

## **HB 2081 -1 STAFF MEASURE SUMMARY**

### **House Committee On Health Care**

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**Prepared By:** Brian Nieubuurt, LPRO Analyst

**Meeting Dates:** 2/11, 3/9

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#### **WHAT THE MEASURE DOES:**

Renames Health Care Cost Growth Benchmark Program and Health Care Cost Growth Benchmark Implementation Committee as Health Care Cost Growth Target Program and Health Care Cost Growth Target Implementation Committee . Removes definition of "health care cost growth benchmark" and defines "total health expenditures." Allows Oregon Health Authority and Department of Consumer and Business Services to implement performance improvement action plan or other escalating enforcement action recommendations upon approval of the Oregon Health Policy Board beginning in 2024.

#### **ISSUES DISCUSSED:**

##### **EFFECT OF AMENDMENT:**

-1 Requires Oregon Health Authority (OHA) to adopt by rule criteria for waiving requirement that payer or provider undertake a performance improvement plan if necessitated by unforeseen market conditions or other equitable factors. Requires OHA to collaborate with payers and providers on performance improvement plans and specifies required elements of plan. Requires OHA to adopt by rule criteria for imposing financial penalties on providers or payers that exceed the cost growth target without reasonable cause in three out of five calendar years or on any provider or payer that does not participate in the program and specifies factors to be considered. Removes requirement that Oregon Health Policy Board approve performance improvement action plan or other escalating enforcement action recommendations before OHA and Department of Consumer and Business Services can implement. Requires OHA to develop a schedule of civil monetary penalties for entities that fail to report cost growth data or to develop and implement a performance improvement plan. Prohibits OHA from imposing penalties before January 1, 2026.

*REVENUE: statement issued - no impact.*

*FISCAL: statement issued - no impact.*

##### **BACKGROUND:**

Senate Bill 889 (2019) established the Health Care Cost Growth Benchmark program (Program), administered by the Oregon Health Authority in collaboration with the Department of Consumer and Business Services, to control growth of health care expenditures in the state. The bill also established the Health Care Cost Growth Benchmark Implementation Committee (Committee) to develop specifications for the program. In January, 2021, the Committee issued its final report with recommendations for the program, including how total health care expenditures should be defined; cost growth targets for 2021-2025 and 2026-2030; data collection, use, and analysis; and accountability mechanisms.

House Bill 2081 modifies the Health Care Cost Growth Target Program and Health Care Cost Growth Target Implementation Committee, including implementing the recommended definition of "total health expenditures."