

SENATE COMMITTEE ON  
HEALTH AND HUMAN SERVICES

January 18, 1995 3:00 P.M.

Hearing Room B  
Tapes 4 - 5

MEMBERS PRESENT: Sen. Stan Bunn, Chair  
Sen. Bill Kenemer  
Sen. Randy Leonard  
Sen. John Lim  
Sen. William McCoy  
MEMBERS EXCUSED:

STAFF PRESENT:  
Art Wilkinson, Committee Administrator  
Mary Gallagher, Committee Assistant

MEASURES HEARD:

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The committee was unable to convene on time because another committee was in HRB until 3:00 Senator Trow sat on the dais with the committee at the invitation of the Chair

TAPE 4, A

000 CHAIR BUNN: Convened the meeting at 3 05 P M. Announcements Reviewed  
agenda for today's meeting.

023 VICKIE GATES, OREGON HEALTH PLAN ADMINISTRATOR: Begins testimony  
Refers to Overview of Oregon Health Plan (OHP) (EXHIBIT A). In 1993, over  
500,000 people in Oregon were without health insurance Over 100,000 of those are now covered  
by Medicaid

044 CHAIR BUNN: Asks for clarification--would the number of uninsured have  
been 600,000 without the 100,000 covered by Medicaid?

047 GATES: Responds. Refers to and discusses page 3 of Exhibit A

100 GATES: Continuing with presentation.

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103 GATES: Refers to and discusses page 7 of Exhibit A; Oregon's total  
Medicaid spending starting from 1979.

114 KENNEMER: Approximate number of people covered in 1978 versus 1993?

117 GATES: The number of eligibles has probably more than doubled. Jean  
Thorne will elaborate on that point.

127 CHAIR BUNN: How does this compare with Federal information for the same  
time period? Is it similar data?

129 GATES: Yes. The growth trends are a little different by state though.

139 GATES: Refers to and discusses page 8 of Exhibit A.

155 CHAIR BUNN: Asks that Vickie specify to the committee whether costs are nationally driven or locally driven. This will help the committee decide which policies they can have an impact on.

160 GATES: Responds. Refers to and discusses chart on page 4 of Exhibit A.

186 CHAIR BUNN: Regarding the 35.50% figure, shouldn't most of that have been removed by the OHP?

191 GATES: That information is from 1993. We will have a better idea when we are able to look at current figures.

197 CHAIR BUNN: When will that data become available?

199 GATES: Rand has promised to release the data to us by the end of this month. We should be prepared to discuss the data in February.

207 GATES: Refers to and discusses chart on page 5 of Exhibit A.

241 TROW: For people age 65 and over: with Medicare coverage, why would they not be covered by insurance?

243 GATES: Lists some possible reasons why people in that category have no insurance.

253 TROW: Most of them should be covered; there is insurance available.

257 GATES: Responds. The primary goals of the OHP are to get access to health care coverage for

Oregonians, and to get it in an affordable way. Just having access is not good enough; the idea is to

have access to quality health care.

271 CHAIR BUNN: What kind of threshold impediments are there to getting coverage for those where the insurance is available?

273 GATES: Responds.

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284 CHAIR BUNN: Notes that the committee will learn more about the varying insurance issues as the session progresses.

286 GATES: Responds. Continues her presentation. The OHP is more about health than health insurance---prevention, etc.

298 GATES: Refers to and discusses page 9 of Exhibit A. Discusses reimbursement policies.

328 CHAIR BUNN: Will we get into more detail on the private sector?

330 GATES: Responds.

346 LIM: What is the definition of a permanent employee? How long do they have to be employed to

be considered a permanent employee?

349 GATES: There is no real legal definition of permanent employee. It is more an issue of

employer practice. Different employers set different thresholds. In the state of Oregon, typically six

months is a guideline. That is an issue that must be dealt with when

considering implementing a  
mandate.

371 GATES: Refers to and discusses page 10 of Exhibit A; listing of OHP  
strategies for cost  
containment.

401 KENNEMER: In order to get the Federal waiver, there's a limit to how low  
we can go on the  
priorities, is that correct?

403 GATES: Yes

TAPE 5,A

000 GATES: Continues response to Kennemer's  
question.

018 KENNEMER: What is the current standard?

022 GATES: Responds

030 KENNEMER: What is the current service level and the post-service level?

034 JEAN THORNE, DHR(comes forth from audience to the witness stand):  
Responds.

042 CHAIR BUNN: On the proposed budget, do we know what that will be?

045 GATES: Responds.

077 CHAIR BUNN: If our goal was simply to try and control inflation and we  
cut it from 4,000%  
inflation to 3,000\*/0 inflation, that would be impressive but it would also  
be fairly irrelevant  
because our economy would still be wrecked. Do we have specific targets in  
terms of cost  
containment; is there a specific goal or is it just to do better?

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083 GATES: We don't have a specific goal in the Oregon Health Plan for cost  
containment.

122 CHAIR BUNN: Can we realistically do cost containment in Oregon with the  
roll of the Federal  
government as it exists? Can we realistically set a target and move toward  
it?

142 GATES: Responds

167 GATES: Refers to and discusses page 11 of Exhibit A.

174 GATES: Refers to and discusses page 12 of Exhibit A.

191 CHAIR BUNN: Can we make the assumption that those people would not have  
been insured  
without this program, or is there a sign)ficant number that would have been  
insured anyway?

193 GATES: Responds.

214 TROW: Would the insurance coverage go away if the tax credit went away?

216 GATES: Responds.

226 TROW: Since the tax credits are scheduled to sunset, will there be a  
recommendation coming  
as to whether or not they should be re-scheduled?

228 GATES: Responds.

230 TROW: Is that an issue for this legislative session?

234 GATES: Yes

236 CHAIR BUNN: What kind of expansions would you get by tax credits? We

need to explore

that area.

251 KENNEMER: It looks like this is a very minor program; it hasn't done what we had originally expected it to do.

255 GATES: Responds

292 KENNEMER: It seems like you're saying that voluntary doesn't work, or that it only works

marginally. This program is a very restricted program--it is not equivalent to current service level

of 606 at all. It doesn't appear to be a very adequate program.

301 GATES: Responds

316 KENNEMER: This is a more catastrophic insurance plan then--it doesn't achieve the preventive

measures that we'd like?

321 GATES: Responds

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TAPE 4,B

416 GATES: Continues presentation. Refers to and discusses page 14 of Exhibit A.

437 LIM: Refers to page 10 of Exhibit A; asks question about higher insurance premiums.

440 GATES: Responds.

450 LIM: Is there insurance that is 33% higher? What are the differences in insurance premiums, on

average?

4531 GATES: Responds.

469 GATES: Refers to Oregon employer mandate.

482 GATES: Continuing presentation.

484 CHAIR BUNN: Asks Gates to come back because we're running out of time. Asks question

about medical insurance pool on page 11 of Exhibit A: would those four thousand not have had

insurance without this structure being created?

490 GATES: Yes.

491 CHAIR BUNN: How many are left with those types of conditions who are then uninsured that the pool has not successfully taken care of?

494 GATES: I don't have an exact answer to that.

504 CHAIR BUNN: It seems we either have to make the private sector insure people or help foster

a condition in which they want to do that. If in fact this legislative body is not anxious to mandate

that they do it, then we need to be looking pretty carefully on what factors there are that encourage

people to cover. As we all know, small businesses tend not to provide certain benefits for cost

have reasons. Where we have approximately 20,000 covered now, we were looking to approximately 150,000 covered? Is that roughly accurate?

526 GATES: That was an original coverage goal.

527 CHAIR BUNN: If the private sector were doing today what we want them to do, would it be about 150,000?

529 GATES: That would make a very significant difference in accessibility for Oregonians, but you never get 100%. We need reasonable goals about progress.

537: CHAIR BUNN: Do we have enough data to say that if it were an ideal world, there would be a certain number of people that the private sector needs to deal with?

539 GATES: We will bring you back data about uninsured workers in Oregon and also what information there is available about what employers say will influence their behavior and what their concerns are.

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549 CHAIR BUNN: Announces to audience that the committee would like as much information from the private sector as possible and that written material is welcomed at earliest convenience.

557 CHAIR BUNN: Calls a five-minute break at 4:05.

562 CHAIR BUNN: Re-convenes the meeting at 4:10. Notes that committee will adjourn at 4:45.

Invites Jean Thorne to testify.

567 THORNE: Begins presentation on OHP Medicaid Expansion (EXHIBIT B). Medicaid is a State/Federal program. The Federal government puts up most of the money--in Oregon it is about a 62% match. It requires us to cover certain groups of low-income people, primarily families with dependent children, people who are blind/disabled, pregnant women and children.

617 THORNE: Continuing presentation. There is a priority list of who will should get treatment. The list is in the process of being revised. For example, treatment for a common cold would be a low priority. The same goes for cosmetic treatments.

674 TROW: Is the revised list very different--new services or services moving around?

680 THORNE: There has been minimal change.

686 THORNE: The statute requires that services be provided through managed care. This assures that every person on Medicaid has a primary care provider.

724 THORNE: Discusses cost shift.

772 THORNE: Continuing with presentation.

TAPE 5,B

337 THORNE: Continuing with presentation Refers to some of the charts in Exhibit B.

367 MCCOY: There about 290,000 in the program now?  
371 THORNE: Yes

400 THORNE: Continuing presentation. Two-thirds of the people who have come into the health plan are families with a child in the household. We had expected the opposite--that 80% would not have a child in the household.

423 TROW: What's people's behavior pattern once they enroll? Are they immediately using health services?

424 THORNE: We will begin to be able to explore that fairly soon. We don't have that data yet.

460 THORNE: Continuing presentation.

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474 TROW: Comments on Medicaid coverage for mentally ill. What are we doing for those

mentally ill who aren't covered?

484 BARRY KAST (Administrator: Mental Health/Developmental Disabilities Services

Committee): Responds.

500 TROW: All costs for caring for mentally ill will go up if they don't have adequate

care/medication.

505 KAST: Yes, that is a risk.

507 LIM: Question regarding inpatient/outpatient services.

509 THORNE: Responds.

516 LIM: Follow-up question regarding methadone.

517 THORNE: Responds.

526 LIM: Question regarding funding of methadone--doesn't seem like a very good treatment but it

costs a lot of money.

532 THORNE: Defers to Clark Campbell (Office of Alcohol and Drug Abuse Program).

533 CHAIR BUNN: Interjects: Meeting will be adjourned in 5 minutes. Will only allow 5 more

minutes of testimony.

542 KAST: Continues his portion of the presentation.

593 KAST: Still presenting.

600 THORNE: Continues her portion of the presentation.

650 THORNE: Ends her presentation.

652: CHAIR BUNN: There will be no hearing on Friday. There will be full meetings Monday and Wednesday next week. No work sessions on bills but bills will be heard.

676 CHAIR BUNN: Adjourned the meeting at 4:50 P.M.

Submitted by,

Mary Gallagher  
Committee Assistant

Reviewed by,

Art Wilkinson  
Committee Administrator

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EXHIBIT SUMMARY:

- A - Oregon Health Plan-Why?, Vickie Gates, 17 pages
- B - Oregon Health Plan Medicaid Expansion, Jean Thorne, 14 pages

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