

HOUSE COMMITTEE ON HUMAN RESOURCES

March 21, 1997 Hearing Room H-170

1:00 P.M. Tapes 54-55

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 Long, Administrator

Diane M. Quinones, Administrative Support

MEASURE/ISSUES HEARD:

HB 2207 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 54, A		
001	Chair Milne	Calls the meeting to order at 1:05 p.m.
002	Chair Milne	Opens a public hearing on HB 2207.
<u>HB 2207</u> <u>PUBLIC</u>		

HEARING		
005	Mark Gibson	Governor's Policy Advisor, Health Care, Human Services, Labor, submits and presents written testimony in regards to HB 2207 (EXHIBIT A) .
111	Rep. Kruse	Asks how Pell Grant health benefits fit into the new cigarette tax.
115	Gibson	Pell Grant benefits are part of the proposal relating to the ninety percent of additional revenue.
120	Rep. Kruse	Asks how the Pell Grant benefit fits into the expansion program.
122	Gibson	<ul style="list-style-type: none"> * Students in the higher education system live on very little income. * Health services are not offered through college and university institutions. * Individuals qualify under the same criteria as Medicaid and must be Pell Grant eligible. * family incomes are considered for Pell Grant eligibility
145	Barney Speight	<p>Acting Administrator, Oregon Health Plan Administrator's Office, submits and presents written testimony in regards to Family Health Insurance Assistance Program (FHIAP) HB 2207 (EXHIBIT B).</p> <p>The number of uninsured people in Oregon has decreased dramatically since 1990 because:</p> <ul style="list-style-type: none"> * the Oregon Health Plan (OHP) * the expansion of Medicaid * the Insurance Pool Governing Board (IPGB) * the Oregon Medical Insurance Pool (OMIP) * the expansion of employer based coverage in Oregon * small group insurance reform * Oregon's strong economy bringing employers to the state
200	Speight	Continues presentation.
224	Chair Milne	Asks about figures for federal poverty level incomes.
		The federal poverty level income:

230	Speight	* at two hundred percent for a family of 3 is \$1,100 a month * at one hundred fifty percent for a family of 3 is \$1,600 a month
236	Rep. Harper	Asks about the 10 percent goal being discussed and the dollar amount it represents.
240	Speight	* This program is designed with aggressive expectations. * Over the course of this biennium the program costs without administration will be about 37.2 million dollars. * This brings Oregon to about 11 percent uninsured for 100-150 percent poverty level and 9 percent for 200 percent poverty level.
261	Rep. Kruse	Asks about the yearly costs it will take to maintain a 7 percent uninsured rate once this program has been implemented.
271	Speight	* For a full twenty four month biennium, going from one hundred to two hundred percent will be about 72 million dollars plus the administrative costs.
280	Speight	* Discusses the nine principles of FHIAP, EXHIBIT B , page 4
348	Rep. Lokan	Asks how the assistance vouchers will be monitored.
355	Speight	* will be discussing the eligibility re-determination process that participants go through once a year later in the hearing.

360 Speight Continues presentation.

TAPE
55, A

001 Speight Continues presentation.

008 Rocky King Director, Insurance Pool Governing Board (IPGB) and Oregon Medical Insurance Pool (OMIP), presents written testimony in regards to HB 2207 beginning with general eligibility information, page 5, **EXHIBIT B**.
Continues presentation.

* discusses assistance vouchers

075 King * individual market net billing

* policy and administration in the FHIAP

* implementation schedule of FHIAP

Discusses the program's costs for first biennium.

162 King

* 3.3 million dollars for 66 thousand people enrolled in the program.

210 Rep. Harper Asks about prioritizing the areas of the state that have the highest uninsured populations.

* Prioritizing certain areas of the state was not discussed.

- * The design of the program is state wide.
- 220 Speight * The programs popularity will be stronger, and enrollment will be higher in certain high need areas.
- 232 Rep. Harper Asks if everyone will be covered at the same level once this program is fully funded.
Coverage will vary somewhat:
- 234 Speight * the nature of employment and employer-sponsored coverage in communities
* program aspects will be available to all citizens that qualify
- 241 Rep. Harper Asks about the variety of plans and the restrictions to individuals.
If an individual is not offered group sponsored insurance and they qualify for the assistance voucher, they can apply the voucher towards any plan that participates in the net billing program.
- 246 Speight
- 253 King * refers to the Health Insurance Purchasing Guide that is designed to help individuals understand cost comparisons and selections
- 260 Rep. Harper Asks why there is not a residency time requirement.
* There are a number of legal issues around the concept of residency.
- 265 Speight * Program developers were trying to use the same eligibility concepts of income and liquid assets that Medicaid uses.
- 283 Rep. Harper Asks about the incentives for individuals to drop existing coverage and ask the state for health care.
Within the bill it gives an authority to enforce a length of time that one must be uninsured.
- 289 King * looking at other state programs to see what is working
* Oregon health council is considering between 3 and 12 months
- 370 Rep. Harper Asks about contracting this program out in order to cut back costs.
* decision makers, fiscal management staff, publication designers, administrators, policy analysts, etc.. are still needed to oversee and continue the program
- 376 King * 9.5 FTE is the minimum staff necessary to maintain this program
* the core of the work is in the private sector
- 386 Chair Milne Asks how the sliding payment scale will work.
Discusses the structure of the bill.
* does not place the subsidy levels in statute

* it defers to the health council with advise and consent from the governor

390 Speight * lowest income levels would be about \$71.00 per person per month representing about ninety percent of the cost.

* at the 200 percent income level it would be about \$21.00 per person per month representing about twenty percent of the cost

TAPE
54,B

001 Speight Will make a chart available to the staff to illustrate the sliding scale payment plans. Director of Government Affairs, Oregon Medical Association, presents testimony in favor of HB 2207.

016 Scott
Gallant * believes this measure moves Oregon closer to the goal of universal health coverage

* discusses a March 1997 poll regarding the new tobacco tax:

1. the questions the poll asked

2. the results of the questions

* believes that the voters made a very clear decision to expand the Oregon Health Plan when they voted for the additional cigarette tax

122 Rep.
Harper Asks about the percentage of Oregonians that smoke.

125 Gallant The tobacco industry estimated fifteen to twenty percent of Oregon's population smokes.

128 Rep.
Harper Comments on the possibility that the results may have been different if smokers had been polled.
* During the campaign smokers were specifically polled.

131 Gallant * A significant number of smokers supported tax dollars going to smoker related issues.

163 Rep.
Harper Asks about the total dollars spent in the last biennium on the Oregon Health Plan.

165 Speight * six hundred fourteen million dollars

170 Rep.
Harper Asks how much the cigarette tax will bring in this biennium.

* for the 97-99 biennium, about 160 million dollars

174 Gallant * 10 percent of 160 million dollars goes to tobacco use reduction

Rep.
182 Harper Asks about the general fund overall budget for the OHP.

185 Gallant * the 97- 99 general fund total budget is 600.3 million dollars

Then add:

1. current maintenance etc..
2. expansion of poverty level medical
3. expansion of college students
4. expansion of insurance subsidy
5. administrative costs

* new budget works out to 743.3 million dollars

205 Ellen Pinney Executive Director Oregon Health Action Campaign, submits and presents written testimony in regards to HB 2207 (**EXHIBIT C**).

315 Pinney Continues presentation, submits and presents additional testimony in regards to HB 2207 (**EXHIBIT D**).

364 Pinney Continues presentation.

390 Rep. Harper Asks if the witness wants to take the money proposed for HB 2207 and use it to expand the Oregon Health Plan.

395 Pinney Responds affirmatively.

398 Rep. Lokan Asks about a discrepancy between, **EXHIBIT A**, page 2, referring to section 10 of ballot measure 40 and section 10 of ballot measure 40.

TAPE
55, B

* Doesn't have an explanation for the difference in figures.

001 Pinney * believes the correct figures were the 90 percent and 10 percent amounts of funds dedicated to expansion and education

010 Rep. Kruse Asks how a person earning 658 dollars a month ends up in a 20 percent tax bracket.

* The figures she used are based on her own assumptions.

013 Pinney * The witness will provide the committee with exact income tax information.

022 Rep. Devlin Reminds the committee that even if low income households don't end up paying federal income tax they may still pay state income tax and will pay social security tax.

The Oregon Law Center, represents, Project Equality, presents testimony in regards to HB 2207 and submits information on Federal Poverty Income Guidelines (FPIG) (**EXHIBIT E**).

* provides a description of the federal poverty level

* refers to the 1991 legislature's request of Adult and Family Services to conduct a market analysis survey that would determine a minimum standard of living.

* Results found that for a family of 3 the minimum standard of living was \$1,096.00 a month, 114 percent of the federal poverty level.

030 Charles Sheketoff * discusses what looking at gross incomes and "other" incomes does to low income benefit recipients

* since Oregon raised the minimum wage, hoping to help people out of poverty, the state should request federal matching funds

* OHP reduces families on welfare

150 Chair Milne Asks about the statement that the OHP keeps people off welfare, when in fact, the OHP is welfare.

154 Sheketoff The OHP keeps people off Aide to Families with Dependent Children and other temporary assistance programs.

160 Sheketoff Concludes presentation.

167 Rep. Harper Asks if the witness wants to repeal the minimum wage.

172 Sheketoff No he does not.
Represents, Blue Cross/ Blue Shield of Oregon, presents testimony in regards to the Oregon Health Plan and HB 2207.

190 John Powell * discusses the beginning of the partnership between OHP and Blue Cross

* Blue Cross has lost money participating in the Oregon Health Plan.

* reads a letter of support for HB 2207 from Dr. John Santa, Medical Director, Blue Cross/ Blue Shield.
Executive Director, Salud Medical Center, Woodburn, OR, presents testimony in favor of HB 2207.

265 Eric Santiago * is a provider of health care to the uninsured

* This measure will contribute to the stability of the safety net providers in rural areas.

* Seventy five percent of the uninsured at the Salud Medical Center are women and children.
Committee Administrator, provides committee members with copies of ballot measure 44 out of the November 1996 voter's pamphlet (**EXHIBIT F**) and explains the difference in percentages mentioned in ballot measure 44.

333 Lori Long * looking at existing revenue in section 2 and new revenue in section 8

380 Chair Milne Closes the public hearing on HB 2207.

381 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 - HB 2207, written testimony from the Governor's office, Gibson, 4 pp.

B - HB 2207, information regarding the Family Health Insurance Assistance Program, Speight, 20 pp.

C - HB 2207, written testimony from the Oregon Health Action Campaign, Pinney, 4 pp.

D - HB 2207, federal poverty level guidelines May, 1996, Pinney, 2 pp.

E - HB 2207, federal poverty income guidelines and welfare standards, Sheketoff, 1 p.

F - HB 2207, Voter's pamphlet ballot measure 44, committee staff, 2 pp.