

SENATE COMMITTEE ON LABOR AND GOVERNMENT OPERATIONS

March 17, 1993 Hearing Room B 8:00 a.m. Tapes 55 - 58A
MEMBERS PRESENT: Sen. Tricia Smith, Chair Sen. Gratten Kerans,
Vice-Chair Sen. Wes Cooley Sen. Karsten Rasmussen MEMBER
EXCUSED: Sen. Brady Adams STAFF PRESENT: Joan Van Almen, Committee
Counsel Stasi Kitchen, Committee Assistant Stephanie Holmes, Committee C
- Counsel MEASURES CONSIDERE I): Workers' Compensation Department,
Informational SB 127 - Eliminates various Boards, Committees and
Councils. SB 196 - Requires Executive Department to provide
administration functions to state agencies.

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.

TAPE 55, SIDE A

001 CHAIR SMITH: Calls to order at 8:15 a.m.

INFORMATIONAL - WORKERS' COMPENSATION DEPARTMENT WITNESSES: Sara Harmon,
Workers' Compensation Division Ed Bissell, Department of Insurance &
Finance Susan Jordan, Workers' Compensation Division

006 SARA HARMON. ADMINISTRATOR. WORKERS' COMPENSATION DIVISION:
Presents testimony regarding Workers' Compensation. (EXHIBIT A[1,2]).
-1) Benefits, 2) Dispute Resolution, 3) Compliance, 4) Operations, 5)
Claims Information, 6) Administrators Office, 6) Changes. 100 Chair:
Asks Harmon if a safety program with the employer is required in order
to receive the benefit. 102 Harmon: Replies that Oregon OSHA handles
the safety function within the workplace. 103 Chair: Asks Harmon if
they coordinate with Oregon OSHA. Senate Labor & Government Operations
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104 Harmon: Replies that one of their requirements is that the employer
not violate Oregon OSHA standards.

113 Chair: Asks Harmon how many workers are placed each year.

114 Harmon: Replies 2,300 workers using the incentives of the
program.

153 Chair: Asks Harmon who has access to the data bases.

154 Harmon: Replies the Department of Insurance & Finance (I)II7), and
others outside of the system. 162 SEN. KERANS: Asks Harmon who the
medical coordinator is.

163 Harmon: Replies they have a new doctor coming on May 17, 1993,
Scott Ross, M.D., from Deadwood, South Dalcota. 173 SEN. RASMUSSEN:
Inquires about the 10,000 disputes resolved each year. -Does that
include resolving disputes twice with respect to issues of permanent
disability? 175 Harmon: Replies that the 10,000 disputes only
includes 7,000 that are within appellate unit. 181 Rasmussen: Asks
Harmon if there are 7,000 reconsiderations per year.

182 Harmon: Replies that is correct.

183 Rasmussen: Asks Harmon where the ombudsmen is located within the
chart.

184 Harmon: Replies that the ombudsmen is not a part of the workers' compensation division.

243 Rasmussen: Asks Harmon if a study has been completed on where those individuals have gone who are no longer using the workers' compensation system.

244 Harmon: Replies a study has not been done.

251 Rasmussen: Asks Harmon where the costs are going.

252 Harmon: Replies she does not have that information.

263 Chair: Asks Harmon what the denial rate is, within SAIF.

264 Harmon: Replies they are in the process of compiling information for the report.

290 Chair: Asks Harmon if the, medical only, claims are relating to time loss.

291 Harmon: Replies that there are no other disabilities, only medical treatment.

292 Chair: Asks Harmon the reason for the increase in the medical claims.

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293 Harmon: Replies the medical only claims will not meet the statutory definition of compensability.

302 Rasmussen: Asks Harmon if the claims are in reference to the non-disabling claims.

303 Harmon: Replies that is correct.

320 Kerans: Asks Harmon if there is a value put on denied claims.

322 Harmon: Replies that Mr. Bissell will be able to answer that question.

TAPE 56, SIDE A

033 ED BISSELL, DEPARTMENT OF INSURANCE & FINANCE: Replies they are currently collecting all medical payment data, from the larger insurers, which represent approximately 85 - 90 percent of all medical payments paid, which does include the denied claims.

143 Chair: Asks Harmon if there are any reports regarding the increase of health among workers.

144 Harmon: Replies they do not have information on that issue.

163 Chair: Asks how do we determine whether the job of assisting injured workers is effective.

164 Harmon: Replies 1) through the studies that have been done, 2) through litigation being done and 3) through claims being processed

quicker.

174 SEN. COOLEY: Inquires as to the medical claims and cost being down. -How can it cost less when the national average for medical costs are rising?

181 Harmon: Replies that the medical costs are down due to the fact that claims are down.

205 Kerans: Asks Harmon what is the principal criteria.

206 Harmon: Replies the injured worker is entitled to vocational assistance if they cannot return to work within an 80 percent capacity at time of injury.

231 Chair: Asks Harmon about the Preferred Worker Program. - Is this a program where the state takes on the liability for an employer who employs an injured worker, and does not have to pay the workers' compensation for three years.

234 Harmon: Replies that is correct.

235 Chair: Asks Harmon why there is not a safety check of the work site before the state assumes liability.

236 Harmon: Replies that they are not qualified to look for the safety issues on the work site.

244 SUSAN JORDAN. BENEFITS SECTION MANAGER. WORKERS' COMPENSATION
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DIVISION: Replies that preferred worker consultant's look for safety modifications and assure the proposed job is within safety standards, if not reports their findings to Oregon OSHA.

251 Chair: Asks Jordan if the preferred worker consultant is trained in the safety issues:

252 Jordan: Replies they are.

253 Cooley: Inquires as to the discrepancy in the Preferred Worker Program. -How many of the injured workers eligible, are actually benefiting from the program?

261 Jordan: Replies that the Preferred Worker Card is automatically issued upon claim closure of an individual who is PTD and has not returned to their previous employment.

274 Rasmussen: Asks Jordan if there are any statistics of retention of those once they are in the program.

281 Jordan: Replies they do not have that information.

TAPE 55, SIDE B

061 Chair: Asks Harmon if any of the fees have gone down.

063 Harmon: Responds that medical fees and litigation have gone down.

081 Rasmussen: Asks Harmon if there are any figures regarding the

amount of employees since 1987.

084 Harmon: Replies they do and the figures will be provided to Sen. Rasmussen.

102 Kerans: Inquires if there is proposed legislation.

103 Harmon: States proposed legislation. -HB 2042, 2040, 2045.

125 Kerans: Asks Harmon the reason for the proposed legislation.

126 Harmon: Replies the legislation is regarding discrimination by employers to injured workers.

PUBLIC HEARING - SB 127 WITNESSES: Marc Overbeck, Governor's Office
Margie Lowe, Executive Department Mike Grainey, Department of Energy Jim
Strembridge, Construction Contractors Board

192 MARC OVERBECK. GOVERNOR'S OFFICE: Testifies regarding specific questions that were requested at previous hearing. Senate Labor ~ Government Operation ~ March 17, 1993 Page 5

195 MARGIE LOWE, EXECUTIVE DEPARTMENT: Testifies regarding boards that were proposed for elimination. 214 Chair: Asks Overbeck which of the four states are involved with the Radioactive transport.

215 Overbeck: Replies that Oregon, Washington and Idaho are signatories, does not know of a fourth state. 232 Chair: Asks Overbeck if a person were appointed to the position would it be watched more closely. 233 Overbeck: Replies the Governor should not designate unless needed. 253 MIKE GRAINEY. ASSISTANT to the DIRECTOR, DEPARTMENT OF ENERGY: Testifies regarding Radioactive Materials transport. -The Hanford Waste Board. -Radioactive Transport Advisory Committee. -Pacific States Committee

254 Chair: Asks Grainey if the Siting Council has set standards for low level waste. 271 Grainey: Replies yes and has jurisdiction. 282 Chair: Inquires about the compact agreement. -Does the Hanford Waste Board get into transportation issues away from Hanford?

290 Grainey: Replies they do. 291 Chair: Asks Grainey if there are representatives from Idaho and Washington on the Board. 292 Grainey: Replies that they are not on the Oregon Waste Board. -The Western Governor's Association has a committee that involves all of the Western states that are on the route from Hanford to the Repository in New Mexico. California and Nevada are also on the committee. 295 JOAN VAN ALMEN, COUNSEL: Inquires about the Hanford Committee. Do the committees you mention consult with the Yumatilla Tribe? 305 Grainey: Replies they do and the Yumatilla Tribe has a representative on the Hanford Waste Board. 313 Van Almen: Asks Grainey where the Hanford Waste Board is within the Statute. 314 Grainey: Replies in ORS 466.

TAPE 56, SII)E B

042 Chair: Asks Grainey if the Pacific States Committee has been active. e.

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043 Grainey: Replies that it was. 064 Chair: ASB , Grainey if the

residents of local communities will have an avenue to state their opinion on hazardous waste transport without Section 100 . 071 Grainy: Replies the Hanford Waste Board.

084 Chair: Asks Grainy if he wants to delete Sections 98 - 99, and Icept Section 100 -101 in SB 127 .

090 Grainy: Responds that is correct. 102 Chair: Aslcs Overbeclc if Sen. Kintigh is in contact with him regarding the Hardwood Forest Products Resource Committee.

103 Overbeclc`: Replies not that he is aware of.

104 Kerans: States that the Hardwood Forests Association does not have representation here.

112 Cooley: States that he has received the same information as Sen. Kerans from the Nursery Association.

121 Overbeclc: Regarding the Local Budget Advisory Committee, Sections 45~6. -This committee has been inactive for more than four years.

134 Chair: Inquires about the changes. -Timing, the entire budget process changed due to Measure 5.

141 Overbeck: Replies that local governments were heavily involved in the process by which those determinations were made, though not through the advisory committee afore mentioned.

143 Chair: Asks Overbeclc if the department went through some rule making issues regarding Measure 5.

145 Overbeck: Replies that is correct. Continues with testimony. -Rogue River Coordination Board, number 37. Inactive for more than four years.

WORK SESSION- SB 127

202 Chair: Begins discussion of proposed eliminations in SB 127. -Pages one through three, Sections one through five; Employment Agencies Advisory Board and Council on Nurse Practioners' Privileges, will remain in SB 127. -Pages tbree and four, Sections six through nine, Certified Shorthand Reporters Advisory Committee; will be removed from SB 127. -Page four, Sections 10 - 11, Commercial and Public Works Contractors Committees; Sen. Smith expresses apprehension with elimination.

232 Van Almen: States if Sections 10 - 11 stay in SB 127 in its present posture, there is no provision in SB 127 that will take care of the problem which abolishes the appeals committee. . _ . Thelle rninutee contein ~ which peraphreec u~d/o _ ~ r~dc during ~ _on. ODIY ~ cncbret ~ quotction rnarl~ report · specker'e exect wordc. Per cornpb-cor~ente of ~ procel di ~r, plear _ to the tllper. Senate Labor ~ Govere_t Oper~tio~
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240 JIM STREMBRIDGE, DEPUTY ADMINISTRATOR. CONSTRUCTION CONTRACTORS BOARD: Test)files on Sections 10 - 11 and submits EXHIBIT B. -The Claims Appeal has to do with the residential, which is in Sections 51 - 52.

244 Chair: Continues with SB 127 proposed eliminations. -Page four,

Sections 10 - 11, Commercial and Public Works Contractors Committee; will remain in SB 127. -Pages four through nine, Sections 12 - 26, Wage ~ Hour Commission; will be removed from SB 127. -Pages nine and 10, Sections 27 - 28, Oregon Games Commission; will be removed from SB 127. -Page 10, Sections 29 - 30; Small Business Development Center Advisory Council; Sen. Smith expresses apprehension about elimination.

275 Lowe: States that they have not been able to make the contacts at Economic Development Department and would like to be able to come back and respond to this issue. 283 Chair: Continues with SB 127 proposed eliminations. -Page 10, Sections 29 - 30; Small Business Development Center Advisory Council; will be decided on at the next hearing. -Page 10, Sections 31 - 32, State Advisory Committee for Community Schools; will remain in SB 127. -Page 10, Sections 33 - 34; State Rural Medical Education Committee; will remain in SB 127. 286 Lowe: Responds to the State Rural Medical Education Committee. -There is another council that exists within the statute - The Rural Health Coordinating Council, which operates out of OHSU. 294 Chair: Continues with SB 127 proposed eliminations. -Page 10, Sections 35 - 36, Welfare Program Accessibility Advisory Committee; will remain in SB 127 -Page 10, Sections 37 - 39; Special Courts Advisory Committee; will remain in SB 127. -Pages 10-11, Sections 40 - 42; Mass Transit Financing Authority; will not be removed from SB 127. -Page 11, Sections 43 - 44, Executive Residence Advisory Committee; will remain in SB 127. -Pages 11 - 12, Sections 45 - 46, Local Budget Advisory Committee; will not be removed from SB 127.

TAPE 57, SIDE A

041 Chair: Continues with SB 127 proposed eliminations. -Pages 12 - 16, Sections 47 - 51, Committee on Medical Care Advisory; will be removed from SB 127. -Page 16, Sections 52 - 53; Residential Contractors Committee, Sen. Smith expresses apprehension about elimination.

043 Van Almen: Asks Strembridge if he wants to insert into the provision 701.620, which is in HB 2050-A engrossed and make 701.260 the amended portion of this bill. Senate Labor & Government Operations March 17, 1993 Page 8

046 Strembridge: Replies that is correct. 062 Chair: The committee staff will prepare the proposed amendment. Inquires as to the responsibilities of the members. -Will the committee's duties be to hear or decide on residential appeals?

075 Strembridge: Replies the committee will make the ultimate decision on all exceptions that are filed with the agency regarding claims and enforcement actions, the claims are not limited to residential, they will also include small non-residential claims.

082 Rasmussen: Asks Strembridge the purpose of HB 2050-A, line 20.

-The full board may act as the appeal committee. 083 Strembridge: Replies he does not know. 102 Van Almen: Asks Strembridge if this is the committee that will take the place of the now existing committee, and designate the membership to include residential. 113 Strembridge: Replies that may be something that the chairman may want to do.

114 Van Almen: Asks Strembridge why it is not being done by statute and therefore, is it arbitrary. 115 Strembridge: Replies that it has not appeared to be necessary to do within the statute. 121 Chair: Asks Strembridge if this committee is appointed once a year or each time appeals come up. 123 Strembridge: Replies at the present time it is statutorily appointed. -The intention is to have as many as three committees operating at a time. 131 Chair: Asks Strembridge what

there intent will be. 134 Strembridge: Replies that he will come back with that information. 145 Chair: Continues with SB 127 proposed eliminations. -Page 16, Sections 52 - 53, Residential Contractors Committee; a decision will be made at the next hearing. -Pages 16 - 18, Sections 54 - 55, Advisory Council on Continuing Pharmacy Education; will remain in SB 127. -Pages 18 - 19, Sections 56 - 58; Livestock & Marketing Board, the committee has concern regarding this elimination. 154 Rasmussen: States that the cattlemen and sheep growers have no objection to the elimination of this committee. I have no problem with this board remaining in SB 127. 163 Cooley: States his concern of removal from SB 127. -Robert Slcinner, member of the committee states: 1) That they do not meet, 2) That nobody calls them and 3) That they have volunteered several times and have not been utilized. Seoate Lanb" ~ Goverome~t Oper tiolls March 17,1993 P - e 9

180 Chair: Aslcs Overbec}c if there is information as to why this board is not being used. 182 Overbec}: Replies he does not know. 201 Lowe: Replies that agencies have a variety of different ways in which they listen to the public they affect. 204 Chair: States the boards should be a part of the department, rather than a communications tool for the cattlemen's association. 211 Cooley: Discusses the make up of the board.

222 Chair: Continues with SB 127 proposed eliminations. -Pages 18 - 19, Sections 56 - 58; State Livestoclc and Marlcting Board; will be removed from SB 127. -Pages 19, Sections 59 - 60, Agricultural Development Advisory Committee; will remain in SB 127 . -Page 19, Sections 61 - 63, Apiary Advisory Committee; will remain in SB 127 . -Pages 19 and 20, Sections 64 - 66, State Christmas Tree Advisory Committee; will be removed from SB 127.

235 Cooley: States that he spoke with Sen. Kintigh, and he stated that the same problem is present and he would like to see an interface with the Agriculture Department. 250 Chair: Continues with SB 127 proposed eliminations. -Page 20, Sections 67 - 68, Forest Practice Committee; will remain in SB 127 . -Page 20, Sections 69 - 70, Hardwood Forest Products Resources Committee; will be removed from SB 127. -Pages 20 - 21, Sections 71 - 73, State Nursery Advisory Committee; Sen. Smith expresses apprehension with elimination.

253 Cooley: This committee would like to become a commission or retain the advisory board.

261 Overbeck: Replies that if we do have statutory committees they ought to be effective. 265 Chair: States that the reason for elimination should be other than they do not meet. Continues with SB 127 proposed eliminations. -Pages 20 - 21, Sections 71 - 73, State Nursery Advisory Committee; will be decided on at the next hearing. -Pages 21 - 22, Sections 74 - 75, Woodstove Emissions Control Advisory Committee; Sen. Smith expresses apprehension with elimination. 282 Lowe: Responds they need more time. 283 Chair: Continues with SB 127 proposed eliminations. -Pages 21 - 22, Sections 74 - 75, Woodstove Emissions Control Advisory Committee; we will be decided on at the next hearing. -Page 22, Section 76 - 78, Advisory Committee for Hair Design Schools; will remain in .S~1. Senate Labor ~ Go~ernment Oper~tion~ M`rch 17, 1993
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-Page 22, Sections 79 - 80, Advisory Committee for Commission for the Blind; will remain in SB 127. -Pages 23 - 25, Sections 81 - 88, Juvenile's Corrections Council; will be removed from SB 127. -Page 25,

Sections 89 - 91, Minor Crops Advisory Committee; will remain in SB 127. -Page 25, Sections 92 - 93, Advisory Committee on Groundwater and Well Operation; Sen. Smith expresses apprehension with this committees elimination.

305 Lowe: States they need more time.

TAPE 58, SIDE A

045 Cooley: Asks Lowe if there is any history on the Minor Crops Advisory Committee.

046 Lowe: Replies that she does have information.

056 Chair: Continues with SB 127 proposed eliminations. -Pages 25 - 26, Sections 94 - 96, Health Facility Licensing Advisory Board: will remain in SB 127. -Page 26, Sections 97 - 99, Pacific States Committee on Radioactive Transportation Management; will be removed from SB 127 and a member be appointed. -Page 26, Sections 100 - 101, Radioactive Transport Advisory Committee; will remain in SB 127. -Page 26, Sections 102 - 103 Child Care Advisory Committee; will be deleted, they were in by mistake. -Pages 26 - 28, Sections 104 - 109, Waste Reduction Trust Fund Board; will be decided on at the next hearing. -Page 28, Sections 110 - 112, Synthetic Chemicals in the Environment Committee; will be decided on at the next hearing. -Page 28, Sections 113 - 115, Rogue River Coordination Board; will remain in SB 127. -Pages 28 - 31, Section 116 - 118, State Speed Control Board; Sen. Smith expresses apprehension with this committees elimination.

201 Chair: Committee staff will prepare amendments as indicated, there are several committees left which require decisions. -Asks Overbeck ~ Lowe to come back with the appropriate answers raised for the outstanding committees.

PUBLIC HEARING - SB 196-AS A SUBCOMMITTEE WITNESSES: Cindy Becker, Executive Dep: rtment

213 CINDY BECKER. ASSISTANT DIRECTOR. EXECUTIVE DEPARTMENT: Test)files in support of SB 196.

230 Chair: Asks Becker how the assessments will be determined.

231 Becker: Replies the assessment will be based on a 50 - 50 basis.

232 Kerans: Asks Beclcer about the other assessments when the departments merge. ~ ate Labor & Goterllment Operdion~ Much 17, 1993 P - e 11

235 Beclcer: Replies the assessment will not change.

244 Kerans: Asks Becker how SB 196 saves two million dollars. 245 Becker: Replies two ways in which that will occur. -Calculations in this change are based upon a reduction in the current service level. -The funding for Budget Management and the Director's Of fice is 100% general funds, by going to an assessment we will be able to capture approximately 60 percent in other funds.

304 Cooley: Asks Becker if federal funds are received by going to a fee service that we do not receive now.

311 Beclcer: Replies that when an agency is billed they will pay according to how they are funded.

TAPE 57, SIDE B WORK SESSION - SB 196 - FULL COMMITTEE

033 MOTION: SEN. KERANS: Moves SB 196, be sent to the Floor with a DO PASS recommendation. 040VOTE: In a roll call vote, all members present vote AYE.

SENATOR T. SMITH will lead discussion on the Floor.

051 Chair: Adjourns at 11:20 a.m. Submitted by:

Stasi Kitchen
Assistant

Joan Van Almen Committee
Committee Administrator

EXHIBIT LOG:

A1 -Testimony on SB 127 - Sara Harmon - 4 pages A2 -Testimony on SB 127 - Sara Harmon - Boolclet B -Testimony on SB ,127 - Jim Strembridge - 2 pages C -Pre SMS SB 196 Staff - 2 pages D -Testimony on SB 127 - Dwayne Hofstetter- 3 pages E -fiscal on SB 127 - Staff - 3 pages P -Testimony on SB 127 - Executive Department - 14 pages G -Testimony on SB 127 - Executive Department - 26 pages

These minutes contein rnateriale which parllphrare and/or surnmllrlz _ . rn~de during dlic seulon. Only text onclosed in quotation marlcs report a spea}er's oxect wordc. lbr complete coo_ of tbo procoedi gs, please rodbr I~ Ihc tap-.