

HOUSE COMMITTEE ON HUMAN RESOURCES

February 28, 1997 Hearing Room H-170

1:00 P.M. Tapes 37- 38

MEMBERS PRESENT:

Rep. Patricia Milne, Chair

Rep. Jackie Taylor, Vice-Chair

Rep. Richard Devlin

Rep. Jeff Kruse

Rep. Jane Lokan

Rep. Kitty Piercy

MEMBER EXCUSED: Rep. Steve Harper

STAFF PRESENT:

Lori A. Long, Administrator

Diane M. Quinones, Administrative Support

MEASURE/ISSUES HEARD:

INFORMATIONAL MEETING

The Health Services Commission

HB 2107 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 37, A		
001	Chair Milne	Calls the meeting to order at 1:08 p.m.
002	Chair Milne	Opens the public hearing and work session on HB 2107
<u>HB 2107 PUBLIC</u>		

<u>HEARING /WORK SESSION</u>		
008	Barney Speight	Administrator, Oregon Health Plan Administrator's Office * explains the intent of HB 2107
045	Rep. Taylor	MOTION: Moves HB 2107 to the floor with a DO PASS recommendation.
050		VOTE: 6-0 AYE: In a roll call vote, all members present vote Aye. EXCUSED: 1 - Harper
053	Chair	The motion CARRIES. REP. TAYLOR will lead discussion on the floor.
070	Chair Milne	Closes the public hearing and work session on HB 2107.
071	Chair Milne	Opens the informational meeting.
<u>INFORMATIONAL MEETING</u>		
<u>The Health Services Commission</u>		
060	Barney Speight	Administrator, Oregon Health Plan Administrator's Office introduces presenters: * Rick Wopat M.D., Director Mid-Valley Healthcare, Lebanon, former member, Health Services Commission * Darren Coffman, Acting Executive Director, Health Services Commission * Allison Little M.D., Member, Health Services Commission
075	Rick Wopat M.D.	Submits and presents written overview on the Health Services Commission (EXHIBIT A) and discusses the Commission's history and evolution.
125	Wopat	Continues presentation.
189	Lokan	Asks Dr. Wopat to define "consumer board member."
192	Wopat	* people were nominated by the governor's office and sent before the Senate for confirmation

		* people from labor, religious charitable organizations, and the business community
250	Wopat	Continues presentation.
285	Rep. Piercy	Asks about health issues that are not covered and the effects of non treatment.
290	Wopat	Informs the committee that this issue will be addressed at length later in his presentation.
300	Rep. Devlin	Asks about the provision of treatment that doesn't work and the effects of discontinued treatment.
300	Wopat	* Explains "comfort care" as opposed to "curative treatment"
320	Chair Milne	Asks about the important aspects of the plan that were created by talking to citizens and asks for more discussion about the process of creating the prioritized list.
325	Wopat	Refers to the public values that were communicated to the Commission by Oregon citizens. * The decisions of what is covered and not covered is made by the legislature. * Government decides what will be spent and draws the line.
380	Chair Milne	Asks about the list of "important aspects of the plan" on page 9 of EXHIBIT A .
390	Wopat	The list is not in a consecutive order of priority.
TAPE 38,A		
005	Rep. Kruse	Asks about federal legislative restrictions for moving the line on the list.
008	Wopat	* The federal government must approve the waiver process. * This is the way the federal government controls the dollars they spend for health care in Oregon.
011	Rep. Kruse	Asks how long the process for federal approval takes.
012	Wopat	* The fastest decisions were made in a 4 to 6 month time frame. * The longest process has been about eighteen months.
017	Coffman	* The eighteen month period took into account the negotiation period that started the waiver process. * When state government is solely looking at line change, a decision is usually made within 4 to 6 months.

022	Speight	<p>* Reminds the committee that this commission is a demonstration project.</p> <p>* The federal government pays for sixty percent of the required funding.</p> <p>* The legislature has never tried to move the line down.</p>
067	Rep. Devlin	Asks what health care for poverty level citizens would look like if the Oregon Health Plan and the Health Commission didn't exist.
082	Speight	<p>* Speculation is difficult to make.</p> <p>* Many other states are at a coverage level that Oregon was at in the mid 1980s, approximately fifty eight percent of the poverty level.</p> <p>* Oregon's plan is being watched by much of the nation.</p> <p>* Health care for all citizens must be the focus.</p>
095	Wopat	<p>* Explains how this plan rations services and not people.</p> <p>* It expands the population that will be eligible for services by rationing the amount of services provided.</p>
150	Wopat	Continues presentation.
165	Chair Milne	Asks if items are bumped from the list when other treatments are moved up.
168	Wopat	<p>* A fiscal note is created when a treatment is moved up the list.</p> <p>* If there is a great expense than the physician may be asked to include it under their capitation rate.</p> <p>* Perhaps the line may need to be moved or the capitation rates may need to be adjusted.</p>
182	Chair Milne	Asks if coverage is absolute for an item above the line.
186	Coffman	The commission goes through a biennial review process dealing with the new technologies and their fiscal impacts.
205	Chair Milne	Asks for clarification on the elimination of covered treatments.
215	Wopat	<p>* The costs of items above the line change.</p> <p>* Marginal treatments that prove less curative will be dropped first.</p>

		* The Commission looks at health care that serves the most people with the most effective results.
238	Speight	* The health services commission operates on what the best priorities are and then makes recommendations to the legislature. * Working towards balancing dollars and human needs.
262	Chair Milne	Asks whether a revised list will be reviewed by the legislature this session.
264	Wopat	Responds affirmatively. * A list will be drafted for the Governor and presented to Ways and Means around April 1, 1997.
270	Chair Milne	Asks about getting information about the Commission's recommendations before April.
279	Speight	Will provide committee with requested information.
289	Rep. Devlin	Asks about treatment that is no longer curative once a disease has progressed and the eligibility a person has for other care.
322	Wopat	* Treatments that are experimental are not covered. * Comfort care is available.
369	Rep. Piercy	Asks whether discussion on the inclusion of experimental treatments will occur.
383	Wopat	Responds affirmatively. * Discusses the concern about taking money away from proven treatment.
400	Wopat	Continues presentation.
TAPE 37, B		
006	Wopat	Continues presentation.
022	Rep. Kruse	Asks about the concept of removing gatekeepers.
032	Speight	As health systems become more integrated and efficient at working out how providers work with each other, the need for gatekeepers is being reviewed. * The primary role of the gatekeeper is changing.
086	Rep. Kruse	Asks about major providers that are moving out of the system
090	Speight	* There have been 2 contract entities with the Oregon Health Plan that have dropped for different reasons.

		* In 1993 twenty plus programs came to the plan with different expectations, and through constant review and evolution some expectations are not met.
106	Rep. Kruse	Asks if there is a problem or trend with providers dropping away.
108	Speight	* Doesn't see a trend being formed. * Understands that there are never enough dollars to make everyone happy. * The Oregon Health Plan is saying "Here is the capitation rate, create your own system and tell us what is and isn't working." * In some areas of the state this is working better than others.
144	Wopat	* Talks from the perspective of a family physician. * The goal of the Oregon Health Plan is to promote health in a fiscally responsible way. * The more we split the health care dollars among health care providers, the less integrated is a person's treatment process.
167	Rep. Piercy	Asks about getting second opinions and how this works with the concept of integration.
171	Wopat	What provider groups want to do is provide the most cost effective care. * He discourages doctor shopping.
207	Rep. Devlin	Asks if capitation payments are made per patient or by the patient's need or a combination of the two.
210	Wopat	* Under the Oregon Health Plan payments are made based on the age and situation of the patient. * Amounts paid are flat rates for each group.
224	Rep. Devlin	Asks how payment is handled when a procedure exceeds usual costs.
233	Wopat	* Payments are the same for similar procedures. * Plans purchase stop/loss insurance.
245	Chair Milne	Asks if stop/loss insurance is the responsibility of the physician.
		* Some providers' insurance companies will provide stop/loss.

250	Wopat	* This insurance is often purchased by a medical group.
265	Speight	Explains "re-insurance" * Providers protecting themselves from the high cost case. * Takes the weight off the health care system and the physician to provide treatment to high cost cases.
288	Chair Milne	Asks who provides re-insurance.
295	Speight	Most typically done among groups of providers as opposed to individual providers. Any patient exceeding \$25,000 or \$50,000 is re-insured.
316	Chair Milne	Asks how this insurance is activated and makes payments.
320	Wopat	* Under the Oregon Health Plan providers must buy re-insurance. * Costs are based on the amount of insurance a plan wants to carry. * A report gets submitted to the stop/loss carrier. Payments are made to the person or organization that purchases the insurance.
360	Chair Milne	Asks about the costs of re-insurance.
364	Speight	* Depends on the level of insurance desired. * Costs range from \$1.50-\$3.00 per member per month.
390	Chair Milne	Asks if the risks to the Oregon Health Plan are decreased by this stop/loss insurance.
395	Speight	The state's fiscal risk is limited to the monthly payment rate it makes on behalf of the beneficiaries it is sponsoring.
TAPE 38, B		
001	Speight	Continues to explain how re-insurance functions.
016	Coffman	Explains his responsibilities as Acting Director.
027	Little	* The list is reviewed line by line every biennium. * The Commission solicits feedback from the University and various specialty societies. * The same methodology is used as when the list was first

		developed.
045	Lori Long	Committee Administrator, asks about the availability of a layman's terms list.
050	Coffman	There is a list that deals with approximately thirty items above the line and thirty items below.
055	Speight	Can provide the committee with a feel for what's covered on the list.
067	Chair Milne	Adjourns the meeting at 2:38 p.m.

Submitted By, Reviewed By,

Diane M. Quinones, Lori A. Long,

Administrative Support Administrator

EXHIBIT SUMMARY

A - Written document on the history of the Oregon Health Plan, Wopat, 16 pp.