

HOUSE SPECIAL COMMITTEE ON EMPLOYER HEALTH INSURANCE PROGRAMS

June 10, 1993      Hearing Room E 6:00 p.m.      Tapes 6 - 9

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

STAFF PRESENT: Marta Simons, Committee Administrator

Rick Gaupo, Committee Clerk

INFORMATIONAL MEETING:                      Business and Labor Groups  
Employer Health Insurance Programs

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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 6, SIDE A

Chair Walden calls the meeting to order at 6:00 p.m.

Business and Labor Groups

Amy Klare, AFL-CIO, and Rich Peppers, OPEU, testify before the committee  
006 > Amy Klare submits and summarizes prepared testimony  
(Exhibit A) 059 > Rich Peppers, OPEU, submits and summarizes  
prepared testimony (Exhibit B) 115 > Chair Walden asks what position  
their organization has taken on various methods of funding the employer  
mandate 157 > Rep. Shiprack asks for information on ways that the  
private sector funds health insurance 191 > Rep. Derfler asks about  
methods of cost containment 214 > Chair Walden asks about  
"certificate need" > Rep. Derfler asks about tort reform

240 Fred VanNatta, Home Builders Association, Joe Gilliam, Small  
Business Owners, and Mike McCallum, Oregon Restaurant Association,  
testify before the committee > Van Natta, testifying that insurance  
should not be tied to the employer, submits and summarizes Staff  
Measure Summary and impact statements - (Exhibit C) 404 > Rep.  
Derfler comments that the difference between employer-paid  
insurance and employee-paid insurance is before and after tax cost

TAPE 7, SIDE A 001                      > Van Natta summarizes main points 047 >  
Expresses support of SB 841 which holds head of household  
responsible > Answers members' questions > Rep. Derfler asks that  
VanNatta address the tax problem. Yes, it would still be paid  
with after-tax dollars > If the employer pays for the insurance then  
there needs to be two systems for those who work and those who do not  
100 > Chair Walden discusses the various reports on  
different working standards > Rep. Derfler states that he is  
intrigued by the idea of tax credit for those who pay their own  
insurance > Rep. Shiprack asks about a flexible benefit plan 187 > Joe  
Gilliam, testifying that small businesses do not want a mandate,

submits and summarizes prepared testimony (Exhibit D) > Rep. Derfler asks whether the 3-25 employees should be changed to 3-50 > Rep. Derfler asks how to deal with independent contractors 380 > Rep. Derfler asks why the cost is substantially lower than the Medicare plan

TAPE 6, SIDE B

016 > Gilliam reviews last chart > Chair Walden asks how "lifestyle" would be defined 046 > Mike McCallum, Oregon Restaurant Association, raising questions that the mandate does not answer, submits and summarizes prepared testimony - (Exhibit E) 132 > Answers members' questions > Rep. Shiprack asks whether his group has a group plan. Yes, but it is not very competitive > Fred Van Natta describes the Home Builders Association's attempt at a statewide program, and offers comments on how to deal with associations of small employers

202 Ross Dwinell, United Grocers, and Bob McKeller, Oregon Forest Products Transportation Association, discussing MEWAs, submits and summarizes prepared testimony (Exhibit F) > Bob McKeller states his firm's experience with MEWAs 312 > Describes the United Grocers' experience with multiple employer insurance > Offers an alternative to a mandated insurance > Discusses self-insured programs > Increases the amount employees pay

TAPE 7, SIDE B

> Answers members' questions > Chair Walden asks what the cost to individuals is. \$137 average > Chair Walden asks about the effects of MEWA on the market > Rep. Derfler asks how to control cost. Managed care > Rep. Derfler asks how to get around ERISA 104 > Chair Walden asks about a comparison of cost to other insurance companies > Rep. Shiprack asks about the MEWA association > Chair Walden asks about MEWA's effect on the market. MEWAs socialize the cost of high claims

168 Greg Teeple describes the Taft-Hartley plan > Describes financing of plan > Insurance moves with the employee rather than staying with the employer > Average employer has 6-10 employees > Financed by the workers > There is a dollar bank to pay premiums when someone is not working 255 > Two problems are the duplication of services and cost shifting > Description of benefits > Answers members' questions > Rep. Derfler asks about the cost of insurance > Chair Walden asks what mandates the Taft-Hartley Trust does not follow > Rep. Shiprack asks about the situation of both spouses having insurance 359 > Chair Walden asks what drives up the cost. Large employees cut better deals > Rep. Derfler asks about restrictions > Rep. Derfler asks what the average cost is. \$325 > Rep. Shiprack discusses cost shifting

TAPE 8, SIDE A

027 > Chair Walden asks whether rates are for public record

078 Kevin Earls, AOI, submits and summarizes prepared testimony (Exhibit G) > Supports the Oregon Health Plan > Answers members' questions > Rep. Shiprack asks how to contain cost. Pre-pay capitated system > Need to put provider community at risk. Drive down excess > Individual insurance to control utilization >

Rep. Derfler asks how to avoid the negative perceptions of captitated care

TAPE 9, SIDE A

004 Al Thompson testifies before the committee > Access is not a problem 030 > Cost is a problem > Rep. Derfler asks how the Taft-Hartley plans are so low > Al Thompson cites an example from Hawaii and submits article (Exhibit H)

> Rep. Shiprack asks about IRS section 125. Uses pre-tax dollars and is a use-it or lose-it system

150 Barbara Coombs, Oregon Health Council, submits and summarizes prepared testimony (Exhibit I) > Chair Walden asks about the relationship between the council and the Robert Wood Task Force

269 Chair Walden adjourns the meeting at 9:00 p.m.

Submitted by

Reviewed by

Rick Gaupo  
Clerk

Committee

Marta Simons Committee

Administrator

EXHIBIT LOG:

A - Amy Klare, 3 pages B - Rich Peppers, 1 page C - Fred VanNatta, 7 pages D - Joe Gilliam, 8 pages E - Mike McCallum, 3 pages F - Ross Dwinell, 3 pages G - Associated Oregon Industries, 5 pages H - Al Thompson, 1 page I - Oregon Health Council, 14 pages