

LEGISLATIVE UPDATE

Prepared for OAHU

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Key Legislation Passes on the Final Day

Senate Republicans came back to Salem on Saturday after an eight-day boycott. The Carbon Cap and Trade bill (HB 2020) they oppose was immediately sent back to committee, ending its chance of passage this session.

Then they began work on a backlog of 160+ bills, including some of the session's biggest issues.

SB 770 creates a structure to develop a universal health care plan in Oregon.

HB 2005 provides paid family and medical leave program so workers can take up to 12 weeks off to have a baby or care for a sick relative.

SJR 18 is a constitutional referral to the November 2020 ballot to allow campaign spending limits in Oregon.

HB 2270 refers a \$2 per pack tobacco tax increase to the November 2020 ballot. The bill also includes a new tax on e-cigarettes and vaping products, and doubles the cigar tax from 50-cents to \$1. If approved by voters it will raise \$340 per biennium for Medicaid.

One controversial bill that did not make it over the finish line is **SB 872**, the prescription drug transparency bill championed by Sen. Elizabeth Steiner Hayward (D-Portland) but opposed by OMA, the insurance carriers and Pharma.

The 2019 legislative assembly adjourned at 5 pm Sunday. The next short session begins on February 3, 2020.

SB 770 – Health Care for All Oregon Task Force Passes

SB 770 creates a committee that will explore options for creating a Health Care for All Oregon Plan for recommendation to the Legislature. It also allows the committee to create a Medicaid buy-in proposal.

HB 2005 – Paid Family & Medical Leave Enacted

The proposal to implement a new paid family and medical leave insurance program in Oregon will become law.

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.

Under the proposal, employers and employees will begin paying fees in 2022. Benefits will begin in 2023.

SB 5525 – OHA Budget; Including Funds for Universal Home Visiting

The Oregon Health Authority Budget sat in limbo in the Senate after passing out of Ways and Means unanimously, but was ultimately passed.

Included in the budget was the funding for the universal home visiting program passed in SB 526. These funds represent the state's matching dollars for Medicaid recipients who accept the service.

SB 116 – Student Success Business Tax Referral

SB 116 sets a special election for the Student Success Act for January 21, 2020 if the new business tax is referred to the ballot. If this bill had not passed, a referendum vote would not have taken place until November 2020, delaying implementation of the Act.

Oregon Public Broadcasting reported Tuesday evening that Senate Republican Leader Herman Baertschiger of Grants Pass and Sen. Tim Knopp, R-Bend, said they wanted Democrats to agree to delay the probable statewide vote on Oregon's new business tax for education until November 2020 in exchange for their return to the Capitol. Turn out will likely be higher in the November General Election and opponents of the tax believe they would have had a better chance of defeating it at the ballot.

An association of industrial businesses has filed paperwork to refer the tax to voters. They must gather 75,000 signatures within 90 days of the end of the legislative session to get the referendum on the ballot. A timber magnate, Robert Freres Jr. has already donated a \$1 million to a political action committee working to refer the tax to voters.

HB 2678 – Preferred Rx List for Medicaid

It's rare for a bill to be defeated on the floor but that's what happened to HB 2678.

The bill requires the Oregon Health Authority to maintain a preferred drug list for the 100,000 fee-for-service Medicaid patients and a partially aligned drug list for CCOs.

Rep. Rob Nosse (D-Portland) said, "By designating drugs as preferred, the state can increase the use of lower-cost medications when they have the same effectiveness as higher-cost alternatives."

The cost of Medicaid prescription drugs has grown from \$591M in 2014, to \$871M in 2018, a 32% increase.

The OMA, ophthalmologists, orthopedic physicians and others opposed the bill. Rep. Marty Wilde (D-Eugene) said, "If we pass this bill we will reduce access for the most vulnerable people."

The bill failed on the House floor and was sent back to the Rules Committee.

HB 3397 – Oregon Medicaid Purchasing

Rep. Cedric Hayden (R-Cottage Grove) believes that Oregon is overpaying for pharmaceuticals for the Oregon Health Plan. This bill would create the Oregon Medicaid Purchasing Cooperative to advise the Oregon Health Authority (OHA) on best practices and to leverage purchasing power.

Democrats say this bill was linked with HB 2678, the Medicaid preferred drug list (see above), that failed on the floor and was sent back to the Rules Committee, so they sent this bill back to Rules as well.

Rep. Denyc Boles to Fill Jackie Winters' Senate seat

Rep. Denyc Boles (R-Salem) has been selected to take the Senate seat left vacant after longtime legislator Jackie Winters passed away. That means Marion County Commissioners will need to find a replacement to serve out the rest of Boles' term.

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