

SENATE COMMITTEE ON HEALTH INSURANCE AND BIOETHICS January 20, 1991 -  
Page

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 SB 53

SENATE COMMITTEE ON HEALTH INSURANCE AND BIOETHICS

January 31, 1991Hearing Room C 3:00p.m.Tapes 12 - ?

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: Jim MacIntosh ?Name

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TAPE 12, SIDE A

000 CS: Calls meeting to order at 3:08.

017 Jim Macintosh: Executive Department

037 fr: I've heard that this kind of cost sharing leads to no savings

040 Macintosh: believes it does. SB 53 would give individuals a personal  
incentive in reducing unnecessary expenditures. SEBB provides benefits  
to 10,000 people covered and 17,000 more uncovered people.

078 FR: Please explain maintenance of benefits 89Mac: Allows a primary  
plan to coordinate aplan only up to the level that the primary plan  
would havepaid.

094 Bob Mehr: Explains that the bill only deals with people whoar  
ecovered by two health plans,Deals with how the pbill that is secondary  
pays benefits. Under the current situraytiton the secondary plan will  
actually cover the cost of deductibles not covered by the primary plan.  
This bill means that the secondary plan only has to supplement

Under the current law the person always gets up the secondary plan's level. Under this bill, the person only gets up to the level of the primary plan.

177 frWhy would anyone keep a secondary plan if the primary plan covers them better?

215 Macintosh: We design our plans so that people will have to share in the costs of the health plans.

290 cs: This bill establishes that greaer benefits can't be paid out then either plan allows for

321 Bob: In response to the chair's question the premiums are set based on

353 Mac: We have provided a statement of fiscal impact. We estimate that premiums could be reduced \$924,000 for 91 to 93 and even more for 93 to 95 out of a budget of \$90 million. Mostly though people should have personal financial incentivces to save.

396 CS: Tell us what the SEBB plan offers

401 MAC: We offer tghree main plans with \$100, \$200 ofr \$300 deductibles.

TAPE 13, SIDE A

023 CS: How does coordiantion of benefits work with an HMO.

028 Bob: Thats very arcan

046 FR: I'm trying to discover what the effect or cost of this is with ther bill. What bothers me is the assumption that somebody might hesitate to get some necessary procedure because they didn't want to have the pay the deductible that wouldn't be covered after this bill.

090 Bob: Consider when someone has a \$100 bill and both their and ththeir sposuse's plans only pay 80%. Under the current law, the first plan pays \$80 and the secondary plan covers the other \$20. Under the new law only \$80 would get payed.

117 Ralph Groner AFSCME: AFSCME does have some concerns with the bill. I'll talk to the counci l and get back to you.

135 Peggy Anet, League of Oregon Cities: Presents Exhibit A

154 Mac; We initially introduced the bill along with the NAIC guidelines. The iNsurance Department said the original language was not clear enough.

172 CS: To what extent did the private insurance companies participate in the drafting of the bill.

175 MAC;

189 Anet: Under the current COB provisions, if fpor example I have primary coverage through ther city and my huSB and has coverage through someone else. If

231 CS: I agree that the secondary coverer should not have to pay for something excluded by the primary coverer.

255 Lewis Littlehales and Craig Urban, Department of Insurance. COB was originally an attempt at cost containment.

298 cs: Please explain the dollar limit of \$2,800 per person and \$4,200 per family.

308 Craig Urbani The dollar limit places a maximum on the amount that..... The basic assumption used to be that people always receive 100%.

353 CS: There are stop loss provisions on individual plans correct?

363 : Urbani : yes.

376 JC: Please confine your comments to the current legislation and the similar bills passed last session and not ancient history.

390 Urbani: Private plans can't

TAPE 12, SIDE B

013 The intent is to provide an incentive in the purchase of health care. The limitations are to avoid unbearable hardships.

019 jc: How did you come up with these estimates

021 urbani; The NAIC had limitation of \$2,000 and \$3,00 and we adjusted for inflation.

040 Coombs: Would the current amendment address Ms. Anet's concerns about exclusions?

048

055 Chuck Mendanhal, BUBB: BUBB was created in 197 , with members appointed by the Governor, BUBB was involved in the redraft of the language of SB 53. The amendments go far beyond what was in the original bill draft. I'm concerned with amendments . I want to leave in the language about "collectively bargained plans".

119 CS: Why do you prefer the current situation above the situation that would be created by the new amendments?

127 ; Mendanhal: For one thing we haven't had enough time to look at the amendments.

134 CS: Concludes the hearing at 4:15.

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