

SENATE COMMITTEE ON HUMAN RESOURCES

Monday March 25, 1991 Hearing Room A 3:15 p.m. Tapes 48 -
51 MEMBERS PRESENT: Sen. Bill McCoy, Chair Sen. Cliff Trow,
Vice-Chair Sen. Shirley Gold Sen. Bill Kennemer Sen. Paul Phillips
VISITING MEMBER: Sen. Frank Roberts, District 9 STAFF
PRESENT: Janice J. Fegener, Committee Administrator Mike Meriwether,
Research Assistant Michael Sims, Committee Assistant Andra Woodrum, Page
MEASURES CONSIDERED: SB 635, Relating to health insurance/osteopathy,
PH/VVS SB 672, Creating Respiratory Care Practitioners Licensing Board,
PH/WS SB 458, Relating to acupuncturists' continuing education, PH/VVS
SB 705, Relating to acupuncturist licensing, PH/VVS SB 528, Relating to
remains of unclaimed indigents, PH/VVS

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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 48, SIDE A

003 CHAIR McCOY: Calls the meeting to order at 3:19 p.m.

(Tape 48, Side A) PUBLIC HEARING ON SENATE BILL 672 WITNESSES: Sen.
Frank Roberts, District 9

010 SEN. FRANK ROBERTS, DISTRICT 9; CHIEF SPONSOR, SB 672: SB 672
is consistent with our intention to try to ensure the highest quality
professional performance of these individuals. This can only be assured
if there is a regular process of examination, licensing and a peer
review group.

045 CHAIR McCOY: Closes public hearing on SB 672. Public hearing on
SB 672 continues on Page 4. / Senate Committee on Human Resources March
25, 1991- Page 2 (Tape 48, Side A) PUBLIC HEARING ON SENATE BILL 635
WITNESSES: Jeff Heatherington, Osteopathic Physicians & Surgeons of
Oregon Inc. Bruce Bishop, Kaiser Permanente James Ouchi, Kaiser
Permanente John Powell, Blue Cross/Blue Shield of Oregon

052 JEFF HEATHERINGTON, EXECUTIVE DIRECTOR, OSTEOPATHIC PHYSICIANS &
SURGEONS OF OREGON INC. (EXHIBIT A): Speaks in support of SB 635 and
details Exhibit A. 158 SEN. KENNEMER: Is there a shortage of family
physicians in Oregon? 159 HEATHERINGTON: Yes. This was documented in
a study published in 1985 by an interim committee and the figures have
gotten steadily worse over the years. -Continues detailing Exhibit A. .

170 SEN. KENNEMER: What percentage of D.O.'s in the Portland Metro
area practice at Eastmoreland General? 173 HEATHERINGTON:
Approximately 90% practice in the city. 178 SEN. KENNEMER: Several
people have mentioned a pending lawsuit by the Osteopathic Association
against Blue Cross. Is this bill a way around the lawsuit?

184 HEATHERINGTON: The lawsuit was filed by Eastmoreland Hospital.
The remedies in the lawsuit are different than the remedies in the bill.

205 BRUCE BISHOP, KAISER PERMANENTE: Introduces James Ochi.

209 JAMES OUCHI, ASSISTANT DIRECTOR, COMMUNITY MEDICAL SERVICES,
NORTHWEST REGION, KAISER PERMANENTE (EXHIBIT B): Speaks in opposition to
SB 635 and details Exhibit B. 235 SEN. KENNEMER: The bill states that
if a hospital is federally chartered then they are excluded? How does
this impact your hospital? 237 OUCHI: We did not seek an exemption
from this bill. We elected to testify because we believe the bill is

poor public policy. -Continues testimony. 253 SEN. KENNEMER: Does Kaiser Permanente have access to chiropractors or naturopaths?

255 BISHOP: Yes, we do have access to chiropractors. We do not have arrangements with naturopathic physicians at this time.

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262 SEN. KENNEMER: Asked that they get the number of patients referred to chiropractors during the past year.

274 BISHOP: Mr. Ouchi's testimony states that there are a number of factors that an organization such as Kaiser Permanente considers in deciding which providers to contract with and the price is not by any means the sole criterion used. This is the only criterion addressed in SB 635. We would like the committee to be aware that organizations such as Kaiser would be contracting with community providers.

281 SEN. KENNEMER: Kaiser Permanente participates in discrimination against certain types of providers, which is the issue. 285 BISHOP: We cannot accept that characterization. 288 SEN. PHILLIPS: If we were to amend the bill, deleting Section 5, would you change your amendments, broaden your objection or would it still remain the same? This is from a philosophical perspective? 291 OUCHI: From a philosophical perspective, we would generally have the same comments. 298 SEN. KENNEMER: Would you not have the opportunity to exclude because of the basis on which your charter drawn? 304 BISHOP: No. Federal Law would not allow us to ignore this kind of law. >Under Oregon Law, it is required that all HMO's be federally qualified. We are a group practice HMO, but there are a variety of HMO's that are similarly qualified under federal law. 321 SEN. PHILLIPS: If this was a policy we wanted to set forth in the state, then it should be applied to everyone. What is the justification of pulling Kaiser out, that would be different than others? 331 BISHOP: We believe there are reasons why a law such as SB 635 should not apply to Kaiser Permanente. We are a group practicing model HMO and we provide our own hospital services. To contract with any specific hospital would be antithetical to the way we are organizing delivery. This is not necessarily the same for other HMO's. 346 CHAIR MCCOY: What other federally chartered HMO's are there in Oregon? 350 BISHOP: All of the HMO's in Oregon are federally qualified. The Federal HMO Act specifies requirements for being federally qualified, there is no specific chartering requirement other than federal qualification. > We are both federally qualified under the HMO Act and we have a certificate of authority from the Department of Insurance and Finance to do business in Oregon as an HMO. 383 SEN. PHILLIPS: You would oppose the deletion of Section 5, because you are a different type of HMO, in addition to the philosophical material? 395 BISHOP: We are a different type of HMO. The difference is not in our ownership or operation

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of hospitals, but rather in the relationship we have with the physician group. We are a group practice model. Our physician's contract with the HMO exclusively to provide services to our members. In other HMO settings, the physicians have either community practices and HMO practices or other arrangements.

412 SEN. PHILLIPS: Do you have the types of service providers that this bill addresses?

TAPE 49, SIDE A

001 BISHOP: Yes, we do have doctors of osteopath.

002 SEN. PHILLIPS: The type of HMO you have has nothing to do with your opposition?

009 BISHOP: Our opposition is based on the philosophical reasons which Mr. Ouchi was expressing in his testimony. The undesirability of acquiring HMO's to contract with a specific kind of provider.

012 SEN. KENNEMER: If, because of the federal regulations, you are totally excluded, why does your philosophy matter at this point?

017 BISHOP: There are no federal rules that would keep us from being subject to this kind of a state law. 0640UCHI: Continues detailing Exhibit B. - 088SEN. KENNEMER: The bill states that Eastmoreland General Hospital is an acceptable hospital, but you are stating that it is some way less than adequate. 090 OUCHI: That is not the intent of the testimony. We are saying that in making the decision of determining a need and selecting a particular provider from the community providers, the first issue for a purchasing organization is to look for the physician rather than the facility. 112 OUCHI: Continues detailing Exhibit B. 194 JOHN POWELL, REPRESENTING BLUE CROSS/BLUE SHIELD OF OREGON: Speaks in opposition to SB 635, because of the nature of the definition of restricted panel and managed care. Restricted panel and managed care organizations are designed to reduce unit costs. > If this is a matter of finance and the legislative decision is to be based on finances, then the entire financial portfolio of the organization should come before the committee. > Restricted access health insurance policy and osteopathic hospital needs definition in the bill.

TAPE 48, SIDE B

010 CHAIR McCOY: Closes public hearing on SB 635.

(Tape 48, Side B) PUBLIC HEARING ON SENATE BILL 672 WITNESSES: Nan Heim, Oregon Society for Respiratory Care

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Gary Russell, Sacred Heart Hospital, Eugene Marvin Hammerschmith, Salem Hospital Ed Patterson, Oregon Association of Hospitals David Whitney, Salem Hospital Alan Yordy, Lebanon Community Hospital Gary Bruebaker, Oregon State Treasury Art Keil, Oregon Health Division

026 NAN HEIM, REPRESENTING OREGON SOCIETY FOR RESPIRATORY CARE (EXHIBIT C): Introduces witnesses and outlines a video on careers in

respiratory care. 044 VIDEO: Explains the practice of respiratory care therapy. 117 GARY RUSSELL, R.R.T., DIRECTOR OF RESPIRATORY SERVICES, SACRED HEART HOSPITAL, EUGENE (EXHIBIT C-1): Speaks in support of SB 672 and details Exhibit C. 168 SEN. TROW: How many members belong to the Oregon Society for Respiratory Care? 169 RUSSELL: There are currently 258 members. 171 SEN. TROW: What percent of those practicing respiratory care does that make up? 172 RUSSELL: 38%. Currently there are 950 practitioners in the state.

180 SEN. TROW: What are the advantages to the public from licensure?

182 RUSSELL: The most important aspect is providing a qualified therapist for respiratory care of the patients. This is a protection issue.

187 SEN. TROW: Are there unqualified people now operating?

190 RUSSELL: We currently know of 46 individuals who do not have formal education in practicing respiratory care.

256 MARVIN HAMMERSCHMITH, R.R.T., RESPIRATORY THERAPIST, SALEM HOSPITAL (EXHIBIT D): Speaks in support of SB 672 and details Exhibit D.

308 SEN. TROW: How are physical therapists and respiratory care practitioners trained?

315 HAMMERSCHMITH: The preparation varies between programs. The one year program prepares for the entry level examination, or the certified respiratory therapy examination. 364 SEN. TROW: What is the requirement for anyone new coming into the program? Is there an examination? 369 RUSSELL: Explains the scope of examination starting January 1, 1994 which is in three phases. He explains the different programs at various schools. _ _ _ _ . 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. Senate Committee on Human Resources March 25, 1991- Page 6

TAPE 49, SIDE B

010 SEN. TROW: Is the scope of practice for a respiratory therapist described the same way it is in other states?

013 RUSSELL: The American Association for Respiratory Care has defined a model respiratory care bill. The purpose for the bill is to aid the states in having a practice act to cover the scope of practice, and provide for reciprocity between states that would not limit practitioners mobility between states. 020 HEIM: Summarizes the proposed amendments (EXHIBIT E). 049 ED PATTERSON, REPRESENTING OREGON ASSOCIATION OF HOSPITALS (EXHIBIT F): Speaks in opposition to SB 672 and details Exhibit F. 117 DAVID WHITNEY, SALEM HOSPITAL: Testified in opposition to SB 672 and described his background in human resource management. > Most of the practitioners in respiratory care hold either the credential of certified respiratory therapy technician or registered respiratory therapist. Under SB 672, in order to be licensed, all a therapist or technician must do is present proof of credentials. The State of Oregon would then accept them and grant the license. The only people who would need to take a licensure exam are individuals who do not have credentials as a technician or a therapist. > There currently exists a nationally recognized credentialing

processes. Most hospitals seek certified or registered staff. Whether the staff are registered or certified or on the job trained, all staff work under the direction of a qualified medical director. This would not change, license or not. >Currently, respiratory care practitioners are not eligible to receive medicare or medicaid funding when working in non-hospital ventures. 254 ALAN R. YORDY, ADMINISTRATOR, LEBANON COMMUNITY HOSPITAL (EXHIBIT G): Speaks in opposition to SB 672 and details Exhibit G.

TAPE 50, SIDE A

030 GARY BRUEBAKER, DIRECTOR OF CASH MANAGEMENT, OREGON STATE TREASURY (EXHIBITS H, E): Proposes amendments (LC -2, Exhibit E) to SB 672 and details Exhibit H. 044 ART KEIL, ASSISTANT ADMINISTRATOR, OREGON HEALTH DIVISION (EXHIBIT 1): The Health Division does not normally take a position on the establishment of health related boards. Section 7, there is no provision within the board for fee oversight or legislative oversight for the board. Summarized proposed amendments to SB 672 (Exhibit I). 075 CHAIR MCCOY: Closes public hearing on SB 672.

(Tape 50, Side A) WORK SESSION ON SENATE BILL 672

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080 MOTION: SEN. TROW moves to adopt the dash one and two LC amendments dated 3/21/91 to SB 672 (Exhibit M). VOTE: Hearing no objection, Chair McCoy so moves. 084 MOTION: SEN. TROW moves to adopt the amendments proposed by the Oregon Health Division (Exhibit I) as advisory and conceptually. 091 VOTE: Hearing no objection, Chair McCoy so moves.

(Tape 50, Side A) WORK SESSION. SENATE BILL 635

100 MOTION: SEN. GOLD moves SB 635 to the floor with a do pass recommendation. MOTION: SEN. GOLD withdraws previous motion. 113 HEATHERINGTON: Explains requirements of osteopathic hospitals. These hospitals are generally accredited by the American Osteopathic Association. The association has specific requirements with regard to those hospitals being controlled at the staff level. He suggested proposed amendments to the bill. >Line 15, after "hospital" insert "accredited by the American Osteopathic Association". > Line 26, put a period after "services" deleting "not offered at the osteopathic hospital. " 140 MOTION: SEN. KENNEMER moves to amend SB 635, line 15 after "hospital" insert "accredited by the American Osteopathic Association", and line 26 insert a period after "services" deleting the words "not offered at the osteopathic hospital". VOTE: Hearing no objection, Chair McCoy so moves. 146 MOTION: SEN. GOLD moves SB 635 to the floor with a "do pass" recommendation.

VOTE: In a roll-call vote, the motion passes with all members voting AYE. SEN. GOLD will carry the bill.

(Tape 50, Side A) PUBLIC HEARING. SENATE BILLS 458 AND 705 WITNESSES: Heidi Bialkowsky, Oregon Acupuncture Association Gene Bruno, Acupuncturist, Salem

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(EXHIBITS J, K): Spoke to SB 458 and offered proposed amendments to the bill (Exhibit J). They would like to amend the bill by deleting Sections 1 - 4, dealing with the continuing education program. The board feels it is an administrative burden and they will be developing a voluntary program.

191 GENE BRUNO, ACUPUNCTURIST, SALEM: Speaks to SB 458. Since 1983 acupuncture has not been under the supervision of any other physicians. Acupuncturists are under the control and regulation of the Board of Medical Examiners. 220 BIALKOWSKY: Presents amendments to SB 458. (EXHIBIT J). The amendments would delete Sections 1 - 4, which is the continuing education program. 238 BIALKOWSKY: Presents amendments to SB 705 (EXHIBIT K). SB 705 is primarily a housekeeping bill. This changes sections in the law governing acupuncture by changing the word "registered" to "licensed". We propose the bill be amended to include section adding acupuncture to the list of licensed professionals formalizing the fact that they can use a title. 270 SEN. TROW: What requirements are used in licensing? 275 BRUNO: Currently, in the State of Oregon, a person must be a college graduate, post-secondary education must involve a 3-4 year medical program in Oriental medicine and acupuncture, one year clinical, must pass two national boards and the Oregon boards. 412 CHAIR MCCOY closes hearing on SB s 458 and 705.

TAPE 51, SIDE A

(Tape 51, Side A) WORK SESSION. SENATE BILL 705

008 MOTION: SEN. GOLD moves to adopt the dash one LC amendments dated 3/21/91 to SB 705 (Exhibit 0). 013 JANICE J. FIEGENER, COMMITTEE ADMINISTRATOR: Explains proposed amendments . 017 VOTE: Hearing no objection, Chair McCoy so moves. 019 MOTION: SEN. GOLD moves SB 705 as amended to the floor with a "do pass" recommendation. VOTE: In a roll-call vote, the motion carries with all members voting AYE.

(Tape 51, Side A) WORK SESSION ON SENATE BILL 458

031 MOTION: SEN. PHILLIPS moves to adopt the /

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036 MOTION: SEN. PHILLIPS moves SB 458 as amended to the floor with a "do pass" recommendation. 038 SEN. TROW: Asked for the endorsement of the Board of Medical Examiners. 046 BIALKOWSKY: Agreed to get the endorsement letter. 057 VOTE: In a roll-call vote, the motion

carries, with Sen. Trow voting NAY.

(Tape 51, Side A) PUBLIC HEARING ON SENATE BILL 528 WITNESSES: Fred Van Natta, Oregon Funeral Directors Association Frank Akin, Funeral Director, Hood River Doug Heider, Uniservice Corporation

069 FRED VAN NATTA, OREGON FUNERAL DIRECTORS ASSOCIATION (EXHIBITS L, M): Speaks in support of SB 528. Explains situation. Presents testimony by funeral directors Stan Morris, Gresham (Exhibit L) and Pat Waud, Oregon City (Exhibit M). 102 SEN. TROW: How many bodies does this include? 104 CHAIR McCOY: 330 per year. 105 SEN. TROW: How much are you paid to dispose of each body? 107 VAN NATTA: The funeral director's all have a price sheet by the Federal Trade Commission. They would use the least expensive option on the published price sheet. \ 118 FRANK AKIN, FUNERAL DIRECTOR, HOOD RIVER: Responds to questions and details the cost list. 135 DOUG HEIDER, UNISERVICE CORPORATION: Testified in support of SB 528 and asked that the bill be referred to the Ways and Means Committee. 147 SEN. TROW: If we wanted to amend the bill, sending the money to the counties who buy the service, would this make sense? 150 HEIDER: Either place would be appropriate.

(Tape 51, Side A)

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WORK SESSION ON SENATE BILL 528

156 MOTION: SEN. KENNEMER moves SB 528 to the Ways and Means Committee with a "do pass" recommendation. VOTE: In a roll-call vote, the motion carries with all members present voting AYE. 172 CHAIR McCOY: Adjourns meeting at 5:55 p.m.

Submitted by: Michael Sims Janice J. Fiegenger Assistant Reviewed by: Committee Administrator

Prepared by: :

Debbie Schieno Assistant

EXHIBIT LOG:

A - Testimony on SB 635 - Jeff Heatherington - 11 pages B - Testimony on SB 635 - James Ouchi - 3 pages C - Testimony on SB 672 - Nan Heim - 2 pages C-1- Testimony on SB 672 - Gary Russell - 4 pages D - Testimony on SB 672 - Marvin Hammerschmith - 4 pages E - Amendments to SB 672 - Nan Heim - 6 pages F - Testimony on SB 672 - Ed Patterson - 1 page G - Testimony on SB 672 - Alan Yordy - 2 pages H - Amendments to SB 672 - Gary Bruebaker - 1 page I - Amendments to SB 672 - Art Keil - 1 page J - Amendments to SB 458 - Heidi Bialkowsky - 2 pages K - Amendments to SB 705 - Heidi Bialkowsky - 3 pages L - Testimony on SB 528 - Fred Van Natta for Stan Morris - 3 pages M - Testimony on SB 528 - Fred Van Natta for Pat Waud - 3 pages N - Amendments to SB 672 - Committee staff - 2 pages O - Amendments to SB 705 - Committee staff - 2 pages

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