

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.

HOUSE COMMITTEE ON HUMAN RESOURCES

February 11, 1991Hearing Room D 1:30 p.m.Tapes 28 - 30

MEMBERS PRESENT:Rep. Mary Alice Ford, Chair Rep. Beverly Stein, Vice-Chair Rep. Jerry Barnes Rep. Cedric Hayden Rep. John Meek Rep. Hedy Rijken Rep. Jackie Taylor

STAFF PRESENT: Melanie Zermer, Committee Administrator Guadalupe C. Ramirez, Committee Clerk

MEASURES CONSIDERED: HB 2053 - Work Session, adoption of rules for residential treatment homes and care facilities. Medicaid 101 - Informational Meeting - Review of Medicaid Program HB 2442 - Public Hearing - Paternity

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TAPE 28, SIDE A

002 Chair Ford calls meeting to order at 1:30 PM.

WORK SESSION HB 2053 - allows the adoption of distinct rules for residential treatment homes/care facilities.

WITNESSES: Melanie Zermer, Administrator, HHR Barbara Sackett, Mental Health Developmentally Disabled Services Division

005 ZERMER: Review of HB 2053 (EXHIBITS D AND E). Summarizes (Exhibit D). Submits LC HB 2053-2 (Ex. E) and explains provisions of amendments (Ex. D).

055 REPRESENTATIVE MEEK: Clarify #4 of Exhibit D.

058 ZERMER: Legislative counsel noted oversight during review of HB 2053. Zoning law didn't differentiate between residential facilities and homes. Section 6 (LC HB 2053-2) added to clarify zoning law.

065 REPRESENTATIVE MEEK: Will the definitions for these facilities being lumped together and prompting different ramifications for each

cause problems for the local governments who have to define them separately?

078 ZERMER: Asked that agency respond to the question.

082 BARBARA SACKETT, MHDDSD: Explanation of Section 6: The definition "residential facility", which was used in one place was in conflict with the other definitions. Last session, definition was changed: "The total zoning statute makes a very clear distinction between 5 and fewer which is home and 6 and more which is a facility". -Now easier for local staff to have statutes in proper place in zoning statute.

096 REPRESENTATIVE MEEK: Under this statute, local governments define these separately, for placement or citing of facility. -They are defined as residential care and residential treatment. -This statute doesn't prohibit these types of definitions. -Is intent to lump them all together?

107 SACKETT: Intent is: home means 5 or fewer and facility means 6 or more.

109 REPRESENTATIVE MEEK: Do zoning rules come under land use regulations and not here?

112 SACKETT: Correct.

113 CHAIR FORD: Further clarification: When pertaining to "lumping together"

under Section 6, term: "facility" or "home", is only for the purposes of this legislation dealing with licensing authority and rules, correct?

118 SACKETT: Everything, but Section 6. Section 6 clarifies the land-use statutes.

132 MOTION: REPRESENTATIVE STEIN: moved to adopt -2 amendment to HB 2053 dated 2/6/91 (EXHIBIT D).

VOTE: In a roll call vote, the motion carried, with Rep. Barnes, Rep Hayden, Rep. Meek, Rep. Rijken, Rep. Stein, Rep. Taylor, and Chair Ford voting AYE.

148 CHAIR FORD: Rep. Taylor volunteers to carry the bill. -Closed work session.

INFORMATIONAL MEETING: MEDICAID 101 -Reviews basic eligibility standards and programs. WITNESS: Jean I. Thorne, Director, Oregon Medical Assistance Programs.

156 THORNE: Presents and summarizes (Exhibits A and B). -EXHIBIT B is an outline federal rules under Medicaid. -How they've chosen to run the Oregon program. -Who they cover. -What they cover. -Structure of the program.

205 CHAIR FORD: Would other agencies, like the Department of Corrections apply? -Clarification about testimony from Exhibit B, pg. 2.

207 THORNE: Will address this question in further testimony. They run money

through the Department of Education and are expanding.

212 CHAIR FORD: Are teen clinics being funded?

215 THORNE: Are paying for school-delivered services for children through individualized education program. This would be for Medicaid-eligible students ie. speech therapy, occupational therapy etc.

219 REPRESENTATIVE STEIN: Do insurance providers reimburse? -Any problems getting insurance companies to pay when school based services are reimbursed?

223 THORNE: Dept of Education could probably respond more accurately. -Some services might not have insurance coverage. -If a Medicaid child, they have to pursue 3rd party resources if available. -Not aware of the difficulty for school districts trying to bring in the insurance companies. There is probably a variance. -Staff to connect with Dept of Ed. for more information.

239 THORNE: Continues testimony from Exhibit B pg. 2.

298 CHAIR FORD: What is agreed-upon usual and customary charge for nursing homes?

302 THORNE: Will have to ask Senior Services Division.

303 CHAIR FORD: Is this what hospitals are asking as well?

306 THORNE: Hospital law suit tries to negate various kinds of reimbursement methods placed since 1983. -Law suit asks that OMAP return to cost-based reimbursement system. -Not sure about how far back they could go. -Many states in same situation now. -Law suit claims that system does not meet federal guidelines.

318 CHAIR FORD: What is system now?

319 :THORNE: Hospital reimbursement is based on DRG (Diagnoses Related Groups). There are 400 different categories/diagnosis related to each other. -System averages amount of resources hospital need to serve average patient

with particular condition. -Medicare system changes are based on Medicaid and other information. -OMAP has "add on": Primary-Cost Outlyers (PCO). -Explains: Additional payments for capitol, medical education, indirect medical education, for disproportionate-share hospitals (serve disproportionate share of low income people). -All this is matched with federal funds. -Additional comments: Information on prior legislation that has been successful.

355 REPRESENTATIVE MEEK: How many DRG'S do you have?

358 THORNE: 400 categories.

360 REPRESENTATIVE MEEK: How are these defined by state, departmental or federal definition. Is this a federal listing of 400?

367 THORNE: I is primarily federal but some have Oregon specific weights based on type of experience they have.

376 REPRESENTATIVE MEEK: Requests that they get more clarification, maybe some history. Wasn't clear on how a law could define 400 related groups.

383 CHAIR FORD: Referred him to material in members' notebooks. Explains DRG's and how they are categorized into ICD9's. -Can be categorized into thousands for more detail. -Asked if Rep. Meek wanted list.

396 REPRESENTATIVE MEEK: Yes.

418 THORNE: Continues testimony on Exhibit B, PG. 2 . Pertaining to funding formulas.

TAPE 29, SIDE A

008 THORNE: Continues testimony from EXHIBIT B, Pg. 3. Medically needy program to be cut by Measure 5. Who qualify: Family income above cash-payment level (133% of ADC level). -Explains spend-down program.

50REPRESENTATIVE MEEK: Is the cash difference that you use for the spend-down program for service provided or do they have to pay the bill?

053 THORNE: Bills incurred. -Program is safety net for families with catastrophic medical bills.

060 CHAIR FORD: How efficient is this program with the administrative and actual cost for services? What is the savings for cutting the program for the spend-down group of recipients?

066 THORNE: Originally considered a 6 month spend-down program where they compared projected income and what the standard was for 6 months. -More complex and longer wait but found to be more beneficial for clients. -OBRA '90 (recent Federal budget law), states have option for "buy in" program: clients would pay for medical card. Difficult to administer.

085 THORNE: Continues testimony referring to: Exhibit B, Pgs. 4 and 5.

110 CHAIR FORD: "Do you pay for the supplemental Medicare as well? What happens to provider?"

110 THORNE: No, pay basic premiums, co-insurance and deductibles.

113 CHAIR FORD: What happens to provider?

115 THORNE: If receive both Medicare and Medicaid and Medicare didn't pay a service such as prescriptions, then State would pay. If above Medicaid level, and service not covered, then it's up to the provider and the client.

121 THORNE: EXHIBIT B, Pg. 5, Outlines Medicaid - Who is covered? -Points out 3 groups from this page: Reducing income level for nursing home patients. -Home and community-based waivers. -Points out complexity of inter-relationships of Medicaid.

144 THORNE: Continues testimony on EXHIBIT B, Pgs. 6 & 7. Federally mandated services are primarily in Office of Medical Assistance Program. -2 services administered outside their (OMAP) budget are: Inpatient psychiatric services for under age 22 and nursing facilities. 155 (Page

7). Only options for people who are 21 and over.

164 CHAIR FORD: But these were options up until April 1, 1990?

165 THORNE: Agrees and continues with testimony.

189 REPRESENTATIVE MEEK: Pertaining to examples Thorne mentioned about cost shifting. -Are Chiropractors'and Naturopaths' services limited? -If eliminated, could there be more money available for mandated services?

206 THORNE: Uses dental care as example because have eliminated adult dental coverage except for emergency. -Severe access problem for dental care for children. -Medicaid pays 40-45% of usual and customary. -Even if we could find funds, would be better off using it to increase dental rates. -Adults: if emergency, hospital stay, have to pay. -Chiropractors= <\$600,000 Naturopaths (limited billing codes)- \$18,000.

234 CHAIR FORD: Why are Optometrists' services separated from eyeglasses?

236 THORNE: "Those are reported separately in our federal reporting mechanisms". Pay for services and glasses separately.

239 CHAIR FORD: What about Opthomologists?

240 THORNE: Yes, but this is included under another service, because Opthomologists are physicians.

243 CHAIR FORD: Are they both optional services?

246 THORNE: Yes. -Other examples: Rehabilitative services have federal matching money. -Under state statute, are required to pay for these services for +65 years. -Trying to get Medicaid funding for this.

268 REPRESENTATIVE BARNES: What is controlling factor in these optional services? Is it the amount of available dollars given to program, case by case method or how is it controlled?

272 THORNE: Because it is an entitlement program, we have to pay for it, we

can't say we're out of money. -ie. Chiropractors: If managed care program such as Kaiser or PACC, would have to refer out to other providers. -ie. Dental - scheduled number of permitted visits. -Payment rates may be controlling factor, because of needed incentive for doctors. -4 things that drive the Medicaid budgets: who, what and how much we pay in

utilization of services. -Little control on what we pay in some instances. -Difficult to assume we will control cost because of the hard choices to make.

299 CHAIR FORD: Where do soft-tissue organ transplants fall?

303 THORNE: Required to cover for those under 21 because of federal law change. Covered: liver, heart and certain bone marrow transplants. -Adults: cornea and kidney and no other kinds of transplants.

313 CHAIR FORD: How has this affected the cost?

314 THORNE: Will have to get back to her with specific dollar amounts. -Most requests have been for liver and heart transplants. -Included in budget rebalance plan, area of concern: Bone marrow transplants because of low success rate and high cost: \$150,000 to \$200,000. -Complying with criteria placed and not as volatile or emotional since re-opened for children.

328 CHAIR FORD: Pancreas?

329 THORNE: Limited pancreas in conjunction with kidney transplants. Won't

separately cover pancreas transplant.

335 THORNE: Continues testimony on EXHIBIT B, Pgs. 11 & 12. For idea on how Medicaid is administered. No longer a part of AFS for Medical purposes. The way they are administered has allowed them to capture federal funds in way that other states haven't been able to do. -Over \$500 million total fund 89-91.

360 CHAIR FORD: Comments on this being a benefit and asks if legislation is

needed to keep them (OMAP) where they are at. Who's idea to re-organize?

362 THORNE: Kevin Concannon re-organization proposal from last session to bring Medicaid into the Office of Director. Thorne chaired a work committee which recommended making this change. Went before Rep. Stein's interim committee. Went to E-Board after that. -Housekeeping Bill: SB 60 moves OMAP to the Office of Director.

384 THORNE: Provide services for department as a whole, process all claims for payment. Commented on their efficiency as compared to Blue Cross. New role: Provide coordination and oversight. -AD&D program dollars in Mental Health. -Eligibility not determined by OMAP office: AFS for families, CSD for children under their care; foster children, SSD for Age, Blind and Disabled. -Cited other examples.

437 REPRESENTATIVE BARNES: Who's responsible for corrective actions if audits show irregularities?

440 THORNE: Depends on issue. Nursing facilities - Senior and Disabled Services. If eligibility issue - may be 2 or 3 of the divisions. Explains why have central administrative structure is to have better idea of potential problems.

450 REPRESENTATIVE BARNES: Monitoring system to enable timely, corrective action?

453 THORNE: Not a monitoring system; have a system called Medicaid Management Council, (Thorne chairs it) includes top management from Division, to be aware of what is going on.

TAPE 28, SIDE B

005 REPRESENTATIVE BARNES: Is more interested in outcome of services to better serve recipients.

006 THORNE: Yes and no, those who are Medicaid eligible are getting access to care. Those who need care may or may not be getting it. Many

poor people don't qualify and are un-insured. Will hear more about this (Oregon Health Plan) on Wednesday and it is one the problems that we hope to alleviate.

013 CHAIR FORD: 45% of poor people aren't receiving dental care?

014 THORNE: We pay at about 45% of usual and customary charges which is the

problem in the access area; the lack of access to dental care.

016 CHAIR FORD: Talked about dentist who spoke with her about his concerns.

021 THORNE: This is #1 problem, they want to take it up to 65% of usual and

customary charges.

025 CHAIR FORD: Referred to what they paid: Physicians - 55%, Dentist - 45% of usual and customary charges, and pay hospitals and nursing homes more than that.

028 THORNE: Not able to comment on hospital rates because they are currently

in litigation. Our percentage of usual and customary, cost of living raises

have not be in sync'd with inflation. This is on a downside.

035 CHAIR FORD: Dentist aren't the ones that have high rates of malpractice

liability. Made reference to MRI's, Cat Scans and other equipment that physicians have.

040 THORNE: Dentist have types of overhead that physicians don't.

044 THORNE: Continues testimony (EXHIBIT B, Pg. 11). Referring to MHDDSD: don't determine eligibility, patients' eligibility is determined through Senior and Disabled Services Division. -They do administer services to those groups of clients listed. Continues testimony on the rest of the chart.

059 CHAIR FORD: Question on General Assistance: What do you think about the program that assists people in applying for SSI (Liaisons)?

066 THORNE: Not familiar with how it works but knows end results of it. Helps them (OMAP) to get more federal money for programs or services that are being paid for with State money. For general assistance: not Medicaid

eligible but medically unemployable for at least 60 days and poor. Many do

become disabled and SSI eligible.

075 CHAIR FORD: Asked about documentation showing savings, to get more Federal dollars.

082 CHAIR FORD: Recessed committee until 2:45.

088 JEAN THORNE, Presents and summarizes (EXHIBIT A). -Mission: assuring access to Medicaid clients and keeping providers happy.

128 CHAIR FORD: What about the homeless, are they covered anywhere?

133 THORNE: If they have an address or a mailing address. Provisions for homeless to get around mailing address problem.

139 CHAIR FORD: Homeless don't have mailing addresses.

140 THORNE: Example: Salvation Army or similar organization. -Will get further clarification and get back to Chair Ford.

141 THORNE: Continued with testimony EXHIBIT A, PGS. 3 & 4.

175 BARNES: What is the possibility of OMAP working with providers to cutdown on overhead costs ie. billing and bill tracking. Is there computer accessibility for providers.

182 THORNE: Have these kinds of programs available to providers. -Person temporarily assigned to address concerns with cuts in next biennium.

191 HAYDEN: Reiterated problem of bureaucracy and paper work involved in these types of transactions.

202 THORNE: Continued with testimony. Referred to staff working on SB 27.

207 CHAIR FORD: Why are there 5 people working on SB 27, considering it's ambiguity. -What are you doing now?

209 THORNE: Need to design program for waiver. -Considering other kinds of things that will be needed, listed these things. -SB 27 and Medicaid eligible options that can be combined.

234 CHAIR FORD: Will the federal government staff be looking at such a big document?

236 THORNE: They already have the draft, it will be part of the waiver review.

240 CHAIR FORD: Expressed concern that it be simple enough to reduce paper work and so that money doesn't get will take up the money before it gets to

clients?

245 THORNE: Wants it to be simple. Wanted to get the way they designed SB 27 on record. Program wise, it made more sense but administratively, it was

most complex. -Want it set up to meet concerns of everyone involved. -Continued testimony EXHIBIT A, Pg. 5 Organizational Chart. -Pg. 6 - Contracting Methods.

285 STEIN: Are we attempting to get more HMO's and other managed care

systems?

291 THORNE: 3 or 4 more organizations maybe entering within next year: Southern and Central Oregon. -Have a federal waiver for Age, Blind and Disabled. -Most success - ADC population.

308 CHAIR FORD: Is this voluntary?

309 THORNE: Except in Ashland, if ADC client is area which is primarily the

valley, are required to sign up from an array of HMO's or PCO's and select from there.

315 CHAIR FORD: How does this fit in with federal requirement?

316 THORNE: Waiver since 1984-85 which is very common among states.

318 THORNE: EXHIBIT A, PG. 7. Percent of Budget Spent on Administration. -Description of Administration: broke down in two ways: Medicaid spread out throughout the different agencies and Medicaid within the OMAP office. -Administration is: Eligibility Workers in field, Senior Services Case

Managers, bill-paying and claims-processing staff. -Response to why there is such a high administrative component. Two reasons: 1. Have been successful at claiming federal matching funds. 2. 25% of money spent in state are for Senior Services Case managers. We could do

away with high administration costs but doesn't feel that clients would be served as successfully.

361 THORNE: EXHIBIT A, PG. 8, Administrative Reductions -91-93. pg. 15, Program Budget. Defined reductions in services from pg. 8. -Physicians and pharmacists monitoring the dispersion of drugs. -Capital Outlay (Pg. 9) budget reduced.

411 PROGRAM COORDINATION: (EXHIBIT A, Pg. 10-11). Highlighted coordination with the Department of Education because of its success.

TAPE 29, SIDE B

010 THORNE: Continues with testimony (EXHIBIT A, Pg. 10-11).

033 REPRESENTATIVE BARNES: Do you have any mandates to apply to local government?

037 THORNE: We don't from our office and didn't know if other divisions did.

040 THORNE: Presented testimony on EXHIBIT A, Pgs. 13 & 14 - Office of Medical Assistance Programs 1991-93 Governor's Budget.

042 CHAIR FORD: Referring back to (EXHIBIT A, Pg. 7) Percent of Budget Spent on Administration: Explain difference between "FFY 1990" and "FY 1990" and where the 700 million comes in for '91-'93 in relation to those two.

052 THORNE: DHR Medicaid Budget is first category. FY 1990 is OMAP part of it. FFY is federal fiscal year 1990 and it includes all the

components of Medicaid throughout the department of Human Resources. FY1990 is OMAP's first year of this biennium.

058 CHAIR FORD: More questions for clarification.

064 THORNE: Notes that continuing level costs has major impact for them because of additional federal mandates besides the one noted where they have to pay for all medically necessary services for children. -As of April 1, 1991 they are required to cover all pregnant women and children-under 6 to 133% of poverty. -Program started in 1987-89 spent about 16 million, this biennium about 80 million and next biennium 133 million. 072 -Continues with testimony on EXHIBIT A, Pg. 13 & 14. OMAP has two bottom lines in their budget: 1. Without a hospital assessment tax and; 2. One is with hospital assessment tax.

084 Goes through first reduction options (pg. 13): Case load reduction (this is reprojection, not a management action. Reduction from where they thought it was going to be in 1991-3. -Refers to Management actions: "Eliminate CPI's" ie. cost of living adjustments for any providers.

109 CHAIR FORD: Are they seniors (referring to Senior Services cuts)? Do they have Medicare?

110 THORNE: About 60% are on Medicare and 50% disabled, some will be cut.

114 CHAIR FORD: Asked about criteria for eligibility which now would not allow them to qualify?

118 THORNE: Those who fall between \$210 and \$300 income (guidelines), will have to self-pay for their care, no Medicaid coverage. Waivered services- only reason they qualify. There was further explanation.

133 CHAIR FORD: Asked Melanie to ask SDSD for examples of people in category: income level, medical needs are, what receiving now and what will

happen to them after being cut.

138 THORNE: Continues testimony on EXHIBIT A, pg. 13: Underfund General Assistance Physicians - pay General Assistance physicians half what they would pay physicians for Medicaid clients. 142 -Continues on pg. 14 of Exhibit A. Proposed Revenue Package.

147 CHAIR FORD: Asked for description of General Assistance client referring to Thorne's testimony on underfunding General Assistance physicians.

151 THORNE: Described General Assistance person and what Medicaid pays for currently. Physicians don't have to accept Medicaid or GA client. Impact may be that some GA clients won't receive services. 167 -Continues with testimony on EXHIBIT A, pg. 14. Overview on what Hospital Tax does: Hospitals would pay percentage of net revenue into state as a tax. The state would use that money to act as the state share to buy back services. Gave example on how this would work. -Next item: To continue cost based reimbursement for Type B - Rural Hospital. Gave explanation about how hospitals are assigned "Type" letters. -Rural Health Network - not in their budget, just run through their budget to go through OHSU (explained). 202 -Continues with testimony

(Exhibit A, pg. 14), gives some detail on GA, reinstatement proposal and GA Program Increased Caseload. 222 -Impact of budget: no more Medically Needy Programs, no cost of living increases for providers but hospitals.

232 REPRESENTATIVE TAYLOR: Clarify Type A and B hospitals. Proposal effects on Type B hospitals?

238 THORNE: "It would continue full cost reimbursement for Medicaid clients" in Type B hospital, Type A.

242 REPRESENTATIVE TAYLOR: Does this require legislative action?

244 THORNE: Yes, because the legislation is due to sunset.

251 CHAIR FORD: Comment for Rep. Taylor from Melanie: This legislation goes to Trade and Economic Development.

254 REPRESENTATIVE BARNES: Question on how many babies born to drug abuse mothers that are on Medicaid?

258 THORNE: Not sure but pay large sums of money for Neonatal care. Long term care in the Mental Health care part of system. Could get figure on how spend on Neonate health care.

268 REPRESENTATIVE BARNES: Wanted break-down.

269 269THORNE: Will try to get diagnosis codes that might be helpful.

273 ZERMER: Health Services Commission developing list that office will use after it's funded by the legislature to redesign Medicaid package. How does this fit into this proposal and asked about when they (committee) will receive list?

278 THORNE: This budget is being done independent of SB 27. - Health Services is almost done with list publication date: 2/20/91. Actuaries have received line items about 1000 and are pricing independently. Gave more detail. -Hope to have back from actuaries, list priced and with potential budget impact end of April. -Scenario on they hope it will occur: Actuaries will have price list, funding decision by legislature, then fill out waiver document, will take 4-6 months for decision on waiver. -2 paths here because Secretary of Health and Human Services has authority to grant waivers but this is too controversial. -At same time that Packwood and Wyden are planning to introduce legislation in Congress. This is not contingent upon Congressional but would be nice. Gives further explanation. -Budget decision: Estimate that approximately 115,000 additional people will be eligible for health care. -This budget does not assume SB 27 but funding nice.

360 REPRESENTATIVE HAYDEN: Comment on dental budget: Very inexpensive - \$5.00 will fund it. Legislature is problem, it has refused to fund. Department reimburses at 45%, actual cost is 55%, dentist must pay about \$10.00/hour out of their pocket. State is underfunding the cost of doing business. -This could be solved by providing family wage to the dentist (\$15.00/hr). Access problem would be addressed. -190,000 people entitled to dental care to 1600 dentists. It is beyond the

scope. The state has depended on volunteer-work of dentists for 30-40 years.

411 THORNE: Have 3 contracts with Dental Care Organizations. Considering

expanding this type of program. Most severe problem right now.

427 REPRESENTATIVE BARNES: Impressed with Thorne's comprehension of complex subject expressed appreciation.

PUBLIC HEARING ON HB 2442: Proposes that the Department of Human Resources establish paternity if father's name is absent from birth record.

WITNESSES: RICHARD KOENIG, DADS PACT VICTOR SMITH, DADS AGAINST DISCRIMINATION KEN OTTO, DEPARTMENT OF HUMAN RESOURCES

436 CHAIR FORD: Chief sponsor asked for postponement but because there are people here to testify, will proceed.

TAPE 30, SIDE A

008 RICHARD KOENIG, DADS PACT, Albany. -HB 2442 proposes to abolish existing law at 109.060 of ORS which was created in 1957 by Oregon Legislature to deal with problem of bastardization of its citizens. -ORS 109.060 language - "It shall be equal rights and responsibilities for all parents whether or not they are married". -Problem because of unconstitutionality. -Potential of mass litigation with state by those not equally protected. -Women may be part of these litigators because of ERA theory.

409 REPRESENTATIVE STEIN: How does this force women into child rearing?

043 KOENIG: Under HB 2442, presumption is women will have custody and fathers will pay support.

049 CHAIR FORD: Committee has not been presented HB 2442 as of yet. Committee is at disadvantage.

051 KOENIG: Victor Smith will clarify HB 2442 further, and Koenig concurs with Smith's testimony. (Next witness) -There is no compelling state interest unless there is an assumption from the state that women are unable to support their families. More individuals who prefer to raise children on their own. -HB 2437 proposes language that almost makes it mandatory that women cooperate with the State's efforts to establish paternity regardless of woman's desire to do so.

067 CHAIR FORD: HB 2442 states: The state would attempt to find out who father is even if mother didn't want anyone to know.

069 KOENIG: Concurs with CHAIR FORD and adds that there is no compelling state interest unless states assumes that women won't be able to support their families. -Assumption that single mothers are bound to end up on welfare. -ERA will not stand for this type of legislation. -Proposes that the state, in the event that HB 2442 is considered: should amend 5A: When court makes paternity determination...Amendment: "the court shall inquire as to whether custody is at issue and immediately convene proceeding to determine proper placement of a child". This language is not present in this bill. -2nd Amendment proposed: "In the event mother has applied for welfare or is currently on welfare at the time of the birth, AFS shall seek a financially responsible parent, ask that parent if that parent is willing and able to assume custody of the child and assist that parent in the assumption of custody by providing forms, information and referrals".

095 CHAIR FORD: What if mother won't identify father?

096 KOENIG: She is exercising her choice of "family structure". She wants to raise her child(ren) on her own.

101 CHAIR FORD: Considering whether there would be a penalty for mother who refused to disclose identification of father.

103 KOENIG: What would the compelling interest of state be?

104 CHAIR FORD: Or would state deny assistance if mother didn't comply? Many questions that need to be asked.

106 KOENIG: HB 2442 has many unanswered questions. If passed, litigation over constitutional issues, would be inevitable.

121 VICTOR SMITH, DADS AGAINST DISCRIMINATION, EXHIBIT C. Opposed to bill in present form (SEE EXHIBIT C).

143 CHAIR FORD: In response to Smith's testimony that HB 2442 was conceived by an agency of the state. It is an individual bill, but may be able to make the assumption that legislative counsel didn't draft idea accurately.

146 SMITH: Continues (See Exhibit C). Referred to cases pending in Oregon Court of Appeals on time limitations for identifying father. -Argues for having a limitation period.

173 CHAIR FORD: Referring to Exhibit C, #2: Birth record must name the mother.

176 SMITH: Continues, see: Exhibit C, #2, in order to clarify for Chair Ford. Comments of sponsors of HB 2442, and argues that it will promote litigation. -HB 2442's only intent is that fathers be identified and pay money. -\$20.00 tack-on fee that goes to Department of Human Resources creates self-funding bill, ie. if father paid this for 21 years= \$5000. -Comments on numbers of out-of-wedlock children being born. 218 Summary: Fails to provide father opportunity for custody and the development of a relationship with child. -Fails to provide opportunity to develop visitation schedules. -Fails to provide the other parent opportunity for financial responsibility. -Doesn't give both parents equal protection, or equal access under law.

231 REPRESENTATIVE BARNES: Asked Zermer about current law for establishing paternity.

236 ZERMER: There is current law.

237 SMITH: Explains difference: Would cost father \$1000, attorney fees. -Mother, no cost, state would pay. -Implies that one or the other may have intended for pregnancy to occur. -If both were responsible, both should be held accountable.

256 KEN OTTO, DIRECTOR'S OFFICE, DEPARTMENT OF HUMAN RESOURCES: They don't sponsor or support HB 2442.

CHAIR FORD: Adjourns the meeting at 400 p.m.

Submitted by,

Reviewed by,

Guadalupe C. Ramirez

Melanie Zermer

EXHIBIT LOG: A - Informational Meeting - Presentation to HHRon OMAP,
Department of Human Resources - Thorne - 15 pp. B - Informational
Meeting - Medicaid & the State of Oregon, Medical Assistance Programs -
Thorne - 18 pp. C - HB 2442 - Testimony - Smith - 1 p. D - HB 2053-2
amendments - staff - 1 p. E - HB 2053 proposed amendments - staff - 1 p.
F - HB 2442 preliminary staff measure summary - staff - 1 p.