

2016 LEGISLATIVE REPORT

OREGON SELF-INSURERS ASSOCIATION



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GENERAL SUMMARY

Never before has the short legislative session been so acrimonious. The 2016 Legislative Session adjourned Sine Die at 1:07 p.m. on Thursday, March 3rd. Interestingly, by the time the end was in sight, you would have had a hard time telling that for the 32 days prior rancor and mistrust prevailed. Complete with the passage of a minimum wage increase, a limitation on the use of coal power, affordable housing solutions and a re-balance for the budget, it is no wonder that Republicans felt that they were merely along for the ride. Upset with the Majority Democrats expansive agenda for the short session, the Republicans resorted to stall tactics that included requiring the bills to be read in full on the chamber floor and refusing to show up for evening or weekend floor sessions.

The 2016 Legislative short session produced more far reaching policies on the economy and the environment than the 2015 long session. Session highlights included:

- Multi-year increase in the state's minimum wage which will top out at \$14.75 an hour in the Portland area, \$13.50 in midsize counties such as Marion and Lane and \$12.50 in rural areas by July, 2022. This makes Oregon's minimum wage the highest nationally.
- Eliminating the use of coal power in the state by 2040 and requiring the state to get at least 50% of its power from renewable energy.
- Affordable housing package that included protections for renters, removing the ban on inclusionary zoning and construction excise taxes and additional funds for affordable housing and homelessness relief programs.
- State budget adjustments of \$300 million.

OSIA PRIORITIES

With only five weeks to move a bill through both chambers, the OSIA Legislative Committee and advocacy team worked to stay ahead of the deadlines - essentially one at the end of each week! While there were less than 300 bills introduced (compared with nearly 3,000 during the longer session), we continued our vigilance regarding workers' compensation issues and developments.

Here are the highlights of the 2016 Legislative Session:

□ **SB 1508: Increases Term of Workers' Compensation Management-Labor Advisory Committee Members**

The bill would have increased the term of appointment for members of MLAC from two to three years. Developed by some members of MLAC, they pointed to the steep learning curve on workers' compensation laws and regulations as the rationale for the legislation. MLAC took a position in support of the bill. Introduced in the Senate Business and Transportation Committee, the bill was sent to the Senate floor with a "do pass" recommendation. The Senate approved the measure by a vote on 24 to 3 but the bill died in House Business and Labor Committee. *OSIA supported the bill.*

SB 1525: Changes Definition of "Payroll" under Workers' Compensation Law

The bill would have excluded sick leave pay from the definition of "payroll" for purpose of workers' compensation calculations. Under current law, payroll includes wages and does not include overtime pay, vacation pay, bonus pay, tips or profit sharing to reward workers for safe working practices. This bill would have added paid sick leave to the items not included in payroll. MLAC reviewed the bill and did not support its passage. The bill never received a hearing in the Senate Workforce & General Government Committee. *OSIA supported the bill.*

□ **HB 4052: Prohibits Employer or Insurer from Requiring Injured Worker to Obtain Nonemergency Medical Services from Specific Provider**

Current law states that a worker may choose a medical provider of his or her choice to act as the attending physician. Current administrative rules also provide that it is the worker's right to choose his or her attending physician. The exception is that insurers may require a worker to treat with a managed care organization panel provider upon enrollment in an MCO. This bill would have required that the medical provider give workers a written notice prior to providing compensable medical services explaining their medical treatment rights. Both the medical service provider and the worker would be required to sign the notice and the medical service provider would provide a copy to the worker and the insurer. MLAC reviewed the proposed legislation and voted to oppose it. Scheduled for a hearing in the House Business and Labor Committee, HB 4052 was pulled from the agenda after MLAC voted to oppose it and it died in committee. *OSIA opposed this bill.*

This report has been prepared by OSIA's government affairs advocates Bill Cross and Niki Terzieff. Please feel free to contact Bill Cross at bill@wvcross.com or Niki Terzieff at niki@leadingedgepublicaffairs.com.