



**Oregon Academy of Family Physicians
2025 Legislative Assembly Weekly Report**

Week Ending May 16th, 2025

Capitol Climate

Oregon’s May 14 revenue forecast delivered a sobering reality check: the state’s once-rosy fiscal outlook has dimmed under the weight of national economic turbulence. Lawmakers now face a \$500 million shortfall in projected General Fund and lottery revenues for the 2025–27 biennium compared to expectations set just three months prior.

The downturn stems largely from federal policy instability—particularly tariffs and trade disruptions—that have slowed national growth to a projected 0.8%, down from 2%. Oregon, with its trade-sensitive economy, is feeling the pinch in key sectors like manufacturing and construction . Chief Economist Carl Riccadonna likened the situation to a jumbo jet losing altitude: “The economy’s a bit like a jumbo jet and when it slows down to a certain speed, it starts to lose altitude.”

Despite the downturn, Oregon still anticipates \$37.4 billion in General Fund resources—12% more than the previous biennium . However, inflation and rising service costs will consume much of that increase, leaving little room for new initiatives. Governor Tina Kotek emphasized the need for fiscal discipline, stating, “We know the problems we need to solve here at home regardless of the chaos coming out of Washington, D.C.”

As the Joint Ways & Means Committee resumes budget negotiations, lawmakers must reconcile reduced revenues with pressing needs in housing, education, and mental health. Legislature faces tough choices to ensure fiscal stability amid economic uncertainty.

This Week in Review

Activity on relevant bills:

Committee Activity

Senate Health Care

5/13/25

[HB 2940](#), Public Hearing

Subject to the availability of funds, requires OHA to implement a program by May 1, 2026 to provide emergency departments with real time notifications identifying patients with hemoglobinopathies and how to contact a hematologist. Requires OHA to consult with specified stakeholders when developing the program; permits participation by a member of the Legislative Assembly or a legislative staff member.

Rep. Nelson and the Hospital Associate shared support for the bill explaining that it will help patients get timely and appropriate care by ensuring providers are aware if a patient has sickle cell. Rep. Reynolds and Patterson commented on the importance of this bill as well.

[HB 3134](#), Public Hearing

OMA prior authorization bill.

Rep. Nosse's chief of staff, Alex Fallman, described the current prior authorization (PA) system as overly complex, inconsistent across insurers, and burdensome for providers. Courtni Dresser, Oregon Medical Association, emphasized the toll PAs take on provider burnout and patient care delays. PacificSource and BlueCross BlueShield were neutral, agreeing that PAs serve a purpose but should not obstruct care. CareOregon requested an amendment to allow for a coordinated reconsideration process (allows members to appeal a denial and provide additional information to the CCO for review) between providers and the CCO when patients do not appeal.

[HB 3409](#), Public Hearing

Specifies the circumstances in which a pharmacy benefit manager (PBM) or insurer is prohibited from requiring a 340B pharmacy to submit a claim for reimbursement with a modifier or other indicator that the drug is a 340B drug.

Rep. Nosse introduced the bill, which aims to reduce administrative burden on Federally Qualified Health Centers (FQHCs) by prohibiting pharmacy benefit

managers (PBMs) and insurers from requiring 340B drug claims to include modifiers, and instead routing claims through a neutral clearing house. Sen. Hayden questioned the use of RX Paradigm, a PBM-turned-clearing house (according to him), and raised concerns about transparency and potential conflicts of interest within the clearing house. Marty Carty, Oregon Primary Care Association (OPCA), clarified that the bill would not ban modifiers outright but would streamline processes and prevent PBMs from requiring dual reporting. Sen. Hayden asked how much money RX Paradigm makes off of the contract they already have with OPCA, Marty declined in answer. Marcus Cox of Klamath Health Partnership testified in support, citing excessive administrative burdens. However, opposition came from industry representatives including Dharia McGrew (PhRMA), Primo Castro (Bio), and Jen Laws (Community Access Network), who argued the clearing house model lacks transparency, isn't fully operational, and may divert resources away from patient care. Sen. Hayden repeatedly pressed for cost transparency focused on RX Paradigm and expressed skepticism about whether adding another intermediary would lower costs.

Senate Finance and Revenue

5/14/25

June Revenue Forecast

Key Links: [Slides](#), [Forecast Summary](#), [OPB Article](#), [Press-Release: Governor](#), [Press-Release: Senate Republicans](#), [Press-Release: Senate Democrats](#)

Oregon's latest revenue forecast highlights ongoing economic uncertainty, largely driven by tariff, and other economic policies. While fears of a recession are easing due to improving international agreements, currently, economic growth is expected to remain stagnant. Financial markets are rebounding from the initial shock of tariffs. However, Oregon's economy presents mixed signals: unemployment has risen locally while holding steady nationally, job losses continue in manufacturing and construction, especially in metro-area multifamily housing projects, however the service sector, particularly healthcare, shows strong growth. Additionally, our population is declining due to an aging population and decreasing net immigration to the state. In total the legislature has \$334.2 million less to spend for the 2025-27 biennium than expected, worsening an already competitive fiscal year. The legislature does not expect to make large agency cuts, but funding for new programs will be a harder push.

Key Fiscal Data:

- 2023-25 Biennium
 - Revenues decreased \$162.3 million
 - Net Expenditures up \$248.9 million
 - Ending Balance projected \$2.17 billion
- 2025-27 Biennium
 - Revenues decreased \$334.2 million
 - Beginning balance down \$414.0 million
 - Available resources decreased \$755.7 million

House Behavioral Health and Health Care

5/15/25

[SB 951](#), Public Hearing

Corporate Practice of Medicine (CPOM).

The bill passed out of committee with a “do pass” recommendation and is on the way to the floor. Only Rep. Diehl and Harbick voted against the measure. Rep. Diehl shared that he appreciated the discussion on the bill, but that he believes without the amendments he suggested the bill will freeze investments and make good business practices illegal. Rep. McIntire shared she had the same concerns but would still be a yes vote because her policy analyst called the bill “common sense”. Notice of a minority report was filed.

Senate Health Care

5/15/24

Notes forthcoming (waiting for committee video link to be posted online)

Primary Care Education and Workforce Presentation

- Neelam Gupta, Director, Clinical Supports, Integration and Workforce Unit, Oregon Health Authority
- Jackie Wirz, Executive Director, Oregon Residency Collaborative Alliance for Family Medicine (ORCA-FM)
- Dr. Farias-Eisner, President, Western University of Health Sciences, College of Osteopathic Medicine of the Pacific Northwest
- Nagi Naganathan, President, Oregon Institute of Technology
- Gaylyn Maurer, Executive Director, Health and Wellness, Oregon Institute of Technology
- David Cauble, Chief Executive Officer, Sky Lakes Medical Center; Trustee, Oregon Institute of Technology
- Dr. Joyce Hollander-Rodriguez, Associate Dean for Graduate Medical Education, Oregon Health and Science University

Floor Activity

Senate Floor

5/13/25

[HB 2540](#), Third Reading

Would require commercial insurers to credit any amount an enrollee pays directly to a provider toward out-of-pocket costs and deductibles when applicable.

The bill passed unanimously off of the floor without discussion.

[HB 2564](#), Third Reading

Would require insurers to provide a consumer-friendly summary document that explains requested rate changes.

The bill passed unanimously off of the floor without discussion.

[HB 2741](#), Third Reading

Would require the Oregon Health Authority to run a state public health lab and a newborn bloodspot screening program. Healthcare providers and facilities would be required to collect and deliver newborn samples for testing and report results to OHA.

The bill passed unanimously off of the floor without discussion.

Legislative Meetings

Agency Committee Updates

The Week Ahead

Activity on relevant bills

Committees

House Behavioral Health and Health Care

5/20/25 3 PM

[SB 957](#), Work Session

Would ban/make unenforceable non-competes for individuals licensed by the Oregon Medical Board.

Senate Health Care

5/20/25 3 PM

[HB 3134](#), Work Session

Oregon Medical Association prior authorization bill.

[HB 3409](#), Work Session

Specifies the circumstances in which a pharmacy benefit manager (PBM) or insurer is prohibited from requiring a 340B pharmacy to submit a claim for reimbursement with a modifier or other indicator that the drug is a 340B drug.

Floor

House Floor

5/19/25 11 AM

[HB 2741](#), Third Reading

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