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Delivered electronically to HealthCare.CostTarget@oha.oregon.gov

Ms. Bartelmann, Mr. Goldman:

I appreciate the opportunity to engage in the Cost Growth Target rules advisory process. The frank conversations about how this program is crafted and operationalized are critical to our collective success.

General Reporting Requirements

It is important that Oregon Health Authority removes the aggregate salaries of frontline workers from an organization's cost growth before publishing any reports.

Our mission at Salem Health is to improve the health and well-being of the communities we serve. This is our north star. To achieve that mission, we must have skilled nurses, technicians, doctors, and a range of other professions, clinical and non-clinical. Without them, excellent patient care simply cannot happen. Their wages were not meant to be the precipitating factor that pushes an organization over the cost growth target. At Salem Hospital, we spend sixty-seven cents of every dollar on labor – most of it on frontline workers. This investment in people enables us to provide excellent patient care. This investment should not be penalized or be the focus of an accountability measure.

Financial Penalties

Primary care providers are struggling to stay afloat in Oregon, so protecting access to care is critical. For this reason, financial penalties associated with exceeding the cost growth target (after removing aggregate

salaries) should be limited to a specific dollar amount. I believe that \$10,000 is an appropriate cap that would provide some certainty and predictability to providers. Other RAC members that are not health care providers may disagree, but this is an issue that the program can take up again in the future.

I strongly support delaying imposition of financial penalties and performance improvement plans. To impose penalties of this sort on providers for costs occurring while the rules are still in development would be unfair. To that end, I suggest making Year 1 the 2024-25 reporting period.

Public Hearing

You asked the RAC for suggestions about content for the public hearing. I have a couple of suggestions. It would be helpful for the public to understand how the cost growth target impacts primary care clinics who continue to treat high complexity, high-risk patients whose treatment is simply more expensive. The public should understand that not all medical practices take all patients and how those choices affect the cost curve.

I would suggest that you delve more deeply into financing for medical practices. There has been a lot of talk about the results of private equity investment and consolidation, but no conversation about the structural headwinds driving practices to seek that type of investment. These problems are quietly occurring across Oregon and the rest of the United States. They threaten access to care for Oregonians, so they are worth learning about.

Again, I appreciate the opportunity to comment on the Cost Growth Target program. This is a demanding process not only for your staff, but also for every affected provider. For the program to succeed, we all need to stay engaged, even when we disagree.

Sincerely,



James Parr

Chief Financial Officer and Executive Vice President of Operations