



Oregon Academy of Family Physicians 2026 Legislative Assembly

End of Session Report

Capitol Climate

Oregon's 2026 legislative short session adjourned in early March, closing out the constitutionally limited 35-day sprint that forces lawmakers to prioritize only the most pressing policy and budget issues. As expected, the session moved quickly, with compressed timelines, tight vote margins, and procedural maneuvering shaping much of the final outcome.

The session opened with a familiar theme: fiscal uncertainty. Early revenue forecasts suggested Oregon's finances were down and offered no room for new investments. In fact, lawmakers entered the session preparing for reductions. Ultimately, the feared large-scale cuts did not fully materialize, though work is still underway to fully understand what reductions did occur in agency budgets.

Several politically charged policy issues dominated the floor calendar. One of the most significant measures was SB 1507, the federal tax "disconnect" bill. The legislation separates portions of Oregon's tax code from recent federal changes, ensuring the state maintains projected revenues. Supporters argued the bill protects Oregon's ability to fund education, housing, and essential services amid uncertainty in federal tax policy. Opponents contended it could increase the tax burden on businesses and reduce Oregon's competitiveness. Although the bill ultimately passed, its future remains uncertain; opponents have already signaled interest in referring the measure to voters.

Transportation funding was another flashpoint. Lawmakers approved legislation to move a proposed transportation tax referendum to the May primary election, a change that passed the House by a single vote. The move was controversial, with critics arguing the timing change could influence voter turnout and the outcome of the measure. Legal challenges to the decision are expected.

Gun policy also resurfaced as a major point of debate. Legislators spent significant floor time working through legislation tied to implementation of Measure 114, the voter-approved gun control initiative passed in 2022. After extended negotiations and

contentious debate, lawmakers ultimately advanced a scaled-back version of the implementation bill. The compromise reflected both ongoing legal uncertainty surrounding the measure and the political reality that more sweeping changes could trigger a legislative walkout.

That possibility, legislative walkouts, hovered over much of the session but ultimately did not materialize. Republican lawmakers employed procedural tactics, including temporarily denying quorum on the Senate floor during negotiations over transportation legislation, but the session concluded without the dramatic disruptions that have characterized several recent legislative years.

Procedural deadlines played an outsized role throughout the session. As committee and chamber deadlines arrived, dozens of bills were moved to the House and Senate Rules Committees, a traditional strategy used to keep legislation alive after formal deadlines pass. Some measures resurfaced later in the session, while others quietly expired as time ran out.

In the end, the 2026 short session reflected both the opportunities and limitations of Oregon's even-year legislative calendar. Lawmakers addressed a handful of pressing fiscal and policy questions but left many larger issues unresolved. Transportation funding, workforce development investments, and structural reforms in several service systems remain unfinished business.

Attention now shifts to the interim months, where legislators will begin preparing for the 2027 long session, and where many of the debates that surfaced this winter are almost certain to return with greater scale and urgency.

Session in Review

Key Bills

Bill Number (link to bill) – Did it pass (is it awaiting gov signature? Did governor already sign?), Is it “in committee upon adjournment”? (

Short summary of bill

Two - three sentences on bill debate (from committee debates and floor session debates).

[SB 5703](#) – End of Session Budget Reconciliation Bill – AWAITING GOVERNOR'S SIGNATURE

SB 5703 is the end of session budget reconciliation bill that adjusts state funding across several programs. The [-1](#) amendment increases funding for certain economic development, veterans' services, and criminal justice training programs while reducing allocations to areas such as the State School Fund, victim support funds, court security, and the Drug Treatment and Recovery Services Fund, while also updating fund distribution processes and including an emergency clause for immediate implementation. The bill was generally supported throughout the session and passed without significant opposition. Legislators stated that the bill reflects efforts to balance the state budget and finalize funding adjustments before the end of the session.

[HB 4127](#) – Provides Medicaid Payments to Reproductive Healthcare Providers – AWAITING GOVERNOR'S SIGNATURE

HB 4127 provides state funding for reproductive health care providers that are unable to receive federal Medicaid funds. The [-3](#) amendment modifies the definition of a "prohibited entity" to a nonprofit reproductive health provider that received more than \$800,000 in Medicaid reimbursements in 2023 and is ineligible for federal Medicaid funds, and expands the definitions of "law" and "enacted" to include broader forms of government action. The bill generated partisan debate from the republican caucus regarding the use of state funds to support reproductive health providers excluded from federal funding. The bill as amended ultimately passed on party line votes.

[HB 4088](#) – Strengthening "shield laws" and patient privacy – AWAITING GOVERNOR'S SIGNATURE

HB 4088 strengthens Oregon's "shield laws" to protect access to lawful reproductive and gender-affirming health care. The bill increases patient privacy protections, limits cooperation with out-of-state or federal investigations related to lawful care in Oregon, and protects providers, including midwives, from penalties when delivering legal services under state law. The bill generated extensive debate during the legislative session. Supporters argued it protects patient privacy and ensures access to lawful healthcare, while the Republican caucus largely opposed the bill, raising concerns about oversight, parental rights, and whether additional legal protections were necessary.

[HCR 202](#) – Declaring a goal that by 2033 Oregon's health care system will be more affordable and accessible – AWAITING GOVERNOR'S SIGNATURE

HCR 202 is a concurrent resolution that outlines a long-term vision for Oregon's health care system over the next ten years. The resolution does not create policy or change programs but instead establishes guiding principles intended to serve as a "north star" for future legislative and executive decisions related to healthcare

sustainability, access, and cost. The resolution received broad bipartisan support, with legislators emphasizing the need for long-term planning to address rising healthcare costs, workforce shortages, and system sustainability. The measure passed with minimal opposition.

[HB 4040](#) – Alters Healthcare Licensure and Regulations – AWAITING GOVERNOR'S SIGNATURE

HB 4040 is an omnibus health care policy bill addressing multiple healthcare system issues. One key provision (Section 30) repeals provider assignment, which affects how insurance payments are directed to healthcare providers. The bill received limited discussion throughout the session, with most amendments described as technical clarifications. The amendments and the bill ultimately passed with minimal opposition.

[SB 1570](#) – Protections in Health Care Facilities – AWAITING GOVERNOR'S SIGNATURE

SB 1570, the *Health Care Without Fear Act*, strengthens protections for patients and healthcare workers in medical settings by limiting federal immigration enforcement access in hospitals. The [-5](#) amendment replaces the bill and prohibits federal immigration authorities from entering nonpublic hospital areas without a warrant or court order, restricts disclosure of patient health or immigration information, and establishes protections for healthcare workers who inform patients of their legal rights. The bill generated significant debate during the session, with supporters arguing it is necessary to ensure patients can safely seek care without fear of immigration enforcement. The republican caucus raised concerns about potential limits on law enforcement access and operational challenges for hospitals; the amended bill ultimately passed on a party line vote.

[SB 1598](#) – Improved Access to Healthcare – AWAITING GOVERNOR'S SIGNATURE

SB 1598 requires commercial insurance plans to cover immunizations recommended by the state Public Health Officer and prohibits cost-sharing for these services, except where federal law allows it. The bill aims to ensure consistent vaccine access and prevent coverage confusion for patients. The bill prompted some discussion from the republican caucus about liability protections and whether the measure could extend beyond vaccines to other medications. Despite these questions, legislators emphasized the need to maintain clear and consistent vaccine coverage, and the bill ultimately passed on a party-line vote.

Other bills of note

[HB 4075](#) – Relating to Hospital Finance – AWAITING GOVERNOR’S SIGNATURE

HB 4075 allows the State Treasurer to loan unclaimed funds to rural hospitals to help stabilize their finances. The bill is intended to support the financial restructuring of Bay Area Hospital and help the facility refinance existing debt to avoid foreclosure or conversion to a lower service designation. Legislators discussed concerns about the funding source and the risks associated with using unclaimed property funds, as well as the urgency of stabilizing the hospital’s finances. Despite these concerns, members broadly emphasized the importance of maintaining a full-service hospital on the Oregon coast, and the bill advanced with general support.

[SB 1571](#) – Makes it Illegal to Sell Any Flavored Nicotine Products to a Minor – AWAITING GOVERNOR’S SIGNATURE

This bill updates Oregon laws regulating tobacco and nicotine products by adding a formal definition of “nicotine” and expanding the definition of “tobacco products.” It also shifts enforcement of under 21 sales violations from criminal penalties to a civil enforcement system administered by the Oregon Health Authority.

[HB 4039](#) – Relating to Medical Assistance – AWAITING GOVERNOR’S SIGNATURE

HB 4039 establishes a more transparent, data-driven process for setting capitation rates for Coordinated Care Organizations (CCOs) in Oregon’s Medicaid system. The bill outlines requirements for rate development, clarifies how the medical loss ratio is calculated, and directs the Oregon Health Policy Board to create processes for public input, with the new framework applying beginning in 2027. Legislators discussed the need for a clearer and more stable rate-setting process following recent financial instability among CCOs. Legislators also raised concerns about how reimbursement changes affect frontline providers and whether subcontracted providers would have meaningful input, but the bill ultimately passed with unanimous support.

[HB 4135](#) – Relating to HPV Awareness Day – GOVERNOR SIGNED THE BILL

HB 4135 designates March 4 of each year as HPV Awareness Day in Oregon to increase public awareness about human papillomavirus and its connection to cancer prevention. The bill received strong bipartisan support, with legislators recognizing the importance of raising awareness about HPV and cancer prevention. Legislators also shared supportive remarks recognizing the bill sponsor's ongoing cancer treatment, and the bill passed unanimously.

[HB 4038](#) – Relating to Health Care Cost Growth – IN COMMITTEE UPON ADJOURNMENT/DEAD

This bill would have prohibited the Oregon Health Authority from enforcing the Health Care Cost Growth Target program against providers or payers for 10 years, delaying enforcement until January 1, 2036. The measure would have temporarily paused enforcement actions related to the state's healthcare cost containment framework. The proposal raised discussion about the role and effectiveness of the Health Care Cost Growth Target program in managing healthcare spending. However, the bill did not advance and will instead be a topic of interim discussion.

[HB 4048](#) – Relating to Rural Health Care Tax Credits – IN COMMITTEE UPON ADJOURNMENT/DEAD

HB 4048 creates a tax credit for pharmacists who work in rural areas to help address workforce shortages and improve access to pharmacy services in underserved communities.

[SB 1527](#) – Cervical Cancer Screening Coverage by Insurers – GOVERNOR SIGNED THE BILL

SB 1527 requires insurers to cover follow-up diagnostic testing after abnormal cervical cancer screenings without cost-sharing. The bill aims to close a gap in coverage that can leave patients responsible for significant out-of-pocket costs for procedures such as colposcopies and biopsies. Legislators emphasized that removing financial barriers to follow-up care could help detect cervical cancer earlier and prevent more advanced disease. While some legislators noted broader

frustrations with specific coverage requirements, the bill received strong bipartisan support and ultimately passed unanimously.

[HB 4107](#) – Relating to Urgent Care Centers – AWAITING GOVERNOR'S SIGNATURE

HB 4107 defines what qualifies as an urgent care center and requires these facilities to publicly disclose information about their services, hours, and affiliations. The bill also requires urgent care centers to have at least one licensed healthcare provider on site during operating hours, with limited exceptions. Legislators discussed the bill as a first step toward improving transparency and understanding of urgent care services in Oregon. The measure received broad support and passed with little opposition as legislators emphasized the importance of clear information for patients seeking appropriate care.

[HB 4054](#) – Relating to Downcoding – IN COMMITTEE UPON ADJOURNMENT/DEAD

This bill requires insurers to notify healthcare providers whenever artificial intelligence or other automated technology is used to downcode a reimbursement claim submitted by the provider. The goal is to increase transparency in how insurers process and adjust claims.