

HOUSE COMMITTEE ON HUMAN RESOURCES

May 28, 1997 Hearing Room H-170

1:00 P.M. Tapes 113 - 114

MEMBERS PRESENT:

Rep. Patricia Milne, Chair

Rep. Jackie Taylor, Vice-Chair

Rep. Richard Devlin

Rep. Jeff Kruse

Rep. Jane Lokan

Rep. Kitty Piercy

Rep. Steve Harper

MEMBER EXCUSED:

STAFF PRESENT:

Lori A. Long, Administrator

Diane M. Quinones, Administrative Support

MEASURE/ISSUES HEARD:

SB 1045 Public Hearing/Work session

HB 2174 Work Session

SB 361 Public Hearing/Work Session

SB 362 Public Hearing/Work Session

HB 3605 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 113, A		
001	Chair Milne	Calls the meeting to order at 1:15 p.m.

003	Chair Milne	Opens a public hearing on HB 1045.
SB 1045 PUBLIC HEARING		
010	Sen. Eugene Timms	Oregon Legislator, Senate District 30, testifies in support of SB 1045. * explains how he came to support the bill * discusses the need to support the Malheur Memorial Hospital District and the rural area it resides in
029	Chair Milne	Asks if there is any opposition to the bill.
031	Sen. Timms	* Originally there was opposition. * The amendments that were worked out and adopted in the Senate committee, authorizing the facility as a health district, took care of any opposition.
038	Rep. Taylor	Comments on the -A5 amendment dated 05/23/97 (EXHIBIT A) she has sponsored that would add Clatsop Care District to the bill. Explains that this health district is in the same position as Malheur Health District and asks if Sen. Timms can support her amendments.
047	Sen. Timms	Because Astoria is a much bigger residential area he can't comment on the situation in Rep. Taylor's district.
053	Rep. Taylor	Comments that Clatsop County will be involved in generating revenue through bonding and will not be seeking additional tax levies. * Clatsop County Health District is in the process of developing an assisted living facility that will carry the status of non-profit.
078	Terry Krammer	Oregon Alliance of Senior Health Services, submits and presents written testimony in support of the bill and the -A5 amendments (EXHIBIT B).
085	Rep. Kruse	Asks if the -A5 amendments will include any facilities that compete with Clatsop Care Center.
087	Krammer	* Doesn't know about competing facilities involved in the Clatsop County amendment. * Refers to the written testimony faxed to committee staff and distributed to the members from Clatsop Care Center (EXHIBIT C).
094	Rep. Taylor	The issue is not a matter of tax supported entities in competition with each other. A new care facility has opened up in the last year and still the need exists for long term care beds and care providers.
		Speaks to the -A5 amendments:

105	Rep. Taylor	<p>* Adding Clatsop Care Center to the bill adds assurance to the facility's ability to provide long term care to the area.</p> <p>* According to one of the bill supporters, had they known that Clatsop Care was in the process of developing a long term care, assisted living facility they would have included it in SB 1045.</p> <p>* Rep. Jones, one of the bill's sponsors, supports the -A5 amendments.</p>
120	Marla Cummings	<p>Legislative Assistant, Sen. Eugene Timms, testifies in support of SB 1045.</p> <p>* When the bill was first being drafted she talked with the Office of Rural Health and was given the number of Health facilities that would be affected by the bill as it was written.</p> <p>* There are 30 health districts in the state.</p> <p>* The only district to be affected in the Astoria area is the Clatsop Care District.</p>
134	Jim Carlson	Oregon Health Care Association, testifies in support of the bill and the -A5 amendments.
160	Chair Milne	Closes the public hearing on SB 1045.
161	Chair Milne	Opens a work session on SB 1045.
<u>SB 1045 WORK SESSION</u>		
162	Rep. Devlin	MOTION: Moves to ADOPT SB 1045A-4 amendments dated 05/22/97 (EXHIBIT D).
		VOTE: 6-0 EXCUSED: 1 - Lokan
165	Chair Milne	Hearing no objection, declares the motion CARRIED.
167	Rep. Taylor	MOTION: Moves to ADOPT SB 1045A-5 amendments dated 05/23/97.
		VOTE: 6-0 EXCUSED: 1 - Lokan
168	Chair Milne	Hearing no objection, declares the motion CARRIED.
173	Rep. Taylor	MOTION: Moves SB 1045A to the floor with a DO PASS AS AMENDED recommendation.
		VOTE: 6-0

		<p>AYE: In a roll call vote, all members present vote Aye.</p> <p>EXCUSED: 1 - Lokan</p>
182	Chair Milne	<p>The motion CARRIES.</p> <p>REP. TAYLOR will lead discussion on the floor.</p>
183	Chair Milne	Closes the work session on SB 1045.
190	Rep. Taylor	MOTION: Moves to SUSPEND the rules for the purpose of for the purpose of reconsidering the vote on HB 2174..
		<p>VOTE: 7-0</p> <p>AYE: In a roll call vote, all members present vote Aye.</p>
193	Chair Milne	The motion CARRIES .
204	Rep. Taylor	MOTION: Moves to RECONSIDER the vote by which HB 2174 was sent to the floor with a DO PASS AS AMENDED recommendation.
		<p>VOTE: 7-0</p> <p>AYE: In a roll call vote, all members present vote Aye.</p>
207	Chair Milne	The motion CARRIES .
212	Chair Milne	Opens a work session on HB 2174.
<u>HB 2174</u> <u>WORK</u> <u>SESSION</u>		
215	Long	Explains the conflict that has been discovered between the -4 amendments dated 04/28 97 (EXHIBIT E) and the -10 amendments dated 05/15/97 (EXHIBIT F).
218	Rep. Taylor	MOTION: Moves to SUSPEND the rules for the purpose of the vote on HB 2174..
		<p>VOTE: 6-0</p> <p>EXCUSED: 1 - Lokan</p>
221	Chair Milne	Hearing no objection, declares the motion CARRIED .
223	Rep. Taylor	MOTION: Moves to RECONSIDER the vote by which HB 2174 was sent to the floor with a DO PASS AS AMENDED recommendation.
		<p>VOTE: 6-0</p> <p>EXCUSED: 1 - Lokan</p>
	Chair Milne	Hearing no objection, declares the motion CARRIED .

224	Rep. Taylor	MOTION: Moves to RESCIND SB 2174-4 amendments dated 04/28/97.
		VOTE: 7-0 AYE: In a roll call vote, all members present vote Aye.
228	Chair Milne	The motion CARRIES.
232	Rep. Taylor	MOTION: Moves HB 2174 to the floor with a DO PASS AS AMENDED recommendation.
		VOTE: 7-0 AYE: In a roll call vote, all members present vote Aye.
237	Chair Milne	The motion CARRIES. REP. DEVLIN will lead discussion on the floor.
244	Chair Milne	Closes the work session on HB 2174.
250	Chair Milne	Opens a work session on SB 1045.
<u>SB 1045</u> <u>WORK</u> <u>SESSION</u>		
255	Long	Explains that the -A4 and -A5 amendments adopted in committee amend the same line in the bill and create a conflict. * The committee needs to conceptually amend page 3, line 22 of the -A5 amendments to match the -A4 amendment language changing the word "health" to "hospital."
295	Rep. Taylor	MOTION: Moves to SUSPEND the rules for the purpose of reconsidering the vote of SB 1045.
		VOTE: 7-0
296	Chair Milne	Hearing no objection, declares the motion CARRIED.
298	Rep. Taylor	MOTION: Moves to RECONSIDER the vote by which SB 1045A was sent to the floor with a DO PASS AS AMENDED recommendation.
		VOTE: 7-0
301	Chair Milne	Hearing no objection, declares the motion CARRIED.
306	Rep. Taylor	MOTION: Moves to RESCIND SB 1045A-5 amendments dated 05/23/97.
		VOTE: 7-0
310	Chair Milne	Hearing no objection, declares the motion CARRIED.

312	Rep. Taylor	MOTION: Moves to ADOPT SB 1045A-5 amendments dated 05/23/97 and that the measure be FURTHER AMENDED on page 3, line 22, by changing ""health"" to ""hospital"".
		VOTE: 7-0
320	Chair Milne	Hearing no objection, declares the motion CARRIED.
322	Rep. Taylor	MOTION: Moves SB 1045A to the floor with a DO PASS AS AMENDED recommendation.
		VOTE: 7-0
329	Chair Milne	Hearing no objection, declares the motion CARRIED.
332	Chair Milne	Closes the work session SB 1045.
338	Chair Milne	Opens a public hearing on SB 361.
<u>SB 361</u> <u>PUBLIC</u> <u>HEARING</u>		
325	Robert Miller	Christian Science Committee on Publication for Oregon, submits and presents written testimony in support of SB 361 (EXHIBIT G). * This bill has been seen by the Oregon Medical Association (OMA) and the Oregon Health care Association (OHCA), neither of these organizations has any objections.
TAPE 114, A		
001	Miller	Continues presentation.
026	Chair Milne	Closes the public hearing on SB 361.
027	Chair Milne	Opens a work session on SB 361.
<u>SB 361</u> <u>WORK</u> <u>SESSION</u>		
028	Rep. Kruse	MOTION: Moves SB 361A to the floor with a DO PASS recommendation.
		VOTE: 6-0 AYE: In a roll call vote, all members present vote Aye. EXCUSED: 1 - Lokan
042	Chair Milne	The motion CARRIES. REP. PIERCY will lead discussion on the floor.
043	Chair Milne	Closes the work session on SB 361
044	Chair Milne	Opens a work session on SB 362.

<u>SB 362 PUBLIC HEARING</u>		
048	Miller	Submits and presents written testimony in support of SB 362 (EXHIBIT H) . * this bill is in partnership with SB 361
059	Chair Milne	Closes the public hearing on SB 362.
060	Chair Milne	Opens a work session on SB 362.
<u>SB 362 WORK SESSION</u>		
061	Rep. Kruse	MOTION: Moves SB 362A to the floor with a DO PASS recommendation.
		VOTE: 6-0 AYE: In a roll call vote, all members present vote Aye. EXCUSED: 1 - Lokan
070	Chair Milne	The motion CARRIES. REP. KRUSE will lead discussion on the floor.
072	Chair Milne	Closes the work session on SB 362.
075	Chair Milne	Opens a work session on HB 3605.
<u>HB 3605 WORK SESSION</u>		
076	Long	Summarizes the bill. * notes for the committee the -2 amendments dated 04/11/97 and the -3 amendments dated 05/21/97 (EXHIBIT I) . * this bill has a subsequent referral to Ways and Means
102	Rep. Harper	Asks if the indeterminate fiscal statement is the reason this bill is to be sent to Ways and Means.
103	Long	The bill had a subsequent referral to Ways and Means before staff received the fiscal impact statement from the Office of Medical Assistance Programs (OMAP), Department of Human Resources. * Representatives from OMAP are in attendance to answer questions.
107	Rep. Harper	Asks about the adjustments in actuarial costs that will affect capitation rates in the Oregon Health Plan (OHP).
		Assistant Director, OMAP, testifies in opposition to HB 3605.

112	Lynn Reed	<p>* "significant cost" is a relative term within this bill</p> <p>* the cost will be \$80,000 total funds</p> <p>* \$40,000 general funds to have the actuarial work completed</p>
125	Rep. Devlin	Asks if Ways and Means could reasonably act on this bill without the actuarial costs.
128	Reed	<p>* The \$80,000 figure was for actuarial costs after the bill was past.</p> <p>* It was not a cost for determining what the program impact would be.</p> <p>* If the bill was to pass and an actuary was engaged and it was determined that the agency was not going to be able to cover the costs this bill may require, the agency would come back to the legislature with a request for an emergency board.</p>
143	Rep. Kruse	Asks if OMAP has ball park figures for the cost of implementing this bill.
146	Reed	<p>* Maternity and new born care is about \$100 million per biennium for the state.</p> <p>* \$2 million from this system goes to direct-entry midwife costs.</p>
155	Rep. Kruse	Asks if other funds would be redirected to midwifery costs if the bill passes.
159	Reed	Cannot give an accurate answer until the actuary looks at and sets the rates.
166	Rep. Taylor	<p>Comments that fees for midwifery services are less then standard OB/GYN fees.</p> <p>Asks if the same would be true under the OHP.</p>
171	Reed	<p>* There are other issues with passage of this bill.</p> <p>* Questions about dis-enrolling expectant mothers and newborns from the OHP and paying for "fee for service" prenatal and birthing care outside of the capitation.</p> <p>* discusses the state potentially assuming the financial risk of an abnormal delivery and sick newborn as opposed to manage care assuming the financial risk</p>
189	Rep. Floyd Prozanski	<p>Oregon Legislator, House District 40, testifies in support of the bill and the -2 and -3 amendments.</p> <p>* the -3 amendments were required because it was determined that the bill's relating clause was too narrow to provide for changes and modifications in the fee structure.</p>

		<p>* OMAP opposed this legislation when it was first introduced in the 1993 legislative session by setting up a narrow, eligible, recipient time-frame.</p> <p>* This bill is a corrective measure that reverts back to the 1993 bill in hopes that any problems past or present will be diverted.</p>
250	Long	<p>Discusses the conversations she's had with OMAP and notes for the committee information she received from Reed regarding the impact this bill would have on the agency (EXHIBIT J).</p> <p>* Explains how reimbursements would treat midwives differently than other health care providers under the Oregon Health Plan contracted with managed care plans.</p>
270	Reed	<p>* OMAP is still in opposition to the bill and the proposed amendments.</p> <p>* Reviews EXHIBIT J for the committee and elaborates on the agency's concerns.</p>
316	Rep. Harper	Asks how much "fee for service" coverage does OMAP handle.
319	Reed	15 percent of the OMAP clients are fee for service and not enrolled in a managed care plan.
322	Rep. Harper	Asks if this percentage represents a group with specific medical needs or is it representative of people who can't find a plan.
325	Reed	The 15 percent figure represents people who are not enrolled in a managed care plan for one reason or another.
330	Rep. Harper	Asks if this bill would create a unique situation for direct-entry midwives.
333	Reed	Responds affirmatively.
338	Rep. Devlin	<p>Comments that the state has used time and resources to establish and oversee a Direct-entry Level Midwifery Board.</p> <p>This board licenses and standardizes the quality of obstetric care these health care providers will provide.</p> <p>Asks if the state is at all concerned that it isn't utilizing a group of providers that it is spending money on.</p>
		<p>* The original legislation directed OMAP to set up a payment program to direct-entry midwives.</p> <p>* This is possible in the "fee for service" program.</p> <p>* OMAP has been directed by statute to use managed care to the greatest extent possible under the OHP.</p> <p>* When special provisions are made for a specific provider group, it takes away the ability of the plan to "manage" care.</p>

361	Reed	<p>* OMAP tried to make it as easy as possible for direct-entry midwives to make their case with the managed care plan in terms of marketing their services.</p> <p>* OMAP requires all providers it contracts with to have liability insurance except direct-entry midwives.</p> <p>* The health plans are still not willing to contract with midwives because the liability risk moves to the plan when the provider doesn't carry insurance.</p>
407	Rep. Devlin	Asks if a participant in the OHP is able to freely choose between fee for service or managed care coverage.
410	Reed	Responds negatively.
421	Rep. Piercy	Asks if Rep. Prozanski can address the concerns that OMAP has raised.
437	Chair Milne	<p>Responds affirmatively.</p> <p>* Would also like to hear from other managed care representatives.</p>
TAPE 113, B		
001	Bruce Bishop	<p>Kaiser Permanente, discusses the concerns of his managed care organization with HB 3605 and the proposed amendments.</p> <p>* The bill was implemented by the agency just as it had been directed by the 1993 legislative session.</p> <p>* Kaiser will now be affected by the fiscal impact of this bill and the unbundling of services in managed care in the OHP.</p> <p>* If HB 3605 is passed the requirement for a 6 year review must stay in the bill's language.</p>
040	Rep. Harper	Asks why managed care organizations don't contract with direct-entry midwives.
042	Bishop	<p>Kaiser Permanente doesn't believe that the quality of care that will be delivered outside of a hospital setting, without medical involvement, is appropriate.</p> <p>This position statement does not include nurse midwife services.</p>
049	Rep. Harper	Asks Bishop to talk to the statement regarding liability risks.
051	Bishop	<p>* From the perspective of Kaiser Permanente, enrollees who have chosen Kaiser as their health care provider could choose to go to another provider for obstetric care.</p> <p>* If there was a high risk delivery with complications the enrollee would end up the medical and financial responsibility of Kaiser.</p>
062	Rep. Lokan	Asks if Kaiser has problems with the care provided by direct-entry midwives out side of a hospital.

067	Bishop	<ul style="list-style-type: none"> * The concern is enrollees going outside of Kaiser's health delivery system. * Under the original bill OMAP paid for women to see midwives. * Kaiser and other OHP contract providers were not involved.
100	Rep. Piercy	Asks if problems exist that are unknown to the committee with direct-entry midwives.
105	Bishop	Has anecdotal information from the 1993 session.
118	Rep. Piercy	<ul style="list-style-type: none"> * Comments that there wasn't a "body of information" and /or statistics brought to the 1993 committee, nor has there been information given to this committee that supports the idea that direct-entry midwives provide a lower quality of care and create more problems than they solve. * Would like more discussion about the liability issues.
135	Rep. Prozanski	<p>OMAP and Managed Care people haven't been to his office to discuss concerns or costs.</p> <p>Is insulted by the statements that midwives can't provide the quality of care that hospitals provide.</p>
151	Abigail Hoffer	<p>Licensed Direct-entry Midwife, testifies in support of HB 3605 and the proposed amendments.</p> <ul style="list-style-type: none"> * There are no studies that exist to prove the care women receive from midwives is less quality than what hospitals provide. * Many studies exist to show that women who use midwives have a lower percentage of perinatal death rates, cesarean sections, and medication use. * Direct-entry midwives are asking for the promises of the 1993 legislation (i.e. fee for service reimbursement). * During the 1993 hearings OMAP was in a supportive role, when problems came up consensus was developed by all parties involved. * There are women's' health issues that OMAP has approved that can be addressed by an outside provider of a woman's choice (i.e. contraception). * Discusses the Governor's Maternity Care Task Force findings regarding access to midwifery care. * Emergencies that arise during a birth are handled through a partnership with hospitals and medical providers.
256	Rep. Devlin	Asks if OMAP has followed a direction to put direct-entry midwives on

		their panels.
267	Hoffer	* Putting a direct-entry midwife on a panel is up to each manage care plan. * No plan that she knows of has taken this action.
274	Rep. Prozanski	Up until today there were no objections to the -2 and -3 amendments. In 1993 OMAP provided the committee with testimony regarding SB 1063 (1993) as follows: " While OMAP has no objection to reimbursing lay midwives under Medicare, we do believe that OMAP is not the appropriate program to operate the certification program." Discusses the education and training required to be a licensed direct-entry midwife. Sufficiency and knowledge in the following areas:

1. techniques and taking patient histories
2. anatomy and physiology of the female reproductive system
3. appropriate use of diagnostic testing
4. necessity of referral
5. pathology and child care
6. mechanisms of labor
7. aseptic techniques
8. postpartum care
9. examination of newborns
10. family planning
11. successful passage of written and oral examinations
12. participation in 25 assisted deliveries
13. 25 assisted deliveries where applicant is primary midwife
14. 100 prenatal care visits
15. 25 newborn examinations
16. 40 postpartum examinations

- 324 Rep. Piercy Comments that a woman can use a direct-entry midwife if she waits until her third trimester to approach OMAP and apply for the OHP.
Responds affirmatively.
- 333 Hoffer * Oregon Health Division definition for inadequate prenatal care is a woman who enters prenatal care in her third trimester
- 353 Chair Milne Closes the work session on HB 3605.
- 361 Rep. Taylor **MOTION: Moves to SUSPEND the rules for the purpose of allowing Rep. Lokan to vote on SB 1045A, HB 2174, SB 361A, and SB 362A.**
VOTE: 7-0
- 363 Chair Milne **Hearing no objection, declares the motion CARRIED.**
- 378 Rep. Lokan Regarding SB 1045A, SB 361A, SB 362A, HB 2174, casts an AYE vote for each bill.
- 380 Chair Milne Adjourns the meeting at 3:05 p.m.

Submitted By, Reviewed By,

Diane M. Quinones, Lori A. Long,

Administrative Support Administrator

EXHIBIT SUMMARY

A - SB 1045 -A5 amendments dated 05/28/97, Rep. Taylor, 4 pp.

B - SB 1045, position statement, Terry Krammer, 1 p.

C - SB 1045, written testimony, staff, 2 pp.

D - SB 1045 -A4 amendments dated 05/28/97, Sen. Timms, 1 p.

E - HB 2174 -4 amendments dated 04/28/97, staff, 1 p.

F - HB 2174 -10 amendments dated 05/15/97, staff, 1 p.

G - SB 361, written testimony, Bob Miller, 3 pp.

H - SB 362, written testimony, Bob Miller, 1 p.

I - HB 3605 -2 amendments dated 04/11/97 and -3 amendments dated 05/21/97, staff, 2 pp.

J - HB 3605, impact statement from OMAP, staff, 1 p.