LOBBYOREGON

LEGISLATIVE UPDATE

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Policy Committees Close

With a month left to go in this legislative session, policy committees have completed their work. Now the focus shifts to budgets and bills in Ways & Means that require state funding.

The exception to this are the House and Senate Rules Committees that stay open and continue working on policy bills.

June 21 is the target date for adjournment. June 30 is the constitutional limit on the session.

HB 2658 – 60-day Notice for Rx Price Hikes

The Senate Health Committee passed HB 2658, which requires pharmaceutical manufacturers to give the Department of Consumer and Business Services (DCBS) 60-days notice of any planned price increases of 10% or more for brand-name drugs, or 25% or more for generics.

The committee amended the bill to include a 12-month look back at drug increases on or before July 1, 2019, and exempt generic drugs that are produced by four or more companies.

HB 2935 – Rx Label Readers for the Visually Impaired

HB 2935 requires pharmacies to provide prescription label reading devices to consumers who are blind or vision impaired. The Senate Health Committee amended the bill to exempt institutional pharmacies, such as the state hospital, corrections and long-term care pharmacies.

The bill passed the Senate Health Committee and goes to the floor for debate.

SB 910 – Naloxone Notice at Pharmacies

Naloxone can quickly revive someone experiencing an opioid overdose. So SB 910 is trying to make naloxone more readily available. It does that by requiring hospital and retail pharmacies to post a notice that the drug is available there. The bill also allows pharmacists to distribute naloxone kits to agencies that work with individuals who might experience opioid overdoses and allows pharmacists to prescribe naloxone when dispensing opioids.

The House Health Committee unanimously approved SB 910. It now heads to the floor for debate.

HB 2185 – PBM Requirements

Pharmacy Benefit Managers and pharmacies have been trying to deal with the issues in HB 2185 for six years. Pharmacists got one step closer to address what the Pharmacy Coalition considers “unfair practices” that are “bad for patients” when the Senate Health Committee passed the bill this week.

HB 2185 was amended to prohibit PBMs from:

- Requiring customers to refill prescriptions by mail order,
- Penalizing pharmacies from telling customers the out-of-pocket and retail price of medications,
- Reimbursing 340B pharmacies at a lower rate than other pharmacies, and
- Retroactively denying reimbursement, with specific exceptions.

The bill also:

- Allows pharmacies to mail or deliver medications to patients, but does not require PBMs to reimburse pharmacies for these costs, and
- Specifies an appeal process for pharmacies to appeal reimbursements.

The PBM association testified that it still has major concerns about the bill. Providence also testified in opposition, saying it estimates the bill will increase commercial business premiums by 1-2%.

Kevin Russel, Oregon Pharmacy Coalition, told the committee, "The reason this bill exists are very real problems with pharmacies in the State of Oregon, and frankly throughout the country, because PBMs are not adequately regulated. If we could take care of some of these things in a contract, we would. But the PBMs are so powerful that there is no way, no method, even in the largest [pharmacy] groups, to be able to change some of this language in contracts, so that they are fair to pharmacies and do the right thing by patients."

The committee hopes that the bill will go to a conference committee, where members of both chambers can work with proponents and opponents to try to come to more of an agreement. Calling herself an "eternal optimist," Sen. Monnes Anderson (D-Gresham) said, "I still think we can get it workable with PBMs."

SB 740 – Proton Beam Therapy Mandate

Insurers that cover radiation therapy for cancer treatment would have to cover proton beam therapy. Moda amended the bill to ensure that proton beam therapy, which is much more expensive than radiation therapy, can be subject to prior authorization.

Jessica Adamson, Providence, said, "This will make sure this service is accessible to policyholders in those cases where it is medically necessary."

The House Health Committee unanimously approved the bill, sending it to the floor for debate.

HB 2014 – Removes Noneconomic Damages Cap

The Senate Judiciary Committee approved removing the cap on noneconomic damages in civil lawsuits. This bill has been the Trial Lawyers' top priority in the last three or four sessions. A coalition, including hospitals and physicians, opposes the change saying it would negatively impact health care providers, especially in rural areas.

Sen. Kim Thatcher (R-Keizer) proposed an amendment to lift the cap only in cases where the defendant proves a crime. Sen. Shemia Fagan (D-Portland) opposed the amendment saying, "It doesn't matter if the perpetrator was negligent or criminal. The harm to the victim is the same."

The committee rejected the amendment 3-4 on a party-line vote. It then passed the bill 4-3. It now goes to the Senate floor for debate. Opponents don't think the votes are there to pass the bill in the Senate.

HB 2714 – Campaign Contribution Limits

Oregon is one of five states with no limits on campaign contributions. Rep. Dan Rayfield (D-Corvallis) said, "The last time the Oregon legislature did anything on campaign finance limits was 1975, before I was born, and that action was to repeal campaign finance limits." Rayfield is leading the effort to cap contributions per election to:

- $1,000 for House candidates,
- $1,500 for Senate candidates, and
- $2,800 for statewide candidates.

These proposed limits would also wipe out the standards approved by voters in 2006, which set limits of $100 for legislative candidates and $500 for statewide candidates. Those limits never went into effect because of a state Supreme Court ruling that Oregon's constitution does not allow limits on campaign contributions.

Rep. Rayfield says he crafted HB 2714 with the Supreme Court's decision in mind. "We wanted some certainty that what we are doing is constitutional." He went on to say, "We want to curb the amount of money in Oregon politics as Oregon has some of the most expensive campaigns across the country and the influence is pretty great."

Critics of the proposal say the proposed limits are too high and will still tip the scales in favor of the wealthy.

The House Rules Committee is considering a package of three campaign finance reform bills including HB 2714. The other two bills are HB 2983, requiring disclosure of large donors to independent expenditures, and HB 2716, requiring disclosure of large donors on campaign ads.

HB 2005 – New Proposal for Paid Family Leave

Businesses thought they could get a better Family Leave bill working with legislators than fighting off a more onerous family leave ballot measure threatened for the 2020 election. HB 2005 is the result and it's expected to pass before the session adjourns.

The new proposal is modeled on Washington's legislation and would provide up to 12 weeks of paid leave per year (plus four unpaid weeks) to care for a new child, sick family member, or a death. People experiencing domestic violence would also be eligible.

Under the plan, employers and employees would split the cost of the paid leave insurance pool, with employers covering 40 percent and employees covering 60 percent. Employers with fewer than 25 employees are not required to pay the employer contribution, but if they choose to, will be eligible for grants to hire temporary workers in the event an employee takes paid leave.

People earning up to 65 percent of Oregon's average weekly wage (~$1000) will receive 100 percent of their weekly earnings. For people making more, the percentage declines.

Expect the bill to have a public hearing in the next couple of weeks.

SB 1049 – PERS Reform

The Senate passed PERS reform legislation this week that several Senators described as "the hardest vote of our lives." The bill passed 16 to 12, with three Republicans supporting the bill, and five Democrats voting against (two Republicans were absent).

The main piece of the bill is essentially a refinancing mechanism, extending the payback period for the pension system's $27 billion deficit.

Debate focused on the provision that reduces employee retirement benefits in their side 401(k)-like accounts. Only one Senator, Sara Geiser (D-Corvallis) mentioned that the bill favors short-term cost savings over truly addressing the deficit, saying, “That doesn’t make any sense to me. That’s how we got here in the first place.”

The bill replaces the current supplemental 401(k)-like savings plan, putting 2.5% of pay for employees hired before August 28, 2003, and 0.75% for those hired later, into an account to support pension benefits.

Oregon is currently one of two states that does not require employee contributions to its pension plan.

The bill would reduce employee’s overall retirement benefits by 1-2% of pay. Public employees argue that they are already underpaid, and worry that this bill sets a precedent for future legislatures to further reduce their benefits.

Public employee unions were outraged. The President of the Oregon Education Association said, “These unfair and illegal reductions are a betrayal of Oregon values.”

The bill now goes to the House floor.

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