



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

Week Ending June 6th, 2025

Capitol Climate

As the Oregon legislative session enters its final stretch, momentum at the Capitol has slowed – not because things are quiet, but because things are getting serious. Lawmakers are now deep in the grind of end-of-session business: long floor sessions packed with votes on policy bills, tense budget negotiations among leadership, and the slow, technical progression of agency budgets through the Ways & Means process.

Floor calendars are growing longer by the day. Legislators are spending hours in both chambers, working through the backlog of policy bills that must pass before constitutional adjournment of session (“sine die”).

At the same time, legislative leadership is making tough decisions about how to allocate limited resources. With state revenues lower than anticipated and economic uncertainty looming, budget writers are under pressure to close funding gaps without completely gutting critical programs. The result? Most state agency budgets emerging from the Ways & Means subcommittees contain cuts to the current service level. That means agencies are expected to maintain the same responsibilities and outcomes – just with fewer dollars.

This is the crunch period where the rubber meets the road. The policy vision laid out at the start of session must now be reconciled with the fiscal reality. Programs related to education, behavioral health, housing, and natural resource management are all on the chopping block in one way or another. For Capitol insiders, this is familiar territory. But this year, the gap between needs and resources feels especially wide –

and the consequences of underfunding feel especially urgent. What happens over the next few weeks will shape Oregon's priorities well beyond this session.

This Week in Review

Activity on relevant bills:

Committee Activity

Senate Health Care

6/3/25

Federal Medicaid Cuts: What's at Stake for Oregon, Informational Meeting Oregon Health Authority Overview

Emma Sandoe, OHA Medicaid Director outlined the sweeping implications of proposed federal Medicaid changes, which introduce complex eligibility rules and administrative hurdles that could lead to thousands of Oregonians losing coverage. The state may face over \$1 billion in cuts in the 2027–29 biennium, risking reductions in benefits and provider reimbursement rates. New work requirements will mandate Medicaid recipients to verify 80 hours of work activity biannually, creating significant compliance barriers. Between 100,000 and 200,000 Oregonians could lose coverage due to these challenges. Additional threats include mandatory copays, bans on Medicaid funding for Planned Parenthood and gender-affirming care, and an estimated \$8–16 billion in losses to providers over the next decade. Sandoe also noted the state would require around 800 new FTEs and costly IT upgrades to administer the new rules.

Provider Panel

Leaders from Federally Qualified Health Centers (FQHCs) and other clinics warned that cuts would devastate already strained community-based providers. Jennifer Griffith of One Community Health emphasized that 62% of their patients are on Medicaid or uninsured, and reduced reimbursement would force service and staffing cuts, particularly in mental and dental health. Central City Concern's Andrew Mendenhall noted that not a single person losing Medicaid would be able to afford private coverage. Planned Parenthood's Sara Kennedy warned that eliminating Medicaid funding for their clinics would decimate access to reproductive and preventive care, especially for low-income patients. Antonio Germann from Yakima Valley Farm Workers Clinic and Tamie Cline from the Oregon Nurses Association

shared stories of patients harmed by lack of care and warned of provider burnout, job losses, and delayed treatment becoming deadly under these changes.

Hospital Panel

Becky Hultberg from the Hospital Association of Oregon shared that half of the state's hospitals operated at a loss last year, and with record-high ER visits, the system is strained. Dan Grigg of Wallowa Memorial emphasized the unique challenges rural hospitals face, especially in high-cost departments like labor and delivery. Alicia Beymer of PeaceHealth Sacred Heart RiverBend noted that even with deep community ties, hospitals can't withstand rising costs paired with low Medicaid reimbursements, which return just \$0.50–\$0.80 on the dollar. Workforce reductions are already underway, and further cuts will jeopardize access and health outcomes.

Coordinated Care Organization (CCO) Panel

Eric Hunter of CareOregon highlighted the critical role CCOs play in community-based care and how past Medicaid waivers have generated savings while expanding services. He warned that further reimbursement cuts would reverse hard-won progress and reduce care quality and access across the system.

Patients Panel

Two rural caregivers delivered emotional testimony about what Medicaid means to families. Lorinda Gieler from Dufur described how Medicaid is essential to her family's survival and how rural hospitals are already dangerously understaffed—citing the death of her daughter due to lack of cardiology staff. Andrea Carr from Sprague River, whose autistic daughter relies on OHP, said proposed changes would tear apart the fragile support system keeping her daughter alive. She drives 400 miles for care and stressed that Medicaid is the last thread holding the broken health system together for rural Oregon.

Closing Remarks

Sen. Patterson warned that commercial insurers would need to absorb cost burdens, raising premiums for everyone. She emphasized the looming \$1 billion shortfall and the risk to clinics, jobs, and access. Rep. Nosse, who joined the committee for the meeting, echoed her concerns, calling the proposed changes a fundamental attack on Medicaid's legacy in Oregon, which has historically been leveraged to its fullest potential. He called for continued coverage and investments to prevent a collapse of the healthcare safety net.

House Rules

6/4/25

[HB 3410](#), public hearing

Companion to SB 951, the CPOM: The amendment also outlines the operational conditions for management services organizations, including prohibitions on ownership and control of professional medical entities, with certain exceptions allowed. Additionally, the amendment modifies Section 7 to define terms related to adverse actions and various agreements affecting medical licensees, such as noncompetition and nondisclosure agreements. It establishes that any contract provisions violating the new regulations will be void and unenforceable, enabling medical licensees or professional medical entities to seek legal remedies for violations. The amendment further clarifies that noncompetition agreements are generally void between medical licensees and certain entities, with a revised ownership interest threshold from 10% to 1.5%, and allows enforceable agreements for up to five years in designated health professional shortage areas. Nondisclosure and nondisparagement agreements are also deemed void unless specific conditions are met, and the effective date for certain provisions is set for January 1, 2026, with others applying from January 1, 2029.

Reps. Elmer and Boshart Davis shared concerns with the retroactivity of the bill and whether it'll pass legal muster, but Rep. Boshart Davis will support as she supports the concept. The bill passed with only Reps. Drazan and Elmer voting no.

Senate Human Services

6/5/25

[HB 3043](#), Work Session

Would allow a health professional licensing board to create rules allowing licensees who successfully complete the impaired health professional program to request the removal of related records from the board's files.

The bill unanimously moved to full Ways and Means with a "do pass" recommendation. Rep. Scharf shared that this is an issue the legislature has been working on since the 90's and that she is glad to see it moving forward.

Joint Ways and Means

6/6/25

[SB 5525](#), Work Session

Higher Education Coordinating Commission budget bill.

The bill passed out of the committee and is on the way to the Senate Floor on an almost party line vote with Sen. Girod and Rep. Smith as the only Republicans in support of the measure. Sen. Anderson, Bonham, Sollman, Rep. Cate, and Owens shared disappointment that outdoor schools were not funded in the bill. Rep. Evans said that we do need more funding in higher education but not until we fix the system. Sen. Bonham asked if the measure includes funding for the Prosperity 10,000, LFO answered there is no funding allocated for that program. Rep. Drazen shared her general dislike of the HECC, but that she hopes that Oregon is getting the value of higher education which requires innovation that ties to our actual economy. Pres. Wagner and Rep. Ruiz called the budget a best case scenario considering our revenue situation.

[SB 822](#), Work Session

Would include substance use disorder and reproductive health care access to insurance network adequacy standards.

The bill passed out of the committee and is on the way to the Senate Floor on a party line vote.

Floor Activity

Senate Floor

6/3/25

[HB 2940](#), Third Reading

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.

The bill passed unanimously off the Senate floor without discussion.

Legislative Meetings

Agency Committee Updates

The Week Ahead

Activity on relevant bills

Committees

Senate Finance and Revenue

6/9/25

[SB 125](#), Work Session

Would exempt certain healthcare reimbursements from the corporate activity tax starting January 1, 2026.

Senate Rules

6/11/25

[SB 1173](#), Public Hearing

Would keep hospitals from being liable if products they've purchased are faulty and a patient sues.

Floor

Senate Floor

6/9/25

[HB 3409](#), Third Reading

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.

[HB 3134](#), Third Reading

Oregon Medical Association prior authorization bill.

House Floor

6/10/25

[HB 3410](#), Third Reading

Companion to SB 951, the CPOM: Sets rules for management services organizations, banning most ownership or control of medical entities, with limited exceptions. It redefines terms like “adverse actions” and regulates agreements involving medical licensees—voiding noncompetition and nondisclosure clauses

unless specific conditions are met. The ownership threshold is lowered from 10% to 1.5%, and some noncompete agreements can last up to five years in shortage areas. Violations make contracts unenforceable and allow legal remedies. Provisions take effect in 2026 or 2029, with an emergency clause for immediate implementation.