

LEGISLATIVE UPDATE

Prepared for ORHA

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End-of-Session Deadlines Approach

The 2011 Legislative session is in the home stretch.

Most policy committees close June 1. Only Rules, Revenue, Judiciary and Tax Credits will remain open.

Ways and Means hopes to wrap up work on agency budgets and budget bills by June 7. A lot of decisions still need to be made but they are getting close.

Leadership is targeting June 17 for adjournment. Even if that slips a little bit, they should be able to beat the July 1 deadline they set for themselves.

Pot Smokers to Fund EMT MTUs – SB 5529

Medical marijuana card fees will double — from \$100 to \$200 per year — raising \$7 million in 2011-13 to help fund public health. Those funds will be used to restore funding for both EMT Mobile Training Units.

Rep. Mitch Greenlick (D-Portland) opposed the budget saying, “The Public Health budget is significantly underfunded and that has long term consequences.” He also questioned the use of medical marijuana card fees saying, “This is not the best way to manage things that are basic functions for the state.”

Funding of \$300,000 for one EMT MTU was proposed in HB 3850. This budget, if ultimately approved, will override the need for that bill. Rep. Jim Thompson (R-Dallas) who sponsored HB 3850 for the Oregon Rural Health Association, when hearing that the MTUs were funded, joked, “I might have to get one of those cards.”

Residency Network Wins Unanimous Approval in Senate – HB 2401

The Senate unanimously approved HB 2401, the residency network bill. On the Senate floor, Sen. Alan Bates (D-Ashland) said the lack of local residency slots contributes to the primary care shortage in Oregon. Bates said physicians have a tendency to stay and practice near where they do their residency.

SB 2401 encourages AHEC to help hospitals expand residency programs, especially in rural parts of the state.

“Last year, there were 1,000 applicants for 10 family medicine residency slots at OHSU,” Sen. Bates said.

The bill now goes to the Governor for his signature.

Legislators Impose Hospital Tax Increase

Legislators grew impatient negotiating with hospitals about increasing the hospital tax to fund the Oregon Health Plan. 95 percent of the deal had been reached. It includes:

- Maximizing the level of the hospital tax.
- Maintaining OHP Standard for more than 60,000 low income Oregonians.
- Reducing the reduction in OHP provider reimbursement from 19% to 11.5% in the first year of the biennium. This applies to physicians, hospitals, Rx and

durable medical equipment. (Additional cuts of 14%-25% in year two of the biennium will still happen.)

- Restoring the OHP Standard hospital benefit to OHP Plus level.
- Allowing hospitals to buy-down the 11.5% cut to a lower level.

Negotiations broke down over an additional cut to hospitals contained in SB 204 (see below). Legislators plan to impose the agreed upon components of the tax increase through the Oregon Health Authority budget.

Legislators Take Another \$100 Million from Hospitals – SB 204

SB 204 started out as a way to change hospitals billing methodology in OHP. Starting in January 2012, hospitals would use Medicare methodology when billing for OHP. Legislators believe this will result in long-term savings in the Oregon Health Plan.

But legislators decided to use SB 204 as a mechanism to reduce hospital reimbursement in OHP on top of the already massive cuts proposed in the Governor's budget (see above). Initially, legislators proposed a \$50 million cut. Hospitals balked at that, so legislators increased the cut to \$100 million and the House Health Committee pushed it through with virtually no discussion.

The bill now goes to the House floor.

Patient Advocate Bill Approved by House Committee – SB 579

The House Health Committee added an amendment to the patient advocate bill saying if the patient advocate is the attending physician, another health care provider must be consulted for a second opinion. OHSU and the hospitals were fine with this addition.

The committee unanimously approved the amendment and the bill. It now moves to the House floor.

Prepaid Primary Care Services (Retainer Medical) – SB 86

Everyone on the House Health Committee liked the idea of exempting primary care physicians offering pre-paid medical services from the insurance code. The debate was whether these retainer practices should even have to register with the Insurance Division.

"We shouldn't be telling businesses what to do," Rep. Julie Parrish (R-West Linn) argued. "If they want to swap chickens and bake bread, I don't care how they pay for their doctor.

The Insurance Division said one of the primary reasons it put forward this bill was to see who is offering these services. Ultimately, Rep. Parrish backed off her amendment that would have prevented registration, but she added, "The minute this starts into collecting fees, I'll come unhinged."

Rep. Jim Weidner (R-Yamhill) called SB 86 "one of the best policy pieces we've passed this session."

The bill now goes to the House floor.

Lock-up Over Insurance Exchange Amendments – SB 99

Members of the House Health Committee can't agree whether to pass SB 99 out of committee as is, adopt language to let the Insurance Exchange Board participate in selective contracting with insurance carriers and plans (the -14 amendments), or to let the bill die and either come back to the issue in February 2012 or let the federal government set up Oregon's Insurance Exchange.

Rep. Mitch Greenlick (D-Portland) asked business associations (AOI, NFIB, Oregon Business Council and Oregon Business Association) and AARP, SCIU and OSPIRG to testify before the House Health Committee, answering two questions:

1. Could you live with SB 99 as is?
2. Could you live with the bill if it incorporated the -14 amendments?

AARP, SCIU and OSPIRG, the only groups to testify, all said they cannot support SB 99 and they could live with SB 99 if it included the -14 amendments. The AARP lobbyist testified, "The -14 amendment is at least an improvement in that it doesn't handcuff the Board" to negotiate with insurers for lower rates.

House Health Committee members asked if these organizations would prefer the federal government set up Oregon's Insurance Exchange. Rep. Julie Parrish (R-Tualatin) said, "I haven't heard anyone articulate a good reason" why the federal government should not set up the Exchange. AARP responded it is difficult to say if a federal Exchange would be better than SB 99 because the federal plan isn't designed yet.

SB 99 is scheduled for a work session on Wednesday, June 1.

Whistleblower Protections – SB 237

The House Business and Labor Committee heard SB 237, raising serious questions about the need for the bill. The MVP Health Authority (formerly the Mid Valley Independent Physicians Association), the proponents of the bill and new amendments, testified, "We believe extending whistleblowers to other providers is critical to making our hospitals safe." However, when asked by legislators what exactly the law would do, the MVP lobbyist was unable to provide any specific examples.

Rep. Margaret Doherty (D-Tigard) asked, "So it's one of those things, it's not totally necessary but it doesn't hurt?"

Rep. Sal Esquivel (R-Medford) said, "I haven't heard anything about this in my hospitals. Where is this coming from? We just learned that there are already statues in place. Is this a solution looking for a problem, or what?"

OAHHS testified it was neutral on SB 237 on the Senate side, but is opposed to the new amendment. Andi Easton, representing OAHHS, testified, "We think current state law and federal law cover all employees," and said the hospital association has concerns about disruptive physicians using the whistleblower protections to claim a hospital was acting in retaliation by revoking their privileges.

SB 237 is scheduled for possible work session on Wednesday, June 1. Rep. Bill Kennemer (R-Oregon City) closed the hearing saying, "It's pretty clear some arguments need to be made on either side" before the bill is heard next week.

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