

HOUSE COMMITTEE ON HUMAN RESOURCES

June 2, 1997 Hearing Room H-170

1:00 P.M. Tapes 118 -120

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:

Informational Hearing - The Oregon Health Plan

SB 69 Public Hearing / Work Session

SB 70 Public Hearing / Work Session

SB 73 Public Hearing / Work Session

SB 189 Public Hearing / Work Session

SB 447 Public Hearing / Work Session

HB 3689 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 118, A		
001	Chair Milne	Calls the meeting to order at 1:15 p.m.
003	Chair Milne	Opens an informational meeting on the Oregon Health Plan.
<u>INFORMATIONAL HEARING</u>		
<u>Oregon Health Plan</u>		
010	Sen. Gary George	Oregon Legislator, Senate District 2, explains a phone call he received from Marcia Amaviska, an Oregon Health Plan (OHP) participant, and the concerns her phone call generated around OHP program costs.
		<p>OHP Participant, submits and presents charts, graphs, and testimony regarding her experience in the OHP (EXHIBIT A).</p> <ul style="list-style-type: none"> * has lived in Oregon two and a half years, has been on the OHP for four and a half months * concerned with discrepancies in true costs of medical items and the dollar amounts the OHP is paying for these items * has been in contact with medical supply companies, OHP suppliers, drug stores, and others * when she was covered under private insurance through employment she felt respect from her providers, under the OHP she feels she has been treated like a second class citizen * her health care needs are a couple hundred dollars per month * she could not use her regular dentist because he was not an OHP provider and explains her difficulty in finding a dentist that was involved in the OHP * discusses her experience with a low income dental clinic * explains her need for special dressings and patches that will last the rest of her life * began conducting research on production and costs of these items by asking questions and acquiring samples and requesting order forms * she found a very workable patch that came in a set of fifty for \$19.50 plus shipping if purchased direct, the same box of

025

Marcia Kaya
Amaviska

patches runs \$36 for Medicare, and \$41.90 for the OHP

* the catheters she uses are \$29.95 each when purchased direct, Medicare is paying between \$45 and \$50, the OHP paid \$91.90 for each catheter

* uses distilled water for her irrigation process and has paid between seventy cents and \$1.50 per gallon (\$0.26 per liter) in the store

* each irrigation process takes between 700 and 1400 cc of distilled water (x 5 irrigations per day = 3500 to 7000 cc of distilled water per day)

* the OHP will not provide distilled water and will not help her pay for the private purchases of distilled water from the grocery store

* the OHP will provide her with sodium chloride solution at \$3.50 per liter however, she refuses to accept this product with such an exorbitant price tag

* her doctors are frustrated with the rules and restrictions the OHP places on the care they can provide her with

* explains the experience she had with the psychiatric evaluation that the OHP requires of all their participants

* her prescriptions are labeled "WELFARE" giving her a stigma she should not have

* the OHP provides her with a prescription for a one month supply of pepcid-AC costing \$98.98, over the counter this same amount can be purchased for \$40

* has had the manager of a clinic agree that OHP participants are treated differently than private insurance carriers by doctors

* explains the forms she has been required to sign before receiving treatment

* people in need do not want a hand-out and it is uncomfortable for her to be on the OHP

* it has been very difficult for her to witness the incredible waste and extraneous processes the OHP forces upon its participants

		* she does not trust what medical care has become
397	Gene Gary	Friend of Amaviska, presents the committee with dollar figures from EXHIBIT A .
TAPE 119, A		
001	Gary	Continues presentation.
035	Rep. Harper	Asks if these numbers have been reported to the OHP.
038	Amaviska	Responds affirmatively. * has told various people about the cost discoveries she has made * she has received conflicting information about what the prices are for
050	Rep. Harper	Asks if Amaviska has received a response directed at the reasons for the price differences.
051	Amaviska	* has not received any information about why there exist such price differences * was told that the OHP had to go through specific contracted suppliers
063	Rep. Taylor	Asks what Amaviska has seen that indicates the allowable amount the OHP will cover.
067	Amaviska	The woman from the OHP that she talked with this morning was quoting the same prices on the invoices as current reimbursable costs.
070	Rep. Taylor	Asks if Amaviska asked the pharmacy why her prescription read "welfare."
072	Amaviska	Did not ask the reason.
078	Rep. Taylor	Comments that the pharmacy may need to categorize customers for billing purposes.
082	Rep. Taylor	Asks about the forms that Amaviska signed stating that she was requesting services that may not be covered by the OHP.
085	Amaviska	The forms were filled out in order for her to receive the medical items she requires. * her doctor had to write a prescription for the items * the prescription was faxed to the OHP * the OHP sent it to a supplier that sent it to an organization named "Health Tech" * for reordering supplies she deals directly with Health Tech

093	Rep. Taylor	Asks if Amaviska believes that the OHP is being billed at higher rates than private insurance companies are charged.
097	Amaviska	Does not want to call anyone fraudulent * When she entered private insurance coverage through employment last year her insurance paid less for the patches than the OHP does.
115	Rep. Kruse	Would like some follow up from the OHP.
123	Rep. Devlin	Asks if the intent of Amaviska's testimony is to make the system work more efficiently.
129	Amaviska	Responds affirmatively.
147	Rep. Harper	Asks if Amaviska is familiar with "medical savings accounts."
151	Amaviska	Is familiar with the concept. Has no income to deposit in accounts at this time.
202	Chair Milne	Thanks Senator George and the witnesses for bring these issues to the committee's attention. It is important to be good stewards of the dollars spent.
215	Hersch Crawford	Director, Office of Medical Assistance Programs (OMAP), responds to the testimony of Marcia Amaviska and Gene Gary. * Amaviska has raised some valid issues. * OMAP would like the opportunity to look into them. * It was not clear if Amaviska is in the fee-for-service program or managed care. * The information that Amaviska had on invoices may reflect "billed charges" but not show the actual amount the OHP is covering
236	Rep. Lokan	Asks how the OHP contracts for supplies.
239	Crawford	* Many of the items Amaviska referred to are "durable medical equipment and supplies." * The OHP establishes prices for these items and does not relay on billed charges. * OHP prices are set at seventy five to eighty percent of what Medicare will pay.
251	Rep. Lokan	Asks if the OHP does any comparative pricing.
		* When someone is in the fee-for-service program they can't be directed to a specific supplier but the OHP can control what

253	Crawford	<p>they will pay for an item or service.</p> <p>* The OHP establishes a maximum price and pays the figure that is less between the billing or the established price.</p> <p>* In a managed care plan OMAP pays a prospective, per person, per month fee to the plan.</p> <p>* This covers all needed health care.</p> <p>* If the individual requires less than the plan makes money.</p> <p>* If the individual requires more then they lose money.</p> <p>* The amount the state pays is fixed based on the capitation rate.</p> <p>* If Amaviska is in a managed care plan it does not cost the state more.</p>
290	Rep. Kruse	Asks if the OHP is paying a fixed rate or a fixed percentage.
295	Crawford	The state is paying a fixed rate. (i.e. a dollar figure)
314	Rep. Harper	<p>Asks about the process OMAP has for responding to inquiries by participants.</p> <p>Comments that an individual calling with these kinds of concerns needs to be heard and given a response.</p>
324	Crawford	<p>Concurs with the comments of Rep. Harper.</p> <p>* will be talking to Ms. Amaviska about who she talked to and what she was told.</p>
332	Chair Milne	Asks for more information from Crawford and his staff about this issue.
345	Crawford	Will provide the committee with information and answers.
347	Chair Milne	Closes the informational meeting.
350	Chair Milne	Opens a public hearing on SB 69.
<u>SB 69 PUBLIC HEARING</u>		
355	Kathy Soderberg	Executive Officer, Naturopathic Board of Examiners (NBE), testifies in support of SB 69.
369	Linda Meloche ND	<p>Naturopathic Physician, Chair, NBE, submits and presents written testimony in support of SB 69 (EXHIBIT B).</p> <p>* protecting naturopathic students</p>
384	Lori Long	Committee Administrator, summarizes the bill.

404	David Young	State Academic/Degree Administrator, Office of Educational Policy and Planning (OEPP), testifies in support of SB 69. * OEPP is in the process of supporting legislation that provides students in clinical practice this kind of protection.
410	Chair Milne	Closes the public hearing on SB 69.
412	Chair Milne	Opens a work session on SB 69.
<u>SB 69 WORK SESSION</u>		
414	Rep. Harper	MOTION: Moves SB 69 to the floor with a DO PASS recommendation.
		VOTE: 6-0 AYE: In a roll call vote, all members present vote Aye. EXCUSED: 1 - Piercy
431	Chair Milne	The motion CARRIES. REP. LOKAN will lead discussion on the floor.
432	Chair Milne	Closes the work session on SB 69.
433	Chair Milne	Opens a public hearing on SB 70.
<u>SB 70 PUBLIC HEARING</u>		
TAPE 118, B		
001	Long	Summarizes the bill and notes the revenue impact for the committee.
011	Meloche	Submits and presents testimony in support of SB 70 (EXHIBIT C).
017	Rep. Lokan	Asks if this process is standard practice for other medical disciplines.
020	Meloche	Does not know how other board's handle this situation.
023	Soderberg	Other professions, including the Board of Massage Technicians, have an inactive license with a reduced fee.
030	Rep. Harper	Asks if there is a time limit to holding an inactive license
032	Meloche	There is no time limit to how long a license can stay inactive.
035	Rep. Harper	Asks if requirements exist should a license stay inactive for an extended period of time.
038	Meloche	* The individual would be keeping up all the continuing educational requirements. * At the time the individual wants to reactivate their inactive license they would have to make up any missed continuing

		education
043	Rep. Harper	Asks where this is indicated in the bill.
045	Rep. Kruse	Page 2 of the bill lines 4 through 8.
046	Chair Milne	Closes the public hearing on SB 70.
047	Chair Milne	Opens a work session on SB 70.
<u>SB 70 WORK SESSION</u>		
049	Rep. Devlin	MOTION: Moves SB 70 to the floor with a DO PASS recommendation.
		VOTE: 6-0 AYE: In a roll call vote, all members present vote Aye. EXCUSED: 1 - Piercy
054	Chair Milne	The motion CARRIES. REP. DEVLIN will lead discussion on the floor.
056	Chair Milne	Closes the work session on SB 70.
057	Chair Milne	Opens a public hearing on SB 73.
<u>SB 73 PUBLIC HEARING</u>		
058	Long	Summarizes the bill.
064	Meloche	Submits and presents written testimony in support of SB 73 (EXHIBIT D) . * measure will bring the statue current with existing practice
072	Rep. Harper	Asks what the board has been charging.
073	Meloche	The board has been charging \$75 since 1990.
090	Chair Milne	Closes the public hearing on SB 73.
091	Chair Milne	Opens a work session on SB 73.
<u>SB 73 WORK SESSION</u>		
091	Rep. Kruse	MOTION: Moves SB 73 to the floor with a DO PASS recommendation.
		VOTE: 6-0 AYE: In a roll call vote, all members present vote Aye. EXCUSED: 1 - Piercy
104	Chair Milne	The motion CARRIES. REP. HARPER will lead discussion on the floor.

105	Chair Milne	Closes the work session on SB 73.
106	Chair Milne	Opens a public hearing on SB 189.
<u>SB 189 PUBLIC HEARING</u>		
107	Bill Fritz	Consumer Relations Manager , Department Human Resources, Senior and Disabled Services Division (SDSD), submits and presents written testimony in support of SB 189 (EXHIBIT E). * SB 189A passed unanimously out of the Senate Committee * The bill passed the Senate floor without a descending vote
157	Chair Milne	Asks what constitutes an "emergency" in regards to borrowing against a provider's total reserves.
159	Fritz	"Emergency" is defined on page 5 of the bill, starting on line 13.
170	Chair Milne	Asks for a specific example of an emergency.
186	Fritz	* An act of nature on the physical facility that isn't covered by insurance. * Can't think of an actual situation however, this language was included in the bill because it has been an issue.
196	Rep. Harper	Asks why the bill is adding a member to the Advisory Counsel.
200	Fritz	The counsel wants to balance out the number of resident and provider members.
213	Rep. Taylor	Asks about the exemption of retirement communities that provide hospitality care.
217	Fritz	* Residents invest the bulk of their savings to move into a retirement facility and this exemption hopes to protect those investments. * Seniors deserve to hold on to their life savings.
235	Chair Milne	Asks for clarification that the bill had a civil penalty that was removed.
237	Fritz	Responds affirmatively. * There was also an increase in annual registration fee that was removed from the bill.
242	Rep. Lokan	Asks about the limit for borrowing.
247	Fritz	Page 5, line 14 states the limit is a twenty percent of total reserves. The Division still must approve the loan.

255	Chair Milne	Asks for an example of a typical reserve.
258	Fritz	Two types of payment reserve:

1. debt service is a reserve equal to 12 months of mortgage
2. operating reserve covers operating expenses for 3 months

280	Chair Milne	Asks who would have reserves in the millions that were referred to in earlier testimony.
268	Fritz	These reserves belong to whole communities (i.e. Holiday Park in Portland)
290	Rep. Lokan	Asks what prompted this legislation. The Advisory Counsel made the recommendation and request for SB 189. Balancing the membership was important to the Advisory Committee.
295	Fritz	The counsel believed that to keep these communities solvent in times of emergency they should be able to access funds quickly. The accountants redefined the financial statement that is sent out each year.
327	Rep. Lokan	Asks if the CPA on the committee was in support.
334	Fritz	Everyone on the Advisory Committee signed off on the bill.
336	Rep. Lokan	Asks what happens if the funds are not repaid. Legislative counsel and the emergency board would need to be notified.
338	Fritz	New agreements for payment would need to be drafted.
367	Chair Milne	Closes the public hearing on SB 189.
370	Chair Milne	Opens a work session on SB 189.

SB 189 WORK SESSION

380	Rep. Taylor	MOTION: Moves SB 189 to the floor with a DO PASS recommendation. VOTE: 5-0 AYE: In a roll call vote, all members present vote Aye. EXCUSED: 2 - Kruse, Piercy The motion CARRIES.
394	Chair Milne	REP. TAYLOR will lead discussion on the floor.
395	Chair Milne	Closes the work session on SB 189.

400 Chair Milne Opens a public hearing on SB 447.

SB 447 PUBLIC HEARING

402 Long Summarizes the bill.

418 Grover
Simmons Adult Care Providers of Oregon, submits and presents written testimony regarding SB 447 (**EXHIBIT F**).

* The bill in front of the committee represents a compromise.

TAPE 119, B

001 Simmons Continues presentation.

030 Rep. Lokan Asks for the reason for listing the number of complaints.
* There is no good reason for listing the number of complaints.

033 Simmons * If this bill is passed it would eliminate the number of complaints being recorded.

052 Rep. Devlin Comments that the current system doesn't seem to make a distinction between complaints.

058 Simmons Concurs with Rep. Devlin's remarks

062 Rep. Taylor Suggests that the column heading should be changed from "abuse" to something like "violation" or "complaint."

070 Simmons Some reports use different headings and some have footnotes hoping to create more clarity.

075 Chuck
Sheketoff Oregon Citizens Coalition for Quality Long Term Care, Oregon State Counsel of Senior Citizens, United Senior Citizens of Oregon, testifies in support of SB 447.

* This will provide people with the means for more accurate information.

085 Chair Milne Closes the public hearing on SB 447.

0086 Chair Milne Opens a work session on SB 447.

SB 447 WORK SESSION

089 Rep. Kruse **MOTION: Moves SB 447A to the floor with a DO PASS recommendation.**

VOTE: 7-0

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

The motion CARRIES.

096

Chair Milne

REP. MILNE will lead discussion on the floor.

100 Chair Milne Closes the work session on SB 447.

103 Chair Milne Opens a public hearing on HB 3689.

HB 3689 PUBLIC

HEARING

Oregon Legislator, House District 19, testifies in support of HB 3689 and explains the -3 amendments dated 06/02/97 (**EXHIBIT G**).

110 Rep. Jo Ann
Bowman

* the -3 amendments combine the -1 and -2 amendments and eliminates sections 7, 8, and 9 of the bill and deletes language in section 10 regarding persons who are incarcerated

135 Rep. Lokan

Asks about the fiscal impact and how it is changed with the -3 amendments.

* Because the original intent of the bill was to cover everyone, the report from Ways and Means made this bill cost prohibitive.

* 3.2 million dollars will cover the exempted grandparents parenting their grandchildren.

138 Rep.
Bowman

* 1.5 million is estimated for the evaluation component.

* 1.1 million for children who will be losing benefits under Social Security Insurance (SSI)

* 22 million will replace benefits and food stamps for legal immigrants

155 Rep. Devlin

Asks about differentiating between the policies that force mothers to go back to work shortly after the birth of their children and the exemption of grandparents from going back into the work force.

* The federal welfare reform requirements say that a person on assistance must be working a minimum of 20 hours a week, be looking for work, or involved in some volunteer activity.

162 Rep.
Bowman

* Grandparents that take on the tasks of raising another generation should not be asked to re-enter the work force.

Administrator, Adult and Family Services (AFS), testifies in regards to HB 3689.

192 Sandie
Hoback

* A significant amount of time has been spent with Representative Bowman discussing the issues this bill hopes to address.

* Section 1, dealing with the blanket exemption of grandparents brings up a few concerns for AFS:

1. Grandparents may not be elderly and frail.

2. A study conducted by AFS discovered the average age of out of home care-taker relatives, including grandparents, was found to be 45 years.

3. Discusses setting up a dual value that allows children to see adult caretakers trying to achieve self sufficiency

4. children affected by this bill are in the 75 percent poverty level

* SB 1117, regarding welfare reform, passed in the 1995 session giving AFS latitude around case managing families based on the presenting characteristics

* AFS would like to continue the work they started under SB 1117 (1995).

* AFS does not require any grandparent 60 years or older to go back to the work force.

* Up until section 10 this bill is already in law or is being implemented into law.

* Section 2 and 3 regarding the coverage of children under the Oregon Health Plan (OHP) are handled under current law.

* Section 4 is redundant to current practices.

* Sections 5, 6, and 7 address surveys and reports of progress and ask for a higher level of detail than the agency is set up to provide.

* There already exist reporting requirements for agencies that deal with work force development to report biennially to the legislature on their progress.

* AFS is currently engaged in a national study and review for the JOBS program and welfare reform.

* AFS is on the verge of receiving the 2nd year report of a 5 year impact study.

* Portland State University has reviewed the JOBS Plus program.

* There is a welfare review commission consisting of citizens appointed by the governor to review JOBS Plus on a bi-monthly basis.

* AFS has volunteered to participate in the Oregon Quality Initiative Program - criteria that calls for an extensive review of the agency as a whole.

* AFS asks the committee to wait for the studies and reviews in process to bring forward results.

Associate Director, Ecumenical Ministries of Oregon

Co- Chair, Human Services Coalition of Oregon

Chair, Hunger Relief Task Force, testifies in support of HB 3689 -3.

362

Ellen
Lowe

* The organizations she represents are the congregations, food pantries, and not-for-profits that are becoming major players as the state moves away from the needs of the poor.

* Does not see redundancies in sections 4, 5, and 6, of the bill referred to by Hoback.

* The reviews and reports referred to in the bill are needed to give information to not-for-profit agencies about what's happening with the needs of the poor in Oregon.

* 1700 recipients of general assistance will lose \$48 per month in food stamps.

* The reviews proposed may be helpful in answering questions about immediate work attachment.

**TAPE
120, A**

Continues presentation.

001 Lowe Her parents came in to this country through Ellis Island and faced a country of hospitality and opportunity.

The testimony last week was filled with fear.

032 Rep. Taylor Asks about utilizing time better regarding the reviews and reports that the bill asks for and the reviews and reports currently in progress by AFS and wonders if Lowe can accept the studies referred to by Hoback.

050 Lowe * There haven't been longitudinal studies regarding citizens on public assistance in Oregon up to this point.

* Wonders if the right questions are being asked in the current reviews.

060 Hoback The National Study that Oregon is involved with is a longitudinal study and will give the agency new information that hasn't been tracked before.

AFS is working with the Employment Department to implement tracking systems that will track:

1. people into employment
2. wage growth
3. medical benefits offered
4. critical pieces that speak to the trends and movements of the working population

Oregon Law Center, submits and presents information regarding Immigration Issues, Congressional Action and Oregon's Needs (**EXHIBIT H**).

086 Chuck Sheketoff * Although SB 1117 was passed in 1995, SB 3689 speaks to the more broad population of Oregon receiving general assistance keeping their health coverage even if they fail to participate in the JOBS Plus program.

* Discusses the need for sections 5 and 6.

* One of the questions that the agency is asking has to do with whether or not an

individual is on assistance eighteen months after they first leave the program. This information doesn't mean these people are working.

* Refers to an Employment Department statistic that 585 unemployed people successfully used the JOBS Plus program in as 8 month period, when in fact 585 people are in the subsidized program using unemployment trust fund money and 111 people received unsubsidized jobs.

170 Rep. Devlin Would like time to look at issues brought forward in the hearing today so this bill could be worked at the next hearing for this week.

177 Rep. Kruse Is not supportive of the portions of the bill that create more research requirements for an agency that has a great deal of important work to handle.

Is not comfortable with some of the broad and often vague language in the bill .
Would like the committee to send this bill to Ways and Means with a clear policy.

190 Rep. Harper Is most interested in the policies regarding Oregon's reaction to federal welfare reform mandates.

The committee should take what ever time is necessary to do the work this issue requires.

195 Rep. Piercy Comments on the need for prioritizing expenses within the bill depending on the fiscal impact.

Concerned with spending too much on reports and reviews while people go hungry.

200 Chair Milne Would like more work on amendments for another work session.

230 Rep. Piercy Would like to know the specific studies that would be duplicated by this bill.

245 Rep. Devlin Would like to have the remarks of Sandie Hoback from AFS in writing.

241 Chair Milne Closes the public hearing on HB 3689.

242 Chair Milne Adjourns the meeting at 3:30 p.m.

Submitted By, Reviewed By,

Diane M. Quinones, Lori A. Long,

Administrative Support Administrator

EXHIBIT SUMMARY

A - Oregon Health Plan, price charts and medical forms, Marcia Amaviska, 9 pp.

B - SB 69, written testimony, Linda Meloche, 1 p.

C - SB 70, written testimony, Linda Meloche, 1 p.

D - SB 73, written testimony, Linda Meloche, 1 p.

E - SB 189, written testimony, Susan Dietsche, Fritz, 2 pp.

F - SB 447, written information, Grover Simmons, 9 pp.

G - HB 3689 -3 amendments dated 06/02/97, Rep. Bowman, 1 p.

H - HB 3689, written information on Welfare Reform Issues, Chuck Sheketoff, 4 pp.