

## LEGISLATIVE UPDATE

Prepared for OAHU

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### **HB 3427 – Commercial Activity Tax to Raise \$2B for Education**

A new commercial activity tax on companies with more than \$1 million in sales is designed to raise \$1 billion each year to fund education.

Rep. Nancy Nathanson (D-Eugene) co-chaired the Revenue Subcommittee that developed the tax. “We set a low rate and spread it across all industries, no matter how they are structured,” she said during floor debate in the House.

Companies with sales of less than \$1 million would be exempt, so about 40,000 of Oregon’s 460,000 businesses are expected to pay the tax. Also exempt are nonprofits, hospitals, long-term care, gasoline and groceries. Oregon Business & Industries (OBI), the state’s largest business association, agreed to the deal and is officially neutral on the bill. “Do businesses know how important this is, or did they get a carve-out so they are standing down?” Rep. Shelly Boshart Davis (R-Albany) asked.

The bill would make targeted investments in Pre-K and the K-12 system. Rep. Barbara Smith Warner (D-Portland) said, “This is an unprecedented opportunity to give our students the education they deserve.”

Opponents of the bill were quick to emphasize that they support funding for education but say this package was rushed and would hurt working families. “We are being reckless,” Rep. Jack Zika (R-Redmond) said. “You want to know why Oregonians don’t trust the legislature, because we make decisions like this.”

Rep. Lynn Findley (R-Vale) said, “PERS. That is not just the elephant in the room. That is a herd of elephants in the room. All of this money is going to be sucked off into PERS.”

But one representative after another said they ran for office, pledging to help fund our schools after years of disinvestment. As Rep. Julie Fahey (D-Eugene) put it, “We are going to fix this.”

The vote in the House was 37-21. The bill now goes to the Senate for debate.

### **OAHU’s Day at the Legislature Focuses on HB 2269 and HB 2703 Next Steps**

Agents were looking for answers — particularly to HB 2269, the proposed employer responsibility bill — when they met with legislators and Governor Brown’s administration at OAHU’s Day at the Legislature.

DCBS Director Cameron Smith told the group, “It’s hard to imagine [HB 2269] passing without a robust discussion [about how the bill would be administered]. To date, those discussions have not taken place.”

Rep. Rob Nosse (D-Portland), vice-chair of the House Health Committee, said, “I don’t think [HB] 2269 is ready and it won’t pass this session. But the issue is real and it centers on low-wage employers.”

The bill would require employers with 50 or more employees, not FTE, to pay at least 50 cents per hour for health care for each employee who works more than 8 hours a week.

The Governor's health care advisor, Tina Edlund, said there are 45,000 to 50,000 people on the Oregon Health Plan who work 30 hours or more per week for large employers in Oregon.

Agents weighed in with a number of concerns and suggestions, including:

- Use Oregon's large group definition of 50 FTE instead of 50 employees.
- OHP is a valid waiver for both small and large group plans. If the state doesn't want workers on OHP, maybe it shouldn't be.

Insurance Commissioner Andrew Stolfi also talked about other bills of interest including HB 2703, the short-term health plan bill. The bill did not pass but it started a conversation about how to keep more people insured in the individual market. Some of the ideas may end up in legislation this session including:

- Giving consumers a 30-day grace period for payments
- Clearer notice requirements about late payments
- Standards for premium thresholds so if someone pays last year's premium, often through an automated payment system, they aren't canceled if the premium goes up in January. And if they pay 95% of the premium one month, they have one month to catch up before being canceled.

Commissioner Stolfi also plans to host an interim work group to discuss other ideas that may take longer to implement.

### **HB 5047 – Budget Bill for Student Success Revenue**

Pending passage of the new Student Success commercial activities tax (see HB 3427), this bill will allocate those funds. That tax is expected to raise \$1.6 billion during the biennium but also includes other changes to the tax code, as well as a reduction in personal income tax rates resulting in \$423 million in lost revenue to the state, so some of the new tax revenue will backfill that loss. \$200 million is taken off the top to be allocated through the school revenue formula with the remainder divided into three buckets:

- Early learning account pays for investments in EI/ECSE, Relief Nurseries, Oregon Pre-K, Preschool Promise, Early Head Start, Healthy Families, Parenting Education, Professional and Workforce Development for Early Learning Workers (at least 20%)
- Student Investment Account to provide non-competitive grants to school districts to increase instructional time, address students' health and safety needs, reduce class sizes, and broaden curricular opportunities (at least 50%)
- The Statewide Education Initiative (up to 30%)

"Early childhood is one of my huge passions. And it's very clear that the earlier we invest in children, the more successful they will be in life. It's one of the best ways we can break the cycle of poverty, break down our horrible or less than ideal graduation rates, keep families together and improve family wellbeing. I'm very grateful that a significant amount of these funds will be invested in early childhood," said Ways and Means Co-Chair, Sen. Elizabeth Steiner Hayward (D-Portland).

The bill now goes to the floor for debate.

### **HB 2375 – Hospital Representatives on Sexual Assault Response Teams**

The Senate Judiciary unanimously passed HB 2375, sending it to the floor for debate. The bill adds a sexual assault nurse examiner (SANE) or a hospital representative to the sexual assault response team (SART) in each county.

The Oregon Attorney General's Sexual Assault Task Force and the hospital association testified in support of the bill. Nicole Broder, the SANE coordinator for the

Attorney General's task force, told the committee that the bill would "increase access to comprehensive medical forensic care for survivors," especially in rural and frontier communities.

### **SB 129 – Optometrist Telemedicine**

The House Health Committee unanimously passed SB 129, which establishes a regulatory platform for the Board of Optometry to contemplate telehealth and telemedicine, and adds criteria to ensure patient safety and the appropriate use of optometrist telemedicine. The bill now goes to the House floor for a vote.

### **HB 2447 – Health Care Delivery for Oregon's Future**

Rep. Mitch Greenlick (D-Portland) wants Oregon to be a "beta test site for health care innovation for the world." HB 2447 would authorize the Oregon Health Authority to set up meetings between health insurance carriers and non-profit, vertically integrated health care systems to discuss the future of health care innovation in Oregon. Currently, these players cannot discuss best practices due to anti-trust laws.

Sen. Steiner Hayward (D-Portland) testified in the Senate Health Committee in support of the bill, saying, "We have isolated pockets of excellence in different areas spread across our various health systems and a lack of ability to share those."

The Coalition for Healthy Oregon and All Care Health requested that if the bill moves forward, for-profit and non-vertically integrated systems be included. Sen. Linthicum (R-Klamath Falls) agreed that for-profit players should be included. Committee chair Sen. Monnes Anderson (D-Gresham) asked All Care Health to submit these amendments.

### **HB 3074 – Rate Review Update**

The Senate Health Committee held a public hearing on HB 3074, which addresses recent federal actions that disrupted Oregon's insurance rate review process, such as the 35-day federal government shutdown. The bill:

- Reduces three administrative orders to two decisions and one order
- Removes the process for modified rate orders
- Makes technical cleanups

OSPIRG is neutral on the bill. The Insurance Division is awaiting an amendment.

### **SB 127 – Certified Nurse Midwives**

Oregon is the only state that calls nurse midwives who practice midwifery "nurse midwife nurse practitioners." This leads to confusion.

The House Health Committee held a public hearing on SB 127, which changes the term "nurse midwife nurse practitioners" in statute to "nurse practitioners who specialize in nurse midwifery." In turn, this will allow the Oregon State Nursing Board to amend rules to call these practitioners "certified nurse midwives."

It is a convoluted process but ensures that nurse practitioners will maintain the ability to practice independently. The Oregon Nurses Association and the Oregon Chapter of the American College of Nurse Midwives testified in support of the bill. The committee is waiting on an amendment to fix a typo.

### **HB 2011 – Cultural Competency CE**

HB 2011 aims to improve cultural competency in medical settings. Peter Parisot of the Cascade AIDS Project testified in the Senate Health Committee in support of the bill, saying, "Studies have shown that people who feel understood, respected and valued are more likely to stay in care. We certainly see that play out."

The Oregon Medical Association and Oregon Hospital Association support the amended bill, which counts “continuing medical opportunities” towards the CE requirement. HB 2011 requires licensed health professionals to complete a cultural competency continuing education requirement once every four years.

### **HB 3342 – Plant-Based Meals**

HB 3342 requires hospitals, long-term care facilities, in-patient acute psychiatric care facilities, and prisons to provide plant-based meals any time a meal is served in their facilities.

The Oregon Academy of Nutrition and Dietetics testified against the original bill, saying it is well intentioned but will have unintended consequences, and that “placing food habits into statute is bad policy.”

The hospital association is neutral on the bill with a proposed amendment that removes the definition of “plant-based meal” and makes clear that physicians retain the power to give dietary orders over patient wishes.

Sen. Linthicum (R-Klamath Falls) asked if this legislation was necessary. Providence replied that the amended version of the bill “is duplicative with what we are already doing.”

Sen. Monnes Anderson (D-Gresham) told supporters that many senators have concerns about language in the bill, which will need to be addressed before the bill moves forward.

### **HB 2658 – 60-day Notice for Rx Price Hikes**

This bill would require pharmaceutical manufacturers 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.

Providence, ASPIRG, AARP, and the Oregon Nurses Association spoke in favor of the bill in a Senate Health Committee hearing.

OSPIRG’s lobbyist testified that California passed a similar bill in 2017, which led to investigative journalists using the Freedom of Information Act to uncover stories of planned price spikes. The stories drove public outrage, and probably in reaction, Pharma halted several price increases. “While this bill doesn’t do everything we like, I think it’s a step in the right direction,” he said.

Pharma testified in opposition to the bill, citing concerns about potential drug stockpiling and shortages, and that this bill “won’t do anything for patients.”

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