

Executive Order and/or Statute

Oregon passed Senate Bill 889 in the 2019 legislative session with broad bipartisan support, creating the Health Care Cost Growth Target Program. The program is now codified in Oregon Revised Statute 442.386. The OHA has authority to convene an Implementation Committee to develop an implementation plan, establish a health care cost growth benchmark, establish methodologies for calculating health care cost growth, require data submissions, publish reports on health care cost growth and spending trends, and hold public hearings on cost growth. Oregon has not yet adopted legislative or executive authority to implement enforcement mechanisms for those entities who exceed the cost growth target, but this will be considered in the upcoming 2021 legislative session.

Website

[Sustainable Health Care Cost Growth Target](#)

Implementation status

Target Set	Policy or Legislative Activity	Benchmark/Target Analysis	Cost Driver Analysis	Enforcement
Yes, 3.4% for 2021–2025 and then 3.0% for 2026–2030	Implementation Committee to sunset end of year; Recruitment for New Advisory Committee on cost analyses and cost mitigation strategies to start 2022	Initiating data collection (2018–2020) and validation	Publishing baseline cost trend analysis (2013–2019)	House Bill 2081, signed into law by in May 2021, requires a performance improvement plan for entities that exceed the cost growth benchmark without justification, and allows the state to impose fines.

"The concept of targets isn't going to solve all things health care but it's a pillar of our state health care plans in terms of where to expand coverage, contain costs, and drive value. This program will provide a lot of the data infrastructure to have an informed process about how to move forward on our goal of high-quality, affordable health care."

Jeremy Vandehey

Key Staff

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Jeremy Vandehey is Director of the Health Policy and Analytics Division at the Oregon Health Authority (OHA). He returns to OHA from the Governor's Office, where he spent two years as Governor Kate Brown's health policy advisor. Before that he served as government relations manager for Kaiser Permanente's Northwest Region, overseeing state and local government relations programs in Oregon and Washington. He previously served as director of legislative and government affairs at the Oregon Health Authority and has worked as an attorney and public defender.

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Additional Policy Initiatives

Other initiatives include efforts to advance value-based payment models, including requirements for Medicaid coordinated care organizations (CCO) in the [CCO 2.0 VBP Roadmap](#) and for public employee plans and technical assistance resources provided by OHA's Transformation Center. These include:

- Existing requirements to measure and report on primary care spending
- Existing requirements to measure and report on payment arrangements
- Existing requirements to measure and report on hospital commercial median payments
- Statutorily required Primary Care Payment Reform Collaborative
- Adoption of a statewide quality measure menu set, overseen by the Health Plan Quality Metrics Committee, and a robust internal quality measurement program
- Existing Prescription Drug Price Transparency program

Oregon has also:

- Established a stakeholder body working on a value-based payment strategy and compact
- Adopted accountability measures for exceeding the cost growth target for unjustified reasons: first a performance improvement plan, and then financial penalties for exceeding the target repeatedly
- Begun annual cost hearings modeled on Massachusetts' annual practice