

## SENATE COMMITTEE ON HEALTH AND HUMAN SERVICES

April 7, 1999 Hearing Room B

8:00 AM Tapes 78 - 79

**MEMBERS PRESENT:** Sen. Bill Fisher, Chair

Sen. Frank Shields, Vice-Chair

Sen. Susan Castillo

Sen. Verne Duncan

Sen. Marylin Shannon

**STAFF PRESENT:** Sandy Thiele-Cirka, Administrator

Andrew Morris, Administrative Support

**MEASURES HEARD:**

**SB 1037 Public Hearing**

**SB 516 Work Session**

**SB 393 Work Session**

**SB 600 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
<b>TAPE 78, A</b>		
003	Chair Fisher	Calls meeting to order at 8:05 AM and opens public hearing on SB 1037.
<b><u>SB 1037 PUBLIC HEARING</u></b>		
008	Tom Hoggard	President, Oregon Medical Association (OMA). Testifies in support of SB 1037. States the bill will help stop a problem facing doctors and enrollees of insurance companies. Comments SB 1037 will allow physicians to choose selected provider panels.

038	Chair Fisher	Asks Hoggard to clarify PPO.
042	Hoggard	Responds that many of the large insurers have formed HMOs (Health Maintenance Organizations), and PPOs are preferred provider plans that insurers have which are similar to indemnity plans. States the best plans allow physicians to treat their patients and still be economically viable.
062	Chair Fisher	Questions the availability of different plans in the same area.
069	Hoggard	Responds with an example of an insurance company underbidding itself with different plans.
083	Sen. Duncan	Questions if a company changed insurance plans, would the doctor need to change plans in order for the patient to continue see him. Asks if negotiations are possible.
092	Hoggard	Responds that the doctor would need to change plans also and there is not any form of negotiation available.
097	Sen. Duncan	Questions why the bill is needed.
101	Hoggard	Responds the OMA is attempting to develop an improved arrangement between the patients and the doctors. States the bill allows doctors to decide which plans they will participate in.
106	Scott Gallant	Representing OMA. Testifies in support of SB 1037 ( <b>EXHIBIT A</b> ). Explains the current contracting process between physicians and insurance companies. States that providers must adhere to the new contract without having a any input into which plan(s) they service. States the bill allows for negotiations provides the option for doctors to submit a 30-day notice to withdraw from service plan.
133	Sen. Castillo	Requests the clarification of a product.
135	Gallant	Responds it is an insurance plan.
150	Mike Crew	Counsel to OMA. Testifies in support of SB 1037. States that insurance companies are currently requiring physicians to see patients from other plans, and that the bill allows insurance companies to require doctors to accept Oregon Health Plan clients.
179	Chair Fisher	Asks if insurers have options.
191	Crew	Responds he is unsure and notes that the insurers negotiate with the companies. States there are situations when physicians question the reimbursement rates and that some physicians prefer not to participate in HMOs.

211	Castillo	Asks if Crew anticipates having doctors drop from HMOs, but remain in PPOs.
214	Crew	Responds he is unsure.
220	Sen. Shields	Asks for clarification of bill language.
229	Crew	Explains contracting to the committee.
253	Gallant	Refers to <b>(EXHIBIT A)</b> which has language requiring doctors to accept other states' plans.
259	Chair Fisher	Asks what would happen if doctors are not properly licensed in other states.
261	Gallant	Responds he assumes the doctors would be providing residents with individual care. Adds that a physician has the right to request and receive contracts between patients and insurers.
275	Chair Fisher	Asks if doctors are requesting one plan, but using another.
277	Gallant	Responds no. States that doctors should be able to negotiate the terms of the service contracts.
300	Crew	States the IPA negotiates risk sharing, but cannot negotiate PPO contracts.
321	Chair Fisher	States that IPA is Independent Physicians Association.
343	Sen. Castillo	Asks how long contractual problems have existed.
350	Crew	Responds the problem has existed for quite some time and has grown as HMOs have increased in size. Relates a case from Portland.
370	Chair Fisher	Questions if doctors are trying to select patients.
407	Crew	Responds no. States the point of the bill is to allow doctors to choose plans.
451	Gallant	Reiterates that the bill allows physicians to choose which contracts they accept.
<b>TAPE 79, A</b>		
000	Crew	States that in some cases doctors need to pay in order to see patients because of contract language.

015	Chair Fisher	States physicians need to do what is best for them. Comments that if the money is not there, care cannot be provided.
025	Crew	States the bill allows for negotiation between plans and physicians.
040	Sen. Duncan	Asks if the issue is larger what is addressed in the bill.
045	Crew	Responds no.
048	Sen. Duncan	Asks what the vote would be if the OMA voted to dissolve managed care.
052	Gallant	Responds the vote would be close.
063	Chair Fisher	States that insurers are attempting to keep health care costs down. States that investments of the medical community are often not taken into consideration by all groups and that insurers bargain for the patients to receive the best price.
103	Gallant	States that it is illegal for physicians to barter their services.
129	Sen. Duncan	Asks if physicians can negotiate a fee structure.
136	Crew	Responds no.
147	Chair Fisher	States there have been consequences with mismanagement within the Oregon Health Plan.
164	Gallant	Notes that the Oregon Health Plan's rates have been adjusted.
178	John Powell	Representing Regence Blue Cross/Blue Shield (BC/BS). Testifies against SB 1037. States that BC/BS plans focus on the entire state and not only the urban areas. States that funding levels change allowing Oregon physicians to pick and choose which plans they want to service would cause confusion.
228	Powell	States they can only provide insurance for large employers by having contracts. States that Blue Cross/Blue Shield listens to concerns and makes changes accordingly.
250	Mike Dewey	Representing ODS Health Plans. Testifies against SB 1037. States there needs to be adequate networking to expand into rural areas, and that insurance is a competitive business.
282	Chair Fisher	Closes public hearing on SB 1037 and opens work session on SB 516.

**SB 516 WORK SESSION**

290	Sandy Thiele-Cirka	Summarizes SB 516 and the ñ1 amendment to the committee.
303	Sen. Duncan	<b>MOTION: Moves to ADOPT SB 516-1 amendments dated 03/26/99.</b>
		<b>VOTE: 5-0</b>
	Chair Fisher	<b>Hearing no objection, declares the motion CARRIED.</b>
334	Sen. Duncan	<b>MOTION: Moves SB 516 to the floor with a DO PASS AS AMENDED recommendation.</b>
		<b>VOTE: 5-0</b> <b>AYE: 5 - Castillo, Duncan, Shannon, Shields, Fisher</b>
	Chair Fisher	<b>The motion CARRIES.</b>  <b>SEN. DUNCAN will lead discussion on the floor.</b>
334	Chair Fisher	Closes work session on SB 516 and opens work SB 393.

**SB 393 WORK SESSION**

347	Kristen Granger	Attorney General Executive Assistant to Myers. Explains that the ñ1 amendment (3/26/99) addresses the concerns of the committee.
385	Rep. Barbara Ross	House District 35. Testifies in support of SB 393 ( <b>EXHIBIT B</b> ). States the objective of the bill is to prosecute predators. States the bill could help relieve district attorneysí work load, and notes that disciplinary team is pre-existing resource. Continues explanation of the amendment.

**TAPE 78, B**

003	Sen. Shannon	Notes concern relating to Services to Children and Families (SCF) being involved with the pregnancies.

026	Rep. Ross	States that cases are not prosecuted because of the lack of resources.
036	Paul Burgett	District Attorney, Coos County, Teen Pregnancy Task Force. Testifies in support of SB 393. States that this is a public safety issue. Explains the fathers are not assuming responsibility.
096	Sen. Shannon	Asks how the bill allows for additional prosecution and comments that the state should not be involved with identifying the fathers.
108	Burgett	Responds that it is the business of the taxpayer if Oregonians are responsible for the children. State this bill allows the information to be reported. States there would only be 300 to 400 cases statewide that would result in prosecution. Notes this bill creates a reporting system..
177	Chair Fisher	Discusses predatory behavior.
188	Rep. Ross	Remarks that this bill would identify community predators.
202	Sen. Shields	Notes that some individuals could be caught in the crossfire.
214	Rep. Ross	Responds that the multidisciplinary team would minimize those situations. States there are times when paternity is never established and it is important to establish paternity.
264	Sen. Shields	Acknowledges support for the bill. States that there are not enough options or tools to address predatorial situations.
284	Sen. Castillo	States support for SB 393. Feels the bill is a conservative approach to the problem.
297	Sen. Shields	Questions current insufficiencies.
306	Grainger	Responds that some families are not able to help each other and the district attorneys can assist those families in receiving necessary services.
330	Burgett	Reiterates the bill creates a reporting system.
343	Sen. Shields	Asks if the laws are sufficient for prosecuting but not reporting.
350	Burgett	Responds affirmatively.
<b>380</b>	<b>Sen. Castillo</b>	<b>MOTION: Moves to ADOPT SB 393-1 amendments dated 03/26/99.</b>

		<b>VOTE: 4-0</b>  <b>AYE: 4 - Castillo, Duncan, Shields, Fisher</b>  <b>EXCUSED: 1 ñ Shannon</b>
	Chair Fisher	The motion CARRIES.
403	Sen. Castillo	<b>MOTION: Moves SB 393 to the floor with a DO PASS AS AMENDED recommendation and the SUBSEQUENT REFERRAL to the committee on Judiciary BE RESCINDED.</b>
		<b>VOTE: 4-0</b>  <b>AYE: 4 - Castillo, Duncan, Shields, Fisher</b>  <b>EXCUSED: 1 ñ Shannon</b>
	Chair Fisher	The motion CARRIES.  <b>SEN. CASTILLO will lead discussion on the floor.</b>
450	Chair Fisher	Closes work session on SB 393 and opens work session on SB 600.
<b><u>SB 600 WORK SESSION</u></b>		
<b>TAPE 79, B</b>		
000	Gallant	Supports the bill with the ñ2 amendment dated 3/15/99. Explains SB 600 to the committee.
025	Bruce Bishop	Representing Kaiser Permanente. Supports SB 600 with the ñ2 amendment. States the ñ2 amendment improves the bill.
097	Sen. Duncan	<b>MOTION: Moves to ADOPT SB 600-2 amendments dated 03/15/99.</b>
		<b>VOTE: 4-0</b>  <b>AYE: 4 - Castillo, Duncan, Shields, Fisher</b>

		<b>EXCUSED: 1 - Shannon</b>
	<b>Chair Fisher</b>	<b>The motion CARRIES.</b>
<b>100</b>	<b>Sen. Duncan</b>	<b>MOTION: Moves SB 600 to the floor with a DO PASS AS AMENDED recommendation.</b>
		<b>VOTE: 4-0</b>  <b>AYE: 4 ñ Castillo, Duncan, Shields, Fisher</b>  <b>EXCUSED: 1 ñ Shannon</b>
	<b>Chair Fisher</b>	<b>The motion CARRIES.</b>  <b>SEN. DUNCAN will lead discussion on the floor.</b>
<b>111</b>	<b>Chair Fisher</b>	<b>Closes work session on SB 600 and adjourns the meeting at 9:44 AM.</b>

Submitted By, Reviewed By,

Andrew Morris, Sandy Thiele-Cirka,  
Administrative Support Administrator

#### **EXHIBIT SUMMARY**

**A ñ SB 1037, Written testimony, OMA, Scott Gallant, 2 pp**

**B ñ SB 393, Written testimony, Rep. Barbara Ross, 1 p**

**C ñ SB 600, Written testimony, OMA, Scott Gallant, 1 p**