

SENATE COMMITTEE ON PUBLIC AFFAIRS

June 25, 1999 Hearing Room B

1:30 p.m. Tapes 77 ñ 78

MEMBERS PRESENT: Sen. Gene Derfler, Chair

Sen. Joan Dukes, Vice-Chair

Sen. Marylin Shannon

Sen. Thomas Wilde

MEMBER EXCUSED: Sen. Charles Starr

STAFF PRESENT: Brian Smith, Administrator

Rachel Halupowski, Administrative Support

MEASURE/ISSUES HEARD: SB 1331 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 77, A		
002	Chair Derfler	Opens the meeting at 1:30 p.m. and opens a public hearing on SB 1331.
<u>SB 1331 PUBLIC HEARING</u>		
006	Sen. Lenn Hannon	Senate District 26. Testifies in support of SB 1331 which raises the benefit limitations for group health insurance policy coverage of mental health by 25 percent from the current limits. Adds that the bill also creates an Interim Task Force on Mental Health Parity.
040	Sen. Hannon	Presents (EXHIBIT A) and outlines the provisions of the ñ2 amendments.
062	Kevin Earls	Association Oregon Industries. Presents (EXHIBIT B) and testifies in

		opposition to SB 1331. Notes that the number of uninsured individuals in Oregon has dropped dramatically as a result of employer-sponsored coverage.
109	Earls	Remarks that increased benefits will result in increased costs for Oregon employers and employees. Adds that research needs to be done to determine how many Oregonians are exceeding the policy limits of their mental health coverage.
149	Steve Doty	Oregon Association of Health Underwriters. Presents (EXHIBIT C) and testifies in opposition to SB 1331. Notes that overall, health industry premiums are increasing.

176	Sen. Dukes	Asks for the reason for the increasing premiums and how the increasing costs would be managed by employers.
183	Doty	Responds that the rising costs are due to increasing claims utilization. Adds that employers could tailor the coverage they offer to employees to control costs. Emphasizes that any action that would add costs to the employers will increase the numbers of uninsured employees.
226	Joe Gilliam	National Federation of Independent Businesses (NFIB). Testifies in opposition to SB 1331. Points out that employer-provided health insurance among NFIB members has decreased from 73 percent in 1995 to 59 percent in 1999, primarily due to increasing costs.
278	Sen. Dukes	Asks how much the costs will be increased to the employers providing health coverage.
288	Earls	Responds that the increased costs will be several million dollars throughout the state. Adds that the real concern is that the movement towards a higher percentage of covered employees would be reversed.
302	Sen. Derfler	Asks what percentage of covered employees throughout the state would be affected by this coverage increase.
310	Earls	Answers that the increase would not affect individual or Employee Retirement Income Security Account (ERISA) plans. Points out that the change in benefits would not affect most insured employees.
327	Gilliam	Adds that increasing mental health benefits may move the costs of coverage from private employers to state-provided health insurance.
366	Sen. Avel Gordly	Senate District 10. Presents (EXHIBIT D) and testifies in support of SB 1331. Emphasizes that the bill begins to prioritize mental health services in Oregon.

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004	John Powell	Regence BlueCross/BlueShield of Oregon. Presents (EXHIBIT E) and testifies in opposition to SB 1331. Outlines estimated cost impacts of increasing mental health benefits. Suggests additional language for inclusion in the bill (page 2 of the exhibit).
057	Peggy Anet	Health Insurance Association of America. Presents (EXHIBIT F) and testifies in opposition to SB 1331. Outlines data from a 1997 National Association of Psychiatric Health Systems survey demonstrating that Oregon's current benefits are already greater than trends in the field.
100	Mike Dewey	ODS Health Plans. Testifies in opposition to SB 1331. Agrees that the health care industry is seeing significant premium increases. Expresses support for the amendments.
125	Sen. Dukes	Asks about the statements regarding the projected cost increases and whether there is data that the legislature can review.
129	Powell	Responds that they can make an actuary available to the legislature to review the data. Explains that the dispute over the projected increases is due to what percentage is to be paid by the employers.
157	Chair Derfler	Discusses the projected premium increases with Sen. Dukes.
174	Scott Gallant	Oregon Medical Association and Coalition for Mental Health Parity. Presents (EXHIBIT G) and testifies in support of SB 1331 and the proposed amendments. Reviews the percentage of patients in Oregon with psychiatric problems requiring treatment (page 2 of the exhibit).
222	Gallant	Remarks that the data does support the notion that some insured Oregonians are exceeding the policy limits of their mental health coverage.
256	Chair Derfler	Asks whether some of those requiring mental health treatment were self insured or covered under an ERISA plan.
262	Gallant	Responds with an explanation of the federally-mandated ERISA rules. States that actuarial studies project less than a one to one and one-half percent increase in rates.
314	Gallant	Emphasizes that SB 1331 makes no changes to the statutes dealing with mental health coverage.
337	Mark Nelson	Oregon Society of Clinical Social Workers. Testifies in support of SB 1331.

Remarks that the intent of the bill is to treat mental health as equitably as physical health.

374 Nelson Notes that this bill is not a new mandate for the purposes of the Oregon Statutes.

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002 Nelson Reiterates that the issue is parity for mental health.

021 Dr. Connie Powell Oregon Medical Association (OMA). Testifies in support of SB 1331. States that one in four people will experience some form of a mental health problem sometime in their lives.

056 Powell Notes that the insurance industry has not responded to the incidence of these mental health problems. Relates an example of a patient who exceeded coverage limits.

088 Powell Concludes that the OMA is concerned about the transfer of costs from private insurance carriers to the public sector.

127 Peter Asmuth Clinical Director, Serenity Lane. Testifies in support of SB 1331. Emphasizes that behind the actuarial numbers are people who are affected by disease and need treatment. Notes that benefit coverage for mental health has not been changed since 1987.

163 Richard Boyle Citizen, Marion County. Testifies in support of SB 1331. States that the costs have to be evaluated with regard to the benefits received. Notes that this an "incremental improvement."

208 Doris Minard President, National Alliance for the Mentally Ill. Testifies in support of SB 1331 but adds that the bill represents "piecemeal" parity. Notes that for someone with a serious brain disorder, the increase in coverage amounts to only two or three additional days of hospitalization.

252 Chair Derfler Asks whether treatment fees would increase as a result of a raise in coverage.

262 Asmuth Responds that rates are increased to reflect increased costs, and not increased benefit coverage.

273 Ann Heath Citizen, Marion County. Testifies in support of SB 1331 and relates the experience with her son who was diagnosed with schizophrenia at age eighteen.

321 Heath Expresses concern that her son will be discriminated against when seeking

employment since he requires life-long treatment.

334 Joanne Atchison Citizen. Testifies in support of SB 1331 and remarks that those with mental illness should not be discriminated against.

360 Karl McDade Sergeant, Portland Police Bureau and Board Member, Coalition on Mental Health. Testifies in support of SB 1331. States that there is a continuing law enforcement problem with persons not receiving mental health treatment.

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002 Barbara Cimaglio Director, Office of Alcohol and Drug Abuse Programs, Department of Human Resources. Testifies in support of SB 1331. Points out that every dollar invested in treatment saves \$5.60 in later social costs, including incarceration.

034 Mark Knudson Drug Treatment Northwest. Testifies in support of SB 1331. Remarks that it may be more important to treat diseases of the brain than to treat problems with the other organs of the body.

060 Anthony Wisniewski Citizen, Marion County. Testifies in support of SB 1331. Relates the difficulty to obtain insurance for his son who has been diagnosed with a mental illness.

095 Arthur Kunis Oregon AFL-CIO. Presents (**EXHIBIT H**) and testifies in support of SB 1331.

115 Earl Egan Citizen. Testifies in support of SB 1331. Relates his experience with his daughter when she was hospitalized with a mental illness. Notes that a large percentage of Oregonians support full parity.

160 Chair Derfler Closes the public hearing and opens a work session on SB 1331.

SB 1331 WORK SESSION

166 Sen. Wilde **MOTION: Moves to ADOPT SB 1331-2 amendments dated 6/24/99 (EXHIBIT A).**

Chair Derfler Hearing no objection, declares the motion CARRIED.

173 Sen. Shannon Remarks that members of the legislature are certainly not untouched by the problems related by the witnesses.

188 Sen. Wilde **MOTION: Moves SB 1331 to the floor with a DO PASS AS AMENDED recommendation.**

VOTE: 4-0

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

EXCUSED: 1 - Starr

Chair Starr

The motion CARRIES.

196

Chair Starr

Closes the work session and adjourns the meeting at 3:12 p.m.

Submitted By, Reviewed By,

Rachel E. Halupowski, Brian E. Smith,

Administrative Support Administrator

EXHIBIT SUMMARY

A ñ SB 1331, amendments, staff, 1 p

B ñ SB 1331, written testimony, Kevin Earls, 2 pp

C ñ SB 1331, written testimony, Steven Doty, 1 p

D - SB 1331, written testimony, Sen. Avel Gordly, 1 p

E - SB 1331, written testimony, John Powell, 2 pp

F - SB 1331, written testimony, Peggy Anet, 2 pp

G - SB 1331, written testimony, Scott Gallant, 4 pp

H - SB 1331, written testimony, Arthur Kunis, 1 p

I - SB 1331, letter submitted at meeting, staff, 2 pp