

HOUSE COMMITTEE ON
LABOR

Hearing Room
Tapes - 5

MEMBERS PRESENT:

Rep. John Watt, Chair
Rep. Lee Beyer, Vice-Chair
Rep. Kate Brown
Rep. Chuck Carpenter
Rep. Mike Fahey
Rep. Lynn Lundquist
Rep. Lynn Snodgrass

MEMBER EXCUSED:

STAFF PRESENT:

Aaron Felton, Committee Counsel
Paula Gilmer Purcell, Committee Assistant

MEASURES HEARD: Presentation by the Department of Consumer and
Affairs

Business

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

01 CHAIR WATT: Calls meeting to order.

05 KERRY BARNETT, DIRECTOR OF THE DEPARTMENT OF CONSUMER AND BUSINESS
AFFAIRS: Submits and reads written testimony from (EXHIBIT A).

40 BARNETT: Let me give a brief history of the Department and why it was
created.

82 BARNETT: Two goals: The first is to protect consumers and workers, and
the secondly to do so in a fashion that will allow businesses to compete
and prosper with the least amount of government intrusion.

115 GEOFF GILFOY, DEPUTY DIRECTOR OF THE DEPARTMENT OF CONSUMER AND BUSINESS
AFFAIRS : Refers to the budget (EXHIBIT A).

136 CHAIR WATT: Please let us ask questions during your talk, because
timing is very important.

146 GILFOY: That is fine. Continues with the budget discussion.

156 GILFOY: Continues with discussion.

217 CHAIR WATT: Kerry, will you be covering Building Codes Agency in more
depth?

219 BARNETT: We had not intended to.

222 CHAIR WATT: Many wonder if building codes is a necessary part of state
government.

240 BARNETT: A timely question. Cities and counties can decide which
programs they want to use. If they do not do it, we will. This is hard to
budget. We are proposing legislation to take care of this.

281 GILFOY: Most fines and penalties are retained in the department.

311 REP. LUNDQUIST: Is there no systematic way the funds go into the
general fund or not? Is it just historical, have we ever studied that?

317 GILFOY: One theory is that it is to much of a incentive if the fines
are kept in the department.

337 CHAIR WATT: No one has ever looked at it.

348 GILFOY: Continues discussion on federal funds.

364 We are not a general funds agency.

367 Much revenue comes from Insurance Agencies. This is turned over to the state general fund.

375 REP. CARPENTER: Is it not only insurance companies not residing in the state?

377 GILFOY: That is correct.

383 BARNETT: Companies in the state pay a corporate excise tax.

388 GILFOY: The legislature regulates what most of our money can be spent on.

399 Two parts to the budget, operating and non-limited, see pie chart in (EXHIBIT A, PAGE THREE AND FOUR).

444 We have legislation in to expand what we can spend some non-limited reserves on.

458 We have asked the legislature for five new things. Refer to page five of (EXHIBIT A).

Tape 4,A

40 CHAIR WATT: The state is now going to an open computer system. It is very important for all the agencies to communicate with each other. Because we don't now how the systems are going to work out yet. The agencies cannot tell us the amount of savings because we don't know how the systems are going to work yet. Please take this into consideration in looking at the cost.

62 GILFOY: There is a big increase in the need to regulate manufactured homes. This is reflected in the budget.

75 Blending health insurance and workers compensation is a pilot program.

82 CHAIR WATT: When will we get a report on that program?

88 GILFOY: Ed Neiberg is the project manager and he can provide that information.

113 CHAIR WATT: Any questions for Geoff? Thank you.

115 BARNETT: Continues discussion of the benchmarks refer to (EXHIBIT A, PAGES THREE, FOUR, AND FIVE).

144 The amount of injuries on the job is going down. There is a twenty one percent decline of injuries with lost work days.

170 We are the only state with five straight years of decreases in workers compensation rates.

200 Performance measures, three levels, agency wide, division by division, and individual measures.

217 Dan Adelman will discuss them in detail.

218 DAN ADELMAN, ADMINISTRATOR FOR INFORMATION MANAGEMENT OF THE DEPARTMENT OF CONSUMER AND BUSINESS AFFAIRS. He provides an overview of the performance measures and the tracking system.

276 The performance measures are listed.

280 CHAIR WATT: Do we have something to go along with this?

283 ADELMAN: No, look at [EXHIBIT A], that might help.

315 CHAIR WATT: Dan, can you provide the committee with the measures for all the fifty two benchmarks?

318 ADELMAN: Yes we can provide that.

326 CHAIR WATT: You have been working on this for a long time. What is the acceptance among the work force?

335 BARNETT: I would ask the Administrators to talk about that in more detail. Basically the results are mixed.

369 REP. BEYER: Are they part of the review process?

376 BARNETT: Not really.

411 REP. LUNDQUIST: Is there ability to use them in your process without it being a carrot?

422 BARNETT: It's hard because there are not many carrots. I believe that line workers in the department are well focused on what they are trying to accomplish.

474 CHAIR WATT: Rep. Lundquist this is an issue that we don't want to get into a lot of depth right now. We will be in discussion about this latter

on.

485 REP. FAHEY: Should we ask the different department heads if they want more input on their employees as far as merit?

Tape 3, B

37 CHAIR WATT: Rep. Fahey, I would encourage you call some of these people into your office and talk to them about this. You will find on a one-on-one situation, people will be more candid.

43 REP. FAHEY: I want this to be an open government, so I want them to be open before everybody.

44 CHAIR WATT: There is a reluctance on a lot of peoples part to talk about this right now. Things are very volatile right now. I would not want to put any one on the spot today. We must do our homework first.

72 CHAIR WATT: Dan, I guess I would like to get a better feel on how to read the graphs and charts.

92 ADELMAN: He continues, and explains the graphs and charts.

99 CHAIR WATT: Further questions and comments on the graphs and charts?

122 CHAIR WATT: With the way you track, won't a trend begin to develop?

125 ADELMAN: Yes, that is right.

126 CHAIR WATT: Good, thank you very much. Any questions for Dan?

128 VERLENA CROSLY, ADMINISTRATOR OF WORKERS COMPENSATION: Begins discussion on benchmarks while referring to (EXHIBIT A).

173 CROSLY: The budget was built around the goals and objectives of the department.

220 Expenditure analysis.

268 Continues to discuss the benchmarks and measures relating to the budget.

282 REP. BEYER: I don't see anything about assistance to the injured workers. How quickly do we get them back to work and resolve their complaints? My calls are from workers caught up in the system and not getting things resolved.

294 CROSLY: We track only those getting re-training.

300 DAN YOUNG, DEPUTY ADMINISTRATOR OF WORKERS COMPENSATION: Many of our sections have consultative areas.

318 CROSLY: I would like to see more of what we can do.

321 CHAIR WATT: Is that one of the Oregon Benchmarks?

324 It is for dislocated workers.

334 We have a plan to tie goals and the performance measures together. She continues with the performance measures.

360 The workload is decreasing.

386 We handle medical fee disputes.

400 Only nurses do the reviews now.

417 CHAIR WATT: Could you please repeat what you just said. If the insurance companies don't feel like doing it they turn it over to you?

425 CROSLY: Maybe because they have fewer workers.

432 YOUNG: They have the option to let the division close the cases. Basically, it is done for time frame reasons. Or, if the claim is difficult they will turn it over to the division.

453 BEYER: They are shifting their workload to the division?

457 YOUNG: It is their option.

467 CHAIR WATT: Lets get into this at a later time.

483 CHAIR WATT: When do you think about moving the potential line?

488 CROSLY: You look for balance. Quarterly and then every year.

Tape 4, B

44 CROSLY: We have some key pieces of legislation. Eleven bills are filed on the house side.

68 CROSLY: Thank you chair and members of the committee.

70 MARY NEIDIG, CHAIR OF THE WORKERS COMPENSATION BOARD: Begins discussing benchmarks and the Workers Compensation Board.

78 NEIDIG: We rely heavily on the Workers Compensation Division for administrative and support things.

89 NEIDIG: Please refer to (EXHIBIT A) where it mentions Workers Compensation Board.

107 NEIDIG: We have 17, 000 requests for hearings a year.

130 CHAIR WATT: What is your rate of turnover at the court of appeals?

136 NEIDIG: Ninety-four to ninety-five percent of affirmation.

142 CHAIR WATT: Has this been a pretty static number over the years?

142: NEIDIG: Yes, it did drop a few years ago.

179 CHAIR WATT: How many people were on the board in 1990?

181 NEIDIG: In fourth quarter of 1990 we had nine members.

222 CHAIR WATT: Has the last in last out way of handling the cases been turned around?

225 NEIDIG: We take the oldest file first.

237 CHAIR WATT: Have you been able to speed up the identification of the multiple cases?

243 NEIDIG: We have computerized some of that process.

250 NEIDIG: We do pre-review every case that comes in.

287 REP. FAHEY: How do you track the re-opened claims when there is a re-injury?

290 NEIDIG: We don't keep track of that, Information Services would have that information.

304 MARY ALICE BJORK, ADMINISTRATOR OF THE INSURANCE DIVISION: Begins discussion of the benchmarks for her division.

317 BJORK: The budget has a 1.3 percent increase.

338 The division has three sections.

375 We have a good system of watching the financial solvency of the insurance companies.

400 We are concerned about responding to complaints.

420 We are doing more telephone resolutions. It shortens the time of resolution.

451 We track insurance agents.

Tape 5, Side A

31 REP. BEYER: The domestic insurer's watch test, it doesn't include HMO's.
I am curious how do you manage them?

34 BJORK: HMO's are not required to file their annual statements to go through this test.

47 The IRIS computer run is done nationally. Since the HMO's do not file nationally they don't come under the run.

40 JACK POMPEI, ADMINISTRATOR OF OREGON OCCUPATIONAL SAFETY AND HEALTH DIVISION

61 We adopt federal rules as is.

71 We have five offices through out the state.

84 The time of calling for a consultation to first meeting is 26 days.

92 The budget has no new positions.

96 Much of our budget comes from federal dollars.

112 We have many performance measures from the federal government.

117 For the state measures see (EXHIBIT A).

124 CHAIR WATT: On inspections per filled positions, is that on a monthly basis?

126 POMPEI: That is correct.

128 REP. BROWN: Why has the injured worker rate gone down?

131 POMPEI: Our state has gotten involved with the field of occupational health and safety.

141 CHAIR WATT: Has that been aided in the increase in the consultation part of the program? And, has OSHA become kinder and gentler in their actions?

147 POMPEI: Consultation has been a big factor. And in response to your second question, I think I have mellowed. My people have done many things to be more helpful.

172 POMPEI: We are one of the few states that mandate that state and employers work together.

190 We give out scholarships to children or spouses of injured or killed workers.

208 We have a legislative proposal to make assaulting an OSHA officer a class A misdemeanor.

213 We want to increase maximum penalties for violating OSHA requirements.

225 CHAIR WATT: One final question. Are more compliance officers moving over to the consultative part? Has that equaled out?

231 POMPEI: Yes, they do like to move over to consulting. It is a lot less brutal.

243 REP. FAHEY: How much time from when you get a call till you respond?

246 POMPEI: We are working on a 26 day response time.

257 BARNETT: We have covered half of our agency. Please call us if you have any questions.

266 CHAIR WATT: I would commend you and your administrators for bringing us the information. One suggestion is, if you could simplify the performance measures for policy makers?

295 CHAIR WATT: Meeting stands adjourned.

Submitted by, Reviewed by,

Paula Gilmer Purcell Aaron Felton
Committee Assistant Committee Counsel

EXHIBIT SUMMARY:

A- Testimony from the Department of Consumer and Business Services.