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March 25, 2019

The Honorable Senator Laurie Monnes Anderson
The Honorable Senator Dennis Linthicum
Senate Committee on Health
900 Court Street NE, Room 453
Salem, OR 97301-4048

Dear Senate Healthcare Committee Chair & Vice-Chair:

At our January 8th, 2019 Oregon Health Policy Board (OHPB) meeting, we chose to unanimously support the recommendations of the SB 419 (2017) Joint Interim Task Force on Health Care Cost Review, which call for a health care spending benchmark to help control total health care expenditures across all payers and providers. We voted to endorse the recommendations because Oregon should continue to drive health system transformation through improved, transparent and shared accountability for the cost of care and further development of payment models that align and reward value rather than volume.

We strongly support the establishment of a health care spending benchmark, a statewide target for the annual growth of total health care expenditures by all payers, public and private. As we've seen in other states, the benchmark will lead to enhanced public transparency and accountability while strengthening Oregon's ability to identify and address health cost drivers. Similarly, a statewide target for the annual rate of growth of healthcare costs, while complex to develop, will yield better control of, and transparency regarding, total health care expenditures in Oregon.

The Oregon Health Policy Board supports SB 889 (2019) and recommends legislative action to carry out the recommendations of the Task Force. The Board stands ready to lead and assist in the development of a sophisticated methodology and related framework to support a cost of care benchmark and target.

Thank you for your service and consideration of this issue at the Senate Committee on Health Care. We look forward to further engagement regarding this important health policy issue.

Sincerely,

Carla McKelvey, M.D.
Chair, Oregon Health Policy Board

David Bangsberg, M.D.
Vice-Chair, Oregon Health Policy Board