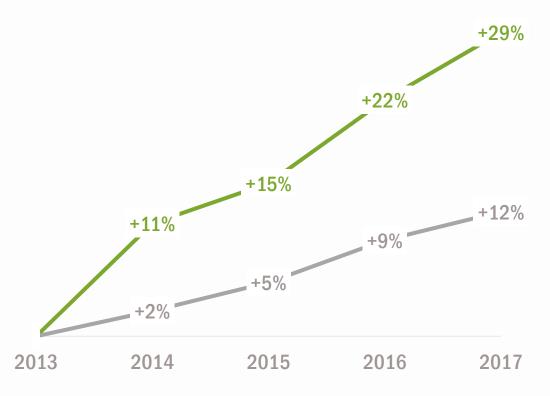
Oregon's Health Care Cost Growth Target Program: Accountability

Testimony in support of HB 2081 (2021)

Jeremy Vandehey, Director, OHA Health Policy & Analytics



Health Care Costs are Growing



Oregon % increase total health payments per person

National % increase Medical Consumer Price Index



Source: Oregon's All Payer All Claims database. Includes only claims-based payments for all lines of business. Non-claims payments such as value-based payments or alternative payment methodologies are not included. Carriers' profit margin and administrative overhead not included.



A statewide health care cost growth target provides...









Transparency

Sustainable Target

Total Cost of Care Approach

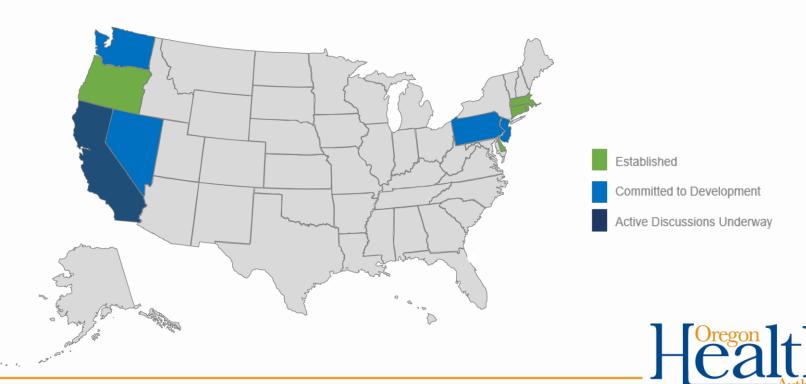
A Common Goal



Oregon is the fourth state to adopt a health care cost growth target



Senate Bill 889 (2019) established Oregon's cost growth target program and Implementation Committee



Implementation Committee Recommendations

Committee Workstreams













Final Report – Jan 2021

Sustainable Health Care Cost Growth Target

Implementation Committee Recommendations Final Report to the Oregon Legislature

Senate Bill 889 (2019) January 2021





HB 2081: Accountability for Cost Growth Target Program

- ✓ Requires Performance Improvement Plans for payers and provider organizations who exceed the cost growth target without reason in a given year.
- ✓ Establishes financial penalty for payers and provider organizations who exceed the cost growth target without reason in three out of five years.
- ✓ Civil penalties for failure to report data / participate



| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
|--|---|---|---|---|--|--|--|
| Data Analysis Year | Baseline: 2018-2020 | Year 1 : Cost growth from 2020 to 2021 | Year 2: Cost growth from 2021 to 2022 | Year 3: Cost growth from 2022 to 2023 | Year 4: Cost growth from 2023 to 2024 | Year 5: Cost growth from 2024 to 2025 | Year 6: Cost growth from 2025 to 2026 |
| Public Reports and Public Hearings | Baseline report and first public hearing. 2018- 2020 data; COVID-19 impact | Year 1 report and second public hearing: 2020-2021 performance | Year 2 report and third public hearing: 2021-2022 performance | Year 3 report and fourth public hearing: 2022-2023 performance | Year 4 report and fifth public hearing: 2023-2024 performance | Year 5 report and sixth public hearing: 2024-2025 performance | Year 6 report and seventh public hearing: 2025- 2026 performance |
| Accountability: PIPs | N/A | N/A | PIPs, based on Year 2 performance. PIPs publicly reported | PIPs, based on Year 3 performance PIPs publicly reported PIP progress reports publicly reported | PIPs, based on Year 4 performance PIPs publicly reported PIP progress reports publicly reported | PIPs, based on Year 5 performance PIPs publicly reported PIP progress reports publicly reported | PIPs, based on Year 6 performance PIPs publicly reported PIP progress reports publicly reported |
| Accountability: Escalating Measure | N/A | N/A | N/A | N/A | N/A | Escalating measures apply, based on payers or providers exceeding the cost growth target in 3 out of 5 years (Years 1-5) | Escalating measures apply, based on payers or providers exceeding the cost growth target in 3 out of 5 years (Years 2-6) |

Value Based Payments are a key strategy for achieving the target

A collaborative partnership to advance the adoption of VBP across Oregon



- VBP Voluntary Compact
- VBP Compact Workgroup

http://www.orhealthleadershipcouncil.org/oregon-value-based-payment-compact/