential savings on Medicare costs.
100	Sen. Hannon	Responds that people need to dispose of income in order to be eligible for state aid. States that SB 527 is an attempt to assist people so they do not need to liquidate their resources.
110	Sen. Shields	Relates a personal story. Asks if it is possible to draft a bill that would allow a person to extend their insurance coverage.
145	Sen. Hannon	Responds that that type of language should not be in statute. Comments that the insurance industry is complicated and definitions should be addressed in administrative rules.
167	Chair Fisher	Comments that Medicaid does not utilize co-pays.
196	Sen. Shields	States that he believes people would be motivated to buy long term insurance, if they could ensure their assets.
217	Chair Fisher	States a possible conflict of interest.
230	Sen. Shields	Remarks that 80 percent of Medicaid expenditures occur in the last two years of a person's life.
243	Sen. Castillo	Asks if SB 527 is similar to a measure passed last session that allowed the public employees board to include long term insurance in the benefits package.
248	Sen. Hannon	Responds affirmatively. States people need to be aware of options that are available to them.
274	Gwen Dayton	Representing Oregon Health Care Association. Testifies in support of SB 527 <b>(EXHIBIT A)</b> . States there will be significant savings if people purchase long term care insurance. States that two out of five people over 50 are in long term care at one time or another.

320	Dayton	Explains the difference between the dollar for dollar model and total asset value model.
334	Sen. Shields	Asks if the dollar for dollar model is legal.
338	Dayton	Responds affirmatively.
365	Peggy Anet	Health Insurance Association of America. Testifies in support of SB 527 with amendments. Restates the needs for the amendments in Sections 4 and 5.
429	Anet	Explains that with this type of bill it is hard to determine fiscal and revenue impacts.
<b>TAPE 50, A</b>		
003	Sen. Shields	Asks about waivers in Section 9.
007	Dayton	Explains that a waiver is needed when spending Medicaid monies.
021	Sen. Castillo	Asks about policies that would protect assets.
029	Anet	Responds that Section 5 addresses that issue, but requires modifications. States that California has adopted a dollar for dollar model.
040	Chair Fisher	Comments that it is frustrating to see people work all of their lives only to need to liquidate assets because of estate taxes, or to receive long term care.
082	Anet	States that the average age of purchasing long term insurance is 53.
095	Dayton	States it is important to educate people on long term care insurance.
120	Chair Fisher	Asks about differences in premiums.
125	Dayton	Responds that the earlier the insurance is purchased, the cheaper it is.
133	Chair Fisher	Asks about life insurance policies adding provisions relating to long term care.
138	Anet	Responds that some life insurance policies include long term care provisions. States there is a diversification in the types of available programs.
160	Sen. Shields	Refers to <b>(EXHIBIT A)</b> . States that if the federal government changes the

		Medicaid and Medicare structure, SB 527 could be beneficial.
192	Chair Fisher	Closes public hearing on SB 527.
197	Sen. Shields	Opens public hearing on SCR 1.
<u><b>SCR 1 PUBLIC HEARING</b></u>		
205	Chair Fisher	Testifies in support of SCR 1 and provides background. States the measure has the support of all legislative members.
240	Sen. Castillo	States that it is important to recognize Oregonians.
245	Chair Fisher	States that the recipient of the memorial was a good person who should have been recognized while he was alive.
295	Sen. Shields	Closes public hearing on SCR 1 and opens work session on SCR 1.
<u><b>SCR 1 WORK SESSION</b></u>		
303	Chair Fisher:	<b>MOTION: Moves SCR 1 be sent to the floor with a BE ADOPTED recommendation.</b>
		<b>VOTE: 4-0</b> <b>AYE: 4 ñ Castillo, Duncan, Shields, Fisher</b> <b>EXCUSED: 1 ñ Shannon</b>
	Chair Fisher	<b>The motion CARRIES.</b>  <b>Sen. FISHER will lead discussion on the floor.</b>
318	Sen. Shields	Closes work session on SCR 1 and adjourns the meeting at 9:00 AM.

Submitted By, Reviewed By,

Andrew Morris, Sandy Thiele-Cirka,  
Administrative Support Administrator

**EXHIBIT SUMMARY**

**A ñ SB 527, Informational packet, Oregon Health Care Association, Gwen Dayton, 7 pp**