



HEALTH POLICY AND ANALYTICS
Public Employees' Benefit Board
Oregon Educators Benefit Board

Kate Brown, Governor



February 11, 2021

To the Committees of the Legislative Assembly related to health:

Senate Bill 889 (2019) established the Health Care Cost Growth Target Program and charged an implementation committee with setting the cost growth target and making recommendations on how to hold health plans and large provider organizations accountable for their cost growth. We have closely followed the Implementation Committee's work over the past year, and we are pleased to see HB 2081, which brings the committee's accountability recommendations back to the Legislature.

The Implementation Committee's recommendations complement and align with the work of the Public Employees' Benefit Board (PEBB) and the Oregon Educators Benefit Board (OEBB). First, the committee set an initial state spending growth target of 3.4%, which PEBB and OEBB plans are already held to as a result of SB 1067 (2017). Therefore, HB 2081 will bring the rest of the state and the commercial market into alignment with this cost containment effort. Second, the accountability measures included in HB 2081 give PEBB and OEBB additional tools to help ensure contracted plans hold to the cost growth target and address rising health care costs. Finally, PEBB and OEBB remain committed to pursuing various strategies to address cost growth and health care transformation, including supporting and accelerating the adoption of value-based payment methodologies across markets.

PEBB and OEBB support the efforts of HB 2081, and we look forward to the next phase of cost growth target implementation.

Sincerely,

Geoffrey Brown
OEBB Board Chair

Kimberly Hendricks
PEBB Board Chair