

SENATE COMMITTEE ON
HEALTH AND HUMAN SERVICES

March 22, 1995 1:00 P.M.

Hearing Room B
Tapes 44 - 44

MEMBERS PRESENT: Sen. Stan Bunn, Chair
Sen. William McCoy, Vice-Chair
Sen. Bill Kennemer
Sen. Randy Leonard

MEMBER EXCUSED: Sen. Lenn Hannon

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

MEASURES HEARD: 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 44, A

002 CHAIR BUNN: Convenes the meeting at 1 04 P M
Onens WORK SESSION on SB 152

Witness: Barney Speight (Invited Testimony)

009 BARNEY SPEIGHT, representing Blue Cross/Blue Shield of Oregon: Begins
presentation

Written testimony: 1EXHIBIT A1

050 Continuing presentation

086 Lists and discusses the eight concepts developed by himself and Mr
Arnie Poutala

141 KENNEMER: Is there a difference in the rate they are paying? How is
the rate established? (regarding the fifth concept on page 2 of EXHIBIT A)

143 SPEIGHT: I'll be getting to that later in my presentation

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183 In summary, these concepts employ three devices to manage the adverse
selection phenomenon associated with the individual market: 1) Accept-Reject
underwriting; 2) OMIP as a time-limited, assessment-subsidized temporary
"carrier;" and 3) A minimum of xx (12,24,36) months in a standard product in
the private market.

212 Finishes presentation.

213 CHAIR BUNN: Addresses the committee regarding Mr. Speight's
presentation.

232 KENNEMER: Re-submits his earlier question regarding price when moving
between OMIP
and other insurance programs.

235 SPEIGHT: The general concept is that every carrier would have one pool

in which individual enrollees--the cost would be pooled into one pool so there would be no segmentation. The concept would be that there would be no rating based upon health status in the individual market; it would primarily be an age rating. I can't really say what their premiums would be when moving from OMIP to the private sector, except to say that the concept of standardized products will help in comparison shopping.

258 JOEL ARIO, Executive Assistant for Policy, DBCS: There are no specific rating restrictions, which means that age would still be used as a rating factor, and in general terms age rating would give you something between a four and a six-to-one rate band.

264 KENNEMER: The insurance companies will offer a special program for people to move from OMIP into their program? You're assuming there will be competition to help moderate those prices?

273 SPEIGHT: Responds.

310 CHAIR BUNN: Invites audience to submit written comments. any concerns, suggestions. alterations. etc. as soon as possible so that they may be integrated into upcoming work sessions.
-Expresses appreciation for all the hard work that went into this presentation.

369 Adjourns the meeting at 1:32 P.M.

Submitted by,

Mary Gallagher
Committee Assistant

Reviewed by,

Art Wilkinson
Committee Administrator

EXHIBIT SUMMARY:

A - Written Testimony on Individual Health Insurance Reform, relating to SB 152--Barney Speight-3 pages

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