

SENATE COMMITTEE ON
HEALTH AND HUMAN SERVICES

February 15, 1995 3:00 P.M.

Hearing Room B
Tapes 21- 22

MEMBERS PRESENT: Sen. Stan Bunn, Chair
Sen. William McCoy, Vice-Chair
Sen. Lenn Hannon
Sen. Randy Leonard

MEMBERS EXCUSED: Sen. Bill Kennemer

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

MEASURES HEARD:

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TAPE 21, A

001 CHAIR BUNN: Convenes the meeting at 3 05 P.M.

006 GERRY THOMPSON, Lobbyist, Oregon Association of Health Underwriters:
Begins presentation. Presents written testimony to the committee EXHIBITS A and B1.

047 THOMPSON: Defers to Nina Stratton.

048 NINA STRATTON, Owner, PMA Inc.: Begins presentation.

068 STRATTON: Our objectives were to document the responses of the employers we spoke with, educate the business owners whenever possible, and enroll some uninsured employees into a health plan if possible. The action we took to accomplish this was to form task force teams.

085 Through the Insurance Pool Governing Board (IPGB), we obtained a pool of 39,900 uninsured businesses from the Department of Employment. After starting the interviews, we found that many of the businesses had insurance, or their employees had access to or were covered by spousal

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coverage. We approached 4,320 business. 2,428 provided information. Out of that 2,428, 765 did not have a health plan. 1633 either provided insurance through their place of business or their employees were covered through other sources. 1,233 did not respond to our attempts. 447 businesses were not valid. 222 would not talk with us.

090 Results:
-2,428 conversations
-93% of those 2,428 conversations indicated that cost was a major barrier
-67% of those 2, 428 had insurance, either at their place of work or through other sources

104 Lists key findings in order of priority:
-A low-cost health plan is available throughout the state
-Flexibility for business owners about contribution and participation
-Portability for employees so they can move from job to job
-Education for the business owners so they know what's available
-Incentives
-Out of 2,428 conversations, only 31% of the businesses were uninsured.

Employers are worried about costs and benefits.

118 STRATTON finishes presentation.

119 THOMPSON begins again.

125 Reads mission statement:

-"Establish seamless health insurance coverage for employees, employers, and individuals that is affordable and accessible while protecting the financial well-being of all health care partners.

-Provide a statewide approach to health insurance that is simple and understandable to the majority of citizens.

-Reward those who are responsible for their own well-being and help others to develop responsibility for their well-being."

133 Talks about group market reform

146 Employers should be able to "buy up" benefits.

156 Six-month waiting period for pre-existing conditions for anyone new to coverage. -Based on a six-month "look back"

168 "Small group": 1-25 employees.

176 Carriers who are certified to be in the small group market in Oregon should be required to provide both small group plans and individual plans.

190 Medicare supplements.

202 Individual market should provide guaranteed issue for those people who are coming from other coverage. There would be no health statements for equal or lesser coverage.

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210 New enrollees should have guaranteed issue of at least the basic coverage. Transfer enrollees should have the same guarantee.

223 Our theory is that anybody in Oregon who is taking the responsibility to insure themselves should have the right to transfer from group to individual coverage, from individual to individual coverage, from individual coverage to group coverage with no penalty as long as they've kept their coverage continuous and made the attempt to be insured.

250 Priorities:

-Portability
-Low-cost plans for both group insurance and individual insurance
-Outreach program

305 Tax credit carry-forward: possible incentive.
316 THOMPSON finishes presentation.
355 HANNON: I like your idea of re-attaching to the Federal tax code.
372 THOMPSON: Responds.
391 CHAIR BUNN: You made a statement that under a floor plan, benefits can be developed with much less cost

TAPE 22,A

001 CHAIR BUNN: Still asking question.
003 THOMPSON: Yes.
004 CHAIR BUNN: Do we have enough information to determine what portion of the market is unmet at this point, and target how much of this unmet portion can be met by these types of reforms?

009 STRATTON: Responds.
-We would have to talk to more people.

022 THOMPSON: Agrees with Stratton.

026 CHAIR BUNN: How do you see us drawing people in, other than with a mandate?

032 THOMPSON: Responds.

045 CHAIR BUNN: Do you have details that go beyond this outline to materials that can actually be used for translating into legislation?

050 THOMPSON: Yes we do; we'll be happy to provide those.

051 CHAIR BUNN: We would like to have that.

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-Refers to Ms. Thompson's earlier comments about tax credits
-Mentions possible cash rebate incentives for businesses that are not currently making money

062 THOMPSON: Responds.

075 CHAIR BUNN: We need to figure out a way to get employers to be consistent in providing insurance, whether it is voluntary or by mandate.

090 MCCOY: (Addresses Stratton) We've heard that there are about 415,000 uninsured Oregonians. You say that you don't have any exact figure, but what would be your own best guess as to how many Oregonians are currently uninsured?

097 STRATTON: Responds.

105 CHAIR BUNN: Out of those 415,000--according to your findings, many of those that we believed to be uninsured are, in actuality, insured?

109 STRATTON: Responds.

415,000 are part of the working population. I don't know how many of the part of the working population.

118 CHAIR BUNN: Is there any way you can go back and conclude that X% of those in the business community that you believed were uninsured, are insured?

125 STRATTON: Responds.

133 CHAIR BUNN: We have a figure of 165,000 in the business sector I'd like to know how many of those do have insurance.

142 STRATTON: I will be glad to do that and report back to Mr. Wilkinson.
149 THOMPSON/STRATTON finish.

155 CHAIR BUNN: Calls a 10-minute recess. Will re-convene at 3:55.

156 CHAIR BUNN: Re-convenes the meeting at 4:00 P.M.

161 BARNEY SPEIGHT, Blue Cross/Blue Shield of Oregon: [EXHIBIT C1 Begins presentation.

187 References pie chart on second to last page of EXHIBIT C.

201 Refers to RAND household survey.

240 The employer mandate route appears politically problematic.

250 Things we can do: Maintain the expanded Medicaid Oregon Health Plan, expand the small employer health insurance reforms of 1991, implement reforms in the individual or nongroup insurance market to improve availability.

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342 Public and private sector policy must continue to be relentless on cost; otherwise the ability to maintain and expand coverage will be threatened.

360 Finishes presentation.

364 CHAIR BUNN: Are you prepared to provide to the committee detailed information that we can use in a form to prepare amendments for SB 152?

368 SPEIGHT: We are working on that and it will be available in the near future.

370 CHAIR BUNN: Give me an idea of the time frame.

374 SPEIGHT: Probably two weeks at the outset.

378 CHAIR BUNN: We're on a tight schedule we need that in less than two weeks; before the 1st of March.

385 SPEIGHT: We'll work on that.

387 HANNON: Could you define what you mean by expanding the small employer health insurance reforms of 1991 ?

390 SPEIGHT: We want to make them available to a broader market segment, up to groups of 50.

398 HANNON: So you're proposing now to go to groups of 1-50 those would be small employer groups?

402 SPEIGHT: Responds.

TAPE 21,B

474 HANNON: If I brought in a client list of 160 people earning minimum wage at a nursing home, would you underwrite the group?

481 SPEIGHT: I don't know the technical answer to that, but it would be very difficult to underwrite.

484 HANNON: So do we come back in 1997 and say small groups go up to 160 if the income

level is under \$4.75 an hour?

486 SPEIGHT: Responds.

520 HANNON: Makes comments to SPEIGHT about the 160 people scenario and making it punitive to NOT participate instead of being punitive TO participate.

529 SPEIGHT: Responds.

567 CHAIR BUNN: You (Speight) mentioned on page 4 of your presentation a voluntary employer premium contribution...do you have any idea what kind of dollars we would be talking about in terms of state and federal funds?

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573 SPEIGHT: Responds.

597 CHAIR BUNN: It seems to me that we should be trying to identify the state, federal and private dollars that ought to be involved in this process as much as we can. It looks to me like there are no state or federal dollars available, and the private sector can't afford it. Yet we somehow have to make all three pay something. If we're going to be talking about private business having to start paying money, then we need to start putting up some money from the state government also.

607 MCCOY: Do you have an example of a low-income type policy, a medium-income type policy, and high-income type policy so we can get an idea of what is offered in each of those?

614 SPEIGHT: I can get examples of that for you.

630 CHAIR BUNN: Our Monday meetings may need to run until 6:00 for the next few weeks.

634 CHAIR BUNN: Adjourns the meeting at 4:25 P.M.

Submitted by,

Mary Gallagher
Committee Assistant

EXHIBIT SUMMARY:

Reviewed by,

Art Wilkinson
Committee Administrator

A - Written Testimony on Health Insurance Reform in Oregon (relating to SB 152)--Gerry Thompson and Nina Stratton--6 pages

B - "Project: You & the Oregon Health Plan" (relating to SB 152)--Gerry Thompson and Nina Stratton--5 pages

C - Written Testimony relating to SB 152--Barney Speight--5 pages

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