Organizational Days Kick off 2017 Legislative Session Season
Oregon legislators convened at the State Capitol for organizing days January 9-11. Gov. Kate Brown and newly elected legislators were sworn in for new terms. After taking the oath of office, Gov. Brown delivered her inaugural address. First readings of pre-session filed measures took place, along with the release of 1,532 pre-session filed bills. Approximately 3,000 bills are introduced each session.

The Top Four Issues: The 2017-19 state budget, a long overdue transportation package, affordable housing and healthcare/CCO reform.

Major Health-Related Bills: Mental health reform, payment reform, balance billing, increase liability limits for wrongful death actions, gun violence prevention, public health modernization and Tobacco 21.

2017 Session Overview

The Rules of Session; A Primer
In odd-numbered years, legislators begin the regular (as opposed to the short 35-day session in even-numbered years) session. It begins February 1. The constitutional date of adjournment is July 10 but that can be extended on a day-by-day basis by a majority vote.

The Key Players: New co-chairs for the Ways and Means Budget-Writing Committee
Gov. Kate Brown, a Democrat, is fresh off an election to serve the remaining two-years of Governor Kitzhaber’s term.

House Speaker Tina Kotek (third term as Speaker) and Sen. President Peter Courtney (8th term as Senate President) will ultimately shepherd the passage of key legislative initiatives through their chambers with help from House Majority Leader Jennifer Williamson and Senate Majority Leader Ginny Burdick. House Minority Leader Mike
McLane and Senate Minority Leader Ted Ferrioli return to their leadership roles again this session.

In the Health Care arena, Rep. Mitch Greenlick returns as chair the House Health Care Committee and Sen. Laurie Monnes Anderson again will chair the Senate Health Care Committee. The House Human Services Committee will be chaired again by Rep. Alissa Keny-Guyer and the Senate Human Services Committee again will be chaired by Sen. Sara Gelser. The Human Services committees often have jurisdiction over mental health and foster care issues.

The Joint Ways and Means Committee on Human Services has new leadership and membership. Sen. Elizabeth Steiner Hayward and Rep. Dan Rayfield will serve as co-chairs. Sen. Sara Gelser will join the committee for the first time. Sen. Richard Devlin will return as co-chair of the full Ways and Means Committee, which is the Legislature’s budget-writing committee. Rep. Nancy Nathanson is the new co-chair for the House.

**Current Legislative Membership**
The House and Senate have Democratic majorities. The Senate lost its super-majority after the death of Sen. Alan Bates. Republican Alan DeBoer won his seat.


**Universe of Bills**
In a long session, up to 3,000 bills are introduced. Over 1,500 of them were pre-session filed, meaning that legislators are getting a head start on their work.

**The Clock**
Session starts on Wednesday, February 1, and the pace will be frenetic until the policy committees close on June 2. **Here are the major session deadlines:**

February 28 – Deadline to file bills with the Secretary of the Senate or the Chief Clerk
April 7 – Deadline for Chairs to Schedule Work Sessions for First Chamber Measures*
April 18 – Deadline for Committees to Hold Work Sessions on First Chamber Measures*
May 19 – Deadline for Chairs to Schedule Work Sessions for Second Chamber Measures*
June 2 – Deadline for Committees to Hold Work Sessions on Second Chamber Measures*

*The deadline does not apply to Ways and Means, Revenue, Rules and other joint committees.
June 23, 2017 – Target Adjournment of Session sine die
July 10, 2017 – Constitutional Deadline for Adjournment of Session sine die

The Stakes
Money is tight. Given the $1.7 billion budget short-fall, the default position for any proposal with a fiscal impact is “dead on arrival.” The focus will be on new revenue (such as tobacco tax increases) or cuts to education funding, human service programs or health care. Senate leadership has been talking to the business community to see if there is support for a revenue package.

Oregon’s innovative health transformation is at risk of disruption with the promised repeal by Congress and President-Elect Trump, of the Affordable Care Act. Currently, the rate of uninsured Oregonians has fallen to five percent. The number of Oregonians without health insurance will rise if Medicaid funding is decreased and place further stressors on the state’s safety net system.

The Wild Card(s)
Rumor has it that Republicans won’t provide votes for a transportation package without a repeal of the carbon fuel standards that passed in 2015 or votes for tax increases unless there’s PERS reform. That gives individual Republican legislators a lot of leverage if they want to break with their caucus to support these revenue bills. However, Democrats may face challenges finding the votes within their own caucuses, especially with legislators from conservative districts. Legislators also may look to taxes on marijuana to generate funding for cities and counties.

The Marquee Issues: Budget, Transportation, Affordable Housing, Health Care

Budget
The state is facing a $1.7 billion shortfall to maintain current services. The second big issues is the PERS shortfall. The Supreme Court ruling on PERS (provisions of the 2013 Grand Bargain to reduce PERS liabilities by cutting cost-of-living increases for retirees) will create a hole of as much as $300 million for the 2017-19 and 2019-21 budgets. The governor released her recommended budget last December. This is the starting point in the process. The Ways and Means co-chairs will release theirs — usually early in the session — and stakeholders will advocate for their budget priorities.

Transportation
The legislature’s effort to pass a comprehensive transportation package in 2015 was sidelined by the passage of the carbon fuel standard bill. Republicans have taken a stance not to provide votes for the package (tax increases require a super-majority vote) unless the there’s a significant change in carbon fuel standards. Passage of a transportation package will be a “go home” issue for legislative leadership and will be a measure of the governor’s clout.

Affordable Housing
House Speaker Tina Kotek is proposing policies she calls “uncomfortable” to address Oregon’s housing crisis. The bills include measures to prevent homelessness, tenant protections, and preservation of affordable housing. Rent stabilization will be on the docket as well as changes to protect tenants from unjust, no-cause evictions. Associations for landlords oppose rent control and changes to the eviction law. Instead they are proposing a $25 million annual program to assist renters.

**Health Care and CCO Reform**


**Major Health-Related Bills and Issues**

**Mental Health Reform**

The legislature will consider recommendations from the Behavioral Health Collaborative convened by OHA Director Lynne Saxton in July 2016. The purpose of the Collaborative was to focus on cross-system coordination and collaboration and to develop recommendations to modernize and improve Oregon’s mental health system. Their recommendations focused on models of governance, new fiscal models, minimum standards for care and workforce competency, standard data sets, improved technology to coordinate care and the creation of a learning collaborative or series of trainings on various topics to support this model including team-based care, use of peer services, leveraging data for change, understanding HIPAA, and payment reform.

**Payment Reform**

The Primary Care Payment Reform Collaborative created by SB 231 (2015) put forward recommendations to the Oregon Health Policy Board in December. These recommendations include increased investment for the primary care system through value-based payments for comprehensive primary care rather than the old model of fee-for-service payments. Sen. Elizabeth Steiner Hayward will sponsor a payment reform bill that also will support primary care behavioral health integration. This is in alignment with the goals of OHA’s Behavioral Health Collaborative.

**Gun Violence Prevention**

Gun Violence Prevention is a priority issue for Oregon’s leadership. Gov. Kate Brown, Senate Majority Leader Ginny Burdick, House Majority Leader Jennifer Williamson are advocating for bills to close loopholes in background checks, address safe storage and child access to firearms and create a restraining order for people at extreme risk of violence to themselves or others.

**Increase liability limits for wrongful death actions**
In recent sessions, trial lawyers have promoted bills to triple the $500,000 liability limit on noneconomic damages recoverable in wrongful death actions to $1.5 million. A coalition of health care associations and the insurance industry successfully blocked a complete repeal of the statutory cap for wrongful death actions in the last two sessions. However, some legislators support raising the statutory cap.

**Balance Billing**
The Department of Business and Consumer Services and individual legislators will introduce bills in 2017 to ban the practice of balance billing and to protect consumers. Providers are advocating for model legislation which includes the use of a fair and transparent system such as the independent Fair Health database, to set minimum benefit standards to determine physician payments. Insurance carriers want to tie the rate to align with Medicare payments, which they say will simplify the system. Providers contend these rates are substantially below market average and would eliminate the incentives for insurance carriers to contract with providers. This battle is playing out in other states including; Florida, Texas Colorado, Alaska, and Washington.

**Public Health Modernization**
The Coalition of Local Health Officials is working with the chairs of the House and Senate Health Care Committees to address significant gaps in Oregon’s Public Health System. As a first step they are seeking an investment of $30 million, about double the current state investment, to support core public health services including communicable disease response, environmental health, emergency preparedness, health equity and improved population health data.

**Tobacco 21**
Legislators will re-introduce a bill to increase the minimum age to purchase tobacco to 21. Raising the minimum age will significantly reduce tobacco use, given nearly 90 percent of smokers started the habit before the age of 20. California and Hawaii are the only two states with tobacco 21 laws.

For more information about the legislative process, please contact Katy King: KatyKing01@gmail.com