

SENATE COMMITTEE ON HEALTH CARE AND BIO-ETHICS

April 8, 1993      Hearing Room C 3:00 p.m.      Tapes 46 - 48

MEMBERS PRESENT:    Senator Bob Shoemaker, Chair Senator Joyce Cohen  
Senator Gordon Smith

EXCUSED:                Senator Jeannette Hamby, Vice Chair Senator Bill  
McCoy

STAFF PRESENT:        Barbara Coombs, Administrator Dick Shoemaker,  
Administrator/Assistant Joan Green, Assistant

MEASURES HEARD:        SB 905 relating to insurance, WS SB 1104 relating  
to federal Medicaid hospice benefits in Oregon; appropriating  
money; declaring an

emergency, WS SB 703 relating to group health stop loss insurance;

declaring an emergency, PH SB 989 relating to insurance; declaring an  
emergency, PH SB 990 relating to certain employer provided health

insurance, PH SB 991 relating to employee coverage under small

employer health insurance, PH SB 992 relating to health insurance;  
declaring an

emergency, PH SB 149 relating to health, PH SB 1029 relating to the  
membership of the Health

Resources Commission, PH

WITNESSES:            Craig Urbani, Department of Insurance and  
Finance Amy Klare, Member of the Health Services Commission Paige  
Sipes-Metzler, Executive Director, Health

Services Commission Jim Carlson, Oregon Medical Association Dan Harris,  
Executive Director, Oregon Health

Resources Commission Theresa McHugh, Executive Department Michael  
Skeels, Administrator, Health Division John Mangan, Standard Insurance  
Company Peggy Anet, League of Oregon Cities John Powell, Blue Cross Blue  
Shield Rocky King, Administrator, Insurance Pool Governing

Board Bruce Bishop, Kaiser Permanente Mark Nelson, Public Affairs  
Council, Oregon Chapter of the National Association of Social Workers  
Steve Doty, President, Oregon Association of Health

Underwriters and Oregon Life Underwriters Association

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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 46, SIDE A

006 Chair Shoemaker: Meeting called to order at 3:14 p.m.

PUBLIC HEARING

SB 703 RELATING TO GROUP HEALTH STOP LOSS INSURANCE; DECLARING AN EMERGENCY

SB 989 RELATING TO INSURANCE; DECLARING AN EMERGENCY

027 Craig Urbani, Department of Insurance and Finance: Speaks to the bill and amendments, Exhibit A.

085 John Mangan, Standard Insurance Company: Speaks in support of the bill, Exhibit B.

127 Peggy Anet, League of Oregon Cities: Speaks to the bill, Exhibit C.

173 Sen. Cohen: Does SB 989 prohibit use of that?

175 Anet: Responds.

178 Sen. Cohen: Direct me to where that is in the bill?

179 Anet: Responds.

185 John Powell, Blue Cross Blue Shield: Speaks in opposition to the bill. The amendments may address our concern with the bill.

WORK SESSION

SB 905 RELATING TO INSURANCE

208 MOTION: CHAIR SHOEMAKER MOVED SB 905 TO THE FLOOR WITHOUT RECOMMENDATION FOR RE-REFERRAL BY THE SENATE PRESIDENT

210 VOTE: HEARING NO OBJECTION, SO ORDERED. (EXCUSED: SEN. HAMBY, SEN. McCOY).

SB 1104 RELATING TO FEDERAL MEDICAID HOSPICE BENEFITS IN OREGON; APPROPRIATING MONEY; DECLARING AN EMERGENCY

212 MOTION: CHAIR SHOEMAKER MOVED SB 1104 TO THE FLOOR WITHOUT RECOMMENDATION FOR RE-REFERRAL BY THE SENATE PRESIDENT.

215 VOTE: HEARING NO OBJECTION, SO ORDERED. (EXCUSED: SEN. HAMBY, SEN. McCOY).

PUBLIC HEARING

SB 990 RELATING TO CERTAIN EMPLOYER PROVIDED HEALTH INSURANCE

244 Rocky King, Administrator, Insurance Pool Governing Board: Speaks in support of the bill, Exhibit D.

387 Sen. Cohen: What is meant by "moves to self-insure"?

390 King: Responds.

400 Sen. Cohen: SB 990 doesn't provide a mandate that they have to enroll in anything, and should not impact anybody as I read it.

415 Chair Shoemaker: The mandates that the law has imposed upon insurers over the years does not apply, correct?

TAPE 47, SIDE A

009 King: Responds.

010 Chair Shoemaker: This provides a catastrophic loss policy with high deductibles at a low premium; which is not encumbered by legislative

mandates, correct?

013 King: Responds.

017 Chair Shoemaker: What is the split, 80-20?

019 King: Responds.

031 Chair Shoemaker: They can develop a policy that sells for more than \$53.33 and still have the benefit of the relief from the mandates?

032 King: Responds.

036 Bruce Bishop, Kaiser Permanente: Speaks in opposition to the bill.

054 Chair Shoemaker: What is wrong with broadening the scope?

056 Bishop: Responds.

075 Chair Shoemaker: This bill just offers an additional option for insuring that is not currently available. What is the objection to

that? 081 Bishop: Responds.

084 Chair Shoemaker: I still don't see the problem.

090 Bishop: Responds.

101 Sen. Cohen: Why would the availability of a third option drive them into the self-insured category any more quickly than under current

circumstances?

119 Bishop: Responds.

121 Mark Nelson, Public Affairs Counsel, Oregon Chapter of the National Association of Social Workers: Speaks to the bill.

177 John Powell, Blue Cross Blue Shield of Oregon: Speaks in

opposition to the bill.

210 Chair Shoemaker: It would diminish the self-insured market?

214 Powell: Responds.

216 Steve Doty, President, Oregon Association of Health Underwriters and Oregon Life Underwriters Association: Speaks in opposition to the bill.

267 King: Clarifies positions on bill.

302 Chair Shoemaker: How does your program differ from the private market?

305 King: Responds.

307 Chair Shoemaker: If you were to be made subject to all the mandates the insurance industry is subject to why would you develop an insurance plan that would be better in the market than they're providing?

312 King: Responds.

315 Chair Shoemaker: Then we return to the basic policy question of the 1987 bill.

324 King: Responds.

328 Chair Shoemaker: Theoretically there is a problem, but it appears not to have been subject to abuse.

333 Sen. Cohen: Provides background and history to the 1987 bill.

363 King: Responds.

SB 991 RELATING TO EMPLOYEE COVERAGE UNDER SMALL EMPLOYER HEALTH INSURANCE 367 Rocky King, Administrator, Insurance Pool Governing Board: Speaks in support of the bill, Exhibit E.

414 Craig Urbani, Department of Insurance and Finance: Speaks in support of the bill.

TAPE 46, SIDE B

019 Bruce Bishop, Kaiser Permanente: Speaks in opposition to the bill.

026 John Powell, Blue Cross Blue Shield of Oregon: Speaks in opposition to the bill.

035 Chair Shoemaker: Why would that be true since this remains an option for groups of over 25?

040 Powell: Responds.

052 Chair Shoemaker: I'm not clear why this would push people into self-insurance.

058 Powell: Responds.

071 Steve Doty, President, Oregon Association of Health Underwriters and Oregon Life Underwriters Association: Speaks to the bill, Exhibit F.

Testimony submitted for the record by Dave Houck, Exhibit G.

134 Sen. Cohen: Requests the National Federation of Independent Business people be contacted for a response since they are the most affected by

this issue.

SB 992 RELATING TO HEALTH INSURANCE; DECLARING AN EMERGENCY

153 Rocky King, Administrator, Insurance Pool Governing Board: Speaks in support of the bill, Exhibit H.

200 Sen. Cohen: Are there any outstanding fiscal responsibilities for either of these boards? If you change the name what happens to the

policies that people have?

217 King: Responds.

226 Bruce Bishop, Kaiser Permanente: Speaks in opposition to the bill, distributes chart, Exhibit I.

288 Chair Shoemaker: Is that advisory committee still needed?

292 Bishop: Responds.

308 Sen. Cohen: We need to determine if there are still statutory chores to be done.

322 Chair Shoemaker: Under the statute do they have a continuing chore?

315 Bishop: Responds. 328 Sen. Smith: Were all of these boards created as part of the Oregon Health Plan?

330 Chair Shoemaker: In a broad sense yes.

350 Sen. Smith: What happens to all of these boards if we don't fund the Oregon Health Plan?

354 Chair Shoemaker: Responds.

356 Bishop: Responds.

376 Sen. Smith: Do you see more or less frustration in the future with an increasing government role in medical issues?

391 Bishop: Responds.

TAPE 47, SIDE B

013 Bishop: Reviews chart, Exhibit I.

021 John Powell, Blue Cross Blue Shield of Oregon: Speaks to the bill.

068 Sen. Cohen: I believe the board needs some independence without being directly under the thumb of the Director of the Department of Insurance and Finance.

076 Chair Shoemaker: Requests Mr. King respond. Refers to SB 992 -1 amendments, Exhibit J.

077 King: Responds.

111 Sen. Cohen: Even with separate accounts there still needs to be accountability?

113 King: Responds.

SB 149 RELATING TO HEALTH

130 Theresa McHugh, Executive Department: Speaks in support of the bill.

151 Sen. Cohen: Is the Governor insinuating that the Health Services Commission has not been outcome driven?

156 McHugh: Responds.

158 Michael Skeels, Administrator, Health Division: Speaks in support of the bill.

184 Sen. Cohen: Why isn't the Governor making the same recommendation for this Commission that is being made for the other commissions?

190 McHugh: Responds.

199 Skeels: Continues with testimony.

206 Sen. Smith: If we're getting the job done I don't really care how we do it.

213 Chair Shoemaker: These two commissions are legislatively created; for the purposes of dealing with the Oregon Health Plan.

221 Sen. Smith: In this process we shouldn't be afraid to try things and fail and retry them.

225 Chair Shoemaker: That is the problem Sen. Cohen and I have; these two commissions have not failed, they have been quite successful.

227 McHugh: Responds.

253 Bruce Bishop, Kaiser Permanente: Speaks in opposition to the bill. Makes reference to chart handed out previously, Exhibit I.

285 Chair Shoemaker: Requests Mr. Bishop speak to the seven other boards, commissions and related organizations which report to the Oregon Health Council, as shown in the chart, Exhibit I.

296 Bishop: Responds.

333 Chair Shoemaker: Would the Oregon Health Council be under the Governor?

335 Bishop: Responds. Continues with testimony.

354 Sen. Smith: Are there any of these boards and commissions that we could get rid of and save money?

366 Bishop: Responds.

392 Amy Klare, Member of the Health Services Commission: Speaks to bill.

420 Paige Sipes-Metzler, Executive Director, Health Services Commission: Speaks to the bill.

441 Dan Harris, Executive Director, Oregon Health Resources Commission: Speaks to the bill.

TAPE 48, SIDE A

SB 1029 RELATING TO THE MEMBERSHIP OF THE HEALTH RESOURCES COMMISSION

Distributes fiscal impact statement, Exhibit K.

032 Jim Carlson, Oregon Medical Association: Speaks to the bill.

072 Bruce Bishop, Kaiser Permanente: Speaks in opposition to the bill.

Meeting adjourned at 5:15 p.m.

Submitted by:

Reviewed by:

Joan Green  
Administrator

Dick Shoemaker Assistant

EXHIBIT LOG:

A - Amendments to SB 989 - Department of Insurance and Finance - 9 pages  
B - Testimony on SB 703 - Mangan - 1 page  
C - Testimony on SB 989 - Anet - 4 pages  
D - Testimony on SB 990 - King - 2 pages  
E - Testimony on SB 991 - King - 2 pages  
F - Testimony on SB 991 - Doty - 2 pages  
G - Testimony on SB 991 - Houck - 2 pages  
H - Testimony on SB 992 - King - 4 pages  
I - Chart on SB 992 - Bishop - 1 page  
J - Amendments to SB 992 - King - 5 pages  
K - Fiscal impact statement on SB 1029 - Staff - 1 page  
F - Testimony on SB 991 - Doty - 2 pages