

HOUSE COMMITTEE ON
COMMERCE SUB-COMMITTEE ON BUSINESS

Hearing Room
1:35 PM Tapes - 55

MEMBERS PRESENT:

REP. LYNN LUNDQUIST, Chair
REP. TONY FEDERICI, Vice-Chair
REP. LARRY WELLS
REP. LYNN SNODGRASS

MEMBER EXCUSED:

STAFF PRESENT:

DANIEL JARMAN, Committee Administrator
JODIE HALL, Committee Assistant

MEASURES HEARD:

HB 2763 - Public Hearing
HB 2824 - Public Hearing
HB 2888 - Public Hearing
HB 2142 - Public Hearing
HB 2078 - Public Hearing
HB 3280 - Work Session
HB 2855 - Work Session
HB 2880 - Work Session
HB 2949 - Public Hearing and Work Session
HB 2950 - Public Hearing and Work Session
HB 2951 - Public Hearing and Work Session
HB 3002 - Public Hearing and Work Session
HB 3278 - Public Hearing and Work Session
HB 2559 - Public Hearing and Work Session
HB 2777 - Public Hearing and Work Session
HB 2469 - Public Hearing and Work Session
HB 2143 - Public Hearing and Work Session
HB 3276 - Public Hearing and Work Session

These minutes contain materials which paraphrase and/or summarize statements made during this session. Only text enclosed in quotation marks

report a speaker's exact words. For complete contents of the proceedings, please refer to the tapes.

TAPE , A

000 CHAIR LUNDQUIST OPENS MEETING AT 1:35 PM.

006 CHAIR LUNDQUIST: Announces the agenda for the meeting. Will not be receiving public testimony on several bills:
-Explains time constraints for HB 2763, HB 2824, HB 2888, HB 2142, and HB 2078.

032 OPENS PUBLIC HEARING ON HB 2763.

034` CHUCK GRESS, Oregon State Pharmacists Association: Testifies in SUPPORT of HB 2763. Exhibit A.

056 MICHAEL DEWEY, Oregon State Pharmacists Association: Testifies in SUPPORT of HB 2763. Refers to Exhibit B.

134 BOB BURR, President, Oregon State Pharmacists Association: Testifies in SUPPORT of HB 2763. Exhibit C.

239 -In response to Rep. Wells: Explains that he is hopeful the same discounts offered mail order companies will be offered to pharmacists.

250 NANCY SMITH KAIB, Oregon State Pharmacists Association: Testifies in SUPPORT of HB 2763. Exhibit D.

294 -In response to Rep. Wells: Addresses his question concerning mail order prices going up or down as well as pharmacist prices raising or lowering.

-Refers the committee to page three of Exhibit D.

360 BURR: Gives example of cost comparisons between hospitals and pharmacies.

370 DARRELL PURKERSON, Oregon State Pharmacists Association: Testifies in SUPPORT of HB 2763. Submits Exhibit E.

- Sets up examples of medication to explain differences in pills from one factory to the next as well as the costs of the exact same medication sold in either Mexico and Canada.

TAPE 53, SIDE A

050 JIM GARDNER, Oregon Counsel for Pharmaceutical Research and Manufactures

of America (PhRMA): Testifies in OPPOSITION to HB 2763. Exhibit F.

-Explains Robinson-Patman Act.

-Explains that individuals who purchase managed care products pay for these products partially through their premiums.

-Explains that this legislation has been proposed in other states.

-Responds to Rep. Wells previous question concerning mail order pharmaceutical products.

-Explains that he believes there is an alternative solution. Possibly forming an HMO.

193 DENNIS RUSSELL, Oregon Health Care Association: Testifies in OPPOSITION

to HB 2763. -Does not believe the Legislature should decide who gets and doesn't get discounts.

227 BRUCE BISHOP, Kaiser Permanente: Testifies in OPPOSITION to HB 2763.

256 GARDNER: Responds to Chair Lundquist: Offers to obtain information on mail orders

280 -Explains for Chair Lundquist the difference between small pharmacies and a large chain.

296 RUSSELL: Responds further to Chair Lundquist comparing working for a large company versus a smaller pharmacy. Believes it is important to compare services received when looking at costs of products.

331 GARDNER: Agrees with Mr. Russell and comments further on specific services offered.

347 -In response to Chair Lundquist: Explains for that it is important to look not only at what services are received, but how the product is purchased.

374 BISHOP: In response to Rep. Snodgrass: Yes, Kaiser pays less than a

"mom and pop" pharmacy. Believes that according to Federal Law, Kaiser would not be able to sell products to the "mom and pop" pharmacy.

403 REP. SNODGRASS: Would like to know more about this as an option for pharmacies.

421 GARDNER: Responds to Rep. Wells concerning the State Medicaid Program. Heavily dependent on managed care.

446 RUSSELL: Comments that as costs go up, so do the states. Thus, if this bill increases costs, costs would be increased for the state.

TAPE 52, SIDE B

045 GARDNER: Responds to Chair Lundquist: Comments on pharmacies forming HMO's and the price differences they face as an HMO.

050 Staff submits into committee record, Exhibit Fa, MIKE KINARD, Acting Regional Pharmacy Manager, Kaiser Permanente, Northwest Region: Testimony in SUPPORT of HB 2763.

052 CLOSES PUBLIC HEARING ON HB 2763.

053 OPENS PUBLIC HEARING ON HB 2824.

055 CHUCK GRESS, Oregon State Pharmacists Association: Testifies in SUPPORT to HB 2824. Exhibit G. Submits proposed amendment, Exhibit H.

110 MIKE DEWEY, Oregon State Pharmacists Association: Testifies in SUPPORT to HB 2824.

151 GRESS: In response to Rep. Wells: Explains that there have been attempts to outlaw mail order pharmacy.

165 DEWEY: Explains that mail order is here to stay.

185 BOB BURR, President, Oregon State Pharmacists Association: Testifies in SUPPORT of HB 2824. Exhibit I.

221 NANCY SMITH KAIB, Oregon State Pharmacists Association: Testifies in SUPPORT of HB 2824. Exhibit J.
-Refers the Committee to Exhibit 1 in the Handout.

265 MARVIN FORDBECK, Oregon Retired Persons Services: Testifies in OPPOSITION to HB 2824 as unnecessary legislation.

287 NICHOLAS WILLARD, Oregon Retired Person Pharmacy: Testifies in OPPOSITION to HB 2394. Exhibit K.
-Explains concerns with oral education not being effective for older adults. Written information is much more preferable.
-Association of Retired Persons provides written information for older adults.

TAPE 53, SIDE B

045 WILLARD: In response to Chair Lundquist: Mississippi does not offer mail order products.

050 DENNIS RUSSELL, Oregon Health Care Association: Testifies in OPPOSITION to HB 2824 as is, in SUPPORT of the -1 amendment.

062 WILLARD: Offers to send the committee more necessary information.

068 -Responds to Rep. Wells concerning mail order pharmacies providing toll free numbers. AARP Pharmacy Service also offers a toll free number.

085 CLOSING PUBLIC HEARING ON HB 2824.

087 OPENS PUBLIC HEARING ON HB 2888.

112 REP. JOHNSTON: Testifies in SUPPORT of HB 2888. Submits Exhibit L.

124 TALBERT: Explains her sons death due to no stopping device on an automatic gate.

160 MICHELLE TALBERT: Testifies in SUPPORT of HB 2888. Refers the Committee to Exhibit L.

188 REP. JOHNSTON: Explains concerns that were brought up about the bill. Refers the Committee to the -1 Amendments he has introduced to respond to these concerns. Exhibit M.

201 WALTER FRIDAY, Building Codes Division: Testifies in SUPPORT of HB 2888. Exhibit N.
-Explains he has been in contact with Michelle from the beginning.
-Believes that passage of the bill would clarify that the Division should adopt standards to address this issue.
-Offers himself as a resource on this topic.

236 REP. JOHNSTON: Explains that believes this legislation is very important to motivate the industry to adopt standards developed by Underwriters Laboratories (UL).

273 -Responds to Rep. Wells: Some gates have safety devices, some don't. Depends on the manufacturer and the price of the gate.

280 FRIDAY: Explains the regulations concerning garage doors for Rep. Wells. Doors close when stopping. Not sure of regulation when opening.

283 REP. JOHNSTON: The piece that stops a gate from further opening is relatively inexpensive for manufacturers.

294 FRIDAY: In response to Chair Lundquist: Does not believe there are any standards available at this time.

303 REP. JOHNSTON: Standards are available in draft form.

315 FRIDAY: Possibility that the Building Codes Division will wait until they become permanent rules.

324 BILL SIZEMORE, : Testifies in OPPOSITION to HB 2888.
-Explains the differences of gates and the complexity to regulate so many different types of gates.

406 ELIZABETH PURDUE, Door Operator and Remote Controls Manufacturers Association: Testifies in OPPOSITION to HB 2888. Exhibit O.
-The Association initiated the standard making process with Underwriters Laboratories (UL).
-Comments that the final standard should be ready in 1995 or 1996. Expecting some time for manufacturers to meet standards.

TAPE 54, SIDE A

030 PURDUE: Continues with testimony.

048 BEARGE MILLER, President, Miller Edge of Pennsylvania, President of Gate and Door Manufacturers: Testifies in OPPOSITION to HB 2888.
-Miller Edge manufactures sensing devices for doors, gates, etc.
-Working with UL to develop standards.

077 PURDUE: Clarifies that UL will finalize the standards by the end of

1995.

081 MILLER: Explains that there are seven different types of operators with four different types of applications. Wide variety of gates within the industry.

112 ROBERT RAYSON: Testifies in OPPOSITION to HB 2888.
-Installs gates in Oregon.
-Is concerned with safety to avoid law suits within his job.
-Explains that impossible to regulate industry due to variety of weight, speed and size of gates.
-Proud of safety in Oregon. Are not aware of any deaths in Oregon.
-Explained that he only installed 34 gates last year. Are not thousands of gates being installed.

178 REP. JOHNSTON: In response to Rep. Snodgrass: Does not want his legislation to be retroactive.

190 REP. SNODGRASS: Thanks Rep. Johnston for working so hard on HB 2888.

203 CLOSES PUBLIC HEARING ON HB 2888.

205 OPENS PUBLIC HEARING ON HB 2142.

207 KEN KEUDELL, Construction Contractors Board: Testifies in SUPPORT of HB 2142. Exhibit P. Refers the amendment submitted by the Construction Contractors Board. Exhibit Q.
-Submits engrossed version of HB 2142 to make it easier for the Committee to read the amendments. Exhibit R.
-Summarizes amendments to the bill following the version engrossed by the Construction Contractors Board.
409 -In response to Rep. Federici: Commercial claims are handled through the courts.
433 -Clarifies for Chair Lundquist when the Board can go against a bond. Currently costs approximately \$160 to the Board, the bill will transfer this cost to the claimant.
-Continues with summary of amendments.

TAPE 55, SIDE A

030 KEUDELL: Continues with explanation.

040 -In response to Chair Lundquist: Explains the new language in Section 1 of the amendment. (Refer to Exhibit R.)

056 -Responds to Rep. Federici's request for clarification on Section 1, Subsection 7. Explains that the board wants to look at exempting individuals to see what happens.

079 -In response to Chair Lundquist: Explains that HB 2142 -1 amendments are serving to reduce regulation.

087 TOM SEARS, Legislative Chairman, Institute Building Designers: Explains that he is neither in opposition or support of the bill.
-Explains possibility of exempting building designers. Exhibit S.
-Explains past experience with the Board as not being a good one.

122 OLE OLSEN, Former Contractor: Explains where he comes from, neither in support or opposition of the bill.
-Asks if the Board has rulemaking authority.

135 KEUDELL: Responds to Mr. Olsen that the Board does have rule making authority.

141 OLSEN: Explains his concerns that individuals are not brought into the

process.

- Expresses his concerns referring to notices by mail. Suggests that the mail should be certified.
- Expresses his concerns that the Board does not follow public meetings law.

Believes the people need the right to know.

196 KEUDELL: Comments on Mr. Olsen's concerns about the fiscal impact of HB 2142.

204 OLSEN: Expresses his concerns that the public is not well informed concerning rule changes that affect those in the industry.

214 CHAIR LUNDQUIST: Request Mr. Olsen contact the staff on his concerns.

221 OLSEN: Request to know whether language "may" is still in the bill.

251 CHAIR LUNDQUIST: Comments that this language is in the bill.

254 OLSEN: Has concerns about insurance.

266 CHAIR LUNDQUIST: Request Mr. Olsen to contact Mr. Keudell with concerns.

270 TERRY WITT, Executive Director, Oregonians for Food and Shelter, on behalf of Pest Control Operators of Oregon, Inc.: Testifies in SUPPORT of HB 2142 -1 amendments. Exhibit T.

352 -Responds to Chair Lundquist concerning transfer of real estate.

363 Staff submits into committee record, Exhibit U, DICK BRIGGS: Testimony in SUPPORT of HB 2142.

366 CLOSES PUBLIC HEARING ON HB 2142.

376 OPENS PUBLIC HEARING ON HB 2078.

389 LUCINDA POTTER, Executive Director, State Mortuary and Cemetery Board: Testifies in SUPPORT of HB 2078. Exhibit V.

416 JOHN BRENNEMAN, Oregon Funeral Director Association: Testifies in SUPPORT of HB 2078.

-Money generated by HB 2078 will be carried over to the next biennium. Corrects an earlier error.

441 DIANE BASSETT, Coalition for Funeral Service Accountability: Testifies in SUPPORT of HB 2078.

-Consumer protection agency.

-HB 2078 corrects a language error of 1993 legislation.

TAPE 54, SIDE B

040 BASSETT: Continues with testimony.

-Explains that this is not a new fee. Simply one that was taken away due to clerical error.

046 POTTER: In response to Chair Lundquist: Due to the error, the Board has given free licenses, affect a variety of licenses.

059 -In response to Chair Lundquist: Yes, these licenses have historically been established by rule.

067 -In response to further inquiries of Chair Lundquist: The Board prefers

to keep their authority to set fees by rule. Have had a recent fee increase that follows guidelines of SB 333.

084 -In response to Chair Lundquist: Board budget passed approximately a month ago.

098 BASSET: Comments on concerns of SB 333 for small departments and agencies.

111 CLOSES PUBLIC HEARING ON HB 2078.

116 OPENS WORK SESSION ON HB 3280.

122 MOTION: Move to Commerce WITHOUT A RECOMMENDATION as to PASSAGE.

123 CHAIR LUNDQUIST: Hearing no objections, MOTION is ADOPTED.

125 CLOSES WORK SESSION ON HB 3280.

126 OPENS WORK SESSION ON 2855.

127 MOTION: Move to Commerce WITHOUT A RECOMMENDATION as to PASSAGE.

128 CHAIR LUNDQUIST: Hearing no objections, MOTION is ADOPTED.

129 CLOSES WORK SESSION ON HB 2855.

130 OPENS WORK SESSION ON HB 2880.

131 MOTION: Move to Commerce WITHOUT A RECOMMENDATION as to PASSAGE.

132 CHAIR LUNDQUIST: Hearing no objections, MOTION is ADOPTED.

134 CLOSES WORK SESSION ON HB 2880.

135 OPENS PUBLIC HEARING ON HB 2949.

136 CLOSES PUBLIC HEARING ON HB 2949.

137 OPENS WORK SESSION ON HB 2949.

138 MOTION: Move to Commerce WITHOUT A RECOMMENDATION as to PASSAGE.

139 CHAIR LUNDQUIST: Hearing no objections, MOTION is ADOPTED.

140 CLOSES WORK SESSION ON HB 2949.

141 OPENS PUBLIC HEARING ON HB 2950.

142 CLOSES PUBLIC HEARING ON HB 2950.

143 OPENS WORK SESSION ON HB 2950.

144 MOTION: REP. FEDERICI: Move to Commerce WITHOUT A RECOMMENDATION as to PASSAGE.

145 VOTE: REP. FEDERICI, LUNDQUIST, AYE. REP. SNODGRASS, NAY.

156 CHAIR LUNDQUIST: MOTION FAILS.

157 CLOSES WORK SESSION ON HB 2950.

159 OPENS PUBLIC HEARING ON HB 2951.

160 CLOSES PUBLIC HEARING ON HB 2951.

162 OPENS WORK SESSION ON HB 2951.

163 MOTION: REP. FEDERICI: Move to Commerce WITHOUT A RECOMMENDATION as to PASSAGE.

166 CHAIR LUNDQUIST: Asks if there are any objections? REP. SNODGRASS objects to the motion.

172 CLOSSES WORK SESSION ON HB 2951.
173 OPENS PUBLIC HEARING ON HB 3002.
175 CLOSSES PUBLIC HEARING ON HB 3002.
177 OPENS WORK SESSION ON HB 3002.
180 DAN JARMAN, Committee Administrator: Comments on HB 3002.
182 MOTION: REP. FEDERICI: Move to Commerce WITHOUT A RECOMMENDATION as to
PASSAGE.
184 CHAIR LUNDQUIST: Hearing no objections, MOTION is ADOPTED.
186 CLOSSES WORK SESSION ON HB 3002.
188 CHAIR LUNDQUIST: Explains the action on the next set of bills.
193 OPENS PUBLIC HEARING ON HB 3278.
194 CLOSSES PUBLIC HEARING ON HB 3278.
195 OPENS WORK SESSION ON HB 3278.
196 CLOSSES WORK SESSION ON HB 3278.
196 OPENS PUBLIC HEARING ON HB 2559.
197 CLOSSES PUBLIC HEARING ON HB 2559.
198 OPENS WORK SESSION ON HB 2559.
199 CLOSSES WORK SESSION ON HB 2559.
200 OPENS PUBLIC HEARING ON HB 2777.
201 CLOSSES PUBLIC HEARING ON HB 2777.
202 OPENS WORK SESSION ON HB 2777.
203 CLOSSES WORK SESSION ON HB 2777.
204 OPENS PUBLIC HEARING ON HB 2469.
205 CLOSSES PUBLIC HEARING ON HB 2469.
206 OPENS WORK SESSION ON HB 2469.
207 CLOSSES WORK SESSION ON HB 2469.
208 OPENS PUBLIC HEARING ON HB 2143.
209 CLOSSES PUBLIC HEARING ON HB 2143.
210 OPENS WORK SESSION ON HB 2143.
211 CLOSSES WORK SESSION ON HB 2143.
212 OPENS PUBLIC HEARING ON HB 3276.
213 CLOSSES PUBLIC HEARING ON HB 3276.
214 OPENS WORK SESSION ON HB 3276.

215 CLOSSES WORK SESSION ON HB 3276.

217 CHAIR LUNDQUIST: The Business Subcommittee will continue with work session on HB 2950 and HB 2951 on Tuesday.

218 MEETING IS ADJOURNED.

Submitted by, Reviewed by,

JODIE HALL DANIEL JARMAN
Committee Assistant Committee Administrator

EXHIBIT SUMMARY:

A - Testimony in SUPPORT of HB 2763 - Chuck Gress, Oregon State Pharmacists

Association - 1 page

B - Testimony in SUPPORT of HB 2763 - Michael Dewey, Oregon State Pharmacists Association - 3 pages

C - Testimony in SUPPORT of HB 2763 - Bob Burr, President, Oregon State Pharmacists Association, Owner and Operator of Willamina Drugs - 2 pages

D - Testimony in SUPPORT of HB 2763 - Nancy Smith Kaib, Oregon State Pharmacists Association - 3 pages

E - Testimony in SUPPORT of HB 2763 - Darrell Purkerson, Oregon State Pharmacists Association - 1 page

F - Testimony in OPPOSITION to HB 2763 - Jim Gardner, Oregon Counsel for Pharmaceutical Research and Manufacturers of America (PhRMA) - 7 pages

Fa - Testimony in OPPOSITION to HB 2763 - Staff - 3 pages

G - Testimony in SUPPORT of HB 2824 - Chuck Gress, Oregon State Pharmacists

Association - 7 pages

H - HB 2824 -1 Amendments - Gress - 2 pages

I - Testimony in SUPPORT of HB 2824 - Bob Burr, President, Oregon State Pharmacists Association, Owner and Operator of Willamina Drugs - 2 pages

J - Testimony in SUPPORT of HB 2824 - Nancy Smith Kaib, Oregon State Pharmacists Association - 3 pages

K - Testimony in OPPOSITION to HB 2824 - Nicholas Willard, Oregon Retired Person Pharmacy - 1 page

L - Testimony in SUPPORT of HB 2888 - Michelle Talbert - 16 pages

M - HB 2888 -1 Amendments - Rep. Bryan Johnston, District 31 - 1 page

N - Testimony in SUPPORT of HB 2888 - Walter Friday, Building Codes Division - 1 page

O - Testimony in OPPOSITION to HB 2888 - Elizabeth Purdue, Door Operator and Remote Controls Manufacturers Association - 2 pages

P - Testimony in SUPPORT of HB 2142 - Kenneth K. Keudell, Administrator, Construction Contractors Board - 3 page

Q - HB 2142 -1 amendments - Keudell - 5 pages

R - Hand engrossed version of HB 2142 - Keudell - 10 pages

S - Suggested amendments to HB 2142 - Tom Sears, Legislative Chairman, Institute Building Designers - 1 page

T - Testimony in SUPPORT of HB 2142 - Terry Witt, Executive Director, Oregonians for Food and Shelter, on behalf of Pest Control Operators of Oregon, Inc. - 1 page

U - Testimony in SUPPORT of HB 2142, by Dick Briggs - Staff - 1 page

V - Testimony in SUPPORT of HB 2078 - Lucinda Potter, Executive Director, State Mortuary and Cemetery Board - 1 page