



March 20, 2024

TO: Oregon Health Authority
FR: Charlie Fisher, State Director, OSPIRG
RE: Cost Growth Target Accountability Rulemaking Advisory Committee

We support the adoption of strong rules to control unreasonable health care cost growth in Oregon.

The high cost of health care has a real impact on Oregonians across the state. For example, according to a recent OSPIRG-commissioned survey, nearly three quarters of those polled said that the cost of health care is a concern and an equal amount said they would need to borrow money or simply be unable to pay if they received a surprise medical bill.

We've also heard numerous stories from Oregonians about their experience with high health care costs. One in particular said that when she broke her leg, she chose not to go to the doctor because she couldn't afford it. Without care, it eventually snapped the whole way. According to her, she would've sought medical attention if not for the high cost: "I regularly make medical decisions based on finances [...], not on whether treatment is needed."

These are just a few examples of the real world impact of high health care costs and are reasons why ensuring there are real accountability measures that will take effect when health care entities exceed the cost growth target is so important.

With that in mind, while we generally support the proposed rules being discussed, we want to highlight two specific sections that could undermine the ability of regulators to hold health care entities accountable.

First, while the list of reasonable causes for exceeding the cost growth target are generally appropriate, (c) "New pharmaceuticals, and new uses of existing pharmaceuticals, or new medical treatments entering the market, including new medical procedures and devices." may be overly broad. While the prices of new devices and pharmaceuticals may be largely out of the control of health care providers, their utilization is not, and this provision could allow the purchase of expensive new devices and pharmaceuticals without strong evidence for their efficacy.

We recommend modifying the language to say: "New pharmaceuticals, and new uses of existing pharmaceuticals, or new medical treatments entering the market, including new medical procedures and devices **only in circumstances where applications of the aforementioned improve value of care commensurate with the increased cost.**"

Second, the proposed rules now envision three possible scenarios when determining reasonableness: "cost growth is due to an acceptable reason(s), cost growth is not due to an acceptable reason(s), or the

reason(s) for cost growth cannot be determined.” The third option, “the reason(s) for cost growth cannot be determined,” is a cause for concern. The burden of proving reasonableness should be on the entity that has exceeded the target. Creating a third category will potentially allow entities that have exceeded the target without a good reason to avoid performance improvement plans and financial penalties.

We recommend removing the third option and holding health care entities accountable in all circumstances unless they can clearly demonstrate reasonableness.

Overall, we support the proposed rules as a key step towards making Oregon’s Cost Growth Target one that works for Oregon and meaningfully helps bend the curve of health care spending in the state. Thank you for the opportunity to provide comment.