

SENATE COMMITTEE ON
HEALTH AND HUMAN SERVICES

February 1, 1995 3:00 PM

Hearing Room B
Tapes 12 -13

MEMBERS PRESENT: Sen. Stan Bunn, Chair
Sen. Lenn Hannon
Sen. Bill Kennemer
Sen. William McCoy

MEMBER EXCUSED: Sen. Randy Leonard

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

MEASURES HEARD: SB 152 Public Hearing

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 12, A

000 CHAIR BUNN: Calls the meeting to order at 3:00 P M Begins in
subcommittee as full committee
Governor's is not yet present Invites Hersh Crawford to complete presentation on the
Recommended Budget (1995-97: OHP)

013 HERSH CRAWFORD, Acting Director, Office of Medical Assistance Programs
(OMAP): Begins testimony Presents OMAP handout on the 1995-97 Governor's
Recommended Budget
(OHP) [EXHIBIT A]

060 CRAWFORD: Continuing presentation

068 MCCOY: You're going to reduce the caseload?

070 CRAWFORD: That's correct

072 MCCOY: (Comments to Mr Crawford)

075 CRAWFORD: (Responds)

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083 MCCOY: (Question to Mr. Crawford)

086 CRAWFORD: (Responds; continues
testimony)

160 MCCOY: (Question to Mr. Crawford)

161 CRAWFORD: (Responds; continues
testimony)

199 HANNON: How many ofthose 4500 students in higher education that this
proposal would affect are single parents who would not have access to
health insurance by other means?

206 CRAWFORD: 30% of college students who are on the health plan have
children. 15% have
other

health insurance. 28% who do not have other insurance did have other insurance prior to the start

of the health plan. I don't know how many are single.
220 HANNON: The point I'm trying to make is that we're being counter-productive--cutting back

student aid, increasing tuition, then telling them they don't qualify for the health care plan.

235 HANNON: Could you indicate to me how many of those recommendations break the concessions

that were made to the Federal government to get the waiver? How many of them would cause us to

be in jeopardy of having to pay back money to the Federal government in the future, by violating

conditions of the waiver?

249 CRAWFORD: (Responds)

270 HANNON: Does this place us in a potential position, at some point in the future, of having to pay

penalties to the Federal government for violating the waiver?

277 CRAWFORD: I do not believe that's the case.

278 HANNON: Can you assure us of that?

279 CRAWFORD: (Responds)

289 HANNON: (Editorial comments to Mr. Crawford)

295 KENNEMER: If we withdraw from the waiver, we lose the 2-to-1 Federal match, don't we?

300 CRAWFORD: That is correct.

301 KENNEMER: It would be hard to carry the program forward without that.

302 CRAWFORD: Yes, it would be.

304 KENNEMER: How can you justify the postponing implementation of mental health?

318 CRAWFORD: (Responds)

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329 KENNEMER: (Comments to Mr. Crawford)

345 CHAIR BUNN: (Addresses Mr. Crawford) We'll need you at some point in the near future to

come forward with some proposed cuts to the list in the range of \$0 to \$20 million. I will give you

a more precise figure through our Committee Administrator.

379 KENNEMER: (Comment to Chair Bunn)

380 CHAIR BUNN: (Responds)

381 CRAWFORD: (Finishes presentation)

382 CHAIR BUNN: Opens PUBLIC HEARING on SB 152; invites Mark Gibson to testify

394 MARK GIBSON, Senior Policy Advisor for Health & Human Resources to Gov.

Kitzhaber:

Begins testimony. Presents written testimony to the committee [EXHIBIT B].

Testifying IN

FAVOR OF SB 152.

TAPE 13, A

010 MARK GIBSON: (Continuing presentation)
060 GIBSON: (Continuing presentation)
056 KENNEMER: Are we seeing a decrease in medical costs?
058 GIBSON: (Responds)
064 KENNEMER: (Question to Mr. Gibson)
067 GIBSON: (Responds; continues testimony)
120 GIBSON: (Continuing testimony)
155 GIBSON: (Finishes testimony)
156 CHAIR BUNN: (Addresses Mr. Gibson--asks him to stay at the witness
table. Invites Joel
Ario
and Ed Nieuburt to testify--Kerry Barnett is not present)
169 KENNEMER: (Question to Mr. Gibson about Jobs program)
173 GIBSON: (Responds)
183 CHAIR BUNN: (Comments to Gibson, Ario and Nieuburt)
208 CHAIR BUNN: Formally Opens PUBLIC HEARING on SB 152

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212 JOEL ARIO, Policy Advisor to the Director, Dept. of Consumer and
Business Services:
Begins presentation; refers to Outline of Insurance Market Reform [EXHIBIT
C]. Testifying
1N
FAVOR OF SB 152.
245 CHAIR BUNN: (Question to Mr. Ario regarding mission statement)
248 ARIO: (Responds; continues presentation)
285 ARIO: (Continuing presentation)
330 ARIO: (Continuing presentation)
348 CHAIR BUNN: Help us understand the basic idea of risk selection.
351 ARIO: (Responds)
356 HANNON: Do you support opening this up to carriers who were not
formerly participating?
358 ARIO: (Responds)
370 HANNON: (Comment to Mr. Ario)
401 ARIO: (Turns testimony over to Ed Nieuburt, Policy Advisor)
TAPE 12,B

479 CHAIR BUNN: (Calls for a 10-minute recess)
481 CHAIR BUNN: (Re-convenes the meeting at 4:10 P.M.; invites the witnesses
to come forward)
484 ED NIEUBUURT, Policy Advisor to the Director, Dept. of Consumer and
Business Services:
(Begins testimony; IN FAVOR OF SB 152)
492 CHAIR BUNN: I'll be interested in knowing, overall, why are the
national/state groups
meeting?
Is there some overall mission/end goal that is driving this activity?
499 NIEUBUURT: (Responds with a question to the Chair)
501 CHAIR BUNN: (Responds with clarification)
505 NIEUBUURT: (Responds)
509 CHAIR BUNN: Are we doing this directly to enhance the health plan?
511 NIEUBUURT: (Responds)
525 NIEUBUURT: (Continues presentation)

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574 HANNON: How did you determine that 50 employees is the bottom line for designation as a "large employer?" Do you have the numbers in the State of Oregon who has 50 employees and who has less?

581 NIEUBUURT: (Responds)

594 HANNON: (Comments/question to Mr. Nieubuurtt)

605 CHAIR BUNN: (Announces that the four other witnesses for SB 152 will not be able to testify today due to time constraints; invites them to come back for the next meeting--they will be heard first at the next meeting)

621 CHAIR BUNN: (Addresses the committee) Be assured that as we go along, we will have the opportunity to have all of our questions answered. The most important thing today is that we finish this overview. I may have to restrict questions today.

625 NIEUBUURT: (Responds to Hannon's original question about how the definition of "large" for more than 50 employees is reached)

632 HANNON: Is there a bill to increase the small employer market up to 50?

635 ARIIO: (Responds)

642 NIEUBUURT: (Continues presentation)

690 HANNON: (Comment to Mr. Nieubuurgt regarding an earlier statement about premium increases)

704 NIEUBUURT: (Responds)

713 NIEUBUURT: (Continues presentation)

752 KENNEMER: (Questions to Mr. Gibson regarding IPGB and the Governor's stance on health

care IRA's)

759 GIBSON: (Responds)

787 CHAIR BUNN: We're not going to finish this today. We will continue until 4:45, then finish this

up in the next meeting.

794 NIEUBUURT: (Continues presentation)

830 NIEUBUURT: (Continuing presentation)

859 CHAIR BUNN: (Stops the presentation; invites Mark Gibson to make closing comments; invites

questions from committee members)

864 KENNEMER: (Question regarding the 6-month pre-existing condition limit)

874 NIEUBUURT: (Responds)

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TAPE 13,B

476 KENNEMER: So the pre-existing condition limitation expires at six
months,
period?

478 NIEUBUURT: Correct.

479 CHAIR BUNN: (Again invites Mr. Gibson to make closing comments)

480 GIBSON: (Comments/closing remarks)

493 CHAIR BUNN: (Question to Gibson)

495 GIBSON: (Responds; continues closing
comments)

525 GIBSON: (Continuing closing comments)

536 CHAIR BUNN: Any questions by committee members?

539 KENNEMER: (Editorial comment)

547 CHAIR BUNN: The Vice-Chair of this committee will be Senator McCoy.
The committee may meet on Friday, 2/10/95. It may be a one-hour meeting; it
will possibly be a full twohour meeting. That will be announced later.

565 CHAIR BUNN: Adjourns the meeting at 4:45
P.M.

Mary Ga~her \: Committee Assistant

Reviewed by,

Art Wilkinson
Committee Administrator

EXHIBIT SUMMARY:

1995-97 Governor's Recommended Budget: OHP--Hersh Crawford--1 page

B - Written testimony on SB 152--Mark Gibson--4 pages

C - Outline of Insurance Market Reform--Joel Ario and Ed Nieubuur-- 15
pages :,8

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