

HOUSE SPECIAL COMMITTEE ON EMPLOYER HEALTH INSURANCE PROGRAMS

June 7, 1993           Hearing Room E 6:00 p.m.   Tapes 2 - 3

MEMBERS PRESENT:           Rep. Greg Walden, Chair Rep. Gene Derfler Rep.  
Bob Shiprack

STAFF PRESENT:            Marta Simons, Committee Administrator Rick  
Gaupo, Committee Clerk

INFORMATIONAL MEETING:           Discussion on ERISA Overview:  
Office       of       the       Governor       Department of Finance

[--- Unable To Translate Graphic ---]

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. [--- Unable To Translate Graphic ---]

TAPE 2, SIDE A

Chair Walden calls the meeting to order at 6:30 p.m.

Tom Deering, Cascade Trade Association, discussing Oregon's employer-provided health insurance mandate, submits copy of letter to Sen. Shoemaker (Exhibit A) > Discusses the issues and problems of the federal law's preemption preventing states from mandating employer-provided insurance > The state cannot pass a law that mandates that employers pay for insurance > The courts have been very strict on the state attempting to mandate employer-provided health insurance 100 > Discussion on Multiple-Employer Welfare Arrangements (MEWA) > You can regulate MEWA's 111 > SB 533 deals with non-fully insured MEWA's 180 > You cannot regulate the company but you can regulate the insurance that companies can buy 204 > Discussion of whether Oregon's mandate will pass federal requirements > There are several states wrestling with this issue, but all have found trouble trying to pass the federal preemption 230 > Rep. Derfler asks whether Oregon's plan would need to get a waiver. Yes, and that would require an act of Congress 272 > For 19 years there has been a federal preemption and nothing has happened, but now there is a great deal of involvement on the federal level on this issue 310 > Chair Walden asks whether the mandate would be considered illegal on the federal level. Yes, it is believed so 340 > Discussion on who can be mandated to pay for insurance > Rep. Shiprack asks what can be done with the group of employers who do not offer health insurance 402 > Rep. Derfler asks whether individuals can be mandated to have insurance. Yes TAPE 3, SIDE A

Tom Kramer, Attorney, adds support to Tom Deering's comments

030 Kathleen Beaufait, Legislative Counsel, and Elizabeth Harchenko, Department of Justice, comment on whether Oregon's mandate will be federally legal > Beaufait states that she is doubtful that Oregon's plan will be able to get over the preemption hurdle 075 > Harchenko states that based on case law it appears that Oregon's mandate will not pass federal restrictions 095 Rep. Luke asks whether

it can be mandated that people have insurance but not who is going to pay for it. Yes

OVERVIEW: Office of the Governor

Roger Auerbach, Policy Advisor to the Governor, explains history of Oregon's attempt at health reform > Discusses funding for SB 935 162 > There is hope by some that Oregon's plan can get past ERISA > Courts are changing, with a case in point in New Jersey 234 > Submits list of who is eligible (Exhibit B) 290 > Chair Walden asks whether the mandate requires that the employer pay for the insurance 327 > Discussion on a standard plan > Rep. Derfler asks what the definition of a standard plan is. SB 1076 comes closest to defining a standard plan 370 > Chair Walden asks what initiative is occurring on the national level

Department of Insurance and Finance

TAPE 2, SIDE B

012 Gary Weeks and Craig Urbani of DIF, discussing policies for small employers, submit Distinctions of the Oregon Health Plan (Exhibit C) > Discussion of SB 1076 (1991 Session) > SB 1076 is for employers with three to twenty-five employees, who voluntarily choose to offer insurance > Employees can only opt out of insurance plans if they are covered by another plan 080 > Rep. Shiprack asks about cyclical work forces and employers who have 26 or more employees. Companies with more than 25 employees cannot purchase the basic plan 118 > Rep. Luke asks why some companies have withdrawn from the option 151 > Insurance prices have reached a middle price > The plan is targeted for about \$100/month per individual > There are about 25,000 agents that sell this product and 29 companies involved 245 > Chair Walden asks whether it is the intent of DIF to establish a plan for section 7 of SB 935. Yes 288 > Review of prices and benefits of SB 1076

TAPE 3, SIDE B

020 Discussion on the performance and participation level of SB 1076 047 > Discussion on why the numbers deal with three to twenty-five employees 108 > Rep. Shiprack asks for a survey of SB 1076 and Chair Walden asks for better numbers on prices 144 > Rep. Shiprack asks whether a group of carriers can be under SB 1076. Yes

160 Chair Walden adjourns the meeting at 8:20 p.m.

Submitted by

Reviewed by

Rick Gaupo  
Clerk

Marta Simons Committee  
Committee

Administrator

EXHIBIT LOG: A - Tom Deering, 10 pages B - Roger Auerbach, 3 pages C - Gary Weeks, 5 pages