

## LEGISLATIVE UPDATE

Prepared for OAFP

June 23, 2019

### **Senate Republicans Walk Out, Again**

Republicans in the Senate declared they would do “whatever is necessary” to block a cap and trade bill (HB 2020) that they say would financially devastate working Oregonians, especially those in rural Oregon. After negotiations with the Governor failed, Senate Republicans left the state on Thursday.

The Governor sent out state police to bring back missing Senators. Sen. Brian Boquist (R-Yamhill) responded, “If you send the state police to get me, hell is coming to visit you personally.” He doubled-down on his threat saying, “Send bachelors and come heavily armed.”

### **Session Winding Up**

Sunday, June 30 is the constitutional deadline for sine die, the end of the session. But Gov. Brown has threatened to call a special session on July 2 if the Senate Republican’s walkout prevents them from passing budgets and completing their work in time.

### **HB 2270 – Tobacco Tax for Medicaid**

The tobacco tax for Medicaid passed the House floor. Earlier this week, the Joint Tax Expenditures Committee amended HB 2270 to prohibit local vaping taxes and limit the cigar tax to \$1 per cigar.

Sen. Lynn Findley (R-Vale) told the committee, “This relies on questionable data. I believe the revenues are greatly over projected.”

Rep. Greg Smith (R-Heppner) sees the tax as an opportunity to increase mental health services, saying “Folks who use tobacco products also tend to use the services from the Oregon Health Authority and this will allow them to help pay for those services.” He continued, “As a referral to the voters, they will decide if this in an investment they would like to see happen.”

The bill now heads to the Senate floor. If it is approved, it will be referred to voters in 2020.

### **SB 770 – Health Care for All & Medicaid Buy-in**

The Oregon Health Authority is going to be inundated with study projects for the next 18 months. Ways and Means decided to combine two major research projects into one bill.

First, OHA will be responsible for developing a Medicaid buy-in program targeting residents with incomes up to 600% FPL. Its benefits will be comparable to commercial plans sold on the Marketplace with minimal cost sharing, deductibles or co-pays. The bill directs OHA to utilize the CCO delivery model and CCO provider networks. That work is to be completed by May 1, 2020.

By the end of May 2020, the Governor is to appoint and the Senate confirm a 20-member Task Force on Universal Health Care. OHA and the task force are to have a work plan by the end of September 2020 and a report ready by the 2021 legislative session, a timeline that seems overly optimistic.

The task force is to recommend the design of a single payer system covering everyone including those who use Medicare, Medicaid, commercial insurance and the VA. The plan is to cover to health care, rehabilitation, long-term care and respite care.

Ways and Means appropriated \$1.175M to support the projects. Not surprisingly, support for the bill split along party lines. Sen. Fred Girod (R-Stayton), a dentist who practiced in Canada for nine years, said, "There is a way to give universal coverage without a single payer system."

House Speaker Tina Kotek (D-Portland) said, "Medicaid buy-in is a really important discussion for us to be having."

The bill now heads to the floor for debate.

### **SB 872 – Omnibus Rx Transparency**

Sen. Elizabeth Steiner Hayward (D-Portland) revived her prescription drug transparency bill over the objections of pharmaceutical manufacturers, PBMs, insurers, hospitals and the OMA. Opponents say the last drug transparency bill hasn't been fully implemented yet and it's too early to be making changes. Plus, they believe some of the changes proposed in SB 872 are too onerous or won't work.

Among its many provisions, the bill requires:

- Insurers to annually report the 50 most frequently prescribed drugs, 50 most costly drugs and 50 drugs that caused the greatest increase in plan spending,
- Hospital outpatient programs, ambulatory surgery centers, dialysis centers and physicians, not including primary care providers, who receive 15% of their annual revenue from the sale of Rx must report their markup for the 50 most prescribed and 50 most expensive drugs, total amount spent on each drug and total amount billed to insurers,
- Drug manufacturers to disclose the value of their patient assistance programs,
- Insurers to disclose their drug formularies, and
- OEBC, PEBB and CCOs to contract with only fee-only PBMs.

Ways and Means appropriated \$390,000 to the OHA to implement the program. The bill passed the Ways and Means subcommittee with no discussion on a straight party line vote.

### **HB 2005 – Paid Family & Medical Leave**

Ways and Means appropriated \$15.7M to the Employment Department to cover start-up costs for a new paid family and medical leave program. The Employment Department has until 2023 to use employer and employee fees to reimburse the state.

Republicans opposed the bill saying they are concerned about the potential impact on small businesses. "This could be devastating to any farmer with a perishable crop," Sen. Chuck Thomsen (R-Hood River) said.

House Speaker Tina Kotek (D-Portland) said the Employment Department would have a few years to work on rule making to implement this bill. Under the proposal, employers and employees would begin paying fees in 2022. Benefits would begin in 2023.

### **HB 2164 – EMT Tax Credit**

The Joint Tax Expenditures Committee passed a \$70.5M tax credit package that includes a six-year extension of the \$250 EMT tax credit.

Rep. Greg Smith (R-Heppner) listed the EMT tax credit and others when he said, “There are things in here that are really supportive of rural Oregon.”

An expansion of the Earned Income Tax Credit accounts for \$56 million of the \$70 million package. Other credits, including the political contribution credit, were reduced. Rep. Pam Marsh (D-Ashland) said, “We expect more and more about giving away tax credits. We want data to be sure we are getting something of public value.”

The bill now heads to the floor for debate.

### **HB 3353 – Dental Ownership**

The Geriatric Dental Group has offered discounted services to seniors (55 and older) and wheelchair-bound patients since 1974. The group, with offices in Portland and two in Washington, became a nonprofit in 1991.

Last winter, the Oregon Board of Dentistry sent them a letter saying their Portland Clinic was operating illegally because a dentist does not own it.

Rep. Alyssa Keny-Guyer (D-Portland) introduced HB 3353 this session to carve out an exception to the dental ownership statute for a non-profit corporation that provides reduced-price services to patients 55 and older. “It would be a travesty to put this clinic out of business,” she told her colleagues in the House Health Committee during an informational hearing.

She went on to say, “It seems like an out-dated law that serves no purpose and hurts nonprofits. It makes no sense to me.”

Other members of the committee couldn’t understand why Oregon even has a law requiring a dentist to own a dental practice. Rep. Teresa Alonzo Leon (D-Woodburn) said, “It was probably an old law back in the day that made sense. But it doesn’t make sense now.”

Dental ownership could also be an issue as physical health providers try to integrate oral health services in their practices.

Rep Rachel Prusak (D-West Linn) and Rep. Keny-Guyer said they are interested in working on revisions to the dental ownership law before the 2020 legislative session.

### **SJR 18 – Voter Referral to Allow Campaign Contribution Limits**

The Senate Rules Committee referred a constitutional amendment to voters that would make it legal to have campaign contribution limits in Oregon. This bill doesn’t set the limits; it just makes them constitutional. The measure would be on the November 2020 ballot.

Legislation setting the limits did not make it through the process this session. There was significant debate on how high, or low, those limits should be. Expect to see competing bills on this issue in the 2020 and/or 2021 sessions.

SJR 18 now goes to the floor for debate.

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