

HOUSE COMMITTEE ON  
LABOR

Hearing Room  
Tapes - 22

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:                   Informational Meeting on Managed Care Organizations in  
Oregon

House Bill 2307 - Relating to Bonding for Farm Labor Contractors

House Bill 2379 - Relating to Volunteer firefighters

House Bill 2138 - Relating to Overtime Wages for Contractors

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 , SIDE A

03       CHAIR WATT: Brings meeting to order at 1:30pm.

Overview of Managed Care Organizations in Oregon

08       DAVE FISKUM, REPRESENTATIVE OF SISTERS OF PROVIDENCE HEALTH SYSTEM: Gives  
basic explanation of what a Managed Care Organization is.

43       KAREN MCNAMME, PROGRAM MANAGER FOR PROVIDENCE VANTAGE, SISTERS OF  
PROVIDENCE: Submits written testimony [EXHIBIT A] on Managed Care  
Organizations in Oregon. Shows slides on a overhead projector.

- Definition of what management care systems are.

- What are the program components.

80                               - How does the MCO provide cost effective care.

118      REP. BEYER: Who contracts with the MCO, the insurance carrier?  
- Are there state standards?

122      MCNAMME: Or the self-insured can contract with the MCO. What I have  
described are the state standards.

133      CHAIR WATT: There are many manage care providers. Karen just  
represents one.

143      REP. FAHEY: Is there a copy of the protocol?

145      MCNAMME: I can provide that to you.

158 Continues with the presentation of slides.  
- How we select the physicians.  
- Provider selection criteria.  
212 - Malpractice Insurance.

219 CHAIR WATT: Do you track to look for patterns?

222 MCNAMME: Sometimes we do not know till the Dr. has had experience with  
us.  
- She continues with slide presentation.

241 CHAIR WATT: Please describe the acronyms.

245 MCNAMME: Describes the acronyms used by MCO's for the committee.

259 REP. LUNDQUIST: Is this a major need in the rural areas.

270 MCNAMME: Most rural care is done in Portland.

280 REP. BEYER: What is the compensation rate for MCO.

289 MCNAMME: Fee for service is based on the Oregon relative value scale.

310 REP. FAHEY: Do you have a problem with Drs. not wanting to refer people  
to specialists?  
- What about under PPOs?  
- What is the difference in costs between MCOs and PPOs?

315 MCNAMME: Answers Rep. Fahey's question.

340 BROWN: Are the MCOs geographically distributed?

341 MCNAMME: Yes. Continues presentation.  
- Physician monitoring

412 REP. BEYER: Is that a denial of a recommendation made by a physician?  
-How is that done?

418 MCNAMME: That is a denial from our process to the physician, when he as  
asked us to review a case request for surgery.

422 Describes how a review and a denial of services is done.

463 REP. FAHEY: Is it just for General Practitioners?  
- Where does malpractice come in play if the patient needs the help?  
- What kind of time frame are you looking at?

TAPE 21, SIDE A

43 MCNAMME: We are covered with malpractice insurance.

65 REP. BEYER: Are these denied because they are outside of protocol?  
- Do you call the Dr. and speak to them?  
-What happens to the denials?  
-What is the percent of denial?

70 MCNAMME: Responds to Rep. Beyer's questions.

86 MCNAMME: Continues with presentation.

95 CHAIR WATT: Do Drs. ask patients how long they want to be off on a  
workers compensation claim?

105 MCNAMME: Yes, that still happens.

121 REP. BEYER: Is it just the way they ask the question?

127 MCNAMME: Yes, that sometimes happens.

140 REP. FAHEY: Is treatment always the same if it is a workers  
compensation claim or a car injury?

145 MCNAMME: Yes, it should be the same.  
- Continues with presentation.  
- Utilization and quality management programs

204 REP. FAHEY: Do you send a questionnaire to people you have serviced?

207 MCNAMME: Yes we do. Not many respond.  
- Continues with presentation.  
- Disputes.

234 - How issues are brought to us (shows a flow chart).  
288 - MCO Enrollment Matrix.

316 REP. BEYER: It is not the workers option to be enrolled into the  
program?

319 MCNAMME: That is correct.

339 REP. FAHEY: Do you see a problem when a nurse reviews a Doctor's  
decision?

346 MCNAMME: The nurse does not make the determination if the procedure is  
appropriate or not. They only review the medical records.

357 Continues with presentation.  
- How a MCO reduces claims costs.

409 REP. BEYER: How is the MCO paid by the insurer? And what are the  
incentives?

415 MCNAMME: Each MCO has their own fee structure. Our program is based on  
a flat fee. The fee is for the life of the claim.

475 CHAIR WATT: Ask Tom Mattis to come up and explain Workers Compensations  
handling of Managed Care Organizations.

495 TOM MATTIS, MANAGER OF THE COMPLIANCE SECTION OF THE WORKERS  
COMPENSATION DIVISION: Discusses how Workers Compensation manage the MCOs

TAPE 20, SIDE B

50 States which areas in Oregon have MCOs.

74 We want to get the worker back to work, even if they are not released,  
but medically stationary.

79 CHAIR WATT: I guess discussion about going back to work mostly stays  
between the patient and the Dr.

82 MATTIS: Most people will try to adhere to the rules.

87 REP. BEYER: Does the division keep track of the outcome of dispute  
resolutions?

89 MATTIS: We do not look at every thing. We do an over all audit to see  
if they are complying with the plan they submitted to our division. In  
1994 we had fifty seven disputes that originated with MCOs.

128 REP. BEYER: Are there really problems? I guess you do not have a way of  
gauging that.

134 MATTIS: No one ever calls to say how happy they are with the insurance  
companies or the decisions.

148 REP. BEYER: What do you look at when you audit?

150 MATTIS: We look at if they are in compliance with the statute and  
division fifteen and ten of the Administrative Rules. We also look to see  
if they are in compliance with the actual certified plan.

169 REP. FAHEY: In your audit, do you check to see that the injured worker  
is getting what they should?

176 MATTIS: That is what the dispute resolution process is really for.

189 REP. FAHEY: But, is there a back up system for this?

193 MATTIS: That is what we ask in the dispute resolution process, are they  
being told their rights.

197 CHAIR WATT: Thank you Mr. Mattis

198 CHAIR WATT: Adjourns for a recess at 2:42pm.

199 Opens Public Hearing on House Bill 2379

Witnesses: Representative Schoon  
Keith Aldrich, Polk County Fire District #1

201 AARON FELTON, COMMITTEE COUNSEL: Gives overview of bill.

210 REPRESENTATIVE JOHN SCHOON, SPONSOR OF HOUSE BILL 2379: Speaks about  
how the need for this bill has come to his attention.

219 KEITH ALDRICH, POLK COUNTY FIRE DISTRICT #1: Gives testimony why he  
wants this bill passed

234 CHAIR WATT: Do you have amendments?

233 CHAIR WATT: These are not Legislative Counsel drafts are they?

242 REP. SCHOON: This was a miss-communication between Keith and I. I did  
not hear the term "fire suppression", and that is why it is not covered in  
the bill.

247 CHAIR WATT: So, the way the bill is written it would not take that into  
consideration.

250 ALDRICH: Continues with his discussion on the need for House Bill 2379.

258 REP. BROWN: What does search and rescue include?

262 ALDRICH: I broke that down because they are not always law enforcement  
or civil defense.

268 REP. SNODGRASS: Do you think employers would discriminate against  
firefighters if their salaries were mandated?

274 ALDRICH: I do not think that will happen.

289 REP. SNODGRASS: Won't this change their minds, if it is no longer an  
option?

299 ALDRICH: I hope that no one would do that.

305 CHAIR WATT: The statute now reads public employee. This bill includes  
private sector. The way the bill reads, it still includes public  
employees.

324 ALDRICH: This is true.

331 CHAIR WATT: We have no one to speak in opposition to this bill.

337 REP. FAHEY: Does Washington have this policy?

- If I have several employees that have to go fight a fire, is there a  
limit to this?

342 ALDRICH: I do not see that this will be a problem.

350 REP. LUNDQUIST: Does this classification need to be wider?

367 ALDRICH: If they cannot respond the fire could get larger

398 REP. BROWN: You do this out of the goodness of you heart. What ends up  
happening is that the employer ends up bearing the cost. And the public on  
a whole would benefit. What Rep. Fahey says is that the public on a whole  
should bear the cost. How do we do that?

442 ALDRICH: That I am not sure of.

446 CHAIR WATT: Thanks Mr. Aldrich and all firefighters. Please lets look  
into this further and bolster your testimony.

Closes Public Hearing on House Bill 2379

Opens Public Hearing on House Bill 2307

Witnesses: Representative Kevin Mannix  
Bill Perry, Oregon Farm Bureau  
Michael Dale, Oregon Legal Services  
Jennifer Ball, Oregon Wine Growers Association  
Paul Tiffany, Bureau of Labor and Industry  
Scott Ashcom, Representing the Strawberry, Cane Berry, and Blue Berry

Associations

Martin Desmond, Northwest Reforestation Contractors Association

470 FELTON: Counsel gives a brief summary of the bill.

490 REPRESENTATIVE KEVIN MANNIX: Gives testimony in support of House Bill  
2307.

TAPE 21, SIDE B

57 Representative Mannix urges the committee to take action on this issue.

62 Please add an emergency clause to this bill that it will start  
immediately.

74 REP. FAHEY: What does a bond cost?

75 REP. MANNIX: A few hundred dollars.

82 REP. BEYER: I take it these are not covered by the wage security fund.

85 REP. MANNIX: I do not know.

88 REP. BEYER: The issue is not that they can't get a bond?

90 REP. MANNIX: The cost becomes very tremendous.

107 BILL PERRY, DIRECTOR OF GOVERNMENTAL AFFAIRS, OREGON FARM BUREAU:  
Testifies in favor of House Bill 2307.

117 Most farm contractors cannot get enough collateral for the 90,000 bond.

123 The Farm Bureau would accept step increases figured by the amount of  
employees a contractor has.

135 CHAIR WATT: Senate Bill 364 is more of a consensus bill isn't it?

139 REP. FAHEY: Can a labor lien be filed against the farm if the broker  
does not pay the workers?

-What recourse does the worker have to get his money?

146 PERRY: I am not sure.

170 MARTIN DESMOND, NORTHWEST REFORESTATION CONSERVATION ASSOCIATION:  
Testifies in favor of House Bill 2307 from written testimony [EXHIBIT B]

186 The companies are now having to pay four to five thousand dollars for a  
bond.

199 We would like to see the covered work activities updated.

225 JENNIFER BALL, OREGON WINE GROWERS ASSOCIATION: Testifies from written

testimony [EXHIBIT C] in favor of House Bill 2307

244 Wine grows are on a short time frame to pick if bad weather is coming,  
and will not always have time to hire people themselves.

266 Their work is also very sporadic, depending on when the grapes are ready  
to pick.

300 MICHAEL DALE, OREGON LEGAL SERVICES: Testifies from written testimony  
[EXHIBIT D] against House Bill 2307.

312 We do support Senate Bill 364.

332 Some claims do get picked up by the Wage Security Fund and some do not.

360 Sometimes, you can file a crop lien if the people do not get paid.

372 PAUL TIFFANY, ADMINISTRATOR FOR THE WAGE AND HOUR DIVISION OF THE BUREAU  
OF LABOR AND INDUSTRY: Testifying in support of House Bill 2307

380 The bureau supports Senate Bill 364.

392 SCOTT ASCOM, REPRESENTING THE STRAWBERRY, CANEBERRIES AND BLUEBERRY  
COMMISSION: Testifying in favor of House Bill 2307. Submits Senate Bill  
364 [EXHIBIT E].

412 If the contractor is not legal, the farmer cannot use them.

420 We do support Senate Bill 364.

437 REP. BEYER: Is the senate bill moving?

442 ASCOM: No. It has its first hearing next week.

Closes Public Hearing on House Bill 2307

Opens Public Hearing on House Bill 2138

Witnesses: Julie Curtis, Oregon Tourism Division  
Bill Flatt, Mid Columbia Bus Company  
Paul Tiffany, Bureau of Labor and Industries  
Larry Harvey, Oregon Lodging Association  
Irv Fletcher, AFL-CIO

485 JULIE CURTIS, OREGON TOURISMDIVISION: Testifies in support of House  
Bill 2138 provides written testimony [EXHIBIT F].

492 We contract to organizations to staff our welcome centers.

TAPE 22, SIDE A

57 It has become very expensive for the state to pay for time and a half to  
people who have Saturday as one of their forty hour a week day.

76 The statute needs to be changed this biennium. The money would be used to  
bring our centers up to date.

109 BILL FLATT, PRESIDENT OF MID COLUMBIA BUS COMPANY: Testifying from  
written testimony [EXHIBIT G] in favor of House Bill 2138.

158 We must get rid of outdated statute and laws.

172 The welcome centers need to be updated.

187 CHAIR WATT: Thank you for coming. Last session we did not realize how  
old this statute was.

196 REP. BEYER: How long have you been operating under a contract?

198 FLATT: Four years.

207 TIFFANY This law has been amended several times.

223        Maybe other state agencies would want to be exempt from this law too.

232        LARRY HARVEY, OREGON LODGING ASSOCIATION: Testifies in support of  
House Bill 2138.

250        REP. BEYER: Could the association use dedicated funds for tourism.

260        HARVEY: Yes, this is under consideration.

279        IRV FLETCHER, AFL-CIO: What is the pay for these people? What do the  
employees want? These people do not get good wages.

294        REP. CARPENTER: We are taking about people who only work weekends?

291        FLETCHER: You should ask what is the wage?

308        REP. CARPENTER: What is the wage?

313        FLATT: Seven to eight dollars an hour.

Closes Public Hearing on House Bill 2138

333        Adjourns hearing at 4:10pm.

Submitted by,       Reviewed by,

Paula Gilmer Purcell	Aaron Felton
Committee Assistant	Committee Counsel

EXHIBIT SUMMARY:

A - Overview of Managed Care Systems, submitted by Karen McNamme  
B - Testimony on House Bill 2307, submitted by Martin Desmond  
C - Testimony on House Bill 2307, submitted by Jennifer Ball  
D - Testimony on House Bill 2307, submitted by Michael Dale  
E - Senate Bill 364, submitted by Scott Ascom  
F - Testimony on House Bill 2138, submitted by Julie Curtis  
G - Testimony on House Bill 2138, submitted by Bill Flatt