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.

Measures Heard

Health Care for All Act

SENATE COMMITTEE ON HEALTH INSURANCE AND BIOETHICS

January 22, 1991Hearing Room C 3:00 p.m.Tapes 3 - 5

MEMBERS PRESENT:Sen. Bob Shoemaker, Chair Sen. Joyce Cohen, Vice-Chair Sen. Jeannette Hamby Sen. Lenn Hannon Sen. Frank Roberts

STAFF PRESENT: Barbara Coombs, Committee Administrator Mark Sigel, Committee Assistant

WITNESSES: Tom Erwin, DIF Consumer Advocate Christa Sprinkle, Steps to Success Marje Joza, NeigHB orhood Health Clinics Hank Bersani, Association of Retarded Citizens Scott Manchester, National Association of Social Workers Melody Long, Terry Rogers, Brad Bluminger, Ellen Pinney OR Heath Action Campaign Ruth Anderson, Oregon Fair Share

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TAPE 3, SIDE A

003 CHAIR SHOEMAKER: Calls the meeting to order. The people of this state are looking for two things as we seek to change the health care system: we are looking for universal access and we are looking to find a way to bring down the cost of care.

023 TOM ERWIN, OREGON INSURANCE CONSUMER ADVOCATE (EXHIBIT A): Exhibit A summarizes that Oregon needs the Health Care for All Act because it is difficult for many Oregonians to get affordable health insurance and it is currently impossible for some Oregonians to get health coverage at any price.

165 CHRISTA SPRINKLE, EAST MULTNOMAH STEPS TO SUCCESS: Presents (EXHIBIT B). Exhibit B summarizes the limited quality and quantity

of health care available to welfare patients.

305 SENATOR ROBERTS: Is the poor quality care that you are talking about endemic to the whole health care system or limited to welfare patients?

311 SPRINKLE: It is limited to the welfare population for the most part.

370 SENATOR HANNON: Takes offense at the characterization of insurance industry as organized crime because he is an insurance salesman.

399 MARJE JOZA, EXECUTIVE DIRECTOR NEIGHB ORHOOD HEALTH CLINICS: Our group serves 6,000 uninsured people per year. We turn away 25 to 30 people away every day. This is more than we actually treat. We couldn't provide the care we do provide without a great number of health care volunteers. I send the people who can't fit in our clinic to emergency clinics, the most expensive form of health care. The number of folks that I am turning away is growing.

TAPE 4, SIDE A

* Tape 4 Side A is recorded over.

* The testimony that was given is summarized below.

HENRY BERSANI, ASSOCIATION OF RETARDED CITIZENS: Presents (EXHIBIT C) Exhibit C summarizes the difficulty that retarded citizens have getting access to adequate medical care.

GLENN SOFGE, SPRINGFIELD, OREGON: Presents (EXHIBIT D) which summarizes Mr. Sofge's experience of having unnecessary tests and running up a $4,000 bill to get a hernia diagnosed and treated.

SAM DOMINY, OREGON REPRESENTATIVE: Presents (EXHIBIT E) which summarizes the nature of the Canadian national health care system.

TAPE 3, SIDE B

001 DOMINY: In Canada the decision to purchase expensive hospital equipment is based on need by the government while in the US hospitals buy such equipment to attract doctors to their facilities.

025 JEANINE MEYER RODRIGUEZ, OREGON PUBLIC EMPLOYEES UNION AND MARIANNE GEST, OREGON SCHOOL EMPLOYEES ASSOCIATION: Present (EXHIBIT F). Exhibit G summarizes the components of the Canadian national health insurance system. They also summarize problems with the system.

034 SENATOR COHEN: Prior to 1984 did Canada have a radically different or marginally different health care system?

036 GEST: In 1984 the Canadians consolidated their national health care system which was originally developed approximately 20 years ago.

090 RODRIGUEZ: Canada's current national system was originally started on a province by province basis.

135 CHAIR SHOEMAKER: Is it correct that the Canadian physicians negotiate with each other rather than with the government when setting fees?

137 RODRIGUEZ: Correct.

183 SENATOR COHEN: In the Canadian system, how was the emphasis on

treating people at home made?

188 GEST: In this particular case the Vancouver Department of Health wanted people treated at home.

195 SENATOR HAMBY: Emphasizes that the home health care program, the school immunization and the well baby clinics that Canada enjoys currently are very similar to what Oregon enjoyed 30 years ago.

302 SCOTT MANCHESTER, NATIONAL ASSOCIATION OF SOCIAL WORKERS: Summarizes the components of the single payor system and explains why the system can work in Oregon as well as in Canada. The single payor system OHAC envisions would pay for basic services and private insurers would still be available to provide "options" like private rooms and other extra services. The single payor system would retain the private health care delivery system (private doctors, private hospitals) - the payment system would be put under government jurisdiction. Emphasizes that US health care costs are high because of inefficient and duplicative billing and administration procedures.

388 CHAIR SHOEMAKER: Would a single payor system replace Medicare and Medicaid?

411 MELODY LONG, OREGON HEALTH ACTION CAMPAIGN: No

442 SENATOR ROBERTS: Is concerned that a single payor system for basic services and private insurance for other services could develop into a situation of good care for the rich and poor care for the poor.

TAPE 4, SIDE B

027 CHAIR SHOEMAKER: Asks what copayment levels would be set under the proposed single payor system?

028 MANCHESTER: $1 to $5 per copayment. People with income levels below 200 % of the poverty level would not have to pay copayments.

045 SENATOR ROBERTS: Asks if evidence exists showing that copayments truly reduce the cost of health care?

053 MANCHESTER: Emphasizes the Rand study which concluded that copayments truly do limit use of services and therefore bring down costs. The study also identified that copayments can block access to necessary care.

136 MELODY LONG, TERRY ROGERS, ELLEN PINNEY, BRAD BLUMINGER, OREGON HEALTH ACTION CAMPAIGN: Presents (EXHIBITS G) which emphasizes that a single payor system is necessary to effectively control medical costs.

215 SENATOR ROBERTS: How does managed care in our system differ from that in Canada where the general practitioners act as gatekeepers for specialist care?

230 PINNEY: In Canada physicians provide services for fees and therefore lack strong incentives to avoid unnecessary visits or treatments. Our proposed system is a capitated system where a limited total fee is paid upfront to a provider organization. The provider then has an incentive to figure how to provide the most appropriate services.

323 TERRY ROGERS, STAFF ATTORNEY FOR MULTNOMAH LEGAL AID: Presents and summarizes (EXHIBIT H) which is OHAC's draft bill for establishing the Oregon Health Care for All Act.

411 CHAIR SHOEMAKER: In the proposed bill would the Health Care Board negotiate a budget with the entire hospital industry or hospital by hospital?

442 LONG: Under the proposed bill the Health Care Board would negotiate with each individual hospital to set budgets. Similarly, the Board would set a budget with the Oregon Medical Association and the doctors would carve up that budget.

TAPE 5, SIDE A

004 SENATOR HAMBY: If a great new MRI came out and a hospital wanted to buy it, how would that be accomplished under the single payor proposal.

010 LONG: The Health Care Board would decide which hospitals get to buy new capital equipment. The hospitals would own the equipment themselves.

030 BRAD BLUMINGER: The proposal directs the Health Care Board in its first year of operation to determine how much money money is spent by which hospitals on capital equipment.

059 AMY KLARE, AFL-CIO: Presents (EXHIBIT I) Exhibit J summarizes that the AFL-CIO has endorsed the Oregon Health Care for All Act because the organization believes that the single payor system incorporates essential cost-containment measures.

*142 There is no more testimony recorded on this tape.

*However, the testimony begins again at 021 of TAPE 4, SIDE A with Brad Bluminger of OHAC giving testimony.

023 CHAIR SHOEMAKER: Asks how much employers would have to contribute to health insurance under the proposed single payor plan compared to under the current system.

024 BLUMINGER: No actual percentage has been set for the new plan.

031 PINNEY: Currently, the average employer is paying about 9% of his or her gross payroll for health benefits.

042 CHAIR SHOEMAKER: Do you want employers to pick up the same percentage under the new plan?

043 PINNEY: Yes.

105 DAVID BROCKETT, PRESIDENT OF LANE COUNTY CHAPTER OF OREGON FAIR SHARE: Describes the Fair Share organization, its membership, its programs, and its commitment to estrablishing a single payor health care system.

167 RUTH ANDERSON, CANVASSER FOR OREGON FAIR SHARE, Cites individual cases of unmet health care needs among Oregon Fair Share members.

250 Meeting adjourned.

Submitted by: Reviewed by:

Mark Sigel Barbara Coombs Assistant Administrator

EXHIBIT LOG:

A -Testimony on Health Care for All Act - Tom Erwin - 6 pages B -Testimony on Inadequate care for Welfare patients - Christa Sprinkle - 7 pages C -Testimony on health care for the retarded - Hank Bersani - 4 pages D -Testimony on Health Care for All Act - Glenn Sofge - 2 pages E - Testimony on Canada's Health Care System - Sam Dominy - 4 pages F -Testimony on Canada's Health Care System - Jeanine Rodriguez - 5 pages G - Testimony on Health Care for All Act - Melody Long - 10 pages H - Health Care For All Draft bill - Terry Rogers - 12 pages I -Testimony on Health Care for All Act - Amy Klare - 3 pages