

HOUSE COMMITTEE ON RULES AND REORGANIZATION Subcommittee on
Reorganization

May 7, 1993 Hearing Room E 2:00 p.m. Tapes 33 - 36

MEMBERS PRESENT: Rep. John Watt, Chair Rep. Delna Jones Rep. Michael
Payne Rep. Eldon Johnson

MEMBER EXCUSED: Rep. Avel Gordly

VISITING MEMBER: Rep. Fred Girod

STAFF PRESENT: Adrienne Sexton, Committee Administrator Kenneth
Brady, Committee Clerk

MEASURES CONSIDERED: HB 2718 - Transfers jurisdiction to regulate
retirement communities

from Senior Disabled Services to Dept. of Insurance

and Finance

HB 2031 - Creates Oregon State Fair Corporation

WITNESSES: Richard Templin, Resident, HB 2718 Philip
Creamer, Resident, HB 2718 Donald Kunkle, Resident, HB 2718 Russell
McKenzie, Resident, HB 2718 Gwen Whitlock, Resident, HB 2718 Brad
Bayliss, Senior Advocate, HB 2718 Sally Goodwin, Oregon Assoc. of Homes
for the Aging,

HB 2718 Tim Edwards, CCRC Committee, HB 2718 Gene Stutzman, Menonite
Village, HB 2718 Bill CoSB y, Resident, HB 2718 Vera Larsen, Resident,
HB 2718 Pat Brown, Hallday Park Plaza, HB 2718 Mel Miles, Crown
Research, HB 2718 John Scott, Resident, HB 2718 June Brought, Resident,
HB 2718 Dave Bryant, Resident, HB 2718 Robert Donohue, Hillside Manor,
HB 2718 Scott Ferguson, HB 2718

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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 ---]

Mary Alice Bjork, Insurance Division, HB 2718 Thomas Erwin, Oregon
Insurance Consumer Advocate, HB 271 8 Pamela Ruona, S.D.S.D., HB 2718
Don Hillman, State Fair, HB 2031 Dave Nelson, HB 2031 Cliff Babbitt, HB
2031 Jerry Schneider, HB 2031 Pamela Barclay, HB 2031 Babette Hornstein,
HB 2031

TAPE 33, SIDE A

003 REPRESENTATIVE JOHN WATT, SUBCOMMITTEE CHAIR: Convenes meeting at 2:05 p.m. -Opens public hearing on HB 2718.

PUBLIC HEARING - HB 2718

005 ADRIENNE SEXTON, COMMITTEE ADMINISTRATOR: Explains HB 2718. -Has a subsequent referral to Appropriations.

050 WATT: Questions pages 5 and 6 of the machine-engrossed bill.

055 SEXTON: Explains machine-engrossing.

078 RICHARD TEMPLIN, RESIDENT: Submits written testimony (EXHIBIT B) in support of HB 2718.

114 REPRESENTATIVE DELNA JONES: What is the problem that needs to be solved with the current administration?

122 TEMPLIN: Responds.

150 JONES: You're preventing a problem from happening?

153 TEMPLIN: Correct.

158 PHILIP CREAMER, RESIDENT: Submits written testimony (EXHIBIT C) in support of HB 2718.

206 WATT: Have there been failures of these kinds of CCRC's in the past that have put residents in tenuous circumstances?

216 CREAMER: Not that I am aware of, but I've heard there have been problems.

233 WATT: Did you ask any questions about that when you entered into the service?

240 CREAMER: Responds. 270 WATT: But you aren't sure if you're not getting the protection now. -What triggered the concern?

276 CREAMER: Conversations with other residents.

287 JONES: Did you have an attorney represent you on your contract?

290 CREAMER: No.

293 JONES: Do you know what remedies exist if the company doesn't meet the contract?

300 CREAMER: No.

305 JONES: Most people don't get an attorney for this?

310 CREAMER: I don't believe so.

325 DONALD KUNKLE, RESIDENT: Submits written testimony (EXHIBIT D) in support of HB 2718.

400 WATT: You cited three dozen places that failed. All due to malpractice?

411 KUNKLE: Responds.

416 WATT: Were you concerned when you became involved?

424 KUNKLE: Responds.

435 WATT: What triggered your concern?

440 KUNKLE: Responds.

448 WATT: Are all CCRC's that way?

452 KUNKLE: Not all.

466 RUSSELL MACKENZIE, RESIDENT: Submits written testimony (EXHIBIT E) in support of HB 2718.

TAPE 34, SIDE A

030 MACKENZIE: Continues testimony.

077 WATT: Who do you think opposes this bill?

079 MACKENZIE: Responds.

083 JONES: Your background is in insurance?

084 MACKENZIE: Responds.

087 JONES: How long have you been in CCRC's and have you hired an attorney?

090 MACKENZIE: Responds.

100 GWEN WHITLOCK, RESIDENT: Submits written testimony (EXHIBIT F) in support of HB 2718.

127 WATT: When you considered CCRC's did you ask questions about this?

131 WHITLOCK: Not at the time. Now I would.

159 WATT: What created your concern?

162 WHITLOCK: Responds.

173 WATT: What makes you believe you'll have to pay for it? Are there residents like that?

176 WHITLOCK: Some have moved out in fear of having to pay.

186 WATT: What made you think you didn't have to pay for it?

190 WHITLOCK: We assumed. -Explains.

200 JONES: Have you looked over your contract since then?

206 WHITLOCK: We did bring it to a lawyer, but it was okay according to him.

211 JONES: Does the contract require that unlimited medical service be provided?

217 WHITLOCK: I don't believe so.

224 JONES: This bill does not make that requirement, either.

227 WHITLOCK: It requires a review and adequate reserves.

233 WATT: What triggered your concern?

238 WHITLOCK: Responds.

246 WATT: You see a 'dark cloud on the horizon'?

251 WHITLOCK: Responds.

257 BRAD BAYLISS, SENIOR ADVOCATE: Submits written testimony (EXHIBIT F) in support of HB 2718.

318 WATT: Why can't we count on all the facilities to have that high level of conscience?

323 BAYLISS: Responds.

333 WATT: Anything specifically that's come to your attention?

336 BAYLISS: Not in this state.

343 SALLY GOODWIN, OREGON ASSOCIATION OF HOMES FOR THE AGING: All of the continuing care facilities in Oregon are non-profit and all are

sponsored by a church organization. -Current law requires reserves.

390 REPRESENTATIVE ELDON JOHNSON: Who do you provide those reports to?

395 GOODWIN: Responds.

403 JONES: All Oregon facilities are non-profit and sponsored by church groups?

405 GOODWIN: Responds.

420 JONES: The charter would indicate what backing there is?

425 GOODWIN: Yes.

430 JOHNSON: What does the church do?

433 GOODWIN: Responds.

442 JOHNSON: Do the churches have anything to do with running the facilities?

447 GOODWIN: Responds.

TAPE 33, SIDE B

037 WATT: How many facilities in Oregon have resident participation on their boards?

040 GOODWIN: Responds.

047 JIM EDWARDS, CHAIR OF THE CCRC COMMITTEE: Gives history of the CCRC program. -In opposition to HB 2718 because the current law is fine. -Reads a letter from Senior Disabled Services Division.

134 JOHNSON: Do those financial records become public?

139 EDWARDS: Responds.

144 WATT: In the ORS, the reserves are required in increments by the year 2000. How many are there now? 152 EDWARDS: Responds.

156 WATT: Are the reports you mentioned submitted to the federal government?

162 EDWARDS: Yes.

164 MAC MCFARLANE, RESIDENT: The system for CCRC's works fine now.

185 WATT: When you entered the CCRC program, did the financial stability concern you?

192 MCFARLANE: No.

202 GENE STUTZMAN, MENONITE VILLAGE: In opposition to HB 2718.

230 BILL COSBY, RESIDENT: The system we have already in place is very good. -In opposition to HB 2718.

296 VERA LARSEN, RESIDENT: In opposition to HB 2718. -We have financial stability.

350 WATT: You have no concerns?

356 LARSEN: I knew what I was buying when I moved in.

366 WATT: Do you have any residents that serve on the board?

371 LARSEN: I do, as a full voting member.

376 PAT BROWN, HOLLADAY PARK PLAZA: In opposition to HB 2718.

410 MEL MILES, CROWN RESEARCH: Some states hire outside experts to review their CCRC's.

TAPE 34, SIDE B

034 MILES: Continues testimony.

060 JOHNSON: Do you get involved with the financial aspects?

062 MILES: Yes.

064 JOHNSON: What do you see happening?

066 MILES: Responds.

074 JOHNSON: How do you evaluate the financial condition of CCRC's in Oregon?

078 MILES: All but a few are good. Very strong.

092 JOHNSON: Are you comfortable with the current requirements? 094
MILES: Yes.

114 JOHN SCOTT, RESIDENT: In opposition to HB 2718.

157 JONES: Does your group provide access to financial statements?

161 SCOTT: On request from administration.

163 JONES: Have you met the reserves?

166 SCOTT: I'm sure we have.

170 JONES: Have you heard the concerns and tried to address them?

174 SCOTT: Yes.

181 WATT: How long have you been there? Where did you come from?

185 SCOTT: 4 years. Originally from Portland but recently from Arizona.

190 WATT: Did you look around first?

192 SCOTT: Yes. Chose Oregon.

195 WATT: Your facility is known to have large reserves. Do you feel secure?

200 SCOTT: Yes.

214 JUNE BROUGHT, RESIDENT: I have confidence in the current system. -Our attorney looked over our contract. -In opposition to HB 2718.

235 DAVE BRYANT, RESIDENT: In opposition to HB 2718. -The system works fine as it is.

279 ROBERT DONOHUE, HILLSIDE MANOR: In opposition to HB 2718. -Reads a letter from Vern Jones, President of Hillside Manor Resident's Association.

345 SCOTT FERGUSON: In opposition to HB 2718.

355 MARY ALICE BJORK, INSURANCE DIVISION: We're not aware of any companies that are having problems. -Neutral on HB 2718.

400 JONES: How would you pay for it?

407 BJORK: Responds.

423 THOMAS ERWIN, OREGON INSURANCE CONSUMER ADVOCATE: Comments on the Willamette University study that was cited earlier.

TAPE 35, SIDE A

030 ERWIN: Continues testimony.

087 PAMELA RUONA, S.D.S.D.: We're neutral on HB 2718.

094 JONES: Can you do financial audits?

098 RUONA: Responds. -This bill also eliminates escrow.

171 WATT: Closes public hearing on HB 2718. -Opens public hearing on HB 2031.

PUBLIC HEARING - HB 2031

180 WATT: Explains situation with HB 2031.

223 REPRESENTATIVE FRED GIROD: Explains -8 amendments (EXHIBIT I).

253 WATT: What would satisfy you short of having all that in statute?

259 GIROD: The -8 amendments will do what I want.

266 DON HILLMAN, OREGON STATE FAIR: Responds. -Submits proposed amendments (EXHIBIT J).

300 WATT: Would the State Fair or the contractor be responsible for loss?

308 HILLMAN: The contractor.

320 GIROD: How much did they make last year and how much did you get?

328 HILLMAN: Responds.

331 JONES: How much did you receive?

334 HILLMAN: Responds. -SB 1119 is our suggestion.

358 WATT: How does SB 1119 relate?

363 JONES: Can you resolve this issue and then bring this back to us?

374 HILLMAN: I don't think we can.

385 JONES: You're comfortable to do the racing now, but the amendment only asks you to continue doing the same.

395 HILLMAN: But what if there isn't someone to do it? Then we have to run it.

405 JONES: Will there be a loss in the next two years?

410 HILLMAN: Yes, I believe so.

415 WATT: Is there a way to resolve this without putting the state in jeopardy of having to pay if there's no one to run racing?

437 DAVE NELSON: Responds, concerning a memo.

460 WATT: What memo is that?

467 NELSON: Responds. Submits memo (EXHIBIT K).

TAPE 36, SIDE A

030 NELSON: Continues testimony.

065 WATT: Are you willing to recoup any losses that may come about in the next two years?

077 NELSON: Responds.

081 WATT: So your concern is just from this memo?

085 CLIFF BABBITT, OREGON HORSEMEN'S BENEVOLENT & PROTECTIVE ASSOCIATION: I haven't seen the memo. I don't know. -Submits written testimony (EXHIBIT L).

111 WATT: What we've got here is a failure to communicate.

127 NELSON: Responds.

165 JONES: Is the state fair the same as business?

195 HILLMAN: Notes part of the memo.

217 WATT: There's a solution here somewhere. Am I missing something?

237 HILLMAN: After 1994 we'd have to pay for running horse racing.

240 WATT: You need to get together and talk this over again.

275 JERRY SCHNEIDER: In support of HB 2031 but against -7 and -8 amendments.

295 PAMELA BARCLAY: The fair should bear in mind that they need to protect all the horse events, not just racing. 327 BABETTE HORNSTEIN: We just need to work this all out together.

369 HILLMAN: Agriculture is important. We understand this.

390 WATT: Closes public hearing on HB 2031. -Adjourns at 4:52 p.m.

Submitted by:

Reviewed by:

Kenneth Brady
Administrator

Adrienne Sexton Clerk

EXHIBIT LOG:

A - Proposed amendments to HB 2718 - Staff - 14 pages B - Testimony on HB 2718 - Richard Templin - 2 pages C - Testimony on HB 2718 - Philip Creamer - 1 page D - Testimony on HB 2718 - Donald Kunkle - 1 page E - Testimony on HB 2718 - Russell MacKenzie - 3 pages F - Testimony on HB 2718 - Gwen Whitlock - 4 pages G - Testimony on HB 2718 - Brad Bayliss - 2 pages H - Testimony on HB 2718 - Jim Edwards - 5 pages I - Proposed amendments to HB 2031 - Fred Girod - 3 pages J -

Proposed amendments to HB 2031 - Don Hillman - 1 page K - Memo concerning HB 2031 - Dave Nelson - 7 pages L - Testimony on HB 2031 - Cliff Babbitt - 2 pages M - Testimony on HB 2031 - Lonnie Craig - 3 pages N - Testimony on HB 2031 - Bob Gadach - 1 page O - Testimony on HB 2031 - George Julian - 1 page