

2019 End-of-Session Report

Prepared for OAHU

July 2019

2019 SESSION SCORECARD

Key: ↑ = Good for OAHU; ⇔ = Mixed result for OAHU; ↓ = Poor for OAHU

Result	Issue	Bill #	Details
↑	EMPLOYER RESPONSIBILITY FEE	HB 2269	A \$500 million proposal—requiring employers to spend at least 50-cents per hour for health insurance or services for each employee working 8 hours or more each week—died as part of business support for the \$2 billion tax for education.
*	SHORT-TERM HEALTH PLANS	HB 2703	Efforts to expand short-term health plans to 12 months with protections failed. But it led to an agreement with DCBS to liberalize the non-payment grace period to help keep people in the individual market.
↑	Unfair Trade Practices	SB 728	Would have subjected insurance agents to unfair trade practice claims. Bill failed.
\uparrow	Puts ACA Provisions in State Law	SB 250	DCBS bill to maintain pre-ex coverage; align small-employer plans with HRAs; and enable state-based risk adjustment program.
⇔	HEALTH CARE FOR ALL & MEDICAID BUY-IN	SB 770	OHA to study both issues and make recommendations to 2021 session.
↑	MEDICAID FUNDING	HB 2010	Includes hospital and 2% insurance premium tax to fund OHP and high-risk pool for the individual market.
1	Tobacco Tax for Medicaid	HB 2270	Increases cigarette tax by \$2 per pack and adds a new tax on vaping products.

BIG ISSUES DOMINATE SESSION

Super majorities in both chambers meant Democrats had the votes needed to enact sweeping legislation on education funding, climate change, affordable housing and workers rights. Senate Republicans fought back by walking out, twice.

Republicans' first walkout was in protest over the new \$2 billion corporate activity tax (**HB 3427**) to fund pre-K and K-12 education. The second walkout, in the closing week

of the session, stopped the cap and trade legislation (**HB 2020**) designed to address climate change.

The Governor traded away gun control (**SB 978**) and a bill to limit vaccination exemptions (**HB 3063**) to get Senate Republicans back the first time.

The second time, the Governor sent 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."

Democrats did push through major workplace changes including a new system for up to 12 weeks of paid family and maternity leave (**HB 2005**), and protections against sexual harassment and job discrimination (**SB 726**).

Oregon became the first state to pass statewide rent control and banned no cause evictions for renters (**SB 608**).

KEY ISSUES

HB 2269 - EMPLOYER RESPONSIBILITY ASSESSMENT

FAILED

Employers would have been required to pay at least 50-cents per hour for health care expenses (insurance or services) for each employee who works 8-hours or more. This \$500 million program was part of the Governor's Medicaid funding package.

\$120 million would have helped pay the state's Medicaid cost; the other \$380 million would have provided premium support through a new, and undefined, state program.

The bill died as part of business support for a \$2 billion corporate activity tax to support education.

According to the Oregon Health Authority, 25% (1 in 4) of the one million workers employed by large employers in Oregon are either ineligible or not offered health care coverage by their employer. Another 150,000 are eligible but not enrolled in the employer's insurance plan. In 2017, about 90,000 Oregonians working more than 8 hours per week for large employers were enrolled in the Oregon Health Plan.

Legislators say large employers that use Medicaid as their default insurer should pay the state's cost for that program.

HB 2703 - SHORT-TERM HEALTH PLANS

FAILED

OAHU proposed expanding short-term health plans to 12 months to provide an option for those who lose their insurance during the year but don't have a qualifying event to purchase a new health plan.

The House Health Committee understood the problem but did not support the solution. The Insurance commissioner, carriers and the Governor's health care advisor expressed concerns about expanding access to plans that did not cover the essential health benefits.

As a result of the bill, insurance commissioner Andrew Stolfi convened an informal work group including agents, carriers and consumer advocates to work on expanding access to plans on the individual market. The group focused on extending grace periods and agreed to work during the interim on redefining micro employers and hardship exemptions for late payment.

SB 728 - Unfair Trade Practices

FAILED

OAHU opposed efforts to add insurance to the Unfair Trade Practices Act. Consumers already have opportunities through DCBS to resolve insurance problems.

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The Senate Judiciary Committee held a hearing on the bill but it did not come up for a vote.

SB 250 - Puts ACA Provisions in State Law

PASSED

Because of uncertainty at the federal level, the Insurance Division wants to add key provisions of the Affordable Care Act (ACA) to Oregon law to protect consumers in case the ACA, or key components, go away.

Among other provisions, SB 250:

- Maintains protections for people with pre-existing conditions,
- Clarifies that mental health parity requirements apply to individual and group plans,
- Aligns Oregon's small-employer plan requirements with proposed changes to HRAs (health reimbursement arrangements).
- Enables DCBS to run a state-based risk adjustment program, if necessary.

Mark Griffith, OSPIRG, said, "Preserving the guaranteed issue market and protecting individuals with preexisting health conditions is an important step" in protecting Oregon consumers.

The bill takes effect January 1, 2020.

SB 770 – HEALTH CARE FOR ALL COMBINED WITH MEDICAID BUY-IN

PASSED

First, OHA will be responsible for developing a Medicaid buy-in program targeting residents with incomes up to 600% FPL. The Medicaid buy-in plan will have benefits 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.

Then OHA will shift its focus to a new 20-member Task Force on Universal Health Care appointed by the Governor and confirmed by the Senate. The task force will 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.

HB 2010 - Premium & Hospital Tax for Medicaid

PASSED

Before the session, the Governor convened a stakeholder workgroup to develop a plan for secure, long-term Medicaid funding. This portion of the package:

- Renews the hospital assessment for large hospitals at 6% of net patient revenue, and a lesser tax for small and rural hospitals
- Increases the health insurance premium tax, including PEBB, OEBB and CCOs, to 2%, and ads a tax on stop loss premiums paid by self-insured entities, and
- Sunsets in 2025.

This package is expected to raise \$335M this biennium and \$1.8B in 2021-23.

Republicans were clearly irritated by the speed at which it moved through the legislature. HB 2010 passed in February.

HB 2270 - TOBACCO TAX FOR MEDICAID

PASSED

Gov. Kate Brown championed a \$2 per pack tobacco tax increase to support the Oregon Heath Plan saying, "By increasing the cost of tobacco products and ecigarettes, HB 2270 not only provides the funding we need to provide health care coverage for Oregonians, it invests in prevention and cessation to improve the health of our communities."

The bill includes a new tax on vaping products and increases the cigar tax up to \$1 per cigar.

Oregon's current cigarette tax of \$1.33 per pack would increase to \$3.33, putting it in line with California (\$2.87 per pack) and Washington (\$3.025 per pack).

The proposed tax goes to voters in November 2020, so tax collection won't begin until January 2021. Because of the late start, the tax would only raise \$115M this biennium, but tax receipts are expected to increase to \$350M in 2021-23.

HEALTH INSURANCE MANDATES

SB 9 - EMERGENCY INSULIN

PASSED

Beginning January 1, 2020, pharmacists will be able to prescribe and dispense emergency insulin and supplies for diabetics.

Sen. Peter Courtney (D-Salem) told stories about diabetics sharing insulin to get through the month, buying test strips on the black market and borrowing equipment.

Jessica Adamson, Providence, said they don't normally support mandates but, "This is one that will save costs by avoiding unnecessary visits to the emergency department."

Rep. Mitch Greenlick (D-Portland) asked why not allow pharmacists to prescribe insulin in non-emergency situations? Sen. Dennis Linthicum (R-Klamath Falls) said insulin was sold over-the-counter 45 years ago when he became an insulin-dependent diabetic. Carriers said the relationship between primary care providers and diabetics is important, so that change would require more conversation.

SB 526 - Universal Home Visiting

PASSED

OHA is charged with establishing a voluntary, statewide universal nurse home visitation program for families with newborns, based on Family Connects, an evidence-based model. The plan requires health insurers to pay for the service with no cost sharing, coinsurance or deductibles.

About half of the 40,000 babies born in the state are born onto Medicaid, says Sen. Steiner Hayward (D-Beaverton). Because the bill requires health insurers to cover the \$600 price tag for these visits, the state is able to receive the federal Medicaid match for those children.

SB 734 - NATUROPATH PAY PARITY

FAILED

The bill would require commercial insurance to reimburse naturopathic physicians at the same rate as licensed physicians.

The Oregon Association of Naturopathic Physicians says that payments are on average 40% less than what physicians, physician's assistants (PAs) and nurse practitioners (NPs) receive. One naturopath testified that her salary at an hourly level works out to be \$13, which was the same amount she made as a "sandwich artist" at Quiznos.

Commercial insurers say the bill would result in increased premiums for consumers. They are also concerned that the bill requires pay parity for *any* service performed by a naturopath; similar pay parity laws already on the books for NPs and PAs only require parity for primary care services.

The bill died in Ways and Means because it would have increased costs to the state's public employee plans by \$8 million.

SB 242 - SURROGATE INSURANCE MANDATE

FAILED

A gay couple in Portland wants to have a baby but discovered that one of the biggest costs was health care for the surrogate mother.

Under current law, Providence says health plans "provide comprehensive maternity coverage to surrogates that include care necessary to support a healthy pregnancy and care related to labor and delivery." The carriers then recover those costs from the intended parents.

SB 242 would have prohibited insurers from billing parents for those costs.

The bill passed Senate Health but died in Ways and Means.

SB 740 - PROTON BEAM THERAPY MANDATE

PASSED

Insurers that cover radiation therapy for cancer treatment now have to cover proton beam therapy. The bill ensures 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."

SB 749 - FERTILITY SERVICES MANDATE

FAILED

This bill would have required health insurers to cover the cost of infertility and reproductive endocrinology services.

"People are precluded from becoming parents because of the high cost of treatment," attorney Robin Pope told the Senate Health Committee.

The committee chair asked how much this new mandate would cost but none of the proponents had an answer. The bill died in committee.

SB 887 - ALTERNATIVE HEALTH CARE MANDATE

FAILED

Insurers including OEBB and PEBB would have been required to cover chiropractic, acupuncture and massage therapy without prior authorization under SB 887. The mandate included coverage for an initial evaluation and six follow-up visits.

Mary Jean Brinkman, acupuncturist, told the Senate Health Committee, "Utilization management creates a barrier to care and a delay in treatment." She said, "It is common with most pain-related complaints to take 8 to 25 visits with acupuncture to help address an issue."

Those multiple visits could lead to high costs.

The bill did not move out of committee.

SB 911 - FERTILITY PRESERVATION

FAILED

Ten percent of cancer cases affect patients of childbearing age. In many of those cases, cancer treatment could result in infertility or sterilization.

SB 911 would have required commercial insurance plans, Medicaid, PEBB and OEBB to cover fertility preservation of eggs or sperm, which can cost \$30,000 to \$50,000, for "iatrogenic infertility" caused by surgery, radiation or chemotherapy.

Supporters predict this would apply to 150 patients per year but state agencies estimate a much bigger impact. OHA projected a Medicaid General Fund increase of \$8.7M this biennium plus an additional \$42M Federal funds. PEBB projected a .5%, \$6.6M rate increase, and OEBB estimated a .2%, \$1.02M rate increase.

OHSU worked to lower the fiscal impact of the bill but it never made it out of Ways and Means.

HB 2845 – MIDWIFE MANDATE

FAILED

This bill would have required insurers to cover midwifery care in the hospital, birth center or home setting performed by all three midwife types: certified nurse midwife, certified naturopathic physician midwife and direct entry midwife.

"Women and not insurance companies should be deciding where they will deliver babies," a naturopathic physician from Portland told the House Health Committee.

Proponents say insurers would save money because home and center-based births are much less expensive than hospital deliveries.

Insurers oppose the bill citing patient safety. Jennifer Baker, Cambia, said, "This would force us to credential other providers including direct entry midwives."

The bill had one hearing but did not move.

HEALTH INSURANCE

SB 139 - OMA PRIOR AUTHORIZATION

FAILED

The Oregon Medical Association (OMA) says a recent survey of its members found that 45% say prior authorizations often delay care; another 33% said prior authorizations sometimes delay care; and, according to the OMA, the problem is getting worse.

Clinics and physicians gave examples including:

- A prior authorization request to surgically repair a deviated septum was made September 27; denied two weeks later; appealed; denied again in December; finally approved on January 10 only to learn the policyholder changed insurers January 1 and had to start over again with a different carrier.
- A nasal spray prescription for a 2-year-old with tonsillitis was denied. Instead, the insurer required step therapy using drugs not approved for children under 4.
 Appeals and denials delayed treatment for a month.

An orthopedic surgeon from Portland said, "Oregonians are having to pay more and more for insurance they can't use."

Insurers opposed the bill saying prior authorization is an important tool for implementing evidence-based care and that OMA's bill would add significant costs.

OMA tried to salvage the bill by removing CCOs from the utilization management provisions but the bill did not move out of Ways and Means.

SB 236 AND SB 587 – PRIOR AUTHORIZATIONS FOR PHYSICAL THERAPY FAILED

Physical therapists said requiring prior authorizations for physical therapy creates administrative barriers and delays in patient care. These identical bills would have required payers to cover services provided during the initial visit, rather than requiring the patient to come back for their care.

Courtney Johnson, HealthNet, told the Senate Health Committee this bill would make it difficult for insurers to track patients' utilization of benefits.

The bill had one hearing but did not move.

SB 249 - DCBS Prior Authorization

PASSED

Oregon's Insurance Division said it received 90 consumer complaints last year about prior authorization. The complaints include delay and denial of health care treatments. SB 249 requires insurance carriers to make a determination within two days of receiving a request for prior authorization or within 15 days of requesting additional information.

Jesse O'Brien with DCBS said, "This is not intended to change the prior authorization process but to make it more fair, open and transparent."

Insurers supported the bill but reminded the committee that it only applies to the regulated market, not to self-insured plans.

The changes that take effect January 1, 2020.

SB 537 - DUAL INSURANCE POLICIES

FAILED

Sen. Chuck Riley (D-Hillsboro) proposed a bill that would have required DCBS to create rules protecting people from out-of-pocket expenses when they have multiple coverages, and the sum of those coverages exceeds the cost of services.

The bill had a quick hearing but did not move.

HB 2009 – MEDICAID BUY-IN (NOW IN SB 770) AND INDIVIDUAL MANDATE FAILED

About 245,000 Oregonians, or 6% of the population, is still uninsured. Others are underinsured or can't afford to use their insurance because of copays and deductibles. So legislators want to know if allowing Oregonians to buy a Medicaid health package through the CCOs would help. "This may be a more affordable option," Rep. Andrea Salinas (D-Lake Oswego) told the House Health Committee.

The idea was to use the Medicaid benefits package and pay Medicaid rates to providers. Salinas said she thinks that would cost individuals between \$400 and \$600 per month, but with no copays, deductibles or coinsurance, it might be a better deal for some people.

Jeremy Vandehey, OHA, said a number of states are looking at options like this but there are a number of unanswered questions including the benefits package, cost share, provider rates and risk of the population.

Insurance carriers say a Medicaid buy-in option "has the potential to adversely disrupt current markets and programs."

Ultimately, Medicaid buy-in was added to Healthcare For All in SB 770.

HB 2009 also proposed a new individual health insurance mandate, which the carriers support. "The federal penalty for not having insurance was zeroed out while guaranteed issue remains," Amy Fauver, Kaiser, said. As a result, "We fear the healthier population may avoid coverage, causing premiums to spike and destabilizing the market."

OSPIRG and other consumer groups also support the individual mandate. But the individual mandate portion of the bill did not move forward.

SB 735 – HOSPITAL & INSURANCE METRICS

FAILED

The Health Plan Quality Metrics Committee's establishing legislation (SB 440, 2015) has been interpreted to apply only to CCOs, OEBB and PEBB.

SB 735 was designed to:

- Expand the committee's scope to include all commercial health plans,
- Add an oral health representative to the metrics committee,
- Establish a structure for hospital measures that will work across all payers, and
- Allow the committee to create a core metrics set that all insurers would have to use, along with a menu of other measures that they could use.

Carriers objected to the idea of core metrics. They wanted just a menu.

The bill did not move out of committee.

SB 900 - DIALYSIS PAYMENT

FAILED

SEIU tried to stop the two large for-profit dialysis providers from paying the commercial health insurance premiums for dialysis patients so they can collect the high fees, which can run \$12,000 to \$15,000 per month. "We have to end this scheme," Felisa Hagins, SEIU, told the Senate Health Committee.

The bill would prohibit the American Kidney Foundation from canceling dialysis patient's insurance plans mid-year if they get a kidney transplant and prevent them from steering patients to their affiliated clinics.

Fresenius operates 48 dialysis clinics in Oregon. Their lobbyist said two-thirds of their patients receiving premium assistance are on Medicare that pays the clinic below cost. "If it was really a scheme, all of the money we gave to the American Kidney Foundation would be used for commercial insurance," he said.

Insurance carriers including Providence, Cambia and AHIP said they support the bill to stop "the abuse of third party payments by those who stand to benefit from higher payments."

The bill did not move.

HB 3074 - RATE REVIEW UPDATE

PASSED

Insurance Commissioner Andrew Stolfi says that the intent of this bill is simply to streamline the rate review process. HB 3074 makes three changes:

- Reduce the administrative burden in carrying out rate review, while still allowing for public input,
- Remove the process for modified rates, and
- Include technical clean up language.

These changes will take effect during the 2020 rate review process.

HB 3095 AND 3279 - SUD & MENTAL HEALTH REIMBURSEMENT

FAILED

Two bills sought to increase payments for substance use treatment and mental health treatment.

HB 3279 would have required OHA to set the base reimbursement rate for substance use disorder (SUD) treatment at the same rate as mental health services, while HB 3095 would have required OHA to increase their base fee-for-service rates for behavioral health providers by 35 percent.

HB 3095 included a \$10 million appropriation to the healthcare provider incentive fund for mental health loan repayment.

Both bills were sent to Ways and Means, where they died.

PEBB & OEBB

The Public Employees Benefits Board (PEBB) and Oregon Educators Benefits Board (OEBB) now provide health insurance to about 300,000 Oregonians, 7% of the population, and more than the individual market.

PEBB has 139,000 covered lives; OEBB 153,000.

In 2018, for the first time, PEBB and OEBB's coordinated care model plans are more popular than its PPO plans.

SB 780 - PEBB AND OEBB IN CCOS PILOT PROGRAM

FAILED

Sen. Elizabeth Steiner Hayward (D-Beaverton) and Sen. Lee Beyer's (D-Springfield) bill would have created a pilot project to test the impact of allowing public employees

and educators to purchase health insurance from the state's Medicaid CCOs. Four counties—Josephine, Jackson, Curry, and southern Douglas—would pilot the concept.

It was unclear what the reimbursement rate would be for providers under this plan. Would it be Medicaid, commercial or a blending of the two?

A lobbyist for the public employees union, SEIU, said, "We are not sure that SB 780 is the right vehicle for this. We already know that our members in rural Oregon have trouble with access and worry that changes to reimbursement rates could worsen that." The bill did not move out of Ways and Means.

HB 2266 – REINSTATES DOUBLE COVERAGE FOR OEBB & PEBB

PASSED

Double coverage for public employees in OEBB & PEBB was eliminated as part of a cost cutting bill passed in 2017. HB 2266 undoes that restriction.

Small, rural school districts say the double-coverage prohibition makes it more difficult for them to recruit teachers and public employees to their communities.

House Speaker Tina Kotek (D-Portland) said the savings from this prohibition were not as great as anticipated and she described it as an issue of fairness, "Where just because a couple both work as teachers or public employees they could not double insure, though they could if one of them worked for a private employer."

The bill also requires the OEBB and PEBB boards to enact a reasonable surcharge on public workers who choose double coverage for their families.

VACCINES

SB 649 - VACCINE INFORMATION

FAILED

Oregonians for Medical Freedom, an anti-vaccination group, introduced SB 649 to require providers to give patients a packet of information before administering the vaccine.

The bill would also have changed the age of consent for vaccinations from 15 to 18.

OMA opposed the bill saying it was redundant and unnecessary. "Federal law currently requires that physicians and other healthcare providers give patients vaccine information when a vaccine is administered." The CDC Vaccination Information sheet is written in easy-to-understand language, geared for consumers.

The bill did not move out of the Senate Health Committee.

HB 3063 - ENDS NON-MEDICAL VACCINATION EXEMPTIONS

FAILED

A small but very vocal minority descended on the Capitol, pleading with the House Health Committee to preserve their right to keep their children unvaccinated. "We are not a state to force medical procedures on people against their will," one said.

HB 3063 was a response to the recent measles outbreak in Vancouver, WA, and Portland. More than 70 people, most of whom are children under 10, contracted the disease that was considered eradicated in the United States in 2000.

The bill would have continued to allow medical exemptions for vaccinations, but eliminate religious and philosophical exemptions. Children who did not keep up with required vaccinations would not have been allowed to attend public schools.

Rep. Cedric Hayden (R-Roseburg) pointed out that none of the 10 measles cases in Oregon were contracted in school settings, and emphasized the negative impact this bill would have on the 31,000 non-immunized children in public school, 4,200 in private school, and 16,000 in daycare in Oregon.

The bill passed the House and was expected to win passage in the Senate when Senate Republicans walked out in protest over the corporate activities tax (HB 3427). To get them back in the building, Gov. Brown traded away the vaccination bill (HB 3063) and gun control legislation (SB 978).

Rxs/Medications

SB 910 - NALOXONE NOTICE AT PHARMACIES

PASSED

Naloxone can quickly revive someone experiencing an opioid overdose. SB 910 requires 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.

SB 409 - Wholesale Importation of Prescription Drugs

FAILED

The bill, introduced by Sen. Dennis Linthicum (R-Klamath Falls), Sen. Elizabeth Steiner Hayward (D-Beaverton) and Rep. Rob Nosse (D-Portland), directed the Board of Pharmacy to import lower cost prescription drugs of equal efficacy from Canadian wholesalers.

Representatives from the pharmaceutical industry argued that though this bill has good intentions, there was no way for it to be fully implemented.

The bill passed the Senate Health Committee and died in Ways & Means.

SB 698 – Rx Translations

PASSED

People who have limited English proficiency are twice as likely to misuse a medication. Emergency room visits and hospitalizations due to avoidable medication errors are expensive. Sen. Laurie Monnes Anderson (D-Gresham) said, "I feel like this is an equity issue and a justice issue, and I want to do it."

SB 698 seeks to address this by requiring pharmacies to provide translated instructions in the top 14 languages spoken in Oregon on the prescription label or informational insert. It allows the board to require other languages in the future based on demographic changes.

SB 872 – OMNIBUS RX PRICE TRANSPARENCY

FAILED

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

Opponents said the last drug transparency bill, HB 4005, passed in 2017, hadn't been fully implemented yet and it was too early to be making changes. Plus, they believed some of the changes proposed in SB 872 were too onerous or wouldn't work. Among its many provisions, the bill would have required:

- 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 to 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
- OEBB, PEBB and CCOs to contract with only fee-only PBMs.

Ways and Means appropriated \$390,000 to the OHA to implement the program but it was not voted on in the Senate in the closing days of the session.

HB 2185 - PHARMACY BENEFIT MANAGER REQUIREMENTS

PASSED

The bill restricts how pharmacy benefit managers (PBMs) operate. The Oregon Pharmacy Coalition argued, "PBMs have gotten so strong, we can no longer negotiate contracts with the PBMs that are fair to pharmacists, pharmacies and patients."

HB 2185:

- Allows patients to use a local pharmacy rather than mandating a mail order pharmacy,
- Permits local pharmacies to mail prescription drugs to patients,
- Defines specialty drugs,
- Prevents PBMs from paying 340B pharmacies, including FQHCs and some hospital pharmacies, differently than other pharmacies, and
- Bans gag clauses that prohibit pharmacists from telling consumers about lowercost options.

The PBMs still hope to clean up some of the definitions in the bill before it is implemented in 2021.

HB 2257 - OPIOID PACKAGE

PASSED

The Governor's Opioid Task Force brought a comprehensive package of services in HB 2257. Among other provisions, the bill declares substance abuse disorder a chronic illness. Gov. Kate Brown told the House Health Committee, "It's medical problem that needs a medical solution."

An Oregon Health Authority advisory group will study and implement training standards for substance use disorder (SUD) treatment.

The bill also provides:

- Data to health care providers on opioid prescribing patterns,
- More access to a variety of treatment options, including Medication Assisted Treatment in communities and in the corrections system,
- Support for families, especially new mothers, struggling with addiction issues,
- A prohibition on CCOs, PEBB and OEBB from requiring prior authorization for the payment of medication-assisted treatment,
- Better access to the Prescription Drug Monitoring Program (PDMP) for Dental Care Organization (DCO) dental directors, pharmacy directors and CCO medical directors, and
- A SUD treatment pilot project in up to four counties for pregnant women using the Project Nurture model, which works with peer mentors and doulas to support new mothers.

The legislature approved \$2.5 million to begin this project.

HB 2303 - PSEUDOEPHEDRINE

PASSED

In 2005, Oregon made pseudoephedrine a prescription-only drug because Sudafed can be used as a precursor drug to make meth. The law was very successful and meth lab incidents dropped from 600 in 2001 to near zero today.

HB 2303 allows consumers to buy pseudoephedrine without a prescription but limits and tracks sales using a system called NPLEx, used in 35 other states.

The bill passed despite opposition from a coalition of cities, counties and law enforcement agencies. The Association of Oregon Counties said that Oregon's response to meth production so far has been a "phenomenal success," and that with this bill, "we're setting ourselves up for a resurgence of meth labs."

The ACLU opposed the bill on privacy concerns.

HB 2658 - 60-DAY NOTICE OF RX RATE HIKES

PASSED

This requires 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.

The bill includes a 12-month "look back" at drug increases on or before July 1, 2019, and exempts generic drugs that are produced by four or more companies.

HB 2678 - Preferred Rx List for Medicaid

FAILED

It's rare for a bill to be defeated on the floor but that's what happened to HB 2678. The bill required 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 2679, HB 2680 & HB 2690 - Bulk Purchasing & Wholesale Importation Failed

The House Health Committee desperately searched for a way to lower prescription drug costs. It approved three bills, each with a different twist on the same basic idea:

- HB 2679 allowed bulk purchasing with California,
- HB 2680 allowed bulk purchasing with Canada, and
- HB 2689 allowed wholesale importation of drugs from Canada.

All three bills failed to move out of Ways and Means.

HB 2690 - Paying Cash for Rx instead of Insurance

FAILED

This would have allowed pharmacists to let consumers know their Rx may be less expensive if they don't use their insurance and just pay cash. Under the bill, those cash payments would count toward the person's insurance deductible. The bill failed to move out of the House Health Committee.

HB 2696 - Rx Drug Cost Review Commission

INFO HEARING ONLY

Rep. Rachel Prusak (D-Tualatin) hoped to "truly address the high price tag pharmaceutical companies place on medications for more profit." Although the bill failed to move out of the House Health Committee, she hopes it can pass in 2021.

HB 2696 would have:

- Established a 7-member Drug Cost Review Commission that would track changes in prescription drug costs and, if deemed necessary, cap prices,
- Created an 11-member advisory committee to assist with the board's functions,

- Mandated that pharmaceutical manufacturers provide written 30-day notice of specific prices increases within a 12-month period,
- Allowed the commission to establish a maximum payment rate for a drug if its price is determined to be "unjustified or unduly burdensome to Oregonians", and
- Allowed the Attorney General to investigate manufacturers that exceed set rates and pursue legal action against them under the Unlawful Trade Practices Act.

The concept is one of "affordability, not value", meaning that it looks at giving everyone who needs it access to the drug, rather than trying to determine a drug's monetary "value". It presumes more people will take more medication, with "no intent to cause manufacturers to lose money." The optimal system for it is a statewide all-payer, all-purchaser one.

Maryland just became the first state to enact such a system into law.

HB 2753 - PHARMACISTS COULD SUBSTITUTE GENERIC RX

FAILED

Current Oregon law allows pharmacists to substitute generic drugs. This bill would have *required* pharmacists to fill prescriptions with the less-expensive generics.

Pharmacist Kevin Russell said, "I don't think [this bill] is necessary, we already substitute generics in every case we can. It seems an awkward, convoluted solution... I see this as a barrier rather than helping."

The bill failed to make it out of the House Health Committee.

HB 2799 – FLAT DOLLAR COPAYMENTS AND FORMULARY TRANSPARENCY FAILED

Based on recommendations of an interim work group, HB 2799 would have required carriers to offer, in at least 25% of their benefit plans, flat dollar copayments for prescription drug coverage. In addition, it required carriers to report specified information about changes to the formulary, cost sharing, and utilization controls for prescription drugs annually to the Department of Consumer and Business Services (DCBS).

Colorado and Montana have adopted these policies without seeing premium increases or other adverse outcomes. But Oregon carriers estimated that this would raise premiums between 1-3%.

The bill failed to pass out of the House Health Committee.

HB 2840 - PHARMACY BENEFIT MANAGER REQUIREMENTS

FAILED

With similar provisions to HB 2185, HB 2840 died in Ways and Means. It had a \$10 million price tag because of its impact on OEBB and PEBB.

HB 2935 - RX LABEL READERS FOR VISUALLY IMPAIRED

PASSED

Pharmacies are now required to provide prescription label reading devices to consumers who are blind or vision impaired. The devices read a microchip, embedded in the prescription label, out loud, giving instructions and warnings about that drug to the consumer.

Institutional pharmacies, such as the state hospital, corrections and long-term care pharmacies, are exempt.

HB 2961 - Rx ADS MUST DISCLOSE PRICE

FAILED

This bill would have required manufacturers to disclose the wholesale price of a drug in any advertisement, with penalties of up to \$5,000 for each violation.

Pharma testified, "When people complain, they are complaining about their co-pays or co-insurance. Typically these approaches focus on list price. The wholesale price is not a price we set, so it would be hard to include in an ad."

HB 2961 did not move out of the House Health Committee.

HB 3273 - RX "TAKE BACK" PROGRAM

PASSED

This bill requires manufacturers to create a statewide drug take-back program that would be run by a nonprofit contractor. There was broad agreement on the concept.

Its aim is to help curb opioid addiction and keep pharmaceuticals out of our wastewater. Washington, California and New York already have similar programs.

Amendments shifted most of the cost of the program away from Pharma and onto generic drug and over-the-counter drug companies.

The Department of Environmental Quality will oversee the program, which is projected to cost \$258,000 this biennium and will be covered by fees. It will become operational in February 2021.

OTHER HEALTH CARE

SB 765 - PRIMARY CARE PAYMENT REFORM

FAILED

For the past four years, insurers and CCOs have reported how much they spend on primary care as a percentage of their total medical spend. In 2017, Oregon passed a law that required insurers to increase spending on primary care to 12% of total medical expenditures. SB 765 built on this work by requiring insurers to meet value-based spending targets for primary care. The bill also sought to make the formula used to calculate that spending align with the national standard, so Oregon's primary care spending can be compared with other states.

"People around the country are asking how did Oregon increase primary care spending from 6% to 12% in one year." Glenn Rodriguez, MD, said we didn't. We just changed the formula. "The methodology change in 2017 changed the percentage of primary care spending without actually increasing the amount spent on primary care."

"We now have an inaccurate report," Jennifer DeVoe, MD, Chair of the Dept. of Family Medicine at OHSU, said.

Devoe continued, "The more money you spend on primary care, the more money you save." A report from Portland State found that increased primary care spending through patient-centered primary care homes (PCPCH) saved \$240 million in the first three years through lower emergency room use, fewer hospitalizations and reduced specialty care costs.

While the bill passed out of the Senate unanimously, it met stark opposition from the insurance industry in the House and was ultimately sent to the Rules Committee where it remained at Sine Die (the end of session). The insurance carriers that testified—Cambia, Providence, Samaritan and Care Oregon—said they support primary care spending but were united in their opposition to the bill. "A lot of the math doesn't work for us," Bill Bouska, Samaritan Health, said. "This is not a collaborative bill."

HB 3076 - CHARITY CARE AND COMMUNITY BENEFITS

PASSED

House Health Committee chair Rep. Andrea Salinas (D-Lake Oswego) and the Service Employees International Union (SEIU) pushed to standardize non-profit hospital charity care and community benefits. 58 of Oregon's 60 acute care hospitals are non-profit.

The bill:

- Requires charity care cover 100% of non-profit hospital bills up to 200% FPL, with a sliding scale of charity care up to 400% FPL,
- Limits the interest rate on debt collections for non-profit and for-profit hospitals,
 and
- Sets an individualized spending floor for each hospital's community benefit beginning in 2021.

The Oregon Health Authority will work with each hospital to set a community-benefit spending floor. As part of the formula, for-profit hospitals will be given credit for the taxes they pay.

A report from OHA's Office of Analytics shows that Oregon hospitals provided \$2.2 billion in community benefits in FY 2016, 73% of which came from below-cost reimbursements from Medicare and Medicaid.

Rep. Rachel Prusak (D-Tualatin) said, "Despite all the work you do and your charity care policies, the number one cause of bankruptcy is still medical debt."

Rep. Salinas said, "Crushing medical debt does not have to be something that we accept. This legislation is about setting clear standards for every hospital, so that they are fulfilling their missions and meeting their obligations..."

SB 721 – CCO Payments to School-Based Health Centers Failed

This bill would have required CCOs to pay school-based health centers as in-network providers. Sen. Lew Frederick (D-Portland) said he introduced this bill to provide more mental health counseling in schools. But the bill would have applied to all services.

Mary Williams, representing the CCOs in the Coalition for a Healthy Oregon, said their CCOs work closely with the school-based health centers and treat them the same as any other clinic.

The bill did not move out of committee.

SB 599 - MEDICAL MARIJUANA PATIENT ACCESS COMMITTEE

FAILED

Patient advocates wanted to create a new Medical Marijuana Patient Access Committee within OHA to study how to reduce barriers to access medical marijuana.

Their bill included a series of other provisions:

- Allowing higher limits for growers who work with medical marijuana,
- Issuing permanent medical marijuana cards to patients who have a lifetime illness or disability, such as ALS, and
- Prohibiting the denial of state licenses, including for childcare, simply because someone has a medical marijuana card.

Dan Kouzer from Springfield said, "This sounds like Christmas morning for medical marijuana users."

The bill had one hearing but did not move forward.

SB 703 – Selling Health Data → Protecting Health Info TF Failed

Thirty-nine Oregon legislators co-sponsored legislation to protect personal health data. Rep. David Gomberg (D-Lincoln City) said, "The question is who owns your most personal information?"

ACLU describes the bill as a Trojan horse. "On its face, this bill is being promoted as a privacy and transparency bill. We are convinced that it is something quite different."

In written testimony, Rocky Dallum, an attorney at Tonkin Torp said, "The bill was introduced by Humanity.co, a company that seeks to profit from the sale of its technology platform. SB 703 is not about privacy of personal information; instead, it is

about creating a demand for proprietary technology at the risk of significantly slowing the legitimate flow of de-identified vital and beneficial data."

The hospital association, Oregon Medical Group and some other tech companies opposed the bill.

The Senate Health Committee gutted the original bill and replaced it with a Task Force on Protecting Health Information. That version of the bill stalled in Ways and Means

SB 889 - HEALTHCARE COST GROWTH BENCHMARK

PASSED

The Oregon Health Authority will staff a 20-member implementation committee to develop a health care cost growth benchmark for all health care sectors. **One slot on the committee is reserved for an insurance broker, appointed by the Insurance Commissioner.**

The benchmark concept is similar to the 3.4% annual growth target for CCOs, OEBB and PEBB. It's based on a Massachusetts model.

When Massachusetts instituted this in 2013, they had the fastest rate of growth in the country. In the first four years of implementation, Mass has been consistently lower than national rates.

The bill:

- Creates a framework and key functions of the benchmark program,
- Establishes an Implementation Committee under the Health Policy Board to develop program details, and
- Requires a report back to the legislature in November 2020.

OHA was given \$1 million for the study and report.

TELEHEALTH

SB 129 - OPTOMETRIST TELEMEDICINE

PASSED

This bill puts criteria in place to ensure patient safety and the appropriate use of optometrist telemedicine. It sets up a regulatory platform for the Board of Optometry to contemplate telehealth and telemedicine.

"I never use my iPhone to diagnose eye problems," Dr. McBride, a Beaverton optometrist, testified in to the House Health Committee. "At the end of the day, that's what's happening."

SB 130 – Telehealth for School-Based Health Centers

FAILED

SB 130 would have created grants for school-based health center pilot projects that seek to increase access to behavioral and physical health using telehealth. With a \$950,000 fiscal to implement the grant program, the bill died in Ways and Means.

HB 2190 - OPTOMETRIST TELEMEDICINE

FAILED

FAILED

Optometrists introduced similar bills in both chambers. With similar provisions to SB 129, which passed, HB 2190 failed to move out of the House Health Committee.

HB 2693 – TELEHEALTH REIMBURSEMENT FOR TEXTING AND EMAIL SERVICES

ZoomCare wanted to require private insurers to reimburse chat, texting and email services. They said they currently offer services via online chat but that only about half of insurers reimburse for those services.

Stakeholders took issue with the broad expansion of services, and particularly with the set amounts of reimbursement prescribed in the bill—80% of the in-person reimbursement for a physical health service, 90% for a behavioral health service.

Providence and the hospital association were opposed to the bill. It died in committee.

WORKPLACE/EMPLOYERS

SB 571 - TAX CREDIT FOR NEW EMPLOYEES

FAILED

Sen. Tim Knopp (R-Bend) proposed a \$1,000 per employee tax credit for businesses with less than 100 employees that add 10 or more FTE jobs in one tax year. "We are looking to people who are growing their business to help us grow our economy," Knopp told the Senate Business Committee.

The bill had a brief hearing but did not move forward.

SB 726 - WORKPLACE HARASSMENT

PASSED

Supporters say the EEOC reported that 1 in 4 women have experienced harassment at work, and 75% of them experience discrimination when they report that harassment. The bill tries to shift power from employers to employees by:

- Preventing employers from requiring nondisclosure or no-rehire agreements as part of a settlement agreement. The Oregon Trial Lawyers testified, "Nondisclosure agreements help predators keep harassing women."
- Expanding the statute of limitation to 5 years,
- Giving employers the ability to not pay severance to executives if they are being dismissed because of harassment or discrimination, and
- Requiring employers to have a written harassment policy. The Bureau of Labor and Industries (BOLI) will add a model policy to its web site.

Supporters said, "We didn't redefine discrimination with this bill. What changes with this bill is what happens for workers when they experience discrimination in the workplace."

The new law takes effect October 1, 2019.

HB 3427 - Business Activity Tax to Support Education

PASSED

The new business activity tax is designed to raise \$2 billion per biennium for education (Pre-K through grade 12). The tax on businesses with receipts of more than \$1 million would be \$250 plus 0.57% of the total taxable business receipts in excess of \$1 million. Businesses with receipts of less than \$1 million are exempt, as are nonprofits, hospitals, long-term care, gasoline and groceries.

The taxable receipts calculation also allows a 35% subtraction for either:

- Purchases from other businesses, or
- · Labor costs.

An individual or business with more than \$500,000 in receipts must register with the Department of Revenue, but only those over \$1 million pay the tax.

Sen. Mark Hass (D-Beaverton) said the \$1 million threshold means only about 40,000 of Oregon's 460,000 businesses will pay the tax.

The plan also includes minor reductions to the personal income tax rates and a comprehensive education-spending plan for the new funds.

Business opponents of the new tax are collecting signatures to refer it to a statewide vote. If that happens, the ballot will be on January 21, 2020.

HB 2498 - RESTRICTS INDEPENDENT CONTRACTORS

FAILED

Union representatives wanted to tighten the definition of independent contractors and make them harder to use by Oregon business. Tom Chamberlain, AFL-CIO, said, "There is a fundamental incentive for bad employers to misclassify workers."

The bill would have prohibited independent contractors from providing services that are within the usual course of the company's business.

Every major business group including Oregon Business and Industries (OBI), the National Federation of Independent Business (NFIB), Associated General Contractors (AGC), Truckers Association, realtors, the hospital association and others opposed the change.

Skip Newbury, Technology Association of Oregon, said the bill would have a "significant negative effect on technology workers, forcing them to relocate to other states."

The bill had one hearing and did not move forward.

HB 2005 - PAID FAMILY & MEDICAL LEAVE

PASSED

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.

The bill is modeled on Washington's legislation and provides 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 in the family. People experiencing domestic violence would also be eligible.

Employers and employees split the cost of the paid leave insurance pool, with employers covering 40% and employees covering 60%. 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 or cover overtime 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.

Employees are eligible once they have worked 90 days or earned \$1000.

Democrats describe it as the most generous family leave law in the nation.

The Employment Department will begin collecting contributions to the program on January 1, 2022, with benefits beginning on January 1, 2023.

HB 2992 - Non-Competes

PASSED

The legislature added to the administrative limitations of using non-compete clauses in employment contracts by requiring employers to provide a terminated worker a signed, written copy of the agreement within 30 days of termination.

Oregon already limits non-competes in a variety of ways:

- May not exceed 18 months.
- Must be part of a written contract offer at least two weeks before an employees first day or promotion ,
- Employee must be engaged in administrative, executive or professional level work,
- Employer must have a protectable interest, and
- The employee's gross annual salary and commissions at termination must exceed the median income for a family of four.

The new notification requirement applies to all non-competes after January 1, 2020.

HB 2020 - CARBON CAP AND TRADE

FAILED

One of the most controversial bills of the session, HB 2020 led to the Senate Republican's eight-day walkout at the end of the session. The bill would have made Oregon the second state, after California, to cap carbon emissions to combat global warming.

The bill would have set a cap for greenhouse gases, established pollution allowances and created a market for industries to trade or purchase pollution credits. The target was to lower emissions to 45% below 1990 levels by 2035, and 80% below by 2050.

Republicans feared it would severely damage rural Oregon by driving up the price of gasoline, and negatively impacting agriculture and forestry.

HB 2341 - PREGNANCY ACCOMMODATION

PASSED

This bill requires businesses with six or more employees to make "reasonable accommodations" for pregnant employees, including modifying equipment, more frequent or longer breaks, assistance with manual labor or modification of work schedules or job assignments.

The new law is effective January 1, 2020.

HB 2593 - Nursing Mothers

PASSED

Employers with 10 or more employees will be required to provide unpaid rest periods for nursing mothers so they can express milk. They must also make a reasonable effort to provide a workspace, other than a closet or restroom, where a nursing mother can express milk.

The new law takes effect October 1, 2019.

SB 379 - DRUG-FREE WORKPLACE

FAILED

Supporters of SB 379 said no one should suffer negative consequences from using legal substances. They wanted to prohibit employers from enforcing drug-free workplace requirements on employees who use cannabis.

The Senate Judiciary Committee amended the bill to clarify that these protections do not apply to:

- Licensed health care professionals,
- Public safety personnel,
- · Public transit drivers,
- Federal contractors or employers who receive federal grants, or
- Employees whose jobs may involve a risk to others.

The bill did not move forward.

STATE BUDGET

STATE REVENUES HIGH, TRIGGERS BIGGEST KICKER ON RECORD

State economists were astounded by the increase in tax revenue this year. They said corporate and personal tax collections were \$500 million higher than a typical year. This means the state has to return \$1.4 billion in tax revenue to Oregonians, marking the largest kicker on record.

SJR 23 - Personal Kicker Reform

FAILED

The kicker "kicks" when revenues to the state exceed economists' projection by more than 2%. When that happens, all of the additional revenue, including the 2%, must be returned to taxpayers.

Since it was passed in 1979, the kicker has kicked 10 times and returned \$3.4 billion to taxpayers. Rep. Christine Drazen (R-Canby) said, "The kicker is one of the only programs that keeps the growth of government in check."

In 2012, voters passed Ballot Measure 84, diverting the corporate kicker to K-12 spending.

Legislators talked about a constitutional amendment to redirect personal kicker funds to K-12.

The referral did not move to a vote.

SB 1049 - PERS REFORM

PASSED

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

The bill also reduces employee retirement benefits in their side 401(k)-like accounts, by 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 reduces 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 was effective June 11, 2019.

POLITICAL CAMPAIGNS

SJR 18 – Referral to Voters allowing Campaign Contribution Limits Passed

Oregon is one of only five states with no limits on campaign contributions.

This bill doesn't set a limit; it just makes them constitutional. The referral will be on the November 2020 ballot.

Legislation actually setting campaign contribution 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.

HB 2714 - SETS CAMPAIGN CONTRIBUTION LIMITS

FAILED

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 led 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.

Critics of the proposal said the proposed limits were too high and would still tip the scales in favor of the wealthy.

The bill did not pass.

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