

These minutes contain materials which paraphrase and/or summarize statements made during this session. Only text enclosed in quotation mark report a speaker's exact words. For complete contents of the proceedings, please refer to the tapes.

HOUSE COMMITTEE ON BUSINESS AND CONSUMER AFFAIRS

June 7, 1991

Hearing Room F 3:00 P.M.

MEMBERS PRESENT: Rep. John Schoon, Chair Rep. Hedy L. Rijken, Vice-Chair Rep. Jerry Barnes Rep. Lisa Naito Rep. Carolyn Oakley Rep. Beverly S

STAFF PRESENT: Terry Connolly, Committee Administrator Annetta Mullins, Committee Assistant

MEASURES CONSIDERED: SB 551 PH HB 3582 WS SB 1188 WS SB 593 WS SB 719 WS SB 720 WS SB 901 WS SB 635 WS

These minutes contain materials which paraphrase and/or summarize statements made during this session. Only text enclosed in quotation mark

TAPE 96, SIDE A

010 CHAIR SCHOON calls the meeting to order at 3:07 p.m. and opens the public hearing on SB 551 .

(See also Tape 97, Side A at 170) SB 551 A-ENG. - REQUIRES DIRECTOR OF DEPARTMENT OF INSURANCE AND FINANCE TO EXCLUDE FROM APPLICATION OF ME

011 REP. GENE DERFLER: We were chastising the department because they had the ability to set hospital fees and chose not to do it. With SB I think what we found was happening in workers' compensation was that one of the reasons why our costs were so high was because we are payin

056 CHAIR SCHOON closes the public hearing on SB 551 A-Eng. and opens the work session on HB 3582.

(Tape 96, Side A) HB 3582 - AUTHORIZES PAYMENT OF UNPAID CLAIMS AGAINST DEFUNCT HEALTH CARE SERVICE CONTRACTOR TO HEALTH CARE SERVICE PROVID

065 TERRY CONNOLLY, Administrator, reviews the provisions of the bill and notes that the Legislative Fiscal Impact Statement (EXHIBIT A) and

076 REP. BOB REPINE: The -4 amendment is a reflection of comments and concerns of this committee last week. We have taken out the line tha On page 2 of the amendments, it moves it back to no later than the 60th day after the settlement of the claim. It allows moneys to remain i

098 MOTION: REP. WALDEN moves that the HB 3582-4 amendments BE ADOPTED.

101 VOTE: CHAIR SCHOON, hearing no objection to the motion, declares the motion PASSED. REPS. BARNES , STEIN and RIJKEN are EXCUSED.

101 MOTION: REP. WALDEN moves that HB 3582, as amended, be sent to the Floor with a DO PASS recommendation.

103 VOTE: In a roll call vote, all members present vote AYE. REPS. BARNES, STEIN and RIJKEN are EXCUSED.

109 CHAIR SCHOON declares the motion PASSED. Rep. Repine will lead discussion on the Floor.

112 CHAIR SCHOON opens the work session on SB 1188 B-Eng.

(Tape 96, Side A) SB 1188 - REQUIRES INFORMATION PROVIDER THAT DOES BUSINESS IN THIS STATE TO INCLUDE PREAMBLE IN ITS PROGRAM MESSAGE DESCR

The Senate Staff Measure Summary, Legislative Revenue Impact Analysis and Fiscal Impact Assessment are hereby made a part of these minutes (

116 SEN. PEG JOLIN submits and reviews a packet of information (EXHIBIT D). The SB 1188-B8 amendment says that an information provider that

168 REP. WALDEN: How does this apply to network broadcasts that are receive in Oregon or rebroadcast by stations?

174 JAMES PRUNTY, Department of Justice: It would cover that as an advertisement. The information provider who seeks to advertise their pr

187 REP. WALDEN: Is there a liability associated with the person providing the advertising?

191 MR. PRUNTY: The bill refers specifically to information providers in its direction of disclosures. I think the answer would be that it

211 REP. WALDEN: Was anyone from the advertising side involved in the discussions? It seems like there would be a lot of information to be

MR. PRUNTY: It comes out to about five seconds.

MR. PRUNTY submits a prepared statement, news clippings and a report "The 900 Report," March 1991 (EXHIBIT E).

228 CHAIR SCHOON: We are in work session. Judiciary has requested this bill to look at some other provisions in it and Sen. Jolin is aware

231 CHAIR SCHOON moves that the SB 1188-B8 amendments BE ADOPTED.

278 REP. WALDEN: Does the bill or do your amendments address other print advertising in magazines and newspapers?

278 SEN. JOLIN: Yes.

281 CHERI COPELAND, Administrator, Senate Committee on Telecommunications: This amendment is because telephone directories have a life of ab

292 VOTE: CHAIR SCHOON, hearing no objection to the motion, declares the motion PASSED. REPS. STEIN and RIJKEN are EXCUSED.

293 MOTION: CHAIR SCHOON moves that SB 1188 B-Eng., as amended, be referred

to the Judiciary Committee.

316 VOTE: In a roll call vote, all members present vote AYE. REPS. STEIN and RIJKEN are EXCUSED.

320 CHAIR SCHOON declares the motion PASSED.

325 CHAIR SCHOON opens the work session on SB 593, SB 719 A-Eng. and SB 720 for the purpose of referring them to the Judiciary Committee.

(Tape 96, Side A) SB 593 - EXTENDS FAMILY HEALTH INSURANCE COVERAGE TO ADOPTED CHILD FROM TIME OF PLACEMENT WITH INSURED ADOPTIVE PARENT ON SB 719 A-ENG. - ALLOWS CITIES TO FINANCE ECONOMIC IMPROVEMENTS WITHIN ECONOMIC IMPROVEMENT DISTRICTS BY IMPOSING BUSINESS LICENSE FEES ON PE SB 720 - ALLOWS PARTICIPATION BY PROPERTY OWNER IN ECONOMIC IMPROVEMENT DISTRICT TO BE VOLUNTARY.

328 CHAIR SCHOON: We are not going to be able to work these bill and referring them to Judiciary will provide an opportunity for those pers

333 MOTION: CHAIR SCHOON moves that SB 593, SB 719 A-Eng. and SB 720 be referred to the Judiciary Committee.

336 VOTE: In a roll call vote, all members present vote AYE. REPS. STEIN and RIJKEN are EXCUSED.

339 CHAIR SCHOON declares the motion PASSED and opens the work session on SB 901 A-Eng.

(Tape 96, Side A) SB 901 A-ENG. - PRESCRIBES PROCEDURE FOR APPROVAL OF SPECIAL TELECOMMUNICATIONS CONTRACTS. Witness: Gary Wilhelms, U. S. We

348 GARY WILHELMS, U. S. West Communications: We would appreciate the adoption of the SB 901-A4 amendments. It has been agreed to by all p

366 MOTION: REP. WALDEN moves that the SB 901-A4 amendments BE ADOPTED.

373 MR. WILHELMS: The amendments would allow the Public Utility Commission to enter into an investigation of these contracts whenever they

VOTE: CHAIR SCHOON, hearing no objection to the motion, declares the motion PASSED. REPS. STEIN and RIJKEN are EXCUSED.

387 PAUL GRAHAM, Department of Justice: The PUC amendments are submitted only in response to some amendments that were submitted by Tracer.

410 MOTION: REP. BARNES moves that SB 901 A-Eng., as amended, be sent to the Floor with a DO PASS recommendation.

416 REP. NAITO: I will support the motion, but I do so with some concern. I know the mission of the PUC has been to administer what was for

436 CHAIR SCHOON: I would join Rep. Naito in that desire and request that the PUC consider as part of its mission, the same approach as the

TAPE 97, SIDE A

005 RON EACHUS, Public Utility Commissioner: Part of our legislative charge right now is actually to encourage innovation in technology thr

In this bill I think the concern with the phrase "subject to competition" would be that someone would file a special contract on something t

In most circumstances I would assume we would expect there would be a showing and demonstration that there is real competition by the virtue

076 REP. OAKLEY: I would feel more comfortable if through the administrative rule process you could get a clear definition of what "subject

077 MR. EACHUS: We will take a look at that. In the statutes there is a definition of what we have to consider when we are looking at "su

We understand the concerns people have about how this bill might be used. That is why we proposed the section Mr. Wilhelms described. Our a

093 VOTE: In a roll call vote, all members present vote AYE. REP. WALDEN is EXCUSED.

100 CHAIR SCHOON declares the motion PASSED. Rep. Barnes will lead discussion on the Floor.

101 CHAIR SCHOON opens the work session on SB 635 B-Eng.

(Tape 97, Side A) SB 635 B-ENG. - REQUIRES INSURER THAT OFFERS RESTRICTED ACCESS HEALTH INSURANCE POLICY TO INCLUDE ACCREDITED OSTEOPATHIC T

110 REP. STEIN: We had hearings on SB 635 B-Eng. and I want to acknowledge this is not the most elegant solution to the problem at hand. H

139 MOTION: REP. STEIN moves that SB 635 A-Eng. be sent to the Floor with a DO PASS recommendation.

141 REP. SCHOON: I will oppose the motion. For me the issue boils down to a city that is overbuilt with hospitals and it basically undermi

157 REP. BARNES: I look upon this as another mandate and for that reason I will oppose it too.

163 VOTE: In a roll call vote, REPS. OAKLEY, STEIN and RIJKEN vote AYE. REPS. BARNES, NAITO, WALDEN and CHAIR SCHOON vote NO.

167 CHAIR SCHOON declares the motion FAILED.

170 CHAIR SCHOON opens the public hearing on SB 551 A-Eng.

(Tape 97, Side A) (See also Tape 96, Side A at 010) SB 551 A-ENG. - REQUIRES DIRECTOR OF DEPARTMENT OF INSURANCE AND FINANCE TO EXCLUDE FROM

187 CHRIS DAVIE, SAIF, summarizes a prepared statement in opposition to SB 551 A-Eng. (EXHIBIT F).

370 CHAIR SCHOON: One argument I have heard for not passing this bill is the true effect of the bill is to shift indigent costs into the wo

378 MR. DAVIE: I think Sen. Hill yesterday suggested that with the use of the cost-charge ratio, hospitals would be under reimbursed for th

TAPE 96, SIDE B

005 REP. STEIN: I am persuaded we don't need this bill, but I am concerned about the method you use to figure the cost-charge ratio which m

019 MR. DAVIE: If there is a problem with the cost charge ratio, I think the way to remedy that is by taking it on directly rather than thr

024 GARY WEEKS, Director, Department of Insurance and Finance: When I came on board in March of this year the hospital people asked us to r

This is the only cost containment vehicle that I, as the director, have left. We had this authority since 1987 and didn't exercise it durin

076 MR. DAVIE: Sen. Larry Hill's testimony yesterday says that the fee schedule applies to managed care organizations and the cost-to-charge

There was talk of an amendment to be offered to the bill. I saw one version and the amendment didn't quite do what was intended and have no

086 There was also talk of another amendment that the OMA may offer that would say that all physicians who participate in MCOs should be fre

097 LARRY YOUNG, Deputy Administrator, Workers' Compensation Division, submits and summarizes a prepared statement in opposition to SB 551 A

140 ROSS DWENELL, Chair, Oregon Self-Insured Policy Subcommittee: We are in opposition to SB 551 A-Eng. for all the reasons that have been

We talked about how to contain medical costs and agreed they will not be contained, but could be held to a reasonable increase. That is how

207 SCOTT GALLANT, Oregon Medical Association: I did provide the committee with a suggested amendment (EXHIBIT H). Currently, the statute,
245 REP. STEIN: We heard from the previous speaker that the financial impact on the workers' comp system if we also lift the fee schedules
300 GINNY ELLUM, Director, Community Relations, Sacred Heart General Hospital, Eugene: I want to give the perspective of one of the provider
We are reluctant to proceed without the change proposed in SB 551 A-Eng. The gentleman from SAIF thought that hospitals should have an incen
The problem is not in the law passed in May 1990. We supported reforms that were part of SB 119 7 because we recognize managed care is the
378 ED PATTERSON, Oregon Association of Hospitals: I would like to reiterate what Ginny has told you about Sacred Heart is also reflected i
TAPE 97, SIDE B

Issues discussed: >Benefits of managed care organizations. >Labor Management committee support concept in SB 551 in January. >Setting of fee
The following statements were submitted but not presented regarding SB 551 A-Eng.: Janice Pilkenton, SAFECO Insurance (EXHIBIT I). Workers'
103 CHAIR SCHOON closes the public hearing on SB 551 A-Eng. and declares the meeting adjourned at 4:39 p.m.

Respectfully submitted, Reviewed by,

Annetta MullinsTerry Connolly AssistantAdministrator

EXHIBIT SUMMARY

A -HB 3582, Legislative Fiscal Analysis, staff B - HB 3582, HB 3582-4 amendments, Rep. Bob Repine C -SB 1188, Senate Measure Summary, Legis1