

State Update

Governor calls special session

Governor Kate Brown [announced](#) yesterday that she will call the legislature in for a special session in two weeks, on December 13. The main focus of this session will be on eviction protection efforts, as most of the federal aid Oregon received for renter support will have been spent or allocated by the end of this week.

Anywhere from 1,000 to 3,000 renters have applied for the nearly \$300 million in federal funds every week since the Emergency Rental Assistance Program began, [according to](#) Oregon Housing Community and Services.

While Governor Brown established the initial eviction moratorium due to pandemic-related issues, SB 278 which passed in the 2021 Legislative Session precluded the governor from extending it further, hence the calls for a special session [adding up](#) in recent weeks.

In her statement, Governor Brown outlined a few goals for the session, which have been discussed among legislative leadership and other stakeholders in the housing industry:

- "Extend eviction safe harbor protections for each individual who has applied for rental assistance.
- Ensure landlords are paid in full for the rent they are owed.
- Provide up to \$90 million in additional rental assistance to ensure low-income tenants access through the winter.
- Provide \$100 million to transition from large-scale pandemic-related emergency rental assistance to long-term, locally-delivered eviction prevention services."

House Republican Caucus elects new leader in Rep. Vikki Breese-Iverson

Due to her recent entry into Oregon's gubernatorial race, Rep. Christine Drazan (R-Canby) stepped down from her post as House Republican Caucus Leader, a position she served since 2019. In her stead, the caucus [elected](#) Rep. Vikki Breese-Iverson (R-Prineville). Since her appointment to HD 55 in 2019, Rep. Breese-Iverson has served as Vice-Chair on the House Committee on Agriculture and Land Use and as a member of the Ways and Means subcommittee on Natural Resources.

Oregon Supreme Court confirms state legislative boundaries

Oregon's new legislative boundaries are set for the next 10 years after the Oregon Supreme Court on Monday dismissed two challenges to the maps approved by legislative Democrats. [The Supreme Court's decision](#) means Democrats have a strong chance of maintaining their supermajority in both the House and the Senate. [Princeton analysts who review redistricting data](#) from each state predicted the new districts will result in Democrats holding 39 of 60 seats in the state House and 20 of 30 in the state Senate. They currently hold 37 in the House and 17 in the Senate, after state Sen. Betsy Johnson left the Democratic party to run for governor as an independent.

Oregon's economy and revenue forecasted to continue to improve

During the quarterly economic outlook and revenue forecast presentation on November 17, state economists Josh Lehner and Mark McMullen painted another rosy picture of how Oregon is bouncing back from the chaos of the lockdowns and layoffs during the start of the pandemic.

From personal income tax withholdings to corporate tax collections to lottery sales, all major indicators are setting records. Our state has over \$750 million more in the ending balance for the 2021-23 biennium from the last forecast. Wages and consumer spending are now surpassing pre-pandemic levels, and unemployment continues to improve.

While we are used to hearing about lower income workers not experiencing the rising tide of wage increases, it seems we are in a rare moment when the lowest wage earners (those earning up to \$20/hour or less) are seeing the greatest increases, even outpacing rising inflation. Higher wage workers are also experiencing increased wages. For the moment, those in the middle are being left behind in terms of salary/wage increases. A certain level of income polarization seems to be happening among Oregon's workforce.

Inflation on the rise

These wage increases and higher rates of consumer spending unfortunately contribute to a phenomenon we have heard much about lately: inflation. Currently, households have more money to spend and want to spend it (as opposed to when we had high rates of saving during the lockdowns) yet supply chain bottlenecks are touching every aspect of our economy. All of this leads to an almost inevitable risk of inflation.

While inflation is largely outside of the control of any state government, it is an important factor for Oregon's lawmakers as they consider what to do with the good news about revenue streams. Lehner described the current inflation climate as "running hotter and more persistent than many forecasters expected, and certainly faster and stronger than the Federal Reserve anticipated even just a few months ago."

Some factors contributing to inflation are temporary, such as supply chain issues. However, the real risk comes if we begin to get into a boom/bust cycle, where the Federal Reserve needs to intervene to head off inflation. In that scenario, we would likely experience a steep downturn economically, and because of Oregon's unique kicker law ensuring that we cannot save while we are in the "boom" part of that cycle, we would see a rather large budget deficit in the next biennium. Our state economists were cautiously optimistic that this scenario will not become reality, but with inflation up this much, it is worth being aware of.

Federal Regulatory Update

Health center surprise billing rule

HHS and several other federal agencies recently published the [Part II interim final rule \(IFR\)](#) implementing portions of the No Surprises Act, and specifically outlines the "good faith estimate" requirements placed on providers for uninsured or self-pay individuals as well as the dispute resolution processes for surprise medical bills. Health centers will be required to comply with these "good faith estimate" requirements. NACHC [developed the following Memo on this Rule](#) and a [Good Faith Estimate Toolkit for PCAs and CHCs](#).

OPCA strongly encourages health centers to **submit comments to CMS by COB next Monday, Dec. 6**, in response to the new Good Faith Estimate (GFE) requirements that go into effect on January 1.

The current GFE rules would impose major administrative burdens on CHCs while producing minimal – if any -- positive impact for CHC patients, who already benefit from numerous protections that prevent them from getting "surprise bills" for CHC services. For example, we estimate that CHCs would need to generate GFE for around one-third of all patient visits – and must include all GFEs in the patient's EHR and retain them for at least 6 years. For these reasons, we think **it is critical that CMS hear from a large number of CHCs about the need to exempt CHCs – either largely or entirely – from the GFE requirements.**

We are providing a [downloadable comment template](#) for your health center to base their comments on. **Please submit comments by next Monday 12/6.**

Courts halt CMS' COVID-19 vaccine requirements for health care employers

This week [two courts ordered](#) a nationwide halt to CMS' COVID-19 vaccine requirements for health care employers. On Monday, a Missouri district judge blocked the rule from going into effect in 10 states; yesterday afternoon, a Louisiana judge blocked it in the remaining states.

These injunctions are temporary, and could be overturned upon review by higher court. The Louisiana judge stated “This matter will ultimately be decided by a higher court than this one. However, it is important to preserve the status quo in this case. The liberty interests of the unvaccinated requires nothing less.” The Federal government has already appealed the first injunction (from Missouri), arguing that the mandate should stay in place until a higher court hears the case.

Capitol Hill

House passes the Build Back Better Act

On Friday November 19, the House passed the Build Back Better Act by a vote of 220-213. Passage was originally planned for Thursday but delayed after a lengthy eight-and-a-half-hour speech by House Minority Leader Kevin McCarthy that concluded early Friday morning. The bill will now go to the Senate, which is expected to amend the legislation. That will require the House to take up and pass the bill again before sending it to President Biden. The timeline to finish the legislation may be pushed to the end of this year as more immediate issues fill up the legislative schedule, such as the December 3, 2021, deadline to fund the government and a mid-December deadline to raise the debt limit.

Another continuing resolution likely

As Congress struggles to negotiate an FY22 appropriations compromise before the December 3, 2021 deadline, another continuing resolution (CR) is expected to be necessary. Continuing resolutions keep funding level, including funding for CHCs. House Leadership has signaled they would like to see a shorter-term CR through mid to late December 2021, while some senators have [suggested](#) a CR until February or March 2022.