

2018 Primaries and Possible Special Session

By Bill Cross & Niki Terzieff, OSPA's Government Affairs Advocates

The Oregon Primary Election is just a few weeks away on May 15th and has been fairly low key on the surface...but there is a lot at stake. The makeup of the Oregon Legislature is 17 Democrats and 13 Republicans in the Senate and 35 Democrats and 25 Republicans in the House. Each chamber is one vote shy of a supermajority for the Democrats. Having a supermajority (Senate 18-12, House 36-24) allows the party in control to pass tax increases without the support of the other party.

This year there are a number of “open” legislative seats (no incumbent running for re-election) due to a combination of eight legislators receiving various appointments, one resigning, seven retiring and one running for higher office. Senators are elected for four-year terms so generally only half of the 30 seats are up for election each two-year cycle. In the House, representatives are elected for a two-year term so all 60 seats are up for election.

Historically, the Senate has been the more moderate chamber and the last several sessions has been the backstop for a number of complex and costly regulatory and tax proposals. There are a couple of key races that could determine whether the Senate maintains its role as the moderating body or not. The Jackson County seat being vacated by Sen. Alan DeBoer is up for grabs and is considered a swing seat (either party could win it). And, in a rare primary challenge to an incumbent senator, moderate Democrat Rod Monroe from SE Portland is fighting to retain his seat against two more progressive candidates. If the Jackson County seat is won by a Democrat and Rod Monroe defeated, it is likely that long-time moderate Senate President Peter Courtney (D-Salem) would be replaced by a more liberal leader.

In the House, the Democrats have several good opportunities to pick up the supermajority. The two Republican seats considered most vulnerable are: Bend which is currently represented by Knute Buehler who is running for governor and Hood River area which is represented by Jeff Helfrich, recently appointed to fill a vacancy so will not enjoy the full benefits of incumbency. The Democrats have fairly significant registration advantages in both districts. And, while there will be some other contested and expensive races, most political observers aren't anticipating that the Republicans will be able to win any House seats in swing districts because of the “Trump” factor.

And, speaking of the governor's race, it's been relatively quiet so far. Incumbent Democrat Kate Brown doesn't have a serious challenge in the primary so is focused on raising money and trying to demonstrate that she is a strong leader as her leadership has been criticized as weak. Representative Knute Buehler considers himself the frontrunner in the Republican primary and is already running against Kate Brown. Viewed as a moderate, Buehler may be positioned to have the best chance to take on Brown in the general election but he still has to get through the Republican primary which tends to favor more conservative candidates.

Governor Brown recently announced that she would like legislators to return to the Capitol for a special session in May to extend an existing passthrough tax in Oregon to small business sole proprietors. She made the announcement when she signed SB 1528 which prevents various

businesses in Oregon from receiving a passthrough deduction at the state level that would be connected to the federal tax code and worth about a quarter-billion dollars. Republicans and much of the business community had urged the governor to veto SB 1528. The special session may be a way to find middle ground though most political pundits suspect that the special session is more about politics than policy. Nobody is cancelling their vacation in June yet.

In the meantime, OSPA, OSHP and the Pharmacy Coalition are closely following the implementation of HB 4005, the Prescription Drug Price Transparency Act. The legislation establishes a Task Force on the Fair Pricing of Prescription Drugs to develop a strategy to create transparency for drug prices across the entire supply chain of pharmaceutical products including manufacturers, insurers, PBMs, wholesalers and retail pharmacies. It will consist of 18 members including individuals representing independent pharmacies and large retail pharmacy chains. The Task Force is charged with submitting its report to the Legislature no later than November 1, 2018.

Most recently, the appointments to this task force have been announced, along with the timetable for meetings. OSPA had a handful of applications submitted into the Governor Kate Brown's office for this appointment and pharmacy appears to have a strong voice at the table. Serving with a keen eye on your behalf will be Robert Judge, the Director of Pharmacy Services at Moda Health, as well as Jack Holt, the President of Hi-School Pharmacy. Two additional voices are the directors of pharmacy at the Salem Hospital, Joseph Schnabel, and James Slater from CareOregon. Appointees are The Task Force website, which you can visit to keep up to date, is at this address: <https://olis.leg.state.or.us/liz/201711/Committees/JFPRX/Overview>. You may also sign up to receive updates via email.

Additionally, OSPA and OSHP will be identifying possible legislative issues in advance of the 2019 session. If you have issues that you would like addressed, please contact us or join us at the next Coalition meeting!

Please feel free to contact us at any time if you have any questions by emailing Bill Cross at bill@wvcross.com or Niki Terzieff at niki@leadingedgepublicaffairs.com.