

HB 2045 A STAFF MEASURE SUMMARY

Senate Committee On Rules

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Meeting Dates: 6/16

WHAT THE MEASURE DOES:

Exempts growth resulting from total compensation to frontline workers from accountability provisions of Health Care Cost Growth Target Program. Defines "frontline worker" and "total compensation." Requires provider to annually report total compensation based on methodology determined by Oregon Health Authority.

ISSUES DISCUSSED:

- Health Care Cost Growth Target Program
- Impact of COVID-19 pandemic on state's health care workforce and providers' ability to remain within cost growth target
- Value of additional reporting on health care worker compensation

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

In 2019, the Legislative Assembly passed Senate Bill 889, establishing the Health Care Cost Growth Target 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.

The COVID-19 pandemic severely strained the state's health care workforce. Not only were temporary staff frequently required to meet patient needs, a significant exodus of providers from active practice has put additional importance on recruiting and retaining frontline health care workers.

House Bill 2045 A exempts growth resulting from total compensation to frontline workers from the accountability provisions of the Health Care Cost Growth Target Program.