

HB 2742 -4 STAFF MEASURE SUMMARY

House Committee On Behavioral Health and Health Care

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Meeting Dates: 2/21, 4/4

WHAT THE MEASURE DOES:

Excludes costs incurred by a health care entity to meet a community's need for access to health care from definition of "total health expenditures" for purposes of Health Care Cost Growth Target program. Requires preparation of fiscal impact statement for each measure reported out of a committee of the Legislative Assembly that could impact ability of state or health care entities, in 10-year period following enactment of measure, to meet target for health care cost growth, including extent to which measure is expected to impact access to health care, health equity, and overall health of state residents.

ISSUES DISCUSSED:

- Impact of COVID-19 on health care costs
- Impact of cost growth target on health care entities willingness to make investments to improve access and care (e.g. workforce)
- Transparency vs. accountability
- Role of Cost Growth Target Advisory Committee
- Current standards for imposition of accountability measures

EFFECT OF AMENDMENT:

-4 Clarifies provider reporting requirements to include annual report of provider's aggregate amount of total compensation. Exempts cost growth resulting from provider's total compensation from cost growth accountability provisions. Defines "frontline worker" and "total compensation."

FISCAL: Fiscal impact issued

REVENUE: No revenue impact

BACKGROUND:

In 2019, the Legislative Assembly passed Senate Bill 889, establishing the Health Care Cost Growth Benchmark program in the Oregon Health Authority (OHA) to control growth of health care expenditures in the state. The health care cost growth target is a target for the annual per capita rate of growth of total health care spending in the state and applies to insurance companies, hospitals, and health care providers, with the goal of keeping health care costs in line with the pace of wage growth and the state's economy. OHA may impose performance improvement plans on payers or providers who fail to meet the cost growth target; financial penalties may also be imposed for failing to report cost growth data or failing to meet the target in multiple years. House Bill 2081 (2021) required OHA to adopt criteria for imposing financial penalties for failing to meet the cost growth target and clarified that the financial penalties cannot be imposed until 2026 for performance between 2021 and 2025.

House Bill 2742 would exclude costs incurred to meet a community's need for access to health care from the definition of "total health expenditures" for purposes of the Health Care Cost Growth Target program.