

SENATE COMMITTEE ON
HEALTH AND HUMAN SERVICES

Hearing Room
Tapes - 79

MEMBERS PRESENT:

Sen. Stan Bunn, Chair
Sen. William McCoy, Vice-Chair
Sen. Lenn Hannon
Sen. Bill Kennemer
Sen. Randy Leonard

MEMBERS EXCUSED:

STAFF PRESENT:

Art Wilkinson, Committee Administrator
Mary Gallagher, Committee Assistant

MEASURES HEARD:

SB 1117 Work Session
SB 1126 Work Session

SB 152

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

003 CHAIR BUNN: Calls the meeting to order at 3:14 P.M.
-Announcements

013 Opens WORK SESSION on SB 1117
Comments about amendments to the bill, and the Jobs Plus portion of the bill.

037 KEITH PUTMAN, Committee Liaison/Researcher: Hands out hand-engrossed version of what SB 1117 would look like if the committee were to adopt the entire -8 Amendments (the SB 1117-8 Amendments that came back from LC had some errors). [EXHIBIT A] We have included in these amendments language which was in one of Sen. McCoy's proposed amendments, to the effect that while pregnancy in and of itself is not a reason to not participate in the Jobs Plus program, medical complications of the pregnancy form a valid reason to not participate in any activities which are inappropriate to whatever those medical complications might be.

066 CHAIR BUNN: This is not a formal vote, but I would like to ask if there is any objection by committee members to having that proposed change included in the bill.

071 PUTMAN: That would be right at the top of Page 2, Sub 4. (Re-states the proposed change for the committee.)

084 GINA BELL, Intern for Sen. McCoy: The reason that the language was changed is so that midwives could be included.

088 KENNEMER: Does that include all licensed health care practitioners?

092 BELL: When I talked to LC, I told them that I specifically wanted to include midwives, and he suggested that title.

094 CHAIR BUNN: So we'll make the assumption that it's very broad and I'll

ask Keith to double check that, and if it's narrower than that, then we'll come back and re-visit it. Is there any objection to the inclusion of that modification in our working draft? (No objections registered.) Then we'll include it in our working draft.

108 PUTMAN: (Responding to a question by Sen. McCoy) Right now, the state has a waiver to go below age 3; down to age 1. What this says is that there

would be no age limit at all; it would still require a waiver, and elsewhere in the law, there are provisions that the agency, in order to carry out these provisions, would need federal waivers to go below what's in the federal regulations right now, which is age 3. That's the floor below which we don't go without waivers.

116 HANNON: Why are we not then adopting the same criteria, rather than tightening it up even tighter and saying it can go down to zero?

119 PUTMAN: Oregon has been at age one since at least the early eighties, if I'm not mistaken. It dropped below age 3 sometime in the 70's.

128 CHAIR BUNN: What age level are we operating under now, and is it under waiver or not under waiver? Do you have any evidentiary information that would suggest the impacts if we move even lower?

131 STEVE MINNICH, Adult & Family Services: We're operating under the youngest child at age 1, would exempt someone from mandatory participation right now. That is a combination of a state plan option. All states can take it down to age 1 on a part-time requirement basis. Our waiver allows us to do full-time participation down to age 1.

139 CHAIR BUNN: I'd like to have you respond to this: my intent was, as we move to zero, we allowed the same parental leave provision that we have in our other statutory provisions. Evidently, it didn't get into this draft, but my intent was that as we look to zero that we put it rather at a parental leave provision that was comparable to the one that the State of Oregon has now.

146 MINNICH: We have no objection to that. We think that's a good provision.

147 PUTMAN: I might add, that idea was offered by the agency. The reason it isn't there is that parental leave is very specific to employment. This is more than just employment, and LC was having difficulties with the language

and it just didn't get in, but it ought to be there. Parental leave is basically 90 days out of the year.

152 CHAIR BUNN: Does anybody have objection to inserting a parental leave provision in the bill? (No objections registered.) Then we'll include that in our working draft. (A discussion among the Members follows and it is decided to hold off on that decision for the time being.)

175 PUTMAN: The next significant change is on Page 3, and at the present time, when a client refuses to participate in a required work search and self-sufficiency training, education, etc., there's a sanction against that

family which removes the parent's needs from the grant. What this does is, for the first two months of that refusal to cooperate, it takes out \$50. If

the client has still not agreed to participate, then for the next two months, the needs of the adults would be taken out, which is about another \$90 penalty. It differs depending on the grant size. The total would be about a \$140 per month financial penalty for the family for not trying to find employment. The third level would be, if there's still refusal after two months, total closure of the grant. At any time, however, the client who chose to start participating could come back on and have benefits restored immediately. (Chair Bunn asks Keith to only go over the new changes, that weren't in the bill before.

202 The change here really is that upon agreeing to cooperate, benefits are restored immediately.

220 CHAIR BUNN: Calls five-minute recess.

221 Re-convenes at 3:41

Let me describe how I want to process this now: I want a rational process, where we don't mix things in a way that it's impossible to deal with it. The original bill, which was the bill plus the -1 Amendments, has a great deal of controversy about it. There are going to be, in plain terms, fights

about what occurs there. I want those to be dealt with separately from the new amendments. I want the committee to have an opportunity to look at everything after the -1 Amendments, which were attempts to answer the concerns that had been raised by various people testifying. I want the committee members to look at those issues, and basically express attitudes toward them, and when we've dealt with them in some way, then we'll go back

and deal further in light of those additions, with the basic bill. It's fruitless, to some degree, to deal with the basic bill and then say "oh gee, if we'd seen those amendments, we might have had a different view." I want a broader view first, then we'll come back and look at the basics. With that, Keith will review the additional amendments for reflection and comment by the committee, and then we'll go back to the base bill and the -1 Amendments.

244 PUTMAN: The next change begins at the bottom of Page 3, and continues to

the top of Page 4 (lines 1-5 at the top of Page 4). Basically, what we're saying here is that no one is exempt from participation in work and training in employment, unless both the recipient and the agency agree that

that person would be exempt. That means that the agency could not, without the client's consent, wipe them out of the program. The Adult Case Services

Manager and the client jointly would make that decision.

257 CHAIR BUNN: As opposed to, how would it be if we didn't have that provision?

258 PUTMAN: The agency could unilaterally say "we're not going to provide you with services."

260 CHAIR BUNN: So what this does, is expand the opportunity for the party involved to participate in that as a co-decision, rather than a unilateral decision by the agency. Are there any concerns by committee members about including that? (No objections registered.)

265 PUTMAN: The next change is still on Page 4, lines 20 and 21. Here, we're

dealing with the families who would not be subject to the 2-year limitation, and the addition here is families in which one of the adults is

disabled.

271 CHAIR BUNN: So this provides that if one of the adults is disabled, they no longer have to be involved in that way.

273 PUTMAN: Right. They wouldn't be shut off at the end of 2 years.

276 KENNEMER: Even if one is employable and the other does not require extensive amounts of care?

280 PUTMAN: That's the way it's written. The vast number of two-parent families are unemployed and their situation is dealt with later.

282 KENNEMER: I wouldn't think you'd want to grant an exemption unless that unemployed person is a caretaker for the person who is disabled.

288 HANNON: Question to Putman about section 3.

298 CHAIR BUNN: If we start going into the earlier provisions now, we'll be working on the bill forever..

302 HANNON: I thought we were going to make adjustments, and what I see here

is amendments being brought back that still have some provisions in them that I thought were going to be taken out or addressed.

306 CHAIR BUNN: If we've missed any amendments, what I'd like is for the individual committee members to make note of the amendments that might have

been missed, and then we can deal with those as one list that we need to deal with. I want to make it very clear that it's very important to me that

no committee member feel a sense of being cut off on anything. I want to cut off the entire committee uniformly on dealing with the old portion of the bill until we've dealt with the new portion. Since Sen. Kennemer had a concern about that particular provision, make a note (Putman) that he had a

concern that it was perhaps too broadly written.

330 PUTMAN: Outlines next change, on Page 5, lines 3 through 6. It says that

if you get cut off because your two years are up, and the parent in the household becomes disabled, that grant can re-open. That's what's really happening at lines 5 and 6. I will research this part also to see if the terms are too broad.

349 CHAIR BUNN: With that caveat on that particular research, does anyone object to our inclusion of allowing the re-establishment in the event of disability? (No objections registered.)

355 PUTMAN: The next change is in lines 15 through 20. The language which is

in italics is essentially the language which I took to LC in an attempt to deal with the very question that Senator Hannon brought up. What we're saying here is, that if you're still in the training program at the end of your two years, you get to finish that training program, and then you have six months following that in which to find a job. It strikes me that completion of high school is completion of a training program. So, if we had a young woman who hadn't yet finished high school, it was my intent with this language that she be allowed to finish, and then would have up to

six months beyond that.

373 CHAIR BUNN: So this basically gives an ability to finish the program and

have a six-month extension for a smooth transition. Is there any objection to inclusion of that provision? (No objections registered.)

385 KENNEMER: Regarding the previous section that we were just talking about, as a matter of course, I'm wondering why we have the section of dependent children. It seems to me we could exclude that section. I would think that we're talking about regulation of adult eligibility. I would assume any child in need would automatically included, and the basis of denial is regarding the basis of eligibility of the adult.

395 PUTMAN: It's current law that if adults don't perform certain functions and activities, there's no eligibility to begin with. For example, a young woman applies for public assistance and refuses to provide information concerning the father of her child. That grant does open, but with her needs removed.

TAPE 77, A

001 GINA BELL: Are you saying that if the woman refuses to comply with who the father is--because, in many cases, she just doesn't know where they are.

004 PUTMAN: I'm talking about refusal as opposed to not knowing. I'm talking about obstinance, not "not knowing."

005 BELL: What about a case where she can be threatened?

006 PUTMAN: That too. All of those provisions aside, I'm just trying to give

an example of where the activities of the parent are detrimental to the child.

012 The next change was responsive to the concern that was raised about requiring a minor parent to live with her own parents. What we have added here are two significant safeguards. One is that the young woman can live in a safe living situation other than in her parent's home if there's reason to believe that her going home would not be in the best interest of the child. Further, we're saying that if that minor parent does return home

and because of her parent's income is ineligible, the services that were keeping her in high school or some kind of a training program would not be shut off. They would remain in effect.

021 CHAIR BUNN: This goes part of the distance that the Legal Aid Service wanted, but certainly not as far as what they desired. I think there was a desire that there be a presumption that had to be overcome, that if you were going to have this young woman living in her parent's home, there had to be a finding that that was a positive or safe haven location. I personally oppose making an assumption that the family home is a bad place to turn to, and so preferred this language as what I describe as a better alternative.

035 CHUCK SHEKETOFF, Legal Aid Service: Our concern is whether there's a presumption that she should have to go home. That's contrary to current law. I distributed to the Committee Administrator and to each of your offices a memo dated today, explaining how last legislative session, the legislature recognized that there are teens, both with and without children, who need housing and were having problems renting housing and entering into utility contracts. (Continues response, discussion legislation that was passed last session.) [EXHIBIT B]

054 CHAIR BUNN: I think that the legislation we passed last session is totally consistent with the amendments I've proposed. I think it's appropriate to say to a teen that he or she needs to have the opportunity to go out and find housing and other opportunities and have the ability to do it. I think it's also appropriate, with that legislation passed last session, to say that we have a high priority in finding a stable place for this teen mother to live, and one of the very best stable places may be her parent's home, making it very clear that if that's not the case, there's the opportunity to find another alternative. So, I see this as very consistent.

064 KENNEMER: I think I would take it a step further. I would think that as a matter of policy, we would think that it is in the best interests of the minor to be home with their parents, unless there are compelling reasons to the contrary.

070 Discussion between Chair Bunn/Sen. Leonard/Sen. Kennemer.

081 SHEKETOFF: Our concern is that the burden of proof is on the teen. And if the presumption is that it's the agency's decision that she live at home or at another place, once that word gets out on the street, a lot of teens will just say "forget AFS," won't contact them, won't get medical care, and more importantly, won't even be in school. The best way we keep teens in school is by keeping them involved with AFS. (Continues comments.)

094 PUTMAN: On Page 6, line 18: this also was in one of Sen. McCoy's amendments, and that is that there will be guidelines developed to assist in the identification and referral of individuals requiring mental health or drug abuse counseling, and the next part of that is that training would have to be available. It's on Page 7, lines 6 through 9. One of the amendments suggested by Sen. McCoy was that in addition to the mental health disorder and drug addiction training for staff, that it include Battered Women's Syndrome training, at least to the extent necessary to make the proper referrals for assessments.

107 CHAIR BUNN: I feel those proposals by Sen. McCoy warrant serious committee consideration.

109 Discussion between Sen. Kennemer/Putman/Bell about taking out the word "drugs" and inserting "addictions."

125 PUTMAN: The next change is on line 17. The Office of Child Support Enforcement and the Court Administrator both suggested that when we attempt

to collect child support from the parents of a minor parent, that we not limit ourselves to using the courts, but we limit ourselves to an administrator who's already defined in law, and this is the method of choice used for generic child support enforcement. It makes it much cheaper and much easier to get at the child support.

134 CHAIR BUNN: That's something I think should have been in the bill originally and we just didn't catch that we were creating a more costly and bureaucratic process.

136 JOHN ELLIS, Support Enforcement Division: The administrative process is what is used by the state's child support program to obtain and enforce child support obligations. We don't go to court in the first instance; we use the administrative process. It's good, however, to preserve the ability

to use the court, because there may be reasons to do that. But generally speaking, the state's child support program uses the administrative process, which by the way is not open to people outside the state's child support program.

146 KENNEMER: Is eighteen the right cut-off age? Because under certain circumstances, people are not employed while they're in school, and I wonder, do we need to cut it off at eighteen?

149 ELLIS: The normal age of majority in Oregon is eighteen. However, there are exceptions; ORS 107.108 allows us to collect child support payments from 18-21 year olds attending school, so I think statutorily, you could create another age. That's a policy question for the committee.

156 KENNEMER: What I see as the loophole here, is that when you're eighteen, you go off to school and reduce your income, and you're no longer responsible for support, which is what I think we're trying not to allow to occur.

161 PUTMAN: The next change is on Page 9, beginning at line 13. We had some rather vague language in the first bill that didn't get fixed much in the -1 Amendments. The idea is that when child support is collected for an ADC mom, she is allowed to keep the first \$50 of that payment, above and beyond

any other cash assistance. What we are trying to do here is, in those cases where an extraordinary effort or material contribution was made, that we would give this lady a bonus, and the bonus is the lesser of however much money was actually collected or what the court should be paid for a full month, or \$500, whichever one of those numbers is the smaller number. So you'd never get more than a \$500 "bounty" to start collecting child support, nor would there be any payment if those efforts didn't in fact yield collection. One of the proposed amendments that I didn't put in here was that all persons participate in this benefit.

184 CHAIR BUNN: So this gives the \$500 award for indicating the paternity of the child born out of wedlock, as opposed to the earlier incentive that wasn't very clear. Are there any concerns by committee members about this provision? (None registered.)

193 JIM NEELEY, Adult & Family Services Division: In the language we just discussed about establishing the paternity of a child born out of wedlock and in obtaining support or other payments due to the applicant, I suspect what LC meant there was "or" rather than "and. This would limit the

additional money to someone who had a child born out of wedlock. Other individuals, who did not have children born out of wedlock but did make a material contribution in obtaining support, would not be eligible for this.

(Chair Bunn responds: I think you're right that it should be an "or.")

205 PUTMAN: The next change is on Page 10, line 14. We talked about this earlier. There are actually two changes. The first bill only called for the

shutdown of the ADC unemployed parent program for four months. This specifies that the months would be June through September. But, the significant change here is that come June 1st, there are going to be a number of ADC unemployed parents who are in some kind of a training program. This would allow them to finish that training program. It doesn't cut them off in mid-stream. (Chair Bunn asks: Any comments by committee members? and none are registered.)

218 The last change is Page 11, section 27. That language would mean that the two-year cut-off would not begin until January 1996, nor would there be

any shutdown of the ADC unemployed parent program in the summer of 1995.

224 CHAIR BUNN: So it makes it clear that there's a transition and a phase-in period.

231 Calls a 15-minute recess.

232 Re-convenes at 4:40 P.M.

SB 741 is being removed from today's agenda.

SB 1079 is being removed from today's agenda.

304 MCCOY: The amendments that were attributed to me, were the product of my

intern, Gina Bell. I'd like her and Chuck Sheketoff to be able to present some of their ideas at our next work session on this bill. (Chair Bunn agrees.)

324 CHAIR BUNN: Closes WORK SESSION on SB 1117
Opens WORK SESSION on SB 1126

356 What we have done is taken the amendments that I forwarded to Gwen Dayton at Legislative Counsel, which have arisen out of the earlier testimony. The committee will recall that we had struggled somewhat with the issue of how the courts were involved; we had struggled with how opting

out of parental notification so it didn't have to occur might be done mechanically, and several other changes. [EXHIBIT C]

369 GWEN DAYTON, Legislative Counsel: Outlines the -10 Amendments at the request of the Chair.

TAPE 65, B

479 CHAIR BUNN: Let me go back and focus for a moment on the provision that allows the young woman to opt out of notifying her parents. We would be changing that provision so that it would now say that the young woman involved would sign an affidavit indicating that there had been abuse, sexual abuse, neglect, that there was a mental illness or alcohol/drug addition of a parent, or likely future abuse that made it such that notification should not occur. The affidavit would then be signed and forwarded by the doctor to the Children's Services Division. The language specifically now describes that because that may raise the issue of abuse or because abuse may have occurred, that the young woman can identify on the affidavit a desire to have an investigation by CSD. If that issue is not raised by the young woman involved, and because the affidavit does not allege abuse and instead lists abuse among several possibilities, then unless the young woman raises that issue, it would indicate that CSD and the doctor would not investigate or pursue abuse. But, if the young woman raised that desire for an investigation, it would occur.

500 LEONARD: It seems unusual to me that we would put something in statute where somebody would report a crime to a governmental entity, and because of this language, they would not be allowed to investigate that crime.

515 DAYTON: It is possible, under the language of the bill, that a young woman could make an allegation but not want an investigation of that allegation. CSD would not be allowed to investigate, and the physician would not have any obligation to report that allegation of abuse on the part of the young woman.

528 CHAIR BUNN: Independent of this process, if there's any abuse or allegation of abuse, investigation can occur. Without this process, there would be no evidence, no information of abuse. What we have done is design a specific method by which the process can bring forward abuse and have it investigated, aired and dealt with. It allows so that there would not be a chilling effect on a young woman being able to use this process. The young woman can use the opt out procedure with the confidence that it will be done in a way that she doesn't initiate something she doesn't want to initiate beyond the opt out, but if she wants it to go beyond that, there is a provision that would allow her to do that.

545 LEONARD: I'm just trying to imagine a CSD investigator getting a report that describes a young woman who is pregnant because she was raped by her step-father, and not being able, or not having, to do anything about it.

548 CHAIR BUNN: The affidavit will not be that detailed. It will simply say "one of the following things has occurred..." without any specification as to which thing it is. There is no specific allegation of any one of those things.

562 Discussion between Sen. Kennemer/Sen. Leonard.

594 CHAIR BUNN: Addresses Leonard: This bill, as amended, does not disclose to anyone if there has been sexual or physical abuse. (Continues comments.)

617 LEONARD: Some children have been so skewed by their environment that they actually think their abusive environment is normal.

631 CHAIR BUNN: I think that's an excellent point. What this does, is say that we believe that if we adopt this, that it truly gives the opportunity for the party involved to opt out of parental notification. It also says that if the doctor carries out his or her ethical responsibility in working

with that patient in the way they should, if they have seen or have a keen sense that there is abuse involved, they have the responsibility to work with that young woman to encourage her in a positive way to work with CSD in a way that will encourage investigation to occur. This provides an opt out that a person can actually use, and has the encouragement of a doctor to find the help and support she needs.

678 DAYTON: I think this amendment would be clearer if we added, on Page 3, around line 17, a sentence reflecting what we intend this affidavit to look

like. I'm responding to Sen. Leonard's earlier concern that perhaps there's some implication that the woman has to go into the facts surrounding the allegation.

694 CHAIR BUNN: Is there any objection by committee members to adding that language? (None registered.) Asks Dayton to add that to the amendment.

714 LYNDA HARRINGTON, Executive Director, Oregon Right to Life: Speaking IN SUPPORT SB 1126 and the amendments.

728 MAURA ROCHE, Planned Parenthood: Speaking IN OPPOSITION to SB 1126, even with amendments.

747 MARY GRAINEY, "interested citizen": Makes comments neither specifically for nor against SB 1126.

771 MOTION: SEN. HANNON: Moves the -10 Amendments.

780 VOTE: ROLL CALL: OBJECTING: SEN. MCCOY, SEN. LEONARD. VOTING AYE: SEN. BUNN, SEN. HANNON, SEN. KENNEMER.

Motion CARRIES 3-2.

794 CHAIR BUNN: The bill will be brought back for another work session on Monday, 5/1/95. It is my intent that we will vote on the bill at that time.

800 Closes WORK SESSION on SB 1126
Calls 30-minute recess.

806 Re-convenes at 6:07 P.M.
-Announcements
-Talks about procedure for SB 152.

853 Opens WORK SESSION on SB 152

-22 Amendments (repeals Employer Mandate): [EXHIBIT D]

-23 Amendments (retains Employer Mandate): [EXHIBIT E]

TAPE 77, B

494 JOEL ARIO, Department of Consumer and Business Services: Begins presentation on summary of proposed insurance reforms in SB 152-22.
[EXHIBITS F-1, F-2]

528 KENNEMER: If I understand pre-existing conditions, during the three or six-month period, if they had treatment for that, it would still become coverable at the point they reach that three or six-month period. Correct?

531 ARIO: That is correct, At the end of the exclusion period, coverage would be fully operational for that condition.

537 KENNEMER: We're leaving sex out of there (talking about rating reform), and what else?

538 ARIO: Health status, any other factor. Continues presentation.

553 The overall effect of these reforms should be to bring standardization to the accept/reject process in the individual market, to eliminate waivers

and reduce exclusions for pre-existing conditions, and to standardize rating.

574 CHAIR BUNN: This committee has had this bill for the entire Session.. Doing the Oregon Health Plan in a comprehensive way is a large task, but we

are at point now where we need to try to package a document which we can move from this committee, so I would like, as we're moving through these new areas, to deal with them in the detail that has us adopting, rejecting,

or saying that we need more information with a time certain, and then moving back to the ones that we dealt with in a more casual manner and taking them now in detail for final action, and then moving to those that were not dealt with, in whatever degree we want to do that. It would be my desire for us to work with this individual market reform in a way that the committee embraces what was done, or goes another direction.

596 GERRY THOMPSON, Oregon Association of Health Underwriters: We support the individual coverage reforms.

600 BRUCE BISHOP, Kaiser Permanente: We also support the summary the way Mr.

Ario presented it. We have not had a chance to look at all of the details of the draft yet to make sure that it conforms to the summary, but we are in support of the principles of the reform as they have been described.

605 BARNEY SPEIGHT, Blue Cross/Blue Shield of Oregon: We endorse and embrace the principles as they have been described.

608 CHAIR BUNN: Assuming for a moment that we adopt a bill tonight or Monday, we would adopt that bill in a way that we're basically saying that this is the product that the committee embraces. We would be doing that, however, with the understanding that we are keeping that bill in this

committee and not sending it to the Floor until there is a clarification on what financial resources are available for the Oregon Health Plan. The fact that we would adopt a provision or the bill does not mean it's going to the Floor. It gives all the parties, including the committee and others, the time to look at the details, and to come back and re-visit if there is a problem.

625 KENNEMER: To Ario: I guess the most significant item is pre-existing conditions. To a degree, health status left out is one of the conditions for premiums. I guess those are the two significant concessions in this. Am I misjudging this?

635 ARIO: I think it's more modest reform than ambitious reform at this point. It's certainly not a full-fledged reform of the individual market. The kinds of things that we're trying to do in the individual market haven't really been done anywhere else.

647 BISHOP: I agree largely with Mr. Ario, but I think it's important to point out that this is an untested area, and other states have not successfully reformed the individual market by relying on the private market to make coverage available within the individual market.

655 CHAIR BUNN: I feel very positive about the work that has been done in this area.

675 ARIO: Responds.

700 CHAIR BUNN: Is there committee consensus that this provision about individual market reform be included as part of the bill? (No objections registered.) If the bill is adopted, that will be a provision of the bill.

753 VICKIE GATES: Presenting on Medicaid expansion. (Committee Assistant left the hearing room for about five minutes.)

759 KENNEMER: There's \$6 million in this. Is that a number we can live with?

760 GATES: Responds.

770 CHAIR BUNN: Let me make it clear to the committee as we're considering this piece, that this piece is totally contingent upon the Governor's Office and the leadership of the House and the Senate coming to agreement on the funding being available, and there is no question that if this funding does not become available, not only this piece but the entire bill as we crafted it, has to be revisited. At this point, as Chair of the committee, it is my strong belief that we need to package what we as a committee see as a quality Oregon Health Plan package for this session, and leave that in committee in a way that all can review it and have that as a centerpiece around which discussions by which the Governor and the legislative leadership can occur.

792 GATES: I would also remind the committee, as we discussed before, it would use our existing policy as currently administered by the Medicaid program. We would be able to start a program like this as early as October 1, 1995. If you assume a straight-line phase in, by the end of the first year, we would be serving approximately 31,000 Oregon children.

800 HANNON: I'm not opposed to the concept of adding this in, but if we support the inclusion of sections 57, 58 and 59 in the proposed bill, then are we buying in to a method of funding that may not be supportable?

811 CHAIR BUNN: When the funding mechanism has been identified, this bill will come back to the committee for final voting action before it moves to the Floor.

832 KENNEMER: What was the general fund allocation for the health care plan and Medicaid last session?

840 GATES: Responds.

857 ART WILKINSON, Committee Administrator: The other part of the General Fund is in section 60 (\$12.2 million).

873 CHAIR BUNN: The Governor's Office has expressed a strong desire in working with a plan that has both of those dollar figures and both of those programs involved.

TAPE 78, A

001 CHAIR BUNN: To Gates: Can you indicate, over time, the number of people that this potentially allows us to pick up with coverage that we don't have now, by the end of the biennium?

005 GATES: By the end of the biennium, it will be slightly over 31,000 and in the course of another year, it will be 32,000. If you were to combine this with Florida, we would be close to 100,000 by the time we had both programs fully implemented (84,000 by the end of this biennium).

018 CHAIR BUNN: Is there any objection by committee members to including this portion in the plan, subject to the financing?

019 HANNON: I'm going to withhold my vote until I see where the money's coming from.

027 CHAIR BUNN: I share Sen. Hannon's concern that this package is going nowhere without the money, but I think it's very appropriate for this committee to say that we see the Oregon Health Plan and quality health care

as an essential component that this legislative body funds, and that we're making a clear statement of that, and not only that, but we're placing the legislature and the Governor purposely in the position of having to either accept or reject a concrete, clear package. I think that's something that needs to be done, and I appreciate the committee's support of that.

050 ROCKY KING, Administrator, IPGB/OMIP: Begins presentation on extension of the business tax credit.

074 CHAIR BUNN: My understanding is that there wasn't the opportunity to do the marketing previously that might have enhanced that program, and that there is the availability of a marketing program now. Could you comment on that?

077 KING: When the initial tax credit program was started in 1987, there was no staff, no funding at all for the state agency. In fact, it was just a Board for the first two years. In 1989, some limited funding was provided, but staff really didn't get going until 1990. By the time the legislature appropriated the appropriate funds for marketing, which was in 1993, the tax credit had dropped to \$6.25. The interesting part is that the tax credit has declined, but the enrollments have continued to rise and have reached record heights each of the last three quarters. So the marketing is having a very positive impact, but again, the focus is on very small employers.

087 Discussion between Sen. Hannon./Chair Bunn about Hannon's concerns about SB 1079, which abolishes the Insurance Pool Governing Board. (Hannon wants the IPGB retained.)

128 CHAIR BUNN: It has been my intent from the very beginning that this committee keep that entity (IPGB). I want to make it very clear that we have directed and requested that there be efforts made at streamlining, at coordinating, at having unified efforts at times. I wouldn't want your comments to suggest that we were restricting that. The committee ultimately decides that. But, that is my intent, desire and position on the issue. It would be my intent, if we adopt the extension of the tax credits, that of the financial issues we're discussing, they are of the lesser priority of

those items before the committee in terms of the Florida Plan, the Medicaid expansion and the tax credits.

144 LEONARD: I have a couple of concerns. One is that we've heard feedback from various people with respect to the latest amendments, but we haven't heard from consumer groups and labor groups. I think they should review this document and respond as well as the other groups that did. Also, in section 10 of the bill, the Health Insurance Reform Advisory Committee, I note as representatives from a number of different areas except consumer and except labor, and that concerns me.

155 CHAIR BUNN: What we'll do, is this: I think your concern that labor groups, consumer groups, and other groups have the opportunity to comment on the various items we're dealing with is a legitimate concern. We're in a

bit of an awkward position in terms of how we process this perfectly, but what I suggest is that we continue with this process at one of our meetings

next week; that we set up a specific time for testimony from those groups, and based on that testimony, have the opportunity to select items to revisit if we need to.

165 LEONARD: That's fine.

168 CHAIR BUNN: Is there any objection by committee members to including the provision of the extension of the tax credit?

170 KENNEMER: No objection, but are we going to somehow move that through the Revenue Committee, or how are we going to do this procedurally? What is the strategy?

172 CHAIR BUNN: My intent would be that if we have the funding for that, that we ask that the Revenue review be done on the House side if the Senate Chair of Revenue concurs with that. I have visited with the Senate Chair of Revenue about this particular item; I have not yet visited with him yet about the bypass of his committee, which is part of what would be done.

178 If there's no objection, there will be inclusion of that provision. (No objections registered.)

184 We now have the removal of the mandate. We have two options: removal of the employer mandate and a continuation/extension of the mandate for a two-year period. My recommendation to the committee is that in packaging all the other items that we have done, that I believe it's beneficial that we remove the employer mandate. I believe that the combination of the expanded coverage we have, the reform of the market, and the removal of the mandate would allow us to garner additional support for the legislation, and I would recommend that we take that direction. Is there discussion?

195 MCCOY: Responds.

200 CHAIR BUNN: Sen. McCoy objects to the elimination of the employer mandate. This is one in which I feel it's necessary, in fairness to Senator

McCoy and perhaps the other members of the committee, to take a vote. The two Democratic members of this committee have expressed either outright opposition or serious reservations about removal of the employer mandate. I

think it is an appropriate place to have a vote, and potentially have "no" votes because of the legitimate need for that expression, and it is my intent to do that with this hope in mind: that, realizing that there is opposition to that, that in the end, we can craft a bill that will have support of the full committee, and it will be my effort to work toward that. (Asks Committee Assistant to call the role on elimination of the employer mandate.)

226 VOTE: ROLL CALL: VOTING AYE: SEN. BUNN, SEN. HANNON, SEN. KENNEMER.
OBJECTING: SEN. MCCOY, SEN. LEONARD.

Motion CARRIES 3-2; the employer mandate has been eliminated.

233 CHAIR BUNN: To Wilkinson: Can you identify, in addition to the Florida model and the group reform, we have the reinsurance pool and portability that we need to visit?

236 WILKINSON: Responds.

240 CHAIR BUNN: Unless there is a desire to revisit those items, it would be my desire to stay with our decision to support the group reform and to stay

with our decision on the Florida plan. Is there any objection to that, realizing that we're going to have more testimony and possibly a final revisit? (No objections registered.) If not, those two portions will stay in. (Asks Joel Ario to come forward and talk about the reinsurance pool and

the portability issue.)

255 JOEL ARIO: Begins presentation. The summary of the reinsurance pool is on Page 3 (EXHIBIT F-1).

280 HANNON: Does this allow PH & L to come back in as a participant at the table?

282 ARIO: This has absolutely nothing to do with PH & L. (Discussion between Hannon/Ario follows)

318 BRUCE BISHOP, Kaiser Permanente: Responds to Sen. Hannon's concerns.

328 WILKINSON: On Page 16, line 13 through line 18, of the -22 Amendments, if you look at the repealer section, that section is not repealed.

344 CHAIR BUNN: Is there any objection to inclusion of the reinsurance pool portion? (No objections registered.) Then we will include that portion. Next is the portability issue.

352 ARIO: Begins presentation on portability.

398 CHAIR BUNN: Is there objection to inclusion of the portability portion?

402 MCCOY: If a person remained in the state, they could always remain in the policy, right?

405 ARIO: That would depend on the service areas of the particular carriers.

There are some carriers that don't cover the whole state, so it's possible that someone moving within the state would fall into the category of leaving the service area of a carrier and therefore would be eligible for OMIP coverage at 100% rather than portability coverage through that original carrier.

TAPE 79, A

007 CHAIR BUNN: To McCoy: So what this does is say that if your carrier serves that area, you can get the insurance; if it doesn't, you can go to OMIP and you don't pay more.

008 MCCOY: If you license an insurance company in the State of Oregon, why can't you keep it even if you move outside of where their office is?

011 HANNON: The reason is that it's not a franchise for the entire state. They have agreements with providers in certain areas. For example, PACC might not have contracts with doctors in Ontario, OR. They don't have a license to operate willy-nilly in the state, because of managed care. (McCoy responds: Kaiser would cover you anywhere in the state.)

020 BISHOP: We would cover our members who enroll within the service area when they leave the service area for emergency care. If a Kaiser Permanente

enrollee who lived in Portland moved to Klamath Falls, they would not be able to continue their membership with Kaiser.

027 CHAIR BUNN: Is there any objection to inclusion of the portability provision? (No objections registered.) We will include it then, realizing that we need to work on that some more to make it better. Let me suggest this: we have covered those areas that included the original reforms brought to us by the DCBS. We have included the portions brought by the Governor's office that can get us up to 100,000 additional people covered. We have basically packaged what appears to me is something that we should now adopt so that we can get the message to the leadership of the legislature and the Governor that we need an answer from them on whether or

not this effort will be funded (SEN. HANNON MOVES the adoption of these provisions as outlined above.), and indicate that this is the package that we are embracing as the Oregon Health Plan and that we need that funding from the legislative assembly. We will follow up on Sen. Leonard's request that we have the opportunity for testimony next Wednesday from consumer and

labor groups.

060 VOTE: ROLL CALL: VOTING AYE: SEN. BUNN, SEN. MCCOY, SEN. HANNON, SEN. KENNEMER, SEN. LEONARD.
Motion CARRIES 5-0.

098 CHAIR BUNN: Adjourns at 7:20 P.M.

Submitted by, Reviewed by,

Mary Gallagher Art Wilkinson
Committee Assistant Committee Administrator

EXHIBIT SUMMARY:

A - "Hand-Engrossed" SB 1117-8--Keith Putman--11 pages
B - Written Testimony on SB 1117--Chuck Sheketoff--1 page
C - -10 Amendments to SB 1126--Senator Bunn--6 pages
D - -22 Amendments to SB 152--Art Wilkinson--69 pages
E - -23 Amendments to SB 152--Art Wilkinson--71 pages
F-1 Summary of Proposed Insurance Reforms in SB 152-22--Joel Ario--4 pages
F-2 Section-by-Section Summary of SB 152-22--Joel Ario--6 pages