



## VANESSA CORNWALL

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Intergovernmental Relations Officer  
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DATE: February 10, 2026  
TO: House Committee on Health Care  
FROM: Vanessa Cornwall, Lane County Intergovernmental Relations Officer  
RE: HB 4038, Relating to Health Care Cost Growth

Dear Chair Nosse, Vice-Chairs Diehl and Nelson, and Members of the Committee:

Lane County writes in strong support of HB 4038.

Healthcare cost growth in Oregon continues to occur at an unsustainable pace for communities, employers, and families. We agree that bending the cost curve remains an urgent priority for the state. However, it is also important to acknowledge that healthcare cost growth is driven by many complex factors, only some of which are within the direct control of providers and insurance companies.

Under the current framework, the threat of penalties for exceeding the healthcare cost growth target has had unintended consequences. Rather than encouraging collaboration and innovation, the looming prospect of financial penalties has caused many providers to approach cost-containment conversations defensively. This dynamic makes it more difficult to engage in creative, cooperative problem-solving that is necessary to meaningfully slow cost growth.

Primary care providers—who are foundational to prevention, early intervention, and long-term cost control—are especially impacted because they are already under significant financial strain. Yet they are among those most at risk of penalties under the current system. This creates a troubling tension between the state's cost containment goals and the need to stabilize and strengthen primary care access across Oregon.

HB 4038 strikes a reasonable and balanced approach. By delaying the implementation of penalties, the bill provides additional time to work constructively with providers who are exceeding the cost growth target. This time can be used to better understand the drivers of their cost growth, determine whether they may qualify for an exception, and engage in meaningful technical assistance to help them come into compliance, without resorting to punitive measures right away.

Lane County believes this approach will better align state policy with shared goals of affordability, access, and system sustainability. We urge the committee to support HB 4038 and allow this additional time for real progress in bending the healthcare cost curve.

ELECTRONICALLY SUBMITTED BY VANESSA CORNWALL, LANE COUNTY  
INTERGOVERNMENTAL RELATIONS OFFICER