

HOUSE COMMITTEE ON HUMAN RESOURCES

April 23, 1997 Hearing Room H-170

1:00 P.M. Tapes 83 -84

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:

HB 3567 Public Hearing

HB 3225 Public Hearing

HB 2072 Public Hearing

HB 2746 Work Session

HB 2889 Public 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 83, A		
001	Chair Milne	Calls the meeting to order at 1:00 p.m.

002	Chair Milne	Opens a public hearing on HB 3657
<u>HB 3567</u> <u>PUBLIC</u> <u>HEARING</u>		
005	Scott Gallant	Recommends that the bill be withdrawn.
015	Ellie Hall	Concurs.
023	Bruce Bishop	Representative, Kaiser Center for Health Research, withdraws opposition to the bill with the understanding that the bill has been withdrawn and alternatives are being discussed. * Submits written testimony in opposition to HB 3567 (EXHIBIT A) for future reference.
043	Chair Milne	Closes the public hearing on HB 3567.
047	Chair Milne	Opens a public hearing on HB 3225.
<u>HB 3225</u> <u>PUBLIC</u> <u>HEARING</u>		
050	Molly Bordonaro	Representative, Americans for Responsible Reform (ARR), testifies in support of HB 3225. * ARR is a coalition of national associations representing over one million self-employed individuals and small businesses nation wide. * ARR monitors health insurance in the states and acts as a voice for small business members. * Small businesses and self employed individuals bear the highest costs of health insurance. * Associations allow small businesses owners to spread the costs and risks. * In 1995 the Oregon legislature passed SB 152 which dealt with small group insurance reform. * HB 3225 seeks to amend a problem in SB 152 - the need to have access to multi industry group insurance. * Discusses and submits a copy of the August, 1996 ruling by the Attorney General, Ted Kulongoski in regards to language changes in SB 152 (EXHIBIT B). * HB 3225 makes clear what the law will be and avoids misinterpretation.
		Asks if Bordonaro will be speaking to the amendments.

116	Rep. Lokan	Asks if there is opposition to the bill.
119	Bordonaro	<p>* ARR is supportive of the -2 amendments dated 4/23/97 (EXHIBIT C).</p> <p>* The -2 amendments define Association Health Plans as allowing multi industry associations to offer insurance.</p> <p>* There is some opposition, but the specifics are not known to her.</p>
137	Lori Long	Committee Administrator, explains the hand engrossed bill attached to the SMS encompasses the -1 amendments, which are no longer under consideration, and must be disregarded.
150	Chair Milne	The -2 amendments get at the true intent of the bill.
165	Ed Nieubuurt	<p>Manager of Health Programs, Insurance Division, submits and presents written testimony in regards to HB 3225 (EXHIBIT D), and explains the division's support for the -2 amendments dated 4/23/97.</p> <p>* explains multiple employer welfare arrangement (MEWA) defined as a federal term for a benefit plan covering several employers</p> <p>* SB 152 (1995) combined different association entities and defined the action they may take.</p> <p>* conflict existed in the language of SB 152 (1995) concerning MEWAs</p> <p>* Changes that appeared in the -1 amendments went beyond the scope of the original bill's intent and would not be supported by the agency.</p>
235	Chair Milne	Asks for more clarification around the intent of the bill and who it will affect.
248	Bordonaro	<p>* The original drafting of the bill went beyond what was trying to be accomplished in terms of changing the definition of "association groups."</p> <p>* Takes the "association" language out of changes made in 1995.</p> <p>* Taking out "association" language allows Oregon to revert back to the old standard of allowing Multi-industry Associations to provide health insurance.</p>
		<p>Testifies in opposition to HB 3225 and explains his concerns.</p> <p>* this bill may do something other than what the proponents intend</p> <p>* SB 152 (1995) did not achieve the result that is being contributed to it and did not implicate association plans by its terms</p>

277	Bishop	<p>* this bill may permit some MEWAs to engage in practices that health carriers cannot engage in under the reforms of the 1995 session</p> <p>* past reforms set benefit requirements, rating requirements, under writing practices around coverage denial</p> <p>* this bill may unravel these reforms</p>
336	Chair Milne	Asks about the speculative nature of Bishop's concerns.
340	Bishop	<p>His speculation is partly a result of the testimony heard today.</p> <p>Under current law there are three kinds of arrangements:</p> <p>* insured MEWAs - exempt from state regulation</p> <p>* self insured MEWAs - regulated by the state</p> <p>* Professional Association Plans (PAP) - distinct from MEWAs</p> <p>All arrangements are being sufficiently governed.</p>
375	Chair Milne	Asks for the opinion of Nieuburt on Bishop's concerns.
380	Nieuburt	<p>* Shares Bishop's concerns that this is a very complicated arena and existing regulations should not be altered casually.</p> <p>* looking at sections of statute that deal with MEWAs that are self funded and regulated by the state</p> <p>* believes the -2 amendments are narrow and concise enough to handle concerns</p>
TAPE 84, A		
008	Chair Milne	Asks for confirmation that HB 3225-2 is clear enough that those who will be affected will understand rules and guidelines.
015	Nieuburt	<p>Responds affirmatively.</p> <p>* Any entity that would be subject to these changes is subject to other existing statutes regarding self funded MEWAs.</p>
024	Rep. Kruse	Asks if Bishop feels that the current system has no need for this bill.
027	Bishop	<p>Responds affirmatively.</p> <p>Adds two points to the discussion:</p> <p>* explains that Multiple Employer Trusts (MET) are not allowed to function in Oregon and this bill may inadvertently allow them in Oregon</p>

		* Health Insurance Portability and Accountability Act (104th)
047	Nieuburt	* proponents were aware of ambiguity of this statute * the Attorney General's opinion supports the fact that the agency can handle this legislation
063	John Powell	Blue Cross / Blue Shield, testifies in regards to the -2 amendments. * would like some time to review the amendments with his office
081	Chair Milne	There will be time to straighten out the confusion and allow more testimony on this bill. * This bill is about clarifying language.
089	Bordonaro	* Agrees with the points of the Chair. * Small businesses would feel better about having statute agree that multi-industry associations can provide them with insurance.
116	Rep. Lokan	Asks who will be helped by the bill.
120	Bordonaro	Explains what multiple industries are. * Chambers of Commerce * Associated Oregon Industries * any groups that are associations for business and/or trade
130	Rep. Lokan	Asks about the opportunities of her clients.
133	Bordonaro	Discusses the practice of multi-industries as insurance providers.
143	Chair Milne	Closes the public hearing on HB 3225.
145	Chair Milne	Opens a public hearing on HB 2072.
<u>HB 2072</u> <u>PUBLIC</u> <u>HEARING</u>		
149	Lianne Thompson	Executive Director, Board of Radiologic Technology (BRT), testifies in support of HB 2072. * explains how HB 2072 gives her office the tools to deal with investigations
167	Rep. Harper	Asks about information referred to by Thompson that was to be received by the committee dated April 9, 1997 (EXHIBIT E).
169	Thompson	Faxed information sheet to Long's office on April 9 for purpose of distributing to committee members.
170	Long	* No fax has been received by her office.

		* No follow up was received from Thompson's office.
175	Thompson	Continues testimony.
189	Rep. Lokan	Asks what is the average cost of an investigation.
189	Thompson	* Costs can run as high as \$3,000 per day for a standard contested case hearing. * discusses cost saving practices referred to in EXHIBIT E .
216	Rep. Lokan	Asks if the fees fluctuate much from the \$3,000 figure.
218	Thompson	* Because of the highly technical aspects of the profession that her board oversees, individuals with special expertise may be needed to testify or involve themselves in other areas of an investigation. * This need for special training and equipment may increase costs.
228	Rep. Lokan	Asks for an example of a disciplinary proceeding that would incur such costs.
231	Thompson	* Transferring an individual from another state for charges of abuse. * Requiring new machinery in bone densitometry and an individual with the expertise to understand and operate such equipment is expensive.
236	Rep. Lokan	Asks if there is anticipation that collecting fees will be difficult.
246	Thompson	* The assistant attorney general has been working closely with the BRT acting as the board's legal counsel making recommendations concerning legal documentation and cost recovery.
260	Rep. Piercy	Asks what other boards do as far as costs are involved. * assessing costs vs. pro-rating rating
270	Thompson	* The Board of Dentistry has administrative rules in statute to recover costs as they are a highly technical profession. * Costs are a constant matter of concerns in terms of enforcement. * Most boards proceed very cautiously.
285	Rep. Piercy	Asks about the difficulty the board could have in recouping the high costs of an investigation from an individual who has no funds or assets to garnish.
296	Thompson	The incentive to settle on the point of the client is greater when they have to pay the expenses.
315	Rep. Harper	Asks what the state does in this situation
319	Thompson	* Can supply the committee with information requested. * This bill would be a valuable tool for the BRT to negotiate a settlement.

331	Rep. Harper	Asks about the previous discussion for an amendment regarding the fee structure.
352	Thompson	* Had thought that staff was handling this issue. * Will work with staff to prepare an amendment.
361	Long	Although there was discussion between Rep. Harper and Thompson about an amendment, her office received no formal request for an amendment.
366	Thompson	Will submit a formal request for an amendment.
370	Rep. Devlin	Asks how many individuals the board oversees.
375	Thompson	The board oversees: * 2000 radiologic technologists - two to four years of college * 800 radiologic technicians - sixty days advanced training
382	Rep. Devlin	Comments on the difficulty of setting standards for so many diverse boards. Asks if an individual goes through a proceeding and is found innocent of violation are they free of the cost responsibility.
400	Thompson	Responds affirmatively.
405	Rep. Devlin	Asks Long if an amendment can be discussed now.
410	Long	The committee can discuss conceptual amendments. Legislative counsel must provide a set of -1 amendments.
420	Rep. Piercy	Comments that line 29 on page 1 of the bill has unclear language and should be addressed in an amendment.
TAPE 83, B		
008	Thompson	Asks for clarification from Rep. Harper about what information he wants in regards to recovering costs.
013	Rep. Harper	Wants to know how many boards can recover costs in accords with Thompson's requests and proposals.
023	Chair Milne	Closes the public hearing on HB 2072.
025	Chair Milne	Opens a work session on HB 2746.
HB 2746 WORK SESSION		
030	Long	Summarizes the bill and explains the -1 amendments dated 04/22/97 (EXHIBIT F) .
043	Rep. Kruse	MOTION: Moves to ADOPT HB 2746-1 amendments dated 04/22/97 (EXHIBIT F).
046	Rep. Lokan	Asks if this bill is a revision of SB 1117 from the 1995 session.

050	Long	Responds affirmatively. * explains the relationship between HB 2746 -1 and the portion of SB 1117 (1995) concerning the JOBS Plus program.
062	Chair Milne	Hearing no objection, declares the motion CARRIED.
069	Rep. Harper	MOTION: Moves HB 2746 to the floor with a DO PASS AS AMENDED recommendation and the SUBSEQUENT REFERRAL to the committee on Ways and Means BE RESCINDED.
		VOTE: 7-0 AYE: In a roll call vote, all members present vote Aye.
075	Chair	The motion CARRIES. REP. SHIELDS will lead discussion on the floor.
084	Chair Milne	Closes the work session on HB 2746.
085	Chair Milne	Puts the committee at ease until 1:35 p.m. when HB 2889 will be heard.
088	Chair Milne	Calls the meeting back to order at 1:40 p.m.
090	Chair Milne	Opens a public hearing on HB 2889.
<u>HB 2889</u> <u>PUBLIC</u> <u>HEARING</u>		
091	Rep. Cynthia Wooten	Oregon Legislature, House District 41, submits and presents written testimony in support of HB 2889 (EXHIBIT G). * Introduces the students at Gilham Elementary School who are the authors of HB 2889.
169	Ashley Wanless	Student, Gilham Elementary School, submits and presents written testimony in support of HB 2889 (EXHIBIT H).
195	Kyle Bjornsted	Student, Gilham Elementary School, submits and presents written testimony in support of HB 2889 (EXHIBIT I).
217	Joshua Dilger	Student, Gilham Elementary School, submits and presents written testimony in support of HB 2889 (EXHIBIT J).
244	Rep Harper	Asks what a work session is.
246	Dilger	The next step.
253	Dustin Hinkle	Student, submits and presents written testimony in support of HB 2889 (EXHIBIT K).
274	Chair Milne	Asks where Hinkle got his facts and information.
279	Hinkle	Sources of information include: * newspaper

		* the internet * books
283	Chair Milne	Asks how long the class has been working on this project.
285	Hinkle	About 3 months.
320	Lauren McCauley	Student, Gilham Elementary School, submits and presents written testimony in support of HB 2889 (EXHIBIT L).
346	Rep. Piercy	Appreciates the thought out testimony of all the students that presented and worked on this project.
354	Rep. Lokan	Concurs with the comments of Rep. Piercy.
342	Rep. Taylor	* Comments that children can make a difference. * Making rules in your own home is OK. * Sometimes it's not just the 2nd hand smoke that hurts people but the fire dangers cigarettes create.
393	Wanless	Respectfully requests a work session on HB 2889.
383	Rep. Wooten	This bill is an amendment to the clean air act.
TAPE 84, B		
001	Chair Mine	Appreciates the teachers that have been involved in this bill.
015	Cathy Rowland	Oregon Health Groups on Smoking or Health, submits and presents written testimony in support of HB 2889(EXHIBIT M).
040	Claudia Black	Submits and presents written testimony on behalf of Elinor C. Hall, Administrator, Oregon Health Division (EXHIBIT N).
062	Brian Delashmutt	Oregon Nurses Association, testifies in support of HB 2889. * would be willing to participate in any further discussion
075	Tim Martinez	Oregon Medical Association (OMA), testifies in support of HB 2889. * The OMA is willing to participate in further discussion at the committee's request.
087	Chair Milne	Closes the public hearing on HB 2889.
088	Chair Milne	Adjourns the meeting at 3:10 p.m.

Submitted By, Reviewed By,

Diane M. Quinones, Lori A. Long,

Administrative Support Administrator

EXHIBIT SUMMARY

A - HB 3567, written letters and cancer study information, Bishop, 12 pp.

B - HB 3225, ruling by Kulongoski re: SB 152, Bordonaro,

C - HB 3225 -2 amendments dated 04/23/97, Staff, 1 p.

D - HB 3225, written testimony, Nieuburt, 3 pp.

E - HB 2072, information letter, Thompson, 1 p.

F - HB 2746 -1 amendments dated 4/22/97, Staff, 1 p.

G - HB 2889, written testimony, Rep. Wooten, 2 pp.

H - HB 2889, written testimony, Ashley Wanless, 1 p.

I - HB 2889, written testimony, Kyle Bjornstad, 1 p.

J - HB 2889, written testimony, Joshua Dilger, 1 p.

K - HB 2889, written testimony, Dustin Hinkle, 1 p.

L - HB 2889, written testimony, Lauren McCauley, 1 p.

M - HB 2889, written testimony, Rowland, 1 p.

N - HB 2889, written testimony, Black, 1p.