

SENATE COMMITTEE ON HEALTH INSURANCE AND BIOETHICS January 20, 1991 -
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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 ?HB (MTG Type) ?HB (MTG Type)

SENATE COMMITTEE ON HEALTH INSURANCE AND BIOETHICS

Feb. 14, 1991Hearing Room C 3:00p.m.Tapes 16

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

MEMBER EXCUSED: Senator Cohen

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

WITNESSES: ?Name ?Name

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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 16, SIDE A

000 cs: Calls meeting to order at 3:10

031 ron bender BC/BS:

034 Hannon:

052 Senator Fawbush: Testifies in support of SB 320. I feel that this
bill is particularly important in rural counties especially where that
is the only medical facility available.

093 KEN RUTLEDGE, OREGON ASSOCIATION OF HOSPITALS: Speaks in favor of SB
320 because the withholding of paymenytf from hospitals. Leadfs to cost
shifting. Small hospitals don't have thRresouces to take on dditional
expenses. If one insurer does this successfully, then others will
certainly do so.

127 cs: Help me to understand what is the leverage that insurance
companies already have without this additional leveage?

137 RUTLEDGE: This practice also causes bad feelings because patients get checks from insurers, put the checks in their checking accounts and then get upset when the hospitals come after them.

169 lh: How many hospitals in your membership? And how many have signed the contract?

175 RUTLEDGE: All but a few.

181 lh: Why couldn't all the hospitals not sign?

187 RUTLEDGE:

206 TIM BICKLER, ODS HEALTH PLAN GENERAL COUNSELOR: Has no problem with the bill.

228 FLO RHEA: PRESIDENT, TUALITY HEALTHCARE: Presents (EXHIBIT A) which summarizes her support for SB 320.

286 cs: What do you do when a patient declines to assign their benefits to you?

293 RHEA: We make some kind of arrangement.

297 cs: What percentage of your patients assign their benefits?

308 RHEA: About 90%.

315 RONALD BARNES, MOUNTAINVIEW ADMINISTRATOR: Testifies in support of SB 320. We are one of hospitals that has not signed BCBSO's contract. We did not want to pass along higher costs to our patients. Since 1989 Mountainview has lost over \$49,000 in revenues.

367 cs: How do you deal with patients who won't assign their benefits?

384 BARNES: We never turn away patients.

397 cs: If you did turn away patients then wouldn't that pressure BCBSO to accept...?

400 BARNES: That's really not practical in a rural community. Because patients won't go down the road to the next hospital because ..

TAPE 17, SIDE A

PAT TURNER AND SUSAN HESS, HOOD RIVER HOSPITAL: Supports SB 320. We rely on the tourist trade: our patients are from all over the country. A lot of these patients are covered by BCBSO: 17 to 20% of our tourists have BCBSO. The inability to take assignments would devastate us. The assignment of benefits has been around for 20 to 25 years.

105 lh: Have you signed a contract with BCBSO.

113 TURNER: We have 7% bad debt.

134 RON BENDER, WILLAMETTE MEMORIAL HOSPITAL: Testifies in Support of SB 320. When a patient has not assigned their rights to us they get all the paperwork from BCBSO and we don't get the paperwork and its hard for us to help them process the paperwork. We have lot of Forest Service

and retired federal employees who were covered by BCBSO.

200 It was more of a patient related issue than a business related issue in terms of us finally signing with BCBSO. Only 5% of our patients were enrolled with BCBSO; but we didn't want to tell the sixtysome BCBSO patients that they would have to go outside of the community to get care.

We were already charging less than most other hospitals yet BCBSO wanted us to give a further discount almost as a matter of principle.

269 Daryl VBurgess, Sacred Heart Hospital: Speaks out for the patients interest in this case. Its not fair to put the patient in the middle - its not fair for a patient to be turned away because they can't or don't want to assign benefits.

293 JOHN POWELL AND RODERICK BUNNELL, BLUE CROSS BLUE SHIELD OF OREGON: Testify in opposition to SB 320. Present (EXHIBIT B) which summarizes their opposition to SB 320.358 lh: What is the difference between a preferred provider and having a contract with BCBSO? TAPE 16, SIDE B TAPE 16, SIDE B

014 cs: So Hood River is in no different position than Madras Hospital or other hospitals.

022 cs: If we have had assignability around for 20 years, why are you saying that we are going to lose the PCO structure. Why are the PPOs threatened by...

051 cs: Couldn't you restrict the

061 cs: So you are saying that that section is broader than intended?

075 cs: For twenty years or more you haven't had control of the checks. Hasn't you been successful negotiating with hospitals before now?

089 BUNNELL: We hadn't negotiated with hospitals before 2 years earlier.

124 cs: This is only one of your bargaining chips but not your only one. Can't you say to hospitals we are only going to pay so much for certain procedures?

145 cs: I'm not persuaded that you don't have the clout to negotiate with hospitals that ...

157 BRUNNELL:

171 CS: are you saying that when you negotiate with hospitals you can't pay less than their full charges?

305 SCOTT GALLANT, OREGON MEDICAL ASSOCIATION: Expresses support for SB 320.

341 cs: Can you further explain the distinction between participating and nonparticipating physicians.

350 GALLANT: Physicians who are participating get paid more and are reimbursed quicker.

383 BRUCE BISHOP, KASIER PARMANENTE: Presents (EXHIBIT C), amendments.

TAPE 17, SIDE B

008 cs: Have you discussed this with the Hospital Association.

018 lh: This amendment would help Kaiser Permanente but noth other health care service contractors?

040 BISHOP: It would affect other health care service providers the same as it would affect us.

064 BC: Your policies don't contain a nonassignment clause? So what prevents me from assigning my benefits to a neighB or?

072 Bishop: The contractual relationship you have with a group like Kaiser Permanente is a personal one - therefore, you cannot assign the benefits to another person.

099 JOHN POWELL, HEALTH ASSOCIATION OF AMERICA COMMERCAIL INSURERS:

132 cs adjourns meeting at 444.

TAPE 18, SIDE A

000 cs: Reconvenes meeting at 448

069 fr: Just wants to make sure that we don't negate an insurers' rights to sign contracts

077 cs: We will work over the language so that it doesn't do what you fear.

083 cs: Readjournbns the metg at 455.