

SENATE COMMITTEE ON HEALTH CARE AND BIO-ETHICS

May 25, 1993 Hearing Room C 3:00 p.m. Tapes 90 - 92

MEMBERS PRESENT: Senator Bob Shoemaker, Chair Senator Jeannette Hamby,
Vice Chair Senator Bill McCoy Senator Gordon Smith

EXCUSED: Senator Joyce Cohen

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

MEASURES HEARD: SB 598 relating to restricted access health
insurance policies, PH SB 533 relating to insurance, PH HB 2549 relating
to physical therapy, PH

WITNESSES: Shirley Gold, District 7, Oregon State Senator
Ken Giles, Administrator, Eastmoreland Hospital Jeff Heatherington,
Executive Director, Osteopathic

Physicians and Surgeons of Oregon Bruce Bishop, Kaiser Jenny Ulum,
Selectcare Barney Speight, Blue Cross Blue Shield Mary McWilliam,
Sisters of Providence In Oregon Nan Dewey, ODS Health Plan/Oregon
Association of

Health Underwriters Lewis Littlehales, Insurance Division Steve Kafoury,
Oregon Physical Therapists Association Bill Brooks, Administrator,
Insurance Division Gary Weeks, Director, Department of Insurance and

Finance Lois Davis, Oregon Health Sciences University Ross Dwinell,
United Grocers Ron Moore, Pacific Northwest Association Bob McKellar,
Oregon Forest and Products

Transportation Association Chuck Bennett, Chiropractic Association of
Oregon John Powell, State Farm Insurance Companies/Blue Cross Blue
Shield of Oregon Dan Jones, Oregon Physical Therapist Roger Martin,
Physicians Association of Clackamas

County Tina Kitchen, Mental Health Division

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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 90, SIDE A

006 Chair Shoemaker: Meeting called to order at 3:16 p.m.

PUBLIC HEARING

SB 598 RELATING TO RESTRICTED ACCESS HEALTH INSURANCE POLICIES

017 Shirley Gold, District 7, Oregon State Senator: Speaks in support of the bill.

060 Ken Giles, Administrator, Eastmoreland Hospital: Speaks in support of the bill, Exhibit A.

124 Chair Shoemaker: Refers to the Report on Oregon Hospitals prepared by Oregon Health Policies which shows Eastmoreland as one of the most

prosperous hospitals in the State per bed in the last year and also lists Eastmoreland's net income per admittance as among the highest in the State. How does that square with your testimony that Eastmoreland is in dire straits?

131 Giles: Responds.

139 Chair Shoemaker: Would the physical rehabilitation unit be the profit center at the hospital?

140 Giles: Responds.

151 Chair Shoemaker: I have also heard the charge made that no one trained at Eastmoreland is practicing in rural Oregon.

154 Jeff Heatherington, Executive Director, Osteopathic Physicians and Surgeons of Oregon: Responds. Speaks in support of the bill.

236 Bruce Bishop, Kaiser: Speaks in opposition to the bill, Exhibit C.

284 Chair Shoemaker: Doesn't this relate to both Oregon Health Sciences University and Eastmoreland?

304 Bishop: Responds.

306 Jenny Ulum, Selectcare: Speaks in opposition to the bill, Exhibit D.

320 Sen. Smith: What is the fear? Is there any reason why they can't compete?

323 Bishop: Responds.

335 Sen. Smith: Why can't they participate on equal footing without a mandate?

340 Ulum: Responds.

361 Barney Speight, Blue Cross Blue Shield: Speaks in opposition to the bill. TAPE 91, SIDE A

010 Speight: Continues with testimony in opposition.

024 Mary McWilliam, Sisters of Providence in Oregon: Speaks in opposition to the bill, Exhibit E.

065 Roger Martin, Physicians Association of Clackamas County:
Speaks in opposition to the bill.

139 Nan Dewey, ODS Health Plan/Oregon Association of Health
Underwriters: Speaks in opposition to the bill, Exhibit F.

161 Lois Davis, Oregon Health Sciences University: Speaks to comfort
level with the bill.

200 Sen. Smith: Why can't osteopaths in this hospital compete
without a mandate?

207 Davis: Responds.

219 Sen. Smith: What direction are we going in, that somehow
Osteopathic medicine and Eastmoreland can't compete?

221 Davis: Responds.

240 Sen. Smith: Would I make an election at some point in medical
school as to whether to be a D.O. or a M.D.?

242 Davis: Responds.

271 Sen. Smith: Why can't Eastmoreland Hospital compete without a
mandate?

263 Giles: Responds.

294 Sen. Smith: Do you think there is a bias towards Osteopathic
medicine?

301 Giles: Responds.

Distributes League of Oregon Cities testimony, Exhibit B.

SB 533 RELATING TO INSURANCE

Distributes fiscal impact statement, Exhibit G.

324 Gary Weeks, Director, Department of Insurance and Finance:
Presents background and speaks to the bill.

TAPE 90, SIDE B

035 Bill Brooks, Administrator, Insurance Division: Speaks to
history and background of the bill and Multiple Employer Welfare
Arrangement (MEWA). 118 Sen. Smith: Could you name some of the
existing MEWA's.

121 Brooks: Responds.

132 Sen. Smith: Is Health Administrators, or that sort of an
entity, a MEWA?

137 Weeks: Responds.

142 Sen. Smith: Are they profit centers?

145 Weeks: Responds.

157 Chair Shoemaker: Can a MEWA have a broader purpose than providing health insurance or can they come together just for that purpose?

161 Weeks: Responds.

162 Brooks: Responds.

174 Ron Moore, Pacific Northwest Association: Responds. Provides background information regarding his association.

216 Chair Shoemaker: Are the subscribers employers or employees?

221 Moore: Responds.

245 Chair Shoemaker: Does the provider bill the member or the MEWA?

249 Moore: Responds.

255 Ross Dwinell, United Grocers: Responds.

259 Moore: Continues with testimony.

270 Chair Shoemaker: Your organization hires itself out to associations?

276 Moore: Responds.

289 Dwinell: Responds.

293 Sen. Smith: What do you need to do to qualify for tax exempt status? Are you seeking that?

299 Moore: Responds.

303 Dwinell: Provides background information on the history of his Association's MEWA.

340 Bob McKellar, Oregon Forest and Products Transportation Association: Provides background information on the history of his Association's

MEWA. TAPE 91, SIDE B

028 Chair Shoemaker: Refers to the SB 533-2 amendments, Exhibit H and requests those be addressed.

035 Dwinell: Reviews the SB 533-2 amendments, Exhibit H.

046 Chair Shoemaker: Why do we need this legislation, if there is federal legislation regulating this?

051 Dwinell: Responds.

052 Chair Shoemaker: Did the federal government provide any memorandums or direction?

056 Dwinell: Responds.

058 Sen. Hamby: Responds.

059 Chair Shoemaker: Is the federal government walking away from this?

061 Dwinell: Responds.

062 Chair Shoemaker: Are all MEWA's monitored by the federal government?

063 Dwinell: Responds. Continues with review of amendments, Exhibit H.

079 Sen. Hamby: Refers to 5, (6) Exhibit H. Are there any concerns about the dollar minimum amounts listed?

080 Dwinell: Responds.

091 Sen. Hamby: None of the MEWA's that just testified have a problem with the dollar amounts?

092 Dwinell: Responds. Continues with review of amendments, 6, Exhibit H.

200 Lewis Littlehales, Insurance Division: Reviews 19 of the amendments, Exhibit H.

237 Dwinell: Continues with review of amendments, 20, Exhibit H.

270 Sen. Smith: How does this ultimately affect the Oregon Health Plan?

277 Chair Shoemaker: Responds.

287 Moore: Responds.

290 Sen. Smith: Is this a bill you want?

298 Moore: Responds.

315 Chair Shoemaker: The alternative would be to continue under federal control, correct?

317 Moore: Responds.

332 Chair Shoemaker: Under federal law Oregon could essentially have an unregulated industry and let the market control?

338 Moore: Responds.

340 Chair Shoemaker: We could change the law so you aren't under the insurance code?

342 Dwinell: Responds.

359 Moore: Lists the two issues on which we differ with the Department of Insurance and Finance.

387 Chair Shoemaker: Under ERISA states may not impose mandated services into a self-insured plan. The question becomes whether or not

MEWA's,

which we can propose mandates on if we choose too, should be put in the category to whom we do impose mandates or in the category of self-insurers.

411 Moore: Our subscribers must agree or they would not subscribe to our plans. Currently we are close to meeting all of the mandates.

417 Chair Shoemaker: Federal law treats MEWA's as self-insured. When we assume control of MEWA's can we assume control of that and be released

from the ERISA requirements, as regards MEWA's?

418 Moore: Responds.

TAPE 92, SIDE A

008 Weeks: Responds.

025 Chair Shoemaker: Does the small group criteria of SB 1076 apply to the employer members of each MEWA?

033 Weeks: Responds.

034 Chair Shoemaker: What is the rationale of not including small employers, within a MEWA, within SB 1076?

038 Dwinell: Responds.

052 Chair Shoemaker: Would it inspire more MEWA's to be formed?

055 Dwinell: Responds.

056 Chair Shoemaker: Explain to me again the difference between fully insured and self insured? 059 Dwinell: Responds.

060 Weeks: Responds.

HB 2549 RELATING TO PHYSICAL THERAPY

087 Dan Jones, Oregon Physical Therapist: Speaks to the bill.

112 Chair Shoemaker: Do you anticipate that the four-member committee will be able to agree on the criteria for treating patients without referral?

122 Jones: Responds.

125 Chair Shoemaker: Does the bill give the Licensing Board the final authority?

128 Jones: Responds.

131 Chair Shoemaker: If the bill is ambiguous let's clarify that.

133 Sen. Hamby: Would you be comfortable with a lay person acting as a mediator?

137 Jones: Responds.

140 Chair Shoemaker: Concurs with Sen. Hamby's suggestion. The mediator/arbitrator process could perhaps be modeled after SB 798.

154 Steve Kafoury, Oregon Physical Therapists Association: Responds.

178 Sen. Hamby: If they are acting in good faith let's allow it.

182 Barbara Coombs, Administrator: Committee staff hasn't checked for conflicts yet.

196 Chair Shoemaker: There are some other issues and witnesses that aren't entirely happy with the bill.

198 Kafoury: I thought there was consensus.

204 Tina Kitchen, Mental Health Division: Speaks in support of the bill. Recommends the addition to the HB 2549-A19 amendments in 4 (2) (c);

after "a residential facility" the words "or home" need to be added.

227 Chuck Bennett, Chiropractic Association of Oregon: Speaks to the bill, as amended by the HB 2549-A20 amendments, Exhibit I.

256 Chair Shoemaker: Have you discussed the amendments with the Oregon Medical Association?

257 Bennett: Responds.

261 Chair Shoemaker: Would it be appropriate for this bill to have physical therapists refer to chiropractors?

262 Bennett: Responds.

271 John Powell, State Farm Insurance Companies/Blue Cross Blue Shield of Oregon: Speaks to the bill with suggested amendments, as presented to

the staff.

Meeting adjourned at 5:45 p.m.

Submitted by:

Reviewed by:

Joan Green
Administrator

Dick Shoemaker Assistant

EXHIBIT LOG:

A - Testimony on SB 598 - Giles - 4 pages B - Testimony on SB 598 - League of Oregon Cities - 22 pages C - Testimony on SB 598 - Bishop - 2 pages D - Testimony on SB 598 - Ulum - 2 pages E - Testimony on SB 598 - McWilliams - 5 pages F - Testimony on SB 598 - Dewey - 1 page G - Testimony on SB 533 - Fiscal - 2 pages H - SB 533-2 amendments - Staff

- 21 pages I - HB 2549-A20 amendments - Bennett - 1 page