

HB 2081 A STAFF MEASURE SUMMARY**Carrier:** Rep. Nosse**House Committee On Health Care****Action Date:** 03/09/21**Action:** Do pass with amendments. (Printed A-Eng.)**Vote:** 7-2-1-0**Yeas:** 7 - Campos, Dexter, Hayden, Moore-Green, Prusak, Salinas, Schouten**Nays:** 2 - Drazan, Noble**Exc:** 1 - Alonso Leon**Fiscal:** No fiscal impact**Revenue:** No revenue impact**Prepared By:** Brian Nieubuurt, LPRO Analyst**Meeting Dates:** 2/11, 3/9**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." 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 who exceed the cost growth target without reasonable cause in three out of five calendar years or on any provider or payer who does not participate in the program and specifies factors to be considered. Prohibits OHA from imposing penalties before January 1, 2026 for performance during calendar years 2021 to 2025.

ISSUES DISCUSSED:

- Other states adoption of a health care cost growth target
- Health Care Cost Growth Benchmark Implementation Committee recommendations
- Annual cost growth in Oregon's Medicaid program
- Voluntary compact for value-based payments among providers and insurers
- Defining health care expenditures included in growth target; expenditures for out-of-state residents who seek care in Oregon
- Performance improvement plans, quality improvement, and outcome metrics
- Valid data in real-time to monitor population health
- Implementation plan

EFFECT OF AMENDMENT:

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 who 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

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penalties before January 1, 2026.

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 A authorizes the Oregon Health Authority to implement the Health Care Cost Growth Target Program.