

## Oppose weakening Oregon's Cost-Growth Target (HB 4038)

Health care costs too much, and costs are rising fast. According to OHA, in 2024 health care made up the single largest expense to Oregon families. Since then, insurance premiums have increased from 5-8% depending on the market, far outpacing inflation and wage growth. Oregonians can't keep up with rising health care costs. That's why, now more than ever, it's important to keep programs that address the cost of health strong.

The Sustainable Health Care Cost-Growth Target (CGT) is a program that is intended to directly address the growth in the underlying cost of health care. It analyzes every health care organization in Oregon and assigns penalties based on whether they exceed the CGT (3.75% cost-growth per year) without reasonable justification over a 5 year period. There are multiple reasonable justifications, including changes in federal or state law, macroeconomic factors, investments to improve population health, and many more. The money from the penalties will be used to reduce health care costs for consumers.

### Reasons to oppose HB 4038 with the -1 Amendment

**HB 4038 is unnecessary and premature.** No health care entity will be levied fines under the program until 2028 at the very earliest. Making changes that weaken accountability measures during a short session without robust discussion and without an urgent reason is imprudent. Meanwhile, high health care costs are a significant concern for Oregonians. In this time of extraordinary health care costs, maintaining programs that directly analyze and affect cost is vital.

### HB 4038 lets companies that stop serving Oregonians off the hook

HB 4038 will exempt health care organizations from penalties if they no longer do business in the state. So even if a company has exceeded the target without a good reason for multiple years, simply because they decide not to offer business in the state anymore they would not have to pay penalties.

**HB 4038 could allow companies to charge high costs for years without any penalties.** HB 4038 will exempt organizations that are undergoing state-mandated performance improvement plans (PIPs) from any financial penalties. This would allow any entity to exceed the target for multiple years without accountability as long as they are complying with state requirements to bring down costs moving forward.

