

—

SENATE COMMITTEE ON BUSINESS, LAW, & GOVERNMENT

February 19, 1997 Hearing Room A

1:00 P.M. Tapes 59 -60

MEMBERS PRESENT:

Sen. Neil Bryant, Chair

Sen. Kate Brown

Sen. Gene Derfler

Sen. Randy Leonard

Sen. David Nelson

MEMBER EXCUSED:

Sen. Randy Miller, Vice-Chair

STAFF PRESENT:

Jan Nordlund, Administrator

Ed Rose, Administrative Support

Jennifer Peck, Administrative Support

MEASURE/ISSUES HEARD:

SB 141 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 59, A		
003	Chair Bryant	Opens meeting at 1:08 p.m.
<u>SB 141</u> <u>PUBLIC</u> <u>HEARING</u>		
005	Chair Bryant	Opens public hearing on SB 141.
007	Sen. Derfler	Summarizes SB 141.
020	Mark Gibson	Governor's Policy Advisor for Health and Human Resources. Reads written testimony in support of SB 141.
041	Barney Speight	Health Plan Administrator's office. Presents (EXHIBIT A) in support of SB 141. Highlights task force recommendations and issues incorporated into SB 141.
061	Sen. Derfler	Asks about definition of competitive marketplace.
070	Speight	Discusses purchasing strategies of the state.
077	Sen. Derfler	Asks for further definitions.
088	Speight	Refers to other people who can supply accurate answers. Suggests a ten member board be created, merging State Employee's Benefits Board (SEBB) and Bargaining Unit Benefits Board (BUBB) into one.
110	Sen. Leonard	Asks for an example of a representable employee.
113	Speight	Discussion of the board's members.
150	Chair Bryant	Clarifies Sen. Leonard's concerns about the distribution of board members.
156	Speight	Continues presentation. Explains this should simplify the administration of benefits. Recommends savings be used for further training. Recommends allowing new board to decide on self-insurance and direct contracting.
208	Speight	Concludes overview of SB 141.
228	Sen. Derfler	Asks about the increased budget when two boards are consolidated.
233	Chair Bryant	Asks about the timing of implementation.
234	Speight	Responds the new board would begin July 1997, and SEBB and BUBB would be abolished in January 1998.
257	Sen. Leonard	Asks about representable employees.

267	Sen. Derfler	Discussion of the exact members on the board.
283	Jim McIntosh	SEBB, supports SB 141. Provides additional information on the makeup of the board.
335	Sen. Leonard	Asks if McIntosh is concerned with the distribution of the members.
340	Chuck Mendenhall	BUBB Board Member, supports SB 141. Agrees that there is a slippage in terms of an equal split of votes on the new board.
356	McIntosh	Discusses the existing models versus the new suggested board distribution.
357	Mendenhall	Agrees with comments made by McIntosh and provides information on the existing SEBB model
386	Chair Bryant	Asks about the reserve funds.
407	McIntosh	Discusses the reserves which are about \$20.6 million in SEBB.
435	Mendenhall	Explains BUBB has reserves of about \$30 million dollars, a three to four month reserve.
TAPE 60, A		
006	McIntosh	Discusses SB 141, page 9, line 4, reinsurance issue of the bill.
047	Mendenhall	Further discussion of the language and intent of the bill.
058	Sen. Leonard	Asks if the bill will exclude smaller insurance companies.
061	Mendenhall	Discusses that insurance is a board decision.
078	McIntosh	Explains marketplace competition should be open.
089	Mendenhall	Agrees competition should exist.
099		Discussion of competition of providers.
107	John Powell	Blue Cross/Blue Shield of Oregon. Supports SB 141. Discusses further confusion over terms on page 7 of SB 141 and self-insurance language on page 9.
155	Sen. Derfler	Asks about reinsurance.
160	Powell	Explains purchasing reinsurance.
172	Chair Bryant	Summarizes the discussion. Asks why SEBB or BUBB have been denied the rights to self insure in the past.
177	Powell	Explains the difference in health insurance. States liability should also be investigated.
202	Sen. Derfler	Discusses self-insurance.
213	Powell	Explains a competitive market is desired by health plans.
223	Chair Bryant	Closes public hearing on SB 141.
SB 141 WORK SESSION		
225	Chair Bryant	Opens work session on SB 141. Discussion of specific terms such as "reinsure."
263	Chair Bryant	Suggests additional language for line 5, page 9, with no mention of self-insurance.

265	Chair Bryant	MOTION: Moves to AMEND SB 141 on page 9, line 5, insert "for purposes of reinsurance only."
	Chair Bryant	Hearing no objection, declares the motion CARRIED.
267	Sen. Leonard	Moves deletion of lines 27-28, page 1 and amending line 26, page 1.
276	Sen. Derfler	Opposes the changes.
300		Discussion of composition of the new board.
360	Sen. Leonard	MOTION: Moves to AMEND SB 141 on page 1, by deleting lines 27-28 and replacing "one" with "two" in line 26.
	Chair Bryant	VOTE: 1-4 AYE: 1 - Leonard NAY: 4 - Brown, Derfler, Nelson, Bryant EXCUSED: 1 - Miller
	Chair Bryant	The motion FAILS.
380	Sen. Brown	Discusses further amendments.
390		Discussion continues.
440	Chair Bryant	Explains the task force carefully chose the number of members for the board. Opposes the amendments.
TAPE 59, B		
005		Discussion continues about exact board membership.
024	Sen. Leonard	Expresses interest in having the members of the board have equal voting power.
027	Sen. Brown	Refers to a past conclusion to a similar problem.
034	Sen. Leonard	Suggests a neutral person as a tie breaker.
040		Discussion continues.
063	Sen. Leonard	MOTION: Moves to AMEND SB 141 on page 1, by changing number of members to "six" in line 23, to "three" in line 25 and to "two" in line 26."
065	Sen. Leonard	VOTE: 2-3 AYE: 2 - Brown, Leonard NAY: 3 - Derfler, Nelson, Bryant EXCUSED: 1 - Miller
	Chair Bryant	The motion FAILS.
		MOTION: Moves SB 141 to the floor with a DO PASS AS

072	Sen. Bryant	AMENDED recommendation.
		VOTE: 4-1 AYE: 4 - Brown, Derfler, Nelson, Bryant NAY: 1 - Leonard EXCUSED: 1 - Miller
	Chair Bryant	The motion CARRIES. SEN. DERFLER will lead discussion on the floor.
076	Chair Bryant	Adjourns meeting at 2:10 p.m.

Submitted By, Reviewed By,

Ed Rose, Jan Nordlund,

Administrative Support Administrator

Transcribed By,

Jennifer Peck,

Administrative Support

-

EXHIBIT SUMMARY

A - SB 141, written testimony, Barney Speight, 42 pp
