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**SENATE COMMITTEE ON HEALTH AND HUMAN SERVICES**

**May 1, 1997 Hearing Room B**

**3:00 P.M. Tapes 83 - 84**

**MEMBERS PRESENT:**

**Sen. Bill Fisher, Chair**

**Sen. Jeannette Hamby, Vice-Chair**

**Sen. Lenn Hannon**

**Sen. Susan Castillo**

**Sen. Thomas Wilde**

**MEMBER EXCUSED: Sen. Marilyn Shannon**

**STAFF PRESENT:**

**Anne E. Tweedt, Administrator**

**Sandy Thiele-Cirka, Administrative Support**

**MEASURES/ISSUES HEARD:**

**SB 189 Work Session**

**SB 1090 Work Session**

**SB 31 Work Session**

**SB 412 Work Session**

**SB 1071 Work Session**

**SB 744 Work Session**

**SB 69 Work Session**

**SB 890 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.**

<b>Tape/#</b>	<b>Speaker</b>	<b>Comments</b>
<b>TAPE 83, A</b>		
003	Chair Fisher	Calls meeting to order at 3:12pm, opens work session on SB 189.
<b><u>SB 189</u> <u>WORK</u> <u>SESSION</u></b>		
014	Pam Ruona	Program coordinator, Senior and Disabled Services, summarizes the proposed -3 amendments ( <b>EXHIBIT A</b> ).
036	Anne Tweedt	Policy Analyst, notes that the amendments require a 18-month time limit on repayment.
040	Ruona	Continues overview.
047	Sen. Hannon	Questions Mr. Ralph Willits, if he is in agreement with the -3 amendments.
053	Ralph Willits	Responds that these amendments are acceptable to the CCRC Advisory Council and the Governor's Commission on Senior Services.
<b>058</b>	<b>Sen. Hannon</b>	<b>MOTION: Moves to ADOPT SB 189-3 amendments dated 04/23/97.</b>
<b>061</b>	<b>Chair Fisher</b>	<b>Hearing no objection, declares the motion CARRIED.</b>
<b>062</b>	<b>Sen. Hannon</b>	<b>MOTION: Moves SB 189 to the floor with a DO PASS AS AMENDED recommendation.</b>
064	Sen. Hannon	Questions if there is a fiscal impact.
065	Ruona	Responds no.
<b>067</b>		<b>VOTE: 4-0-2</b> <b>AYE: 4 - Castillo, Hannon, Wilde, Fisher</b>

		<b>EXCUSED: 2 - Hamby, Shannon</b>
	<b>Chair Fisher</b>	<b>The motion CARRIES.</b>  <b>SEN. WILDE will lead discussion on the floor.</b>
073	Chair Fisher	Closes work session on SB 189, opens work session on SB 1090.
<b><u>SB 1090</u></b> <b><u>WORK</u></b> <b><u>SESSION</u></b>		
<b>084</b>	<b>Sen. Hannon</b>	<b>MOTION: Moves to TABLE SB 1090.</b>
<b>088</b>		<b>VOTE: 4-0-2</b>  <b>AYE: 4 - Castillo, Hannon, Wilde, Fisher</b>  <b>EXCUSED: 2 - Hamby, Shannon</b>
	<b>Chair Fisher</b>	<b>The motion CARRIES.</b>
090	Chair Fisher	Closes work session on SB 1090.
<b><u>SB 31</u></b> <b><u>WORK</u></b> <b><u>SESSION</u></b>		
094	Chair Fisher	Opens work session on SB 31.
108	Jenny Ulum	Representing SelectCare and PACC Health Plans, provides testimony and the potential fiscal impact of SB 31 ( <b>EXHIBIT B</b> ).
148	Sen. Hannon	Comments and questions price-fixing on pharmaceutical products.
155	Ulum	Responds that having a negotiated price is not the same as price fixing. Comments that the national trend does not identify these practices as violating anti-trust laws.
170	Sen. Hannon	Questions if SB 31 were amended to establish that an insurance company could not own their own pharmacy.
173	Ulum	Responds her clients do not own any pharmacies, however other companies may object.
177	Dave Fiscum	Representing Good Health Plans and PacifCare, responds that these health plans do not own any pharmacies.
195	Sen. Hannon	Questions where the cost impact is addressed in the bill.
201	Ulum	Responds that EXHIBIT B is based on the consequence of SB 31.
207	Sen. Hannon	Questions if this position is speculative.
211	Ulum	Responds that the position is that insurance companies will be unable to obtain the best/lowest pharmaceutical price.
220	Sen. Hannon	Questions the language hidden element referred to in EXHIBIT B, requests the location of 'hidden element' in the bill.

224	Ulum	Responds that this report may be worded poorly, comments on the intent of the cost statement.
229	John Powell	Representing Blue Cross/Blue Shield, provides testimony regarding the impact to the insurance companies relating to their ability to negotiate.
244	Chair Fisher	Questions if contract negotiations include all pharmacies in a designated area.
245	Powell	Responds that in the past negotiations have not included everyone. Comments that this process is changing.
258	Chair Fisher	Questions the negotiating practices of insurance companies with local pharmacies.
269	Powell	Responds he does not have that information.
283	Chair Fisher	Comments on other health care providers practices.
292	Powell	Responds that other providers have a marketing strategy that are different than the pharmacy industry.
327	Chair Fisher	Questions how contracts are determined with which pharmacies.
330	Powell	Responds price, quality controls and service.
335	Chair Fisher	Questions if the insurance companies 'shop around'.
337	Powell	Responds sometimes.
351	Fiscum	Notes that one of the determining factors that an insurance company evaluates is the ability to provide services to the customers.
374	Mike Dewey	Representing the Oregon State Pharmacists Association, provides testimony identifying that costs have not increased, but in fact costs have decreased in some areas.
480	Jo Dell Offord	Owner Jo Dell's Drugs, Eugene, provides testimony on SB 31 (EXHIBIT C).
<b>TAPE 84, A</b>		
049	Tom Hornsby	Independent pharmacy owner, Douglas County, provides testimony stating that negotiations between pharmacies and insurance companies have not taken place.
094	Dewey	Comments on the -1 and -2 amendments.
104	Sen. Castillo	Requests clarification on the insurance companies concerns.
108	Hornsby	Responds that a formal process of contract negotiation does not take place, outlines the contract process between insurance companies and pharmacies.
152	Dewey	Notes that larger chain pharmacies have not taken a position on this bill.
157	Sen. Hannon	Questions if the independent pharmacies are offered the same wholesale prices that chain pharmacies are offered.
163	Hornsby	Responds that this is a difficult issue, there are many factors that determine prices to pharmacies, large and small.
185	Sen. Hannon	Questions if this bill would increase pharmacy costs as the insurance companies are projecting.

208	Dewey	Comments on the pricing process.
226	Offord	Comments on the impact of the contract barriers to the customers. The customer should have the opportunity to decide which pharmacy they will patronize, not the insurance companies.
242	Chair Fisher	Questions if rural residents have difficulty obtaining services due to the lack of contracts with independent pharmacies.
252	Hornsby	Responds affirmatively.
274	Chair Fisher	Closes work session on SB 31.
<b>SB 412 WORK SESSION</b>		
282	Chair Fisher	Opens work session on SB 412.
285	Tweedt	Summarizes the -6 amendments ( <b>EXHIBIT D</b> ).
296	Sen. Hannon	<b>MOTION: Moves to ADOPT SB 412-6 amendments dated 04/30/97.</b>
306	Chair Fisher	<b>Hearing no objection, declares the motion CARRIED.</b>
308	Sen. Hannon	<b>MOTION: Moves SB 412 to the floor with a DO PASS AS AMENDED recommendation.</b>
314		<b>VOTE: 5-0-1</b> <b>AYE: 5 - Castillo, Hamby, Hannon, Wilde, Fisher</b> <b>EXCUSED: 1 - Shannon</b>
	Chair Fisher	<b>The motion CARRIES.</b> <b>SEN. HAMBY will lead discussion on the floor.</b>
323	Chair Fisher	Closes work session SB 412, opens work session on SB 1071.
<b>SB 1071 WORK SESSION</b>		
327	Tweedt	Summarizes the -3 amendments ( <b>EXHIBIT E</b> ).
335	Sen. Hannon	<b>MOTION: Moves to ADOPT SB 1071-3 amendments dated 05/01/97.</b>
339	Chair Fisher	<b>Hearing no objection, declares the motion CARRIED.</b>
342	Sen. Hannon	<b>MOTION: Moves SB 1071 to the floor with a DO PASS AS AMENDED recommendation.</b>
346		<b>VOTE: 5-0-1</b> <b>AYE: 5 - Castillo, Hamby, Hannon, Wilde, Fisher</b>

		<b>EXCUSED: 1 - Shannon</b>
	<b>Chair Fisher</b>	<b>The motion CARRIES.</b>  <b>SEN. DUKES will lead discussion on the floor.</b>
354	Chair Fisher	Closes work session on SB 1071, opens work session on SB 744.
<b><u>SB 744</u></b> <b><u>WORK</u></b> <b><u>SESSION</u></b>		
359	Tweed	Summarizes the -1 amendments ( <b>EXHIBIT F</b> ).
368	Jim Davis	Representing Oregon Society of Physician Assistants, provides testimony in support of the -1 amendments.
376	Sen. Hannon	Comments on the history of physician assistant legislation and current practices of physician assistants and billing procedures being utilized by the physicians.
426	Davis	Responds that it is the primary objective that physician assistants provide services in the rural areas, however they do provide necessary skills in the urban area also.
475	Sen. Hannon	Questions why the original bill focused on expanding the profession in the urban area.
480	Davis	Responds that the intent was to increase physician supervisors that a physician assistant could contract with.
<b>TAPE 83, B</b>		
008	Sen. Hannon	Comments on concerns regarding expanding the role of the physician assistants.
020	Davis	Responds and comments that physician assistants are dependent practitioners.
029	Chair Fisher	Questions if utilizing physician assistants allow the physician to handle more cases.
032	Davis	Responds that it is a possibility.
040	Chair Fisher	Comments on Sen. Hannon's concerns.
049	Davis	Responds that adequate reimbursement has been discussed and that the insurance companies are aware of the increased role of the physician assistant.
059	Sen. Hannon	Questions if the witness and the organization he represents are willing to officially record that they will not approach any future legislatures for increased reimbursement from the insurance companies.
062	Davis	Responds that he is not in a position to make that decision.
068	Sen. Castillo	Comments in support of SB 744.
075	Vice-chair Hamby	Comments that patients are unaware when they are being seen by a physician assistant and not a physician. Requests that language be

		drafted to ensure patients understand.
093	Chair Fisher	Questions if Sen. Hamby's concerns could be addressed in an amendment.
094	Davis	Responds that he would have to discuss it with his client.
098	Sen. Hannon	Comments that the relating clause is very broad
115	Davis	Comments that this bill would allow physician assistants to assist more physicians.
130	Sen. Hannon	Requests staff to work with parties represented to draft additional amendments.
151	Tweedt	Requests scope of amendment.
152	Sen. Hannon	Responds with clarifying concerns to be addressed in an amendment.
161	Sen. Castillo	Comments on personal experience with physician assistant's.
177	Chair Fisher	Closes work session on SB 744, announces that SB 428 will be heard Tuesday, May 6.
<b><u>SB 69</u></b>		
<b><u>WORK</u></b>		
<b><u>SESSION</u></b>		
182	Chair Fisher	Opens work session on SB 69.
184	Tweedt	Summarizes -1 amendments ( <b>EXHIBIT G</b> ).
207	Sen. Hannon	Questions subsection 3, section 1 of the -1 amendments, is the board the only entity that maintains supervision of the naturopathic college.
221	David Young	State Academic Degree Administrator for the Office of Educational Policy and Planning, responds no. The bill language pertains to the clinical practice of the educational program. The educational program of the college would be supervised by this office and the accrediting body.
231	Sen. Hannon	Questions if this allows supervision over the clinical training of students.
234	Young	Responds that this will allow students of this profession to obtain practice in a supervised clinic without being fully licensed, it allows an exemption requiring full licensing.
243	Sen. Hannon	Questions if this a similar practice used by medical students and physicians.
246	Young	Responds affirmatively.
254	<b>Sen. Hannon</b>	<b>MOTION: Moves to ADOPT SB 69-1 amendments dated 4/30/97.</b>
256	<b>Chair Fisher</b>	<b>Hearing no objection, declares the motion CARRIED.</b>
259	<b>Sen. Hannon</b>	<b>MOTION: Moves SB 69 to the floor with a DO PASS AS AMENDED recommendation.</b>
265		<b>VOTE: 6-0</b> <b>AYE: 6 - Castillo, Hamby, Hannon, Shannon, Wilde, Fisher</b>
		<b>The motion CARRIES.</b>

	Chair Fisher	<b>SEN. CASTILLO will lead discussion on the floor.</b>
274	Vice-chair Hamby	Questions the language 'offer degrees in Oregon'.
277	Young	Responds that this term refers to providing the instruction that would lead to a degree.
294	Chair Fisher	Closes work session on SB 69.
<b><u>SB 890</u></b> <b><u>WORK</u></b> <b><u>SESSION</u></b>		
296	Chair Fisher	Opens work session on SB 890.
299	Sen. Ken Baker	District 14, provides testimony in support of the -2 amendments.
310	Brian DeLaScmutt	Representing Oregon Nurses Association, summarizes and proposes additional changes to -2 amendments ( <b>EXHIBIT H</b> ).
350	Jim Curtis	Testifies in support and proposes changes to -2 amendments.
380	Tweedt	Requests a copy of the -1 amendments.
390	Chair Fisher	Closes work session on SB 890, adjourns the meeting at 4:35pm.

**Submitted By, Reviewed By,**

**Sandy Thiele-Cirka, Anne E. Tweedt,**

**Administrative Support Administrator**

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**EXHIBIT SUMMARY**

**A - SB 189, -3 amendments, Pam Ruona, 1pp**

**B - SB 31, Written testimony, Jenny Ulum, 1pp**

**C - SB 31, Written testimony, Jo Dell Offord, 11pp**

**D - SB 412, -6 amendments, Staff, 4pp**



**E - SB 1071, -3 amendments, Staff, 1pp**

**F - SB 744, -1 amendments, Staff, 1pp**

**G - SB 69, -1 amendments, Staff, 1pp**

**H - SB 890, -2 amendments, Brian DeLaSchmutt, 1pp**

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