

SENATE COMMITTEE ON  
HEALTH AND HUMAN SERVICES

March 29, 1995 3:00 P.M.

Hearing Room B  
Tapes 47 - 50

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 1 52 Public Hearing  
SB 1115 Public Hearing  
SB 1117 Public Hearing

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TAPE 47, A

002 CHAIR BUNN: Convenes the meeting at 3 08 P M  
-Announcements  
Opens PUBLIC HEARING on SB 152  
  
Witnesses: Ellen Pinney  
Amy Klare  
Janna Starr  
Joel Ario  
Bruce Bishop  
Arnie Poutala  
Ed Hughes  
Ted Dicken  
Vickie Gates

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032 ELLEN PINNEY, Executive Director, Oregon Health Action Campaign:  
Testifying IN SUPPORT OF SB 152 with amendments. [EXHIBIT A]

056 Finishes testimony.

057 AMY KLARE, representing Oregon AFL-CIO: Testifying IN SUPPORT OF SB 152  
with amendments. [EXHIBIT B]

084 Finishes testimony.

085 JANNA STARR, Policy Analyst, Oregon Advocacy Center: Testifying IN  
SUPPORT OF SB 152 with amendments. [EXHIBIT C]

109 Finishes testimony.

110 ELLEN PINNEY: Final comments.

148 CHAIR BUNN: Addresses Pinney regarding her comments.

162 AMY KLARE: Will we have the opportunity to comment on the proposals to possibly link this with the employer mandate repeal'?

163 CHAIR BUNN: I think you should go ahead and comment on that now, to the degree that you are able. If you feel there hasn't been adequate opportunity I will try to accommodate that again later.

172 KLARE: We would adamantly oppose including repeal of the employer mandate in this piece of legislation. We don't view them as linked.

187 JANNA STARR: In the interim, the Oregon Health Plan Administrator's Office was given the task of looking very intensely at alternatives to the employer mandate, and I would hope that the committee has very thoroughly read those reports. We won't have universal coverage without universal responsibility.

203 ELLEN PINNEY: It would have been great to have been part of the process that came up with all the concepts and language that you're going to be considering, but I would hope that this committee would explore how much individuals will be asked to pay on the private market before they are rejected into the high risk pool. Because if they can be charged three to four times what a small business can for the exact same policy, and then they are not rejected into the high risk pool and they can't afford that. We're not doing very much that is substantial for the individual market.

225 CHAIR BUNN: Responds; talks about developing consensus among the various groups involved.

152-14 Amendments: EXHIBIT D

273 JOEL ARIIO, Policy Advisor, Dept. of Consumer and Business Services: Testifying IN SUPPORT OF SB 152.

325 CHAIR BUNN: Calls 5-minute recess due to sound system problems.

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327 Re-convenes at 3:41 P.M.

332 KENNEMER: Are we at some point going to have a brief synopsis of all of the various amendments so that we can see them all together and understand what's going on? (Chair Bunn responds.)

348 JOEL ARIIO: I think in light of that, we can be relatively brief because most of what we have put together has already been presented to the committee.

-Talks about getting a final consensus on all of the conceptual provisions to the bill.

152-12 Amendments: EXHIBIT E

404 CHAIR BUNN: We may need to get the consensus by having the amendments looked at, because we may not mechanically have the A-Engrossed bill back quickly, so I want to suggest this as a process: You all need to take the amendments that have been developed, and over the next four or five days, have the meetings

that you need to have to. in effect, have the sign-off on those amendments or the fine-tuning that allows you to do that kind of sign-off, so that when we come back on the tenth or twelfth of April. we're in a position to go through a bill that has very clear consensus in terms of the amendments so that as we walk through the language of the bill line by line, we don't suddenly find that there are disagreements. The consensus needs to be uniform throughout the bill. In terms of timing, that all needs to be done within a week.

TAPE 48, A

001 CHAIR BUNN: Continuing comments.

008 ARIO: I think that's a good time table. with the caveat that as we get closer to final consensus, there are still going to be some objections around final issues--I don't want to mislead the committee into the notion that we're going to be able to get a complete, final consensus because even though we'll have it on the main issues, there will potentially be some difficulty around the edges.

017 MCCOY: Addresses Chair Bunn: What you want is for those people who are actually working on the bill to be in agreement, right?

019 CHAIR BUNN: I need to understand what this conversation is saying. We have had from the very beginning, certain persons, individuals, companies etc. who did not like parts of this bill, but I want to be sure that the carriers, agents, and the Department are all in consensus. Are you saying that you are in some cases. and are not in other cases'?

026 ARIO: I think in regards to small group reform and in regards to portability, we're pretty close to consensus of the carriers and agents who've been part of the process in an ongoing way. In the individual market, there are still several issues that we may not reach a full consensus on. We can't say that we definitely will, at this point.

152-10 Amendments: EXHIBIT F

032 CHAIR BUNN: I'm interested in us getting there. I need to become a participant in that process to help it move along. I feel its essential that we do have that consensus.

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039 BRUCE BISHOP, representing Kaiser Permanente: Comments that he has not had enough time to go over the latest amendments to the bill.

044 Finishes comments.

046 ART WILKINSON, Committee Administrator: Addresses committee regarding all of the

amendments that have been passed out on SB 152.

075 CHAIR BUNN: We are adopting conceptually for the purposes of drafting a bill through which we'll go and make final decisions on each of the items.

077 WILKINSON: More comments on the amendments.

079 CHAIR BUNN: Let me suggest this: I am outlining to the committee certain choices that have been developed around a broad consensus, and I am recommending that those be included. We have basically done that with the 12 amendments for the purposes of coming back and looking at a final product. (Continues comments.)

104 ARNIE POUTALA, Legislative Chair, Oregon Health Underwriters: I concur

with Mr. Ario  
individual  
refomns.

and Mr. Bishop on the fact that the agents have been the impetus behind the

119 Finishes comments.  
126 SEN. MCCOY temporarily chairs the meeting.  
143 ED HUGHES, Pacific Health & Life Insurance Co.: Begins testimony [N  
SUPPORT OF SB

152 with proposed amendment.  
177 Finishes.  
178 KENNEMER: Addresses committee.

188 TED DICKEN, President/CEO, Pacific Health & Life: Responds to Kennemer's  
comments.

Written testimony: [EXHIBIT G]  
196 KENNEMER: Your clients are mostly in what area of the state?  
197 DICKEN: Mostly in Eastern Oregon.  
202 HANNON: I originally told Mr. Dicken that I was opposed to his  
amendment. but I would  
support it as long as we assess a monetary penalty for choosing not to  
participate. If you want to get back in, I think it should cost you  
something to buy back into it.

252 Finishes comment.  
254 DICKEN: Responds.  
296 MCCOY: What we would do, is contact the Insurance Commissioner and see  
what coming  
back in should cost.

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304 WILKINSON: Elaborates on Kennemer's amendments (Page 15, Lines 19-25, of  
SB 152-7,  
dated 3/19/95).

329 HUGHES: As a suggestion for the committee, maybe you could put  
language in that would allow us to contract with the commissioner to  
settle the monetary portion of it.

338 CHAIR MCCOY: Calls 10-minute recess.

340 CHAIR BUNN: Re-convenes the meeting at 4:28 P.M.

355 VICKIE GATES, OHP Administrator: Testifying IN SUPPORT OF SB 152. 152-13  
Amendments: [EXHIBIT H]

TAPE 47, B

476 GATES: Continuing presentation; discussing 152- 13 Amendments.  
518 MCCOY: How many people are we talking about at the 100%, poverty  
level. and how many  
at 200%?

520 GATES: Our estimate is approximately 130,000 people that fall between  
100% and 200%.

(Continues response.)

541 MCCOY: What about in Florida? I was told it's 200% across the board.

542 GATES: Florida is actually going up to 250%. (Continues response.)

548 WILKINSON: How many people is that in the next biennium?

552 GATES: By the end of the biennium. we still think that you will be able  
to phase up to the same target population.

554 CHAIR BUNN: You're talking about roughly 70,000  
people...?

556 GATES: That is going to take aggressive marketing and a lot of  
cooperation from different people.

561 MCCOY: In Florida. do they have an employer mandate?

562 GATES: No. they don't. They took a voluntary strategy.

566 MCCOY: Do you know how many people they've covered under their plan.'

567 GATES: Their original target was somewhere close to 1 million. What they have now is a Federal waiver, but they have a lack of legislative support for funding. They and the Governor are trying to negotiate the population targets.

579 CHAIR BUNN: Addresses committee re: amendments/Florida model.

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606 MCCOY: Is it possible to include pregnant mothers and children now, and not wait until the waivers are in?

610 CHAIR BUNN: For \$15 million here, we can leverage close to \$100 million total dollars and cover ultimately 65,000 people. With the program on pregnant women and children, we're looking at a cost of about \$40-45 million and covering less people.

622 WILKINSON: Clarifies Chair Bunn's remarks.

634 MCCOY: I'm concerned about the long length of time we have to wait we can't even put it in until next January'? (Wilkinson responds affirmatively.)

644 CHAIR BUNN: Let me suggest this: I would hope that we would include this portion, and if we see a way to include the other portion, then we'd look at that and bring that to the committee at that point. Is there objection to including this in our preliminary draft, like we've been doing?  
(Committee discussion ensues.)

695 Is there any objection to including the - 13 Amendments? (None registered.) We will include this in our preliminary draft.

718 Talks about the - 14 Amendments.

726 MCCOY: My point is. I don't look upon -12. as it is here. something that I would vote for unequivocally. We haven't gone through it all yet.

741 CHAIR BUNN: Responds.

797 LEONARD: Would it be appropriate at this time to get the same kind of acceptance on the -10 Amendments. regarding pre-existing conditions?

837 CHAIR BUNN: Responds. Let's go on to the next item. the repeal of the employer mandate Wilkinson hands out the -5 Amendments EXHIBIT 1J.

859 Calls 5-minute recess.

860 Re-convenes at 5:08 P.M. We're now on the employer mandate.

888 I want to suggest to the committee a two version approach to the mandate that gives us additional time to talk about it while we're getting it into the bill successfully.

482 CHAIR BUNN: The proposal would be this: that we have the bill drafted with two versions. The first version would be for repeal of the employer and individual mandates. The second would be for an extension of the employer and individual mandates, meaning that those mandates would continue to be in existence. That simply gives us a policy choice between those two, but it keeps the bill moving with what the Chair considers the essential element and what other members consider to be essential in this process also. I invite comments on the issue from committee members.

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492 MCCOY: How are you going to incorporate both?

493 CHAIR BUNN: What we would do is this: My intent would be to have an engrossed bill that has version 1 and an engrossed bill that has version 2. and if we cannot do that, we will hand-  
engross both so that we don't show a bias toward either.

509 LEONARD: I am always open to discussions, but if I'm forced to take a position at this point I have to oppose eliminating the employer mandate.

515 CHAIR BUNN: No one on the committee is being forced to take a position about this now. Is there objection to the two statement approach? (Leonard asks for clarification)

522 CHAIR BUNN: By taking this action, no one on this committee has indicated, except me, a support for elimination of the mandate at this point. No one has taken a position or a vote in support of continuing the mandate, either. We have simply put those two options on the table as a part of our continuing discussion. If there's no objection, that item will be included in the bill.

530 WILKINSON: Addresses Chair re: holding off on SB 1075.

547 CHAIR BUNN: Recesses the meeting until 6:00 P.M.

548 Re-convenes at 6:08.  
Opens PUBLIC HEARING on SB 1115

Witnesses: Lisa Joyce  
Dean Kortge  
Pl~vllis Jacobs  
Gerry Thompson

557 CHAIR BUNN: Discusses the issues that the bill deals with.

572 KEITH PUTMAN, Committee Researcher: Addresses committee re: SB 1115. The fiscal office doesn't yet have all the data they need to tell us that there is no fiscal impact; it's my impression that if there is a fiscal impact, it's very minor. Hands out -I Amendments. [EXHIBIT J]

630 Still addressing committee.

680 Still addressing committee.

683 CHAIR BUNN: Invites witnesses forward to testify.

692 LISA JOYCE, Coordinator, Senior Health Insurance Benefits Assistance Program: Testifying IN SUPPORT OF SB 1115.

740 Continuing testimony.

769 Finishes testimon.

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770 DEAN KORTGE, Legislative Chair, Oregon Life Underwriters Assoc.:  
Testifying IN

820 SUPPORT OF SB 1115.

822 Finishes testimony.

822 PHYLLIS JACOBS, representing Oregon Health Underwriters Assoc.:  
Testifying IN

SUPPORT OF SB 1115 with proposed changes which she discusses in her testimony.

[EXHIBIT K1

870 Continuing testimony.

TAPE 49, A

001 JACOBS: Continuing testimony.

053 Finishes testimony.

054 HANNON: Question regarding partnership plans.

066 JACOBS: Responds.

076 HANNON: Question to Putman regarding Section 9 on page 7, lines 33-40 of the printed bill.

088 PUTMAN: The only eligibility change is in the asset test of the individual.

090 HANNON: We need to clarify that. (Putman agrees.)

092 PUTMAN: Question to Jacobs regarding eligibility for Medicaid..

097 JACOBS: The income, under regulations now. still has to go toward the nursing home care costs.

100 PUTMAN: Responds.

102 JACOBS: The part that I was referring to specifically had to do with the current income cap in the state.

122 GERRY THOMPSON, representing Health Insurance Association of America:  
Testifying

IN SUPPORT OF SB 1115 with proposed Amendments. 1EXHIBIT L

180 Continuing testimony.

202 Finishes testimony.

214 CHAIR BUNN: Closes PUBLIC HEARING on SB I 115

Onens PUBLIC HEARJNG on SB 1117

Witnesses: Steve Minnich

Bob Castagna

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Janice Pelster  
Dennis Keenan  
Bernie Thurber  
John Egge

227 CHAIR BUNN: Outlines development of the bill & how it came about.  
280 Continuing comments.  
313 Goes through specific provisions of the bill.  
360 Still going through provisions.  
4 10 Finishes.

TAPE 50, A

002 KEITH PUTMAN: Augments Chair Bunn's comments on the bill.  
009 HANNON: Sa! I live in John Da! and I'm on family assistance. and there's

no jobs  
available. Does that mean I have to move to Portland to qualify'?

012 PUTMAN: Responds.

021 STEVE MINNICH, Administrator, Adult & Family Services: Addresses Sen.  
Hannon's question and starts his testimony IN SUPPORT OF SB 1117. with  
proposed amendments.

034 HANNON: My concern is that the Jobs program was started out in areas  
where there were, in fact, jobs. Now we're trying to expand it to rural  
areas where there are no jobs. How do you deal with those people?

040 MINNICH: Responds.

059 HANNON: Editorial comments to Minnich.

073 MINNICH: I think we should probably bring to the committee's attention  
that the analysis we've done of both the minimum wage job and the  
\$6.00/hour average job has shown that a family of three makes more money  
off of welfare than they do on welfare.

120 Continuing testimony.

170 Continuing testimony.

212 CHAIR BUNN: Let me announce something about Jobs Plus: the Jobs Plus  
portion of this bill is really not ready for public comment. The House is  
holding hearings and we wanted to wait until they're done with their  
hearings so that we can take a look at their product. We'll go more into  
Jobs Plus in later hearings.

218 MINNICH: Continues testimony.

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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.

234 Finishes testimony.

237 KENNEMER: We're one of two states with a declining welfare role--is that  
right?

239 MINNICH: We're the only state on the west coast with a declining role.  
There are a number of other states that have declining roles.

249 KENNEMER: Follow-up question.

251 MINNICH: Responds.

279 KENNEMER: I guess what I hear you saying is, with the possible exception  
of time limits,  
you basically feel like we have an aggressive positive, incentive-oriented



program'?

285 MINNICH: Responds.

297 BOB CASTAGNA, Oregon Catholic Conference: Testifying mostly IN

OPPOSITION TO SB

1117. [EXHIBIT M1

350 Continuing testimony.

400 Continuing testimony.

TAPE 49, B

476 CASTAGNA: Continuing testimony.

500 Finishes testimony.

501 JANICE PELSTER, Executive Director, St. Vincent de Paul: Testifying

mostly IN

OPPOSITION TO SB 1117. [EXHIBIT N

555 Continuing testimony.

570 Finishes testimony.

571 DENNIS KEENAN, Executive Director, Catholic Charities in Oregon:

Testifying mostly IN

OPPOSITION TO SB 1117. [EXHIBIT \*1

630 Continuing testimony: talking about benefits for children whose parents are drug/alcohol abusers.

637 CHAIR BUNN: This is one area where I think that incentives don't work very well. They don't solve the problem. How are we ever going to solve the problem if we don't take strong action?

642 KEENAN: Responds.

660 CHAIR BUNN: You can't get tough on the adult without having some impact on the child.

662 KEENAN: Responds and concludes testimony.

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674 KENNEMER: Comment to Bunn re: setting consequences, etc.

682 CHAIR BUNN: I have to say that in drug and alcohol areas, you have a world that has to be

treated in a different way than if those substances weren't involved in an abusive situation.

713 BERNIE THURBER, Attorney, Oregon Legal Services: Testifying mostly IN OPPOSITION

TO SB 1117. [EXHIBIT P]

765 Continuing testimony.

830 Continuing testimony.

880 Continuing testimony.

TAPE 50, B

476 THURBER: Continuing testimony.

490 Finishes testimony.

491 JON EGGE, small business owner/operator: Testifying mostly IN OPPOSITION

TO SB

1117.

550 Continuing testimony.

567 CHAIR BUNN: Why do you feel that the time frame in itself is detrimental? Time frames are usually an effective way of keeping things moving along.

517 EGGE: Responds.

608 CHAIR BUNN: We'll go until 8:10, but then we'll have to cut this off.

613 THURBER: Addresses Chair Bunn regarding the proposed 2-year time limit on benefits.

632 EGGE: Resumes comments.

679 THURBER: Final comments.  
703 CHAIR BUNN: Adjourns the meeting at 8: 1 1 P.M.

Submitted by,

Mary Ga her  
Committee Assistant

Reviewed by,

Art Wilkinson  
Committee Administrator

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EXHIBIT SUMMARY:

A - Written Testimony on SB 152--Ellen Pinney--3  
pages

B - Written Testimony on SB 152--Amy Klarc--3  
pages

C - Written Testimony on SB 152--Janna Starr--2 pages  
D - SB 152-14 Amendments--Senator McCoy--7 pages  
E- SB 152-12 Amendments--Joel Ario--:0 pages  
F - SB 152-10 Amendments--Senator Leonard--1 page  
G - Written Testimony on SB 152--Ted Dicken--2 pages  
H - SB 152-13 Amendments--Vickie Gates--4 pages  
I - SB 152-5 Amendments--Art Wilkinson-- 1 page  
J - SB 1115-1 Amendments--Keith Putman--14 pages  
K - Written Testimony on SB 1115--Phyllis Jacobs--2 pages  
L - Written Testimony on SB 1115--Gerry Thompson--3  
pages  
M- SB 1117-1 Amendments--Keith Puhnan--3 pages  
N - Written Testimony on SB 1117--Bob Castagna-- 1 3  
pages  
O - Written Testimony on SB 1117--Janice Pelster--6 pages  
P - Written Testimony on SB 1117--Dennis Keenan--5 pages  
Q - Report relating to SB 1117--Bernie Thurber--63 pages

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