Health Care Cost Growth Trends in Oregon, 2021-2022

2024 Sustainable Health Care Cost Growth Target Annual Report

May 28, 2024

Oregon Health Authority

HEALTH CARE COST GROWTH TARGET

Oregon's Sustainable Health Care Cost Growth Target Program

In 2019, the Oregon Legislature established the Sustainable Health Care Cost Growth Target Program, which sets a statewide target for the annual per person growth rate of total health care spending in the state. The cost growth target helps ensure that health care costs are not growing faster than wages, inflation, and other economic indicators so that people continue to have access to high quality, affordable care. This program is the culmination of years of collaboration with multiple health system partners and legislators to address the rising cost of health care.

Cost Growth Target Program Annual Cycle

Each year, the program measures, analyzes, and publicly reports on total health care spending and spending growth statewide.

These reports, along with public hearings, engage a variety of policymakers, health system partners, and others in efforts to control rising health care costs.

Visit the Cost Growth Target website for more information.

Executive Summary

This report presents data on health care spending and health care cost growth in Oregon from 2021 to 2022. This report uses a total cost of care approach for a comprehensive look at health care spending across the state between 2021 and 2022.

Every year, Oregon's Sustainable Health Care Cost Growth Target Program collects data from payers and other sources to provide this comprehensive view into health care spending and spending growth.

By identifying drivers of health care cost growth in Oregon, this report sets the stage for policymakers, health system partners, and other stakeholders to identify opportunities and strategies to slow cost growth and address growing affordability concerns across public and private markets.

HEALTH CARE COST GROWTH TARGET

Click the icon to explore the Cost Growth Target 2021-2022 Databook

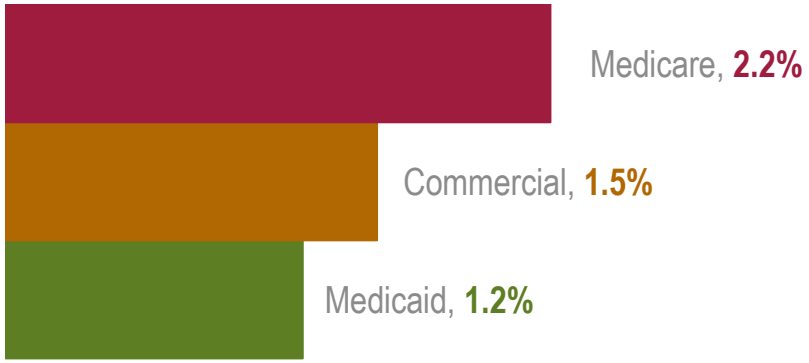
Key Findings: Total Spending

Health care spending in Oregon in 2022 totaled almost $35 billion dollars, 6.1% more than 2021 spending.

On a per person per year basis, Total Health Care Expenditures increased 3.6% between 2021-2022, slightly above the cost growth target of 3.4%.

Growth in Total Health Care Expenditures for the Commercial market was 1.5%, compared to 2.2% for Medicare and 1.2% for Medicaid.

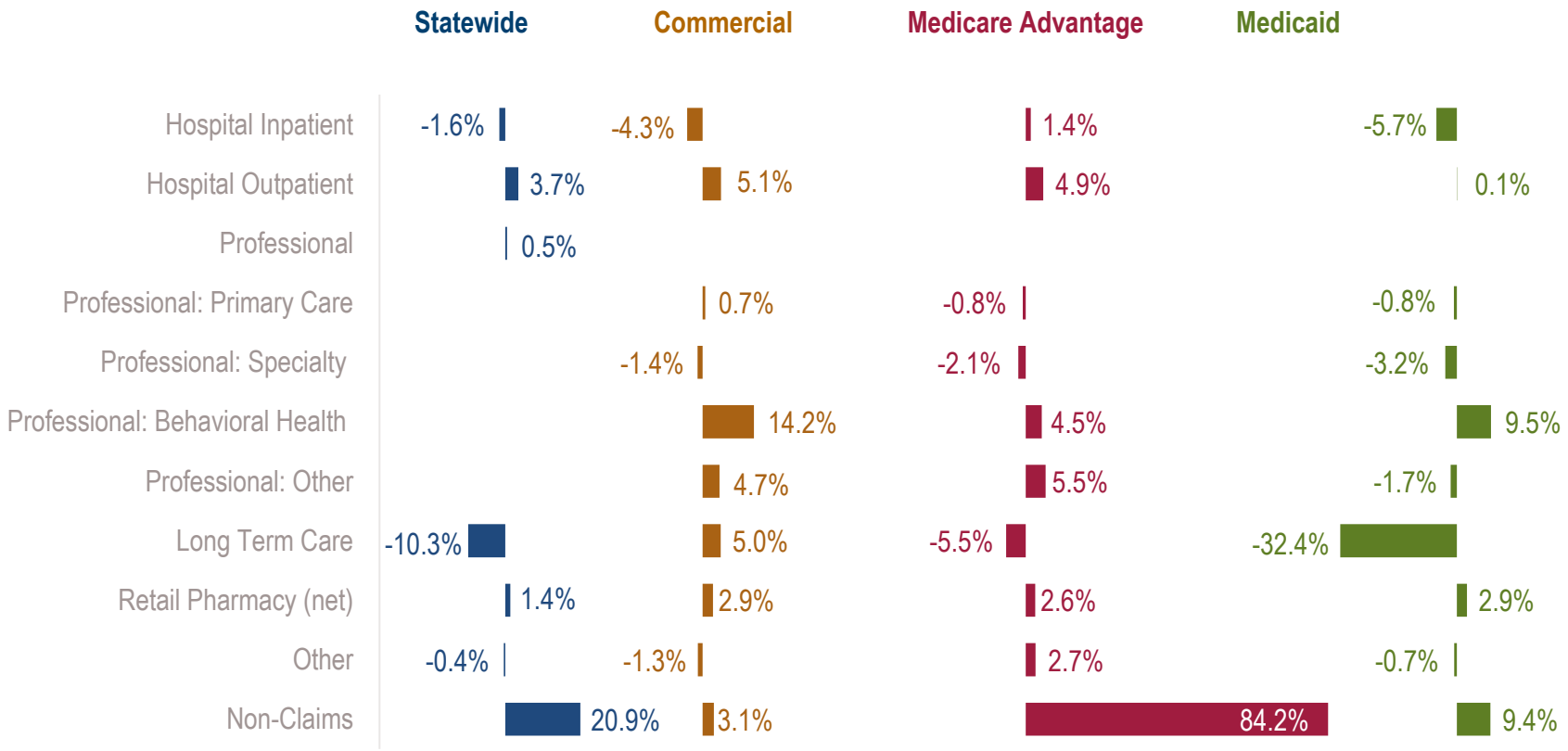
Percent change in total health care expenditures, by market, 2021-2022



Key Findings: Cost Growth Drivers

Total Medical Expenses (a subset of Total Health Care Expenditures measuring claims and non-claims spending), increased by 1.5% on a per person per year basis between 2021-2022. Cost growth drivers included an increase in hospital outpatient spending, behavioral health spending, and non-claims payments. Medicare Advantage non-claims spending increased substantially, largely due to prospective payments. All three markets also saw more performance incentive dollars during this time. Retail pharmacy continued to grow in all markets, even after pharmacy rebates were taken into account.

Total Medical Expenses Spending by Service Category, Statewide and by Market (unadjusted), 2021-2022



Key Findings: Payer and Provider Organization Cost Growth

30 payers were included in 2021-2022; 19 met the target for at least one market.

Overall cost growth for payers was 1.9%. Cost growth for Commercial payers was 1.6%, compared to 4.9% for Medicare Advantage payers. Medicaid payers had the lowest overall cost growth at 1.3%.

Of the 30 payers, 19 met the target for at least one market. One Commercial payer, four Medicare Advantage payers, and three Medicaid payers exceeded the target with statistical certainty.

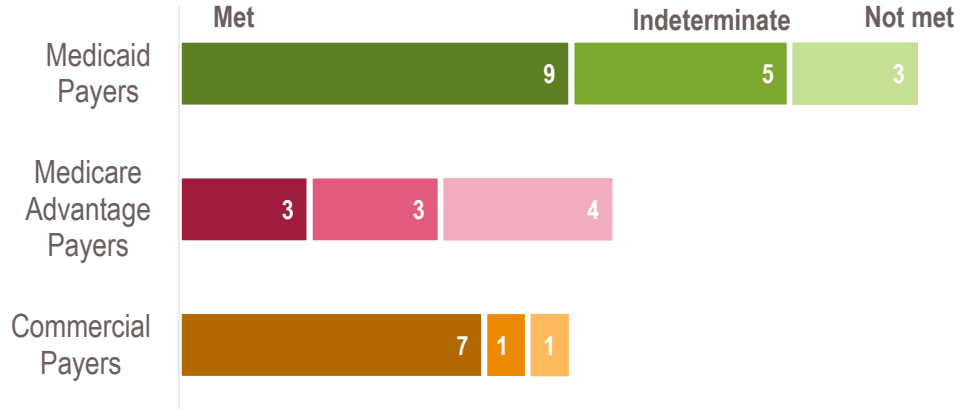
53 provider organizations were included; 29 met the target for at least one market.

Overall cost growth for provider organizations was 1.9%. Provider organization cost growth for the Commercial market was 2.8%, compared to 4.6% for Medicare Advantage and 0.9% for Medicaid.

Of the 53 provider organizations, 29 met the target for at least one market. Five Commercial, twelve Medicaid, and seven Medicare provider organizations exceeded the target with statistical certainty.

Indeterminate means that OHA could not determine, with statistical certainty, whether the payer or provider organization had met the target.

Number of payers who met the cost growth target, were indeterminate, or did not meet the target, 2021-2022



Number of provider organizations who met the cost growth target, were indeterminate, or did not meet the target, 2021-2022

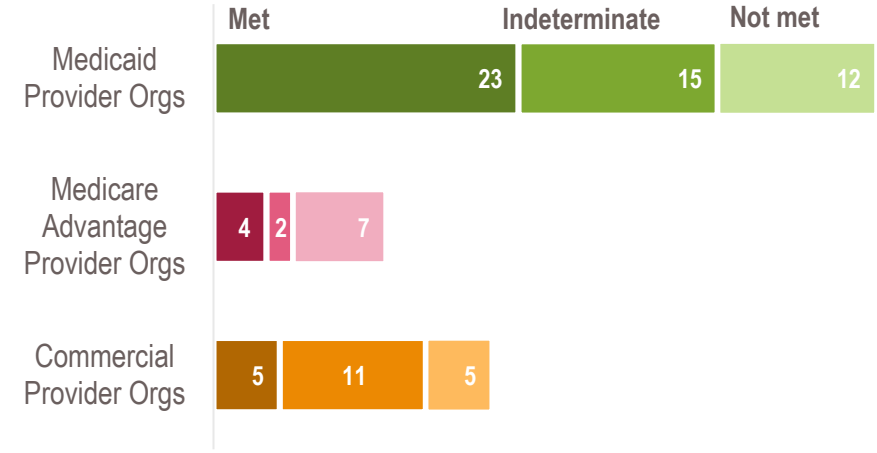


Table of Contents

Suggested Citation: Oregon Health Authority. Health Care Cost Growth Trends in Oregon, 2021-2022. Portland, OR. May 28, 2024.

For questions about this report, please contact: HealthCare.CostTarget@oha.oregon.gov.

Introduction

This report presents data on health care spending and health care cost growth in Oregon between 2021 and 2022. Building on the previous annual reports (covering spending from 2018 onward), this report presents information on total statewide health care spending, spending by service category, and cost growth for payers and provider organizations.

Every year, Oregon's Sustainable Health Care Cost Growth Target Program collects data from payers and other sources to provide this comprehensive view into health care spending and health care cost growth.

By identifying drivers of health care cost growth in Oregon, the Cost Growth Target Program and this report allow policymakers, health system partners, and others to identify opportunities to slow cost growth and address growing health care affordability concerns.

In This Report

Chapter I explores health care cost growth trends between 2021 and 2022 statewide and by market (Commercial, Medicaid and Medicare).

Chapter II explores health care spending trends by service category.

Chapter III provides an overview of health care cost growth trends for payers by market.

Chapter IV provides an overview of health care cost growth trends for provider organizations by market.

HEALTH CARE COST GROWTH TARGET

All data are included in the Cost Growth Target 2021-2022 Databook (click the icon to access).

What is the health care cost growth target?

To successfully contain health care costs, all parts of the health care system must share a high-level goal for cost growth and understand what is driving health care costs.

In Oregon, payers, provider organizations, industry experts, patient advocates, legislators, and other partners came together to establish the Cost Growth Target Program.

To ensure that payers and provider organizations have flexibility in their operations, the cost growth target is calculated at a high level, using a total cost of care approach. This view of health care spending includes all costs related to an individual's care, rather than focusing on a single factor like prices.

A statewide health care cost growth target provides:

Sustainability
The target ensures health care costs do not outpace other economic growth.

A Common Goal
Payers and provider organizations are publicly responsible for meeting the cost growth target each year.

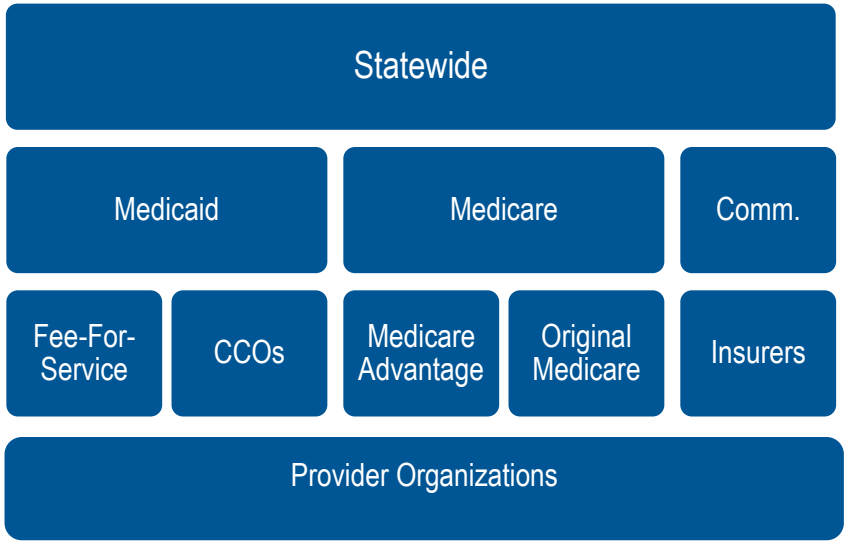
Transparency
Reasons for health care cost growth are studied and publicized, informing policy recommendations.

Oregon's health care cost growth target sets an aspirational annual rate of growth for health care spending in the state. The cost growth target is *not* a spending cap and does not limit health care spending. Instead, the target aims to achieve a *sustainable rate of growth*.

The cost growth target is set using economic data, such as historic and projected gross state product, wages, and income.

Oregon's cost growth target is 3.4% for the first five years of the program (2021-2025), and 3.0% for the second five years (2026-2030).

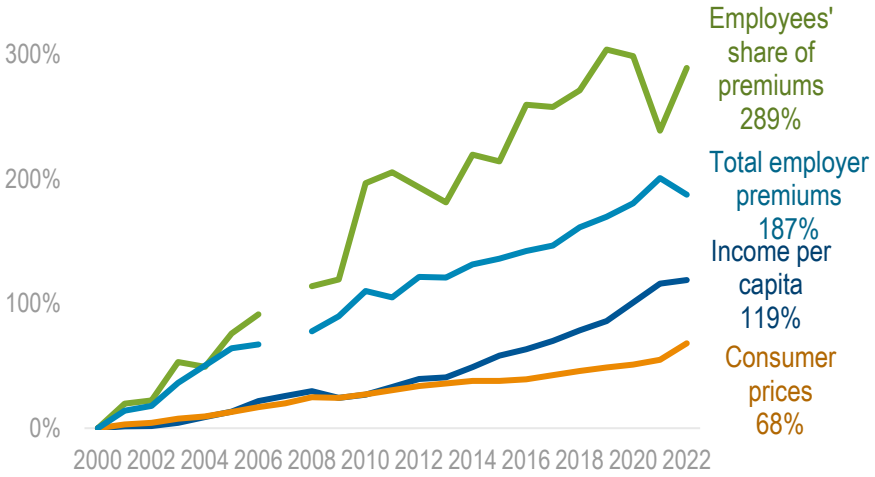
Oregon's cost growth target is measured at four levels: statewide, by market, for payers, and for provider organizations



Why does Oregon need a cost growth target?

Health care costs continue to grow faster than wages and the economy in Oregon.[1] This forces people to spend a greater share of their income on health care.

Since 2000, premiums for health insurance have grown more than 200% in Oregon, while per person income has only grown 119%



High costs cause people to delay health care. A national poll found that 29% of adults reported delaying care due to costs in 2023.[2] Altarum's Consumer Healthcare Experience Survey found that about a third of Oregon adults said they skipped needed dental care, delayed going to a doctor or getting a procedure, or avoided care due to costs.[3]

"I currently have a high-deductible health plan that covers nothing until my $8,000 deductible is met each year. I pay nearly $500/month for what really is catastrophic coverage. I use my Health Savings Account to pay out of pocket for all of my health care expenses… Given I pay for all health care out of pocket, I try to inquire about and negotiate rates with providers - a nearly impossible task. As a consumer, I have no idea what something will cost before having to "buy" it. If providers do offer a "cash rate" it would often cost less than going through my insurance company, which also means those payments don't count towards my deductible each year."

-Public comment submitted for Oregon's Cost Growth Target Public Hearing, 2022

"One drug was proposed [for osteoporosis] but the Medicare Advantage copayment for it was larger than my entire social security check. So that was a no-starter…Then a new drug appeared on the market. After being offered this drug, at an out-of-pocket cost of just over half of my annual income, I was then told I didn't qualify for it. There are other similarly effective drugs on the market which don't seem to be available through my Medicare plan."

-Public comment submitted for Oregon's Cost Growth Target Public Hearing, 2023

[1] Premiums from AHRQ Medical Expenditures Panel Survey; Income from March 2023 Economic Forecast; Prices from Consumer Price Index.
[2] Gallup Poll, Jan 2023
[3] Altarum Healthcare Value Hub, "Oregon Residents Struggle to Afford High Healthcare Costs; COVID Fears Add to Support for a Range of Government Solutions Across Party Lines Data Brief", June 202

How is cost growth measured?

This report includes two key measures of cost growth: Total Health Care Expenditures and Total Medical Expenses.

See Appendix A for more information about how these measures are calculated.

Total Health Care Expenditures (THCE)

THCE measures statewide health care cost growth in Oregon. It is an aggregate measure of health care spending, including all claims and non-claims spending reported by payers as well as the Net Cost of Private Health Insurance (NCPHI) (i.e., administrative costs of health insurance) and other spending such as health care for military veterans and people incarcerated in state facilities.

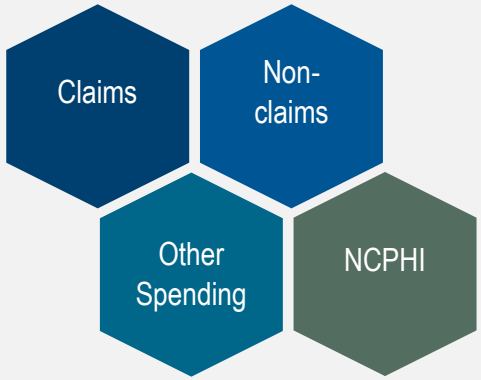
Total Medical Expenses (TME)

TME is used to measure health care cost growth for payers and provider organizations. It is a subset of THCE and includes claims and non-claims spending reported by payers.

TME is reported both unadjusted and demographically adjusted, to account for changes in payer and provider organization patients and members that might affect spending trends.

Total Health Care Expenditures

Statewide and market level cost growth is reported using THCE.



Total Medical Expenses

Payer and provider organization cost growth is measured using TME.

How are payers and provider organizations held accountable for their health care cost growth?

Oregon's Cost Growth Target Program has three different accountability mechanisms:

1) Transparency through public reporting
2) Performance Improvement Plans (PIPs)
3) Financial Penalties

These accountability mechanisms are established by state laws ORS 442.385 and ORS 442.386 and make the Oregon Cost Growth Target Program one of the most rigorous in the nation.

Transparency: Cost growth for payers and provider organizations is publicly reported. Cost growth trends and cost drivers will also be shared at annual public hearings.

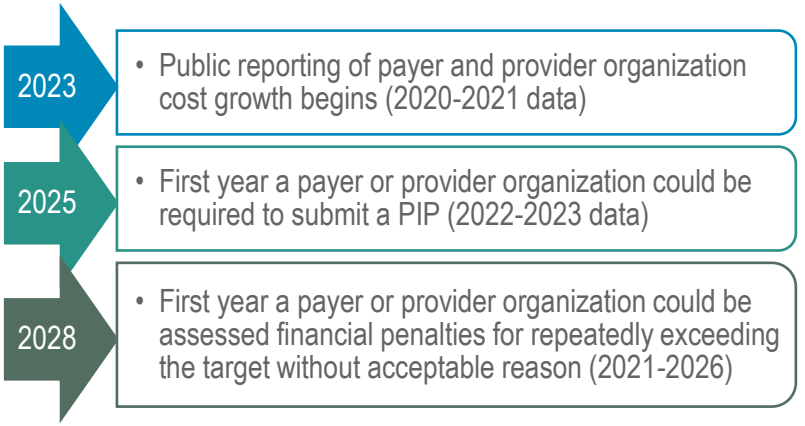
Performance Improvement Plans: Payers and provider organizations who exceed the target with statistical confidence AND without an acceptable reason may be subject to performance improvement plans.

Financial Penalties: payers and provider organizations who repeatedly exceed the target with statistical confidence and without an acceptable reason may be subject to financial penalties.

When are payers and provider organizations held accountable for their health care cost growth?

Cost growth target accountability is phased in over several years. In January 2023, after consideration of inflation and labor costs, the Advisory Committee agreed to delay implementation of PIPs by one year from the original timeline.

Accountability Implementation Timeline[4]



No payers or provider organizations are subject to Performance Improvement Plans for the 2021-2022 measurement period.

[4] More detailed timeline for implementing accountability mechanisms, updated March 2023

Not all cost growth is bad.

The Cost Growth Target Program aims for *sustainable* cost growth and acknowledges that some cost growth is necessary to achieve high quality care and effectively meet the health needs of people in Oregon. The program has identified acceptable reasons for a payer or provider organization to exceed the cost growth target. For more information, see the proposed rules and Sub-regulatory Guidance about Determining Reasonableness.

Acceptable Reasons for Cost Growth (DRAFT May 2024)

"Acts of God"	• Factors wholly outside an entity's control that could have have been prevented • For example: pandemics, public health emergencies, natural disasters
Changes in law, including mandated benefits	• Federal, state, or local regulatory changes that increase costs. • For example: new workforce, coverage, or compliance requirements
Changes in taxes or administrative factors	• New state, local, or federal taxes, administrative or operational drivers. • For example: changes in medical loss ratio rebate requirements
High-cost patient or member outliers	• Per member per year costs totaling $1 million or more
Investments to improve population health & equity	• Short- or long-term investments that address social needs, fund communities, and improve access or networks
Macro-economic factors	• Economic factors that are outside of an entity's control • For example: high inflation or labor shortages
New pharmaceuticals or medical treatments	• New drugs, new uses of existing drugs, treatments, procedures or devices that are costly enough to drive cost growth. For example: new artifical organ transplants.
Provider organization frontline worker compensation	• Wages, benefits, salaries, bonuses and incentive payments paid to frontline workers

Glossary

Claims spending refers to payments made for a claim, including amounts paid by insurers and any cost-sharing by patients. A health care claim is a request for payment that a provider sends to a health insurer. This report uses allowed amounts to report claims spending, which is the negotiated amount an insurer has agreed to pay for services.

Cost growth: refers to the change of the average per person cost of health care. For example, if the average cost of something is $100 one year and $115 the next year, the cost has increased by 15 percent.

Cost sharing: refers to the amounts that members of an insurance plan pay for health care services. Cost sharing includes copayments, deductibles, and co-insurance. Premium payments are not included in cost-sharing amounts.

Market: refers to Commercial, Medicaid, and Medicare coverage – also known as "line of business".

Net Cost of Private Health Insurance (NCPHI): captures the cost to Oregon residents associated with the administration of private health insurance. It is the difference between the amount payers collect in premiums and the amount they pay through claims. It includes costs related to paying bills, advertising, sales commissions, other administrative costs, premium taxes, and other fees. It also includes payers' profits or losses.

Non-claims spending includes payments from payers to providers outside of claims. This may include incentive payments, prospective payments (e.g. capitation), payments to support care transformation (e.g. patient-centered primary care home payments), and other value-based payments.

Other spending: includes state and federal payments for health care for military veterans, people in state prisons and jails, direct contracts for behavioral health, and more.

Partial claims: sometimes, services such as behavioral health or pharmacy may be "carved out" or provided separately by other benefit providers that contract with the health insurer and the insurer does not have full details about these payments. Payers report this data to the OHA separately as "partial claims" with adjustments made to estimate what expenses may be on a per member basis.

Payer: refers to an entity that pays for an individual's health care, such as a health insurance company.

Provider organization: refers to a health care entity with primary care providers that directs the care of its patients and thereby assumes responsibility for a total cost of care for that person.

Total Medical Expense (TME) is the sum of the allowed amount of total claims and total non-claims spending paid to providers for all health care services delivered to people in Oregon. This report uses TME to measure the cost growth of individual payers and provider organizations.

$$TME = Nonclaims + Claims$$

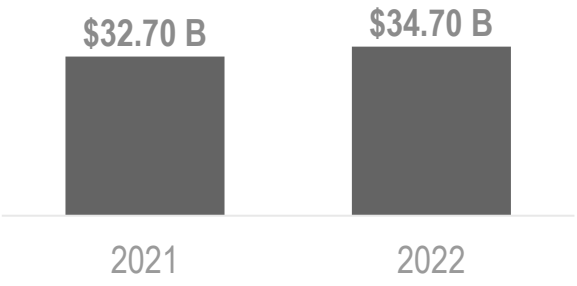
Total Health Care Expenditure (THCE) is the sum of TME (the allowed amount of total claims spending plus total non-claims spending paid to providers), payers' NCPHI amounts, and other program spending for people in Oregon. This report uses THCE to measures statewide cost growth.

$$THCE = Nonclaims + Claims + NCPHI + Other\ spending$$

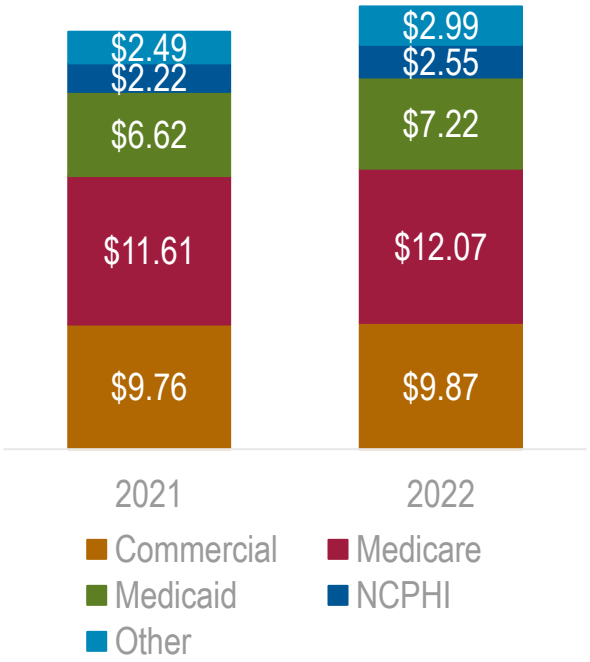
Chapter I. Health Care Cost Growth Trends, 2021-2022 Statewide and by Market

Total Health Care Spending in Oregon

Statewide



By Market
in billions



Statewide, total health care spending in Oregon increased 6.1% between 2021 and 2022, climbing to $34.70 billion in 2022 from $32.70 billion in 2021.

The largest health care market in Oregon by total dollars spent is **Medicare**, which serves adults aged 65 or older and some younger people with disabilities. Medicare spending totaled $12.07 billion in 2022 and represented 34.8% of health care spending in Oregon. Total Medicare spending grew 4% between 2021-2022.

Commercial health insurance is the second largest market in Oregon by total dollars spent. Commercial spending in 2022 was about $9.87 billion, representing 28.4% of health care spending. Commercial spending grew 1.1%.

Medicaid provides health insurance for families and people with low incomes. Total Medicaid spending in Oregon was $7.22 billion in 2022, about 20.8% of health care spending. Medicaid spending grew 9.0%.

Net Cost of Private Health Insurance (NCPHI) represents the costs of administering a health insurance plan (including a payer's profits or losses). NCPHI totaled $2.55 billion, or 7.4% of spending in 2022. Total dollars for NCPHI grew 15.2%.

Other includes health care spending in programs like the Department of Corrections, Veterans Affairs, behavioral health contracts paid by the State, and the Oregon State Hospital (added for the first time this year). Other spending totaled $2.99 billion in 2022, 8.6% of all health care spending. Other spending grew 20%, mainly due to investments in behavioral health and increased spending by Veterans Affairs.

At the state level, all spending for people dually enrolled in Medicare and Medicaid is reported in the Medicare market. OHA is unable to estimate a unique count of individual members between all dual market data sources.

Total Health Care Expenditures

To compare health care cost growth to the cost growth target at the state and market level, Oregon uses a measure called Total Health Care Expenditures. THCE includes all claims and non-claims-based spending, as well as the Net Cost of Private Health Insurance and spending in other programs. THCE is reported on a *per person per year* basis.

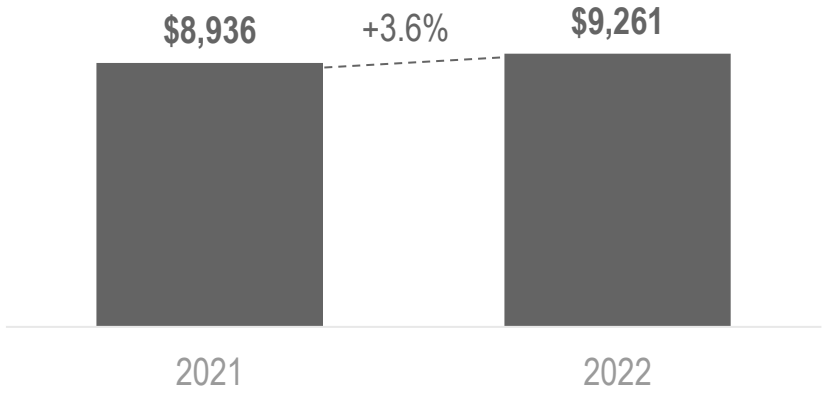
The previous page reported *total* dollars spent on health care in Oregon, which can be affected by the number of people in Oregon overall and the number of people with health insurance coverage. THCE provides a standardized comparison of how much is spent on health care per person each year that accounts for any underlying changes in the number of people. THCE is the measure Oregon uses to compare health care cost growth to the target at the state and market level.

Total Health Care Expenditures, Statewide

Between 2021 and 2022, THCE spending per person per year grew 3.6%, above the cost growth target of 3.4%. Per person per year spending increased to $9,261. Since growth by market was at or below 3.4%, the excess growth was mainly in the NCPHI and Other categories.

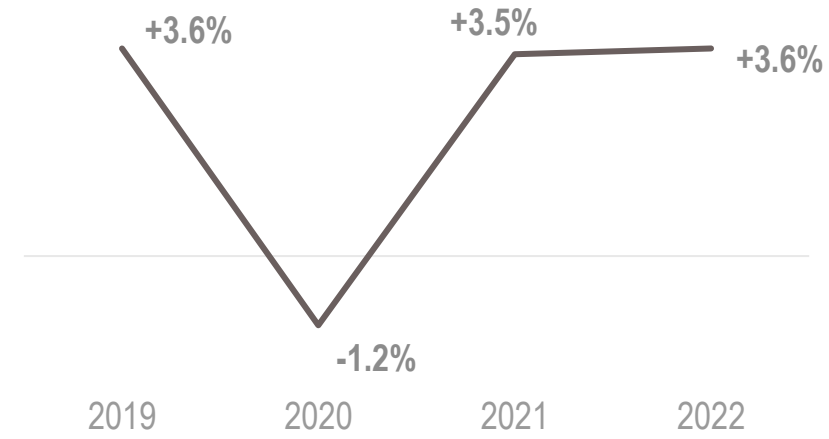
Growth in 2022 was similar to other recent periods except for 2019-2020, when costs decreased in the midst of the pandemic. Cumulative growth in THCE from 2018 to 2022 was 12.4%. In 2018, THCE per person was $8,239, compared to $9,261 in 2022.

Total Health Care Expenditures, per person per year, 2021-2022



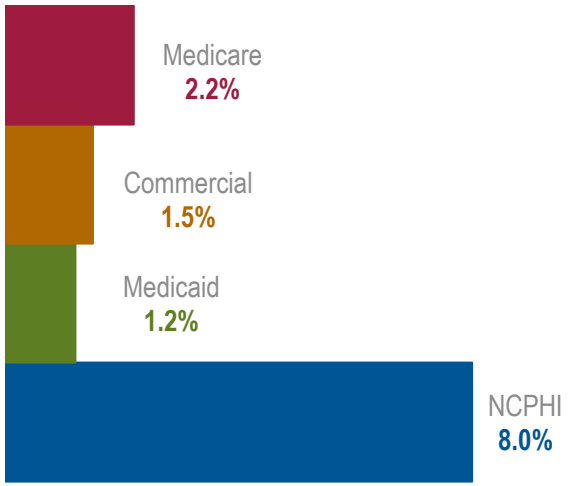
Growth in Total Health Care Expenditures, 2018-2022

Years are year 2 of a 2-year period, e.g. “2022” represents 2021-2022



Total Health Care Expenditures, By Market

Percent change in THCE, by market, 2021-2022

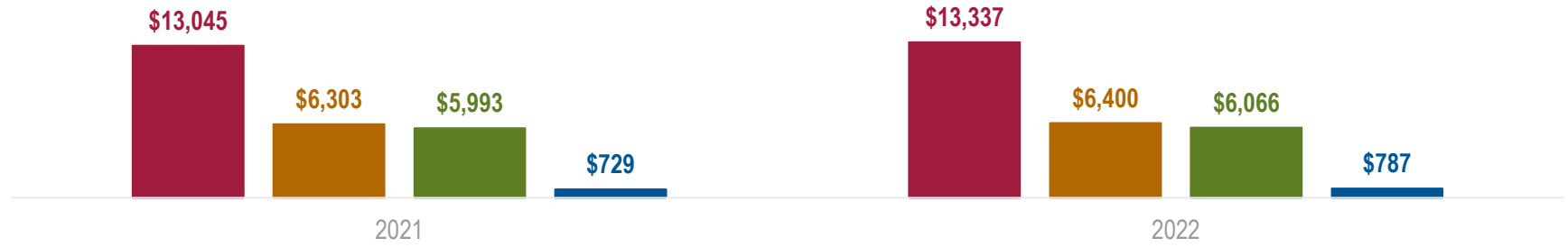


Total Health Care Expenditures for Oregon's Medicare market increased 2.2% between 2021-2022, compared to 1.5% for the Commercial market and 1.2% for Medicaid. All markets met the cost growth target for 2022.

Spending by market also includes the Net Cost of Private Health Insurance (NCPHI). NCPHI increased 8% between 2021-2022, reversing its negative 2020-2021 trend (-18.5%). Trends in NCPHI varied by market and are discussed on page 14. NCPHI only applies to portions of the Medicare and Medicaid markets, so is broken out separately here.[5]

Total Health Care Expenditures vary considerably by market. In general, Medicare THCE on a per person per year basis is more than twice Commercial or Medicaid THCE. Since large changes in trend can occur for small dollar amounts (and vice versa), it is important to consider both dollars spent and percent change. The 2.2% increase in Medicare spending per year represented an absolute dollar increase of $292 in costs per person, while the 1.5% growth in Commercial spending represented an increase of $97.

Total Health Care Expenditures, per person per year, by market

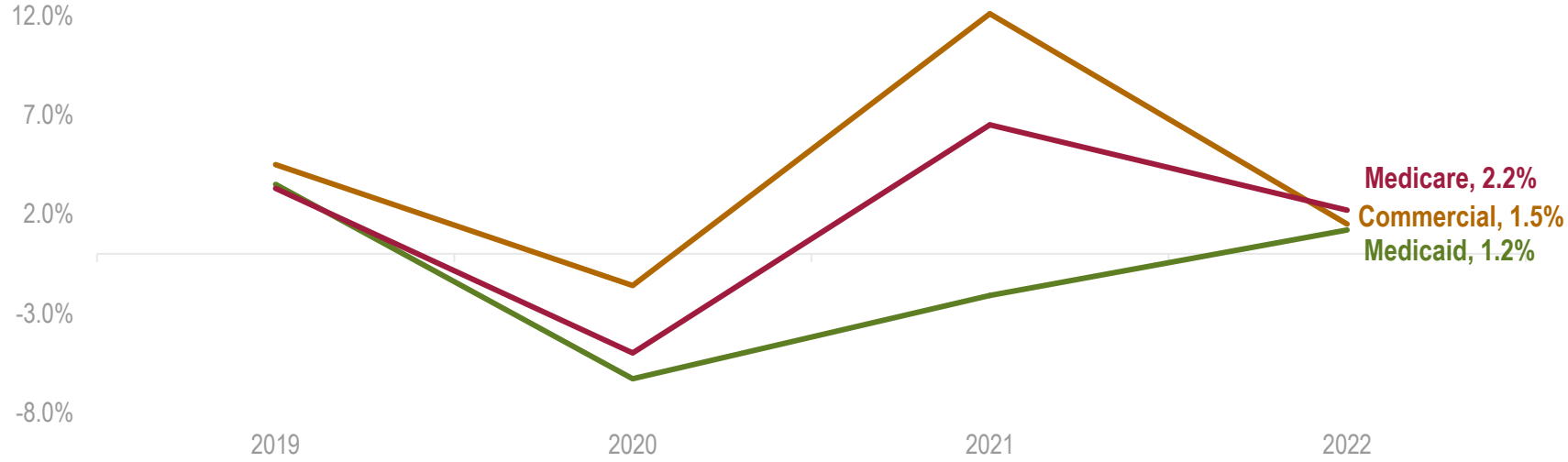


[5] Some National Association of Insurance Commissioners (NAIC) Supplemental Health Care Exhibit (SHCE) reports were not available in time to be included in this report and are not reflected in the market-level NCPHIs, including: Health Net Life Insurance Company (2021-2022); Health Net Health Plan of Oregon, Inc. (2021); Summit Health Plan (2022); United Healthcare Insurance Company (2022); United Healthcare Insurance Company of America (2021).

Total Health Care Expenditures, By Market

Annual percent change in THCE, by market, 2018-2022

Years on x-axis represent year 2 of a 2-year growth period, e.g. “2022” for 2021-2022.



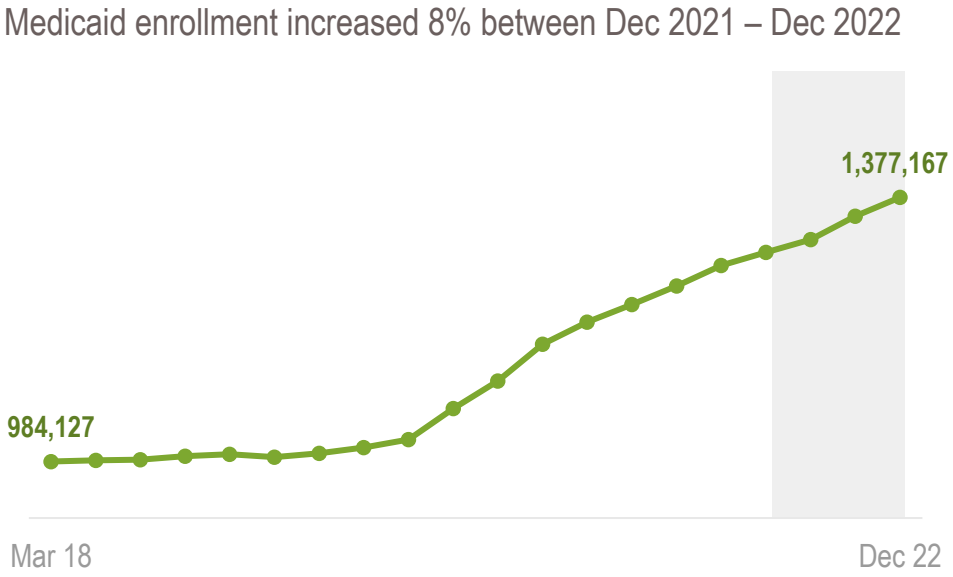
Growth in THCE per person per year fluctuated widely over the course of the pandemic, with negative cost growth in all three markets in the 2019-2020 period. Although **Commercial** and **Medicare** cost growth rebounded in 2021, **Medicaid** growth was negative in the 2020-2021 period and was still low, at 1.2%, from 2021-2022. Low cost growth in Medicaid is likely due to the surge in enrollment during the pandemic (see the next page for further discussion).

Across all years for which Cost Growth Target data have been collected (2018-2022), cumulative growth was highest in the Commercial market. THCE per person grew cumulatively 16.0% from 2018-2022, from $5,517 to $6,400. Cumulative Medicare growth was 6.1% over this period ($12,565 to $13,337) and Medicaid growth was -2.6% ($6,228 to $6,066).

Medicaid Spending

Between 2021 and 2022, total health care spending[6] in the Medicaid market increased 9.0%, to $7.22 billion, most likely due to the continued increase in enrollment resulting from the Public Health Emergency while redeterminations were paused and no members lost Medicaid coverage.[7]

While total spending increased as enrollment numbers grew, the lack of regular eligibility redeterminations may have resulted in some people staying on the Medicaid rolls who were not actively using their benefits, bringing the per-person cost growth lower than growth in total spending. Medicaid CCOs, Open Card and Other CCO spending growth was only 1.2% over this period.



	2021-2022
CCO Rate Increase	4.2% increase
CCO Rate Adjustments	Primary drivers of the 2022 Medicaid rates include: Hospital Reimbursement Adjustment removed, resulting in 1.7% increase to rates for DRG facility repricing. Also, expanded coverage for hernias and increased SUD coverages accounted for another 1.0% increase.
Fee For Service Payments[8]	Updated to align with 2021 Medicare rates.

[6] Claims and non-claims spending for Medicaid CCOs, Medicaid Open Card and Medicaid CCOs Other, net of pharmacy rebates and excluding NCPHI.
[7] Medicaid eligibility total on the 15th of the month for physical health, Oregon Health Plan, Cover All Kids/Healthier Oregon Program. OHA Monthly Medicaid Population Report.
[8] Oregon Health Plan Fee Schedule

Net Cost of Private Health Insurance, by Market

NCPHI is used for payer costs related to health care claims processing, paying bills, advertising, sales commissions, other administrative costs, premium taxes, and fees. It also includes a payer's profits (contribution to margin) or losses. NCPHI can fluctuate year to year depending on how accurately premium projections are able to forecast actual services rendered.

Statewide, NCPHI per person per year grew 8.0% from 2021-2022 (see page 11). Growth was fastest in the Medicaid Coordinated Care Organization (CCO) and Commercial markets.

Medicaid CCOs

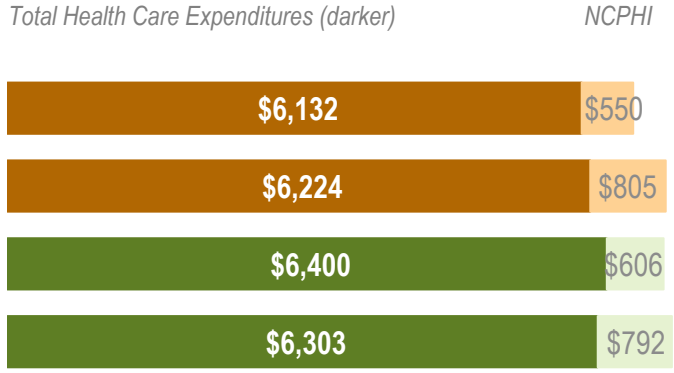
Among CCOs, NCPHI per person per year grew 46.5% from 2021-2022, following increases of 49.5% from 2019 to 2020 and 26.8% from 2020 to 2021. This continual growth was likely due to lower health care expenditures on a growing and changing population. Pandemic-era Medicaid policies paused regular redetermination of member eligibility, resulting in a rapid increase in enrollment (page 13). At the same time, health care expenses remained low.

Commercial

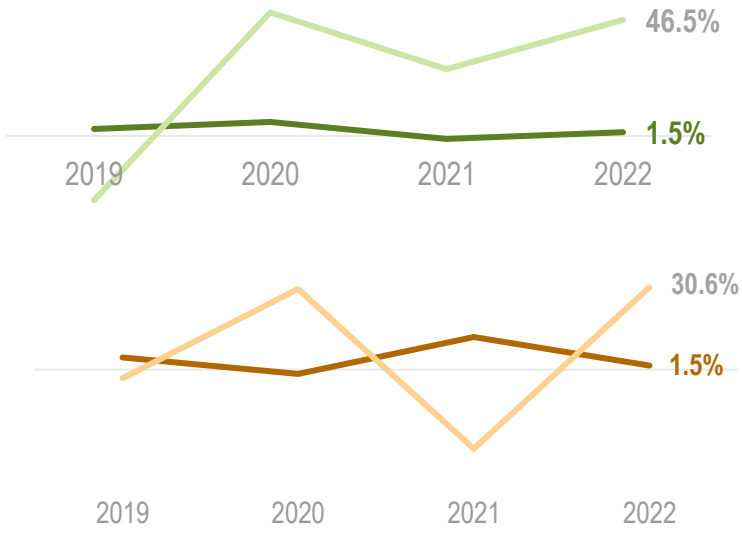
In the Commercial market, growth in NCPHI was 30.6%. This spike in NCPHI may have represented a rebound from 2020-2021, when NCPHI shrank, likely due to higher claims spending as utilization rebounded in the wake of the COVID-19 pandemic. As average Commercial premiums decreased between 2021-2022,the spike in NCPHI may not have been the result of profit-seeking behavior by Commercial payers.*

*Average premiums for family plans in Oregon decreased 3% and premiums for individual plans decreased 5% from 2021 to 2022. See the Health Care Insurance Costs in Oregon, 2022 Update released February 2024 by OHA.

Per person per year expenditures, 2021-2022,
Medicaid CCOs and **Commercial payers**



Growth in expenditures per person per year, 2018-2022



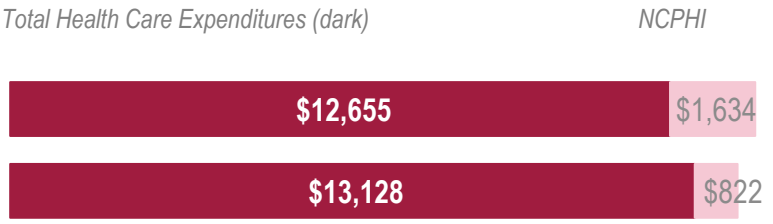
Medicare Advantage

In the Medicare Advantage market, NCPHI per person per year decreased by 49.7%, from $1,634 in 2021 to $822 in 2022.

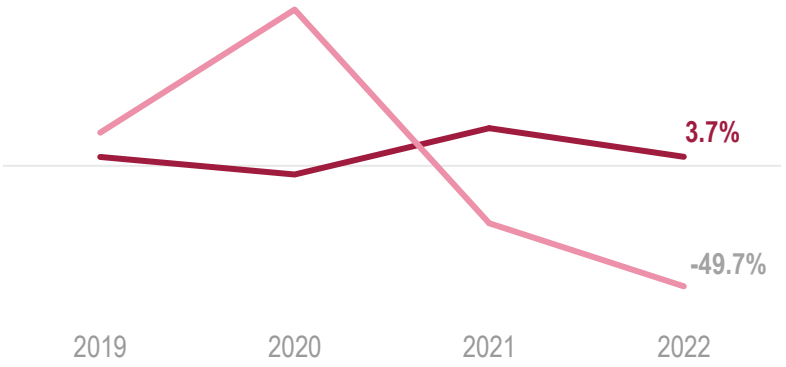
Growth in spending on health care services was faster than in the Commercial market during this period, as Medicare Advantage enrollees continued to return to the doctor's office for care delayed during the pandemic.

Per person per year expenditures, 2021-2022

Medicare Advantage plans



Growth in per person per year expenditures, 2018-2022

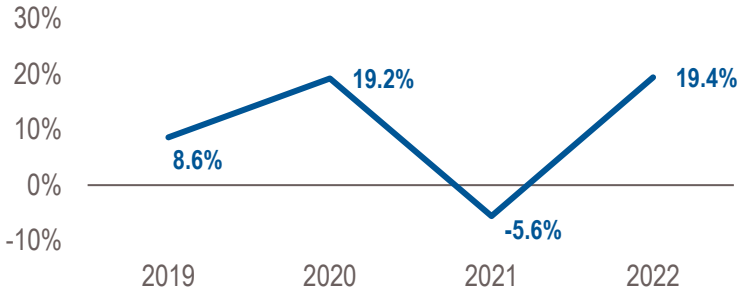


Other Spending

Veterans Affairs Spending

Over the course of the pandemic, spending by the Veterans Affairs department (VA) followed a different path, increasing from 2019-2020 when other markets saw steep drops and decreasing from 2020-2021 when other markets rebounded.

Growth in per person per year spending by the VA, 2018-2022



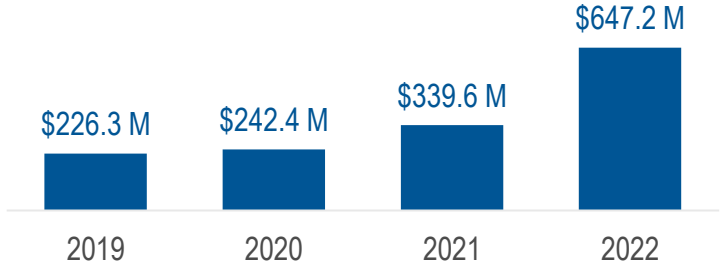
Increased spending on veterans during the height of the pandemic may be a sign of increased risk of severe COVID in this group, which tends to be older, male, and to have a higher rate of comorbidity than the general population. [9]

The VA continued to track elevated rates of COVID-19 through 2022 in Oregon and nationally.[10] Trends in VA spending on health care in Oregon mirror what was seen nationally.

State Spending on Behavioral Health

As a part of Total Health Care Expenditures, Other spending, the Cost Growth Target program tracks Oregon's investments in additional behavioral health contracts. The 2021-2022 period saw a steep increase in state spending on these contracts, from $339.6 million in 2021 to $647.2 million in 2022.

Growth in other spending: behavioral health contracts per person per year, 2018-2022



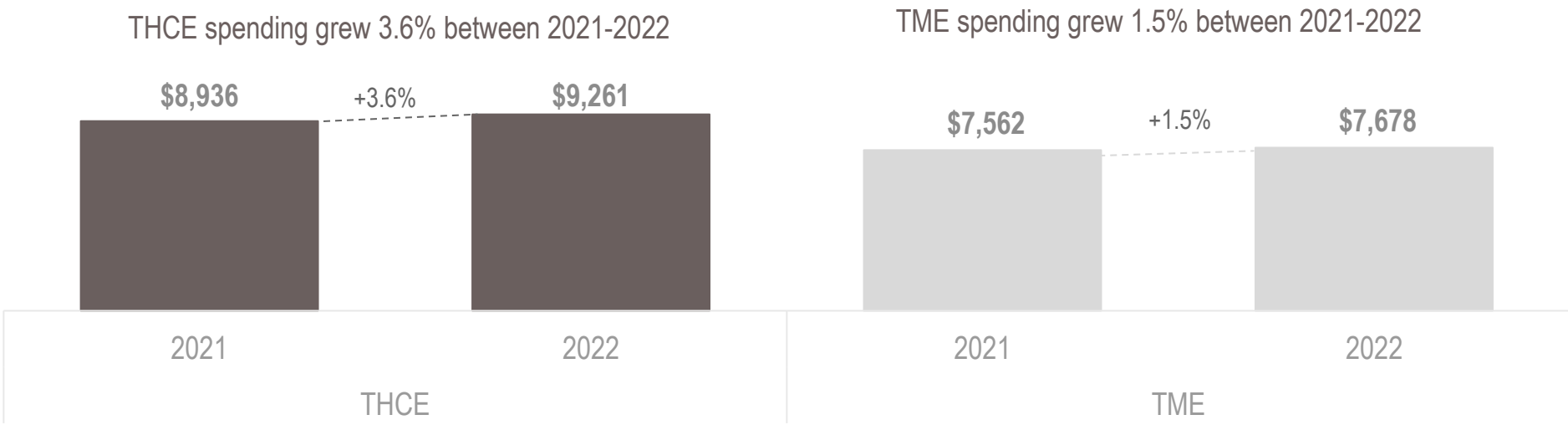
Most of the increase from 2021 to 2022 was due to investment in mental health and substance use disorder treatment and recovery. Oregon passed Measure 110 in 2020, which decriminalized drug use in the state and created the Drug Treatment and Recovery Fund. During 2021-2022, tax dollars began to flow into this account and were used for related activities.

[9] Chuang, et al. (2022). COVID-19 in Veterans: A Narrative Review. Risk Management Healthcare Policy 15:805-815.

[10] See the VA COVID-19 National Summary.

Total Medical Expenses

When reporting on health care cost growth relative to the target for payers, provider organizations, and by service categories, Oregon uses a measure called Total Medical Expenses. TME is a subset of Total Health Care Expenditures and includes claims and non-claims payments only. It does not include other spending and the costs of administering health plans. Claims data for TME are reported net of pharmacy rebates.



	THCE	TME
Claims spending	✓	✓
Non-claims spending	✓	✓
NCPHI	✓	
Other spending	✓	

The TME spending above includes Medicare Fee-For-Service (FFS). OHA does not have Medicare FFS spending data that can be attributed to provider organizations.

Calculated without Medicare FFS, TME spending statewide, demographically adjusted, grew 1.5% between 2021-2022, to $6,857 per person per year. TME spending without Medicare FFS is used for comparisons in Chapters III and IV.

Demographic Adjustment

The TME spending data above is unadjusted for any changes in the state's population. However, some changes will have an impact on spending growth, for example, an older population would be expected to have higher spending than the previous year. OHA is applying a demographic adjustment to TME spending data at the payer and provider organization level (see Appendix A).

This adjustment is unnecessary at the state and market level because populations are large enough to be stable over time. However, an adjusted TME at the market level can be calculated to provide a more accurate comparison with the payer and provider organization level data presented in Chapters III and IV. The table at right shows the adjusted and unadjusted TME for each market.

In this measurement period, demographic changes indicate that, all else being equal, Commercial and Medicare Advantage costs should be lower in 2022 compared to 2021. The demographically adjusted cost growth is slightly higher than unadjusted for these markets.

The downward adjustment for Commercial and Medicare markets could be the result of population changes due to the COVID-19 pandemic, which impacted men and older adults more severely.

Total Medical Expenses by market, with and without demographic adjustment, 2021-2022

Commercial[11]	**2021**	**2022**	**Growth Rate**
TME Unadjusted	$6,303	$6,400	1.5%
TME Adjusted	$6,163	$6,283	2.0%
Medicare Advantage[12]			
TME Unadjusted	$12,655	$13,128	3.7%
TME Adjusted	$12,765	$13,263	3.9%
Medicaid			
TME Unadjusted	$4,905	$4,909	0.1%
TME Adjusted	$4,688	$4,672	-0.3%

In the Medicaid market, demographics suggest that this population is getting older and less healthy when compared to calendar year 2021.

This upward pressure on the Medicaid market is potentially due to more adults enrolled in Medicaid in 2022 due to the lack of redeterminations occurring during the COVID-19 Public Health Emergency. Adults have higher costs than children, so an older population in 2022 may have resulted in a larger downward adjustment relative to 2021.

[11] Includes full and partial claims spending.

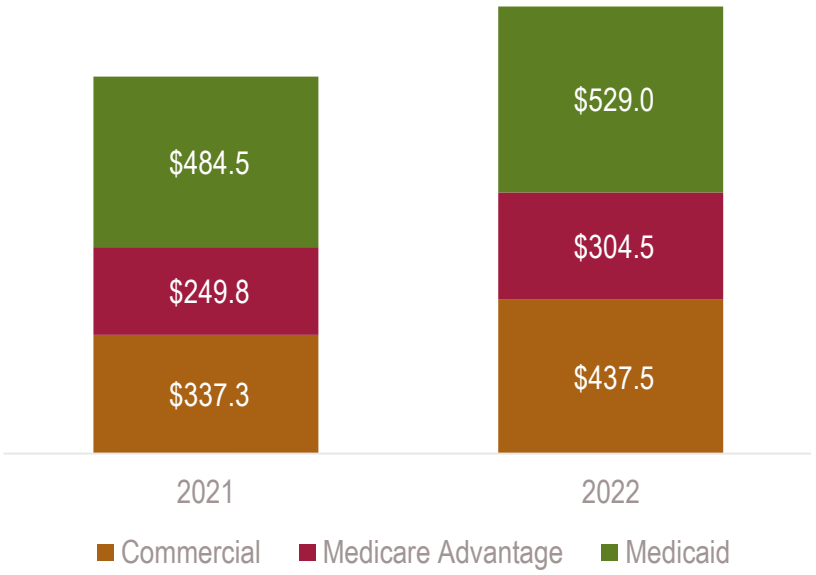
[12] Includes spending for dual eligible members.

Pharmacy Rebates

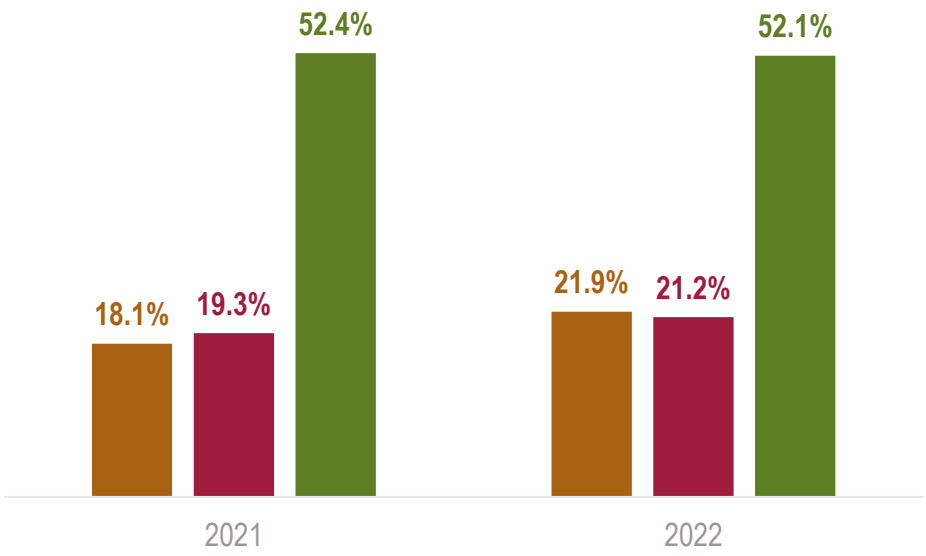
Pharmacy rebates account for more than $1.2 billion per year in Oregon. The total amount of pharmacy rebates increased 18.6% statewide between 2021-2022 (increasing 29.7% for Commercial, 21.9% for Medicare Advantage, and 9.2% for Medicaid).

Statewide in 2022, about 23% of spending for retail pharmacy was returned to payers and pharmacy benefit managers (PBMs) through rebates (up from 21% in 2021), although this was driven by Medicaid. Medicaid continues to recoup more than 50% of prescription drug costs through rebates, due to federal and state policies that ensure that Medicaid gets the lowest available price for pharmaceuticals. However, Commercial and Medicare Advantage payers saw a slight increase in rebates as a percent of overall pharmacy spending returned in 2022.

Amount saved in pharmacy rebates each year, by market
in millions



Rebates as a percent of gross retail pharmacy spending, by market



Chapter II. Health Care Cost Growth Trends, 2021-2022 by Service Category

Growth by Service Category

To understand what types of costs may be driving health care cost growth, each year the Cost Growth Target Program reports data on Total Medical Expenses (TME) by service category. Service category breakouts can identify at a high level where spending is happening, what types of spending are increasing the fastest, and the relative contribution of different categories to overall growth.

Analysis of spending by service category is an important first step in identifying cost growth drivers. Isolating the specific reasons for growth – particularly at the payer and provider organization level – takes additional investigation. As the Cost Growth Target Program phases in accountability mechanisms over the coming years, it will work closely with payer and provider organization representatives to identify the reasons for their cost growth. OHA also conducts additional analysis of cost drivers using data from the state's All Payer All Claims (APAC) database.

This chapter reviews health care cost growth by service category for the 2021-2022 measurement period, in total and on a per person per year basis, statewide and by market. This chapter begins by reviewing growth in total dollars in claims and non-claims service categories from 2021-2022 before analyzing growth in spending per person per year. It also explores cumulative growth from 2018 to 2022.

The service categories included in cost growth target reporting are shown to the right. A detailed description of each category is located in Appendix A.

Claims Spending Categories
Hospital inpatient
Hospital outpatient
Professional
Retail pharmacy
Other

Non-Claims Spending Categories
Prospective payments
Incentive payments
Population health payments
Provider salaries
Recovery
Other

Claims vs. Non-Claims Spending

Service categories can be organized into two major buckets: claims and non-claims.

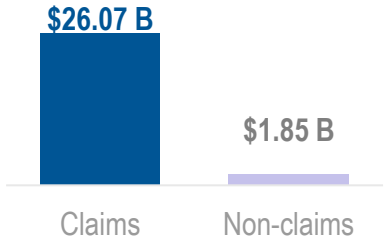
- Claims spending includes the allowed amount reimbursed from payers to provider organizations for specific services rendered (e.g., for a doctor's visit).
- Non-claims spending includes payments made through alternative kinds of arrangements. Providers may receive incentive dollars from a payer for meeting certain quality metrics, or a flat monthly rate to manage the care of their patient population (prospective payments).

Across all three markets, most medical spending in the state comes through claims payments. In 2022, total claims spending was $26.07 billion, compared to total non-claims spending of $1.85 billion.

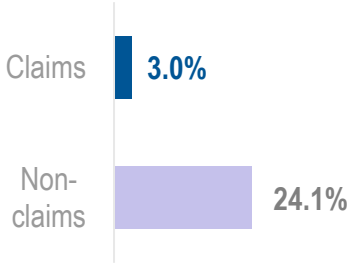
Even though non-claims spending is a smaller part of TME, it grew much faster than claims spending from 2021-2022. Statewide, total non-claims spending grew 24.1% between 2021-2022, while claims spending (net of pharmacy rebates) grew only 3.0%. Non-claims spending was particularly important to growth for Medicare and Medicaid, while certain claims categories (hospital outpatient, retail pharmacy) dominated growth in the Commercial market.

A retrospective view of the years surrounding the pandemic shows that non-claims spending increased substantially in 2019-2020 and again in 2021-2022, while claims spending followed the opposite trajectory. This inverse relationship may be due to the interplay of infusions of government assistance that resulted in increased non-claims payments and shifts in utilization that alternately reduced and then increased claims payments.

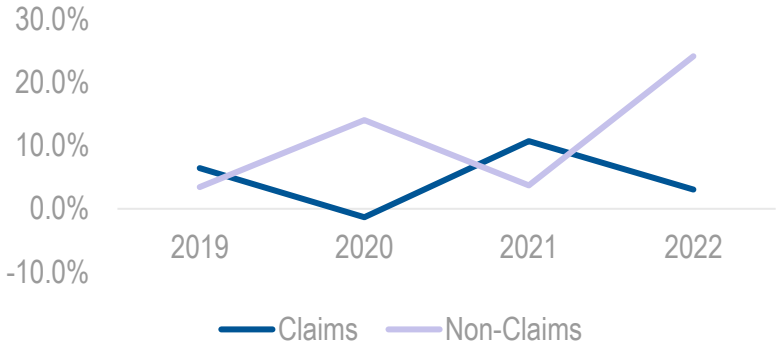
Total claims and non-claims spending in Oregon, 2022



Growth in total claims and non-claims spending, 2021-2022



Growth in total claims and non-claims spending, 2018-2022



Total Medical Expenses – Claims and Non-Claims Spending, Statewide, 2021-2022

The largest share of claims spending in Oregon is for hospital inpatient and outpatient services, totaling $10.86 billion in 2022. Professional services are the next largest spending category, at $7.92 billion in 2022, then retail pharmacy at $4.20 billion.

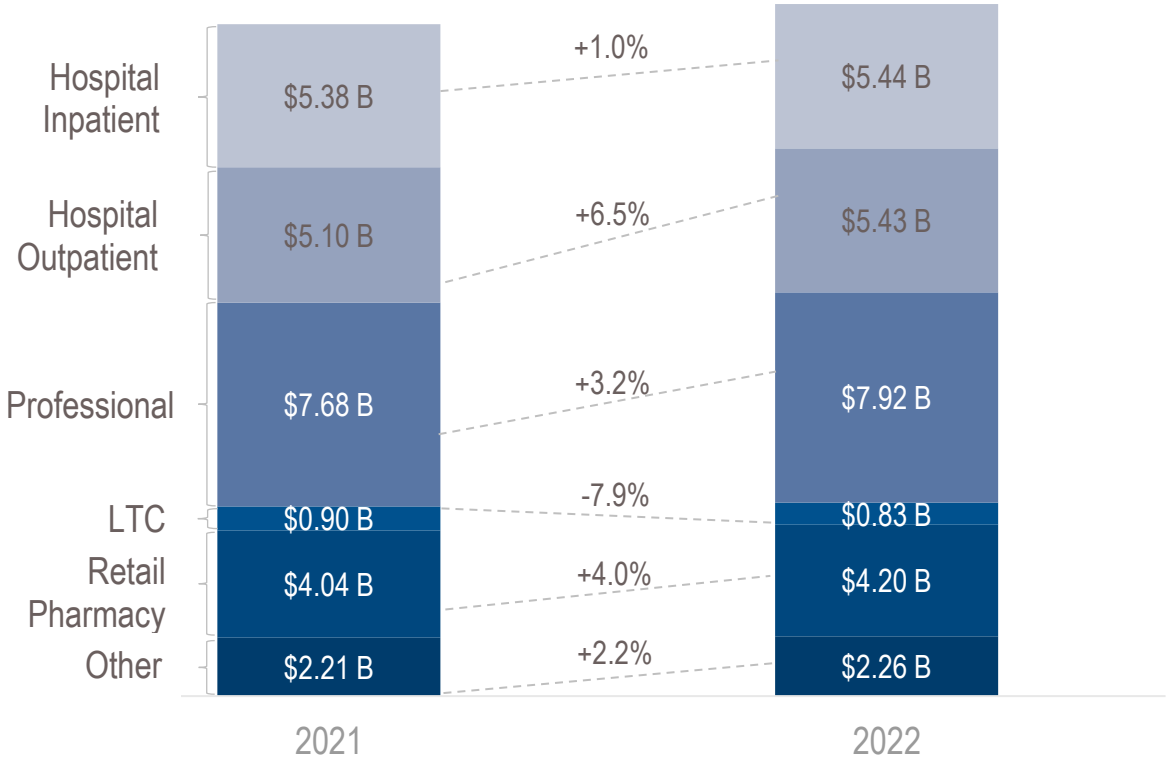
All claims spending categories, apart from Long-Term Care (LTC), increased between 2021-2022.

Retail pharmacy continues to be a high growth claims area across the state at 7.1%; however, rebates are also increasing at a higher rate offsetting overall costs for payers resulting in net growth at only 4.0%.

Hospital outpatient is the other high growth claims category across the state with a 6.5% increase in 2022, while total hospital claims spending (inpatient + outpatient) grew 3.6% overall.

Total Medical Expenses – total claims spending, in billions, and growth rate, statewide, 2021-2022

Spending is reported net of pharmacy rebates



Non-claims payments are payments that health plans make to provider organizations outside of claims, such as quality incentive program payments or global budgets.

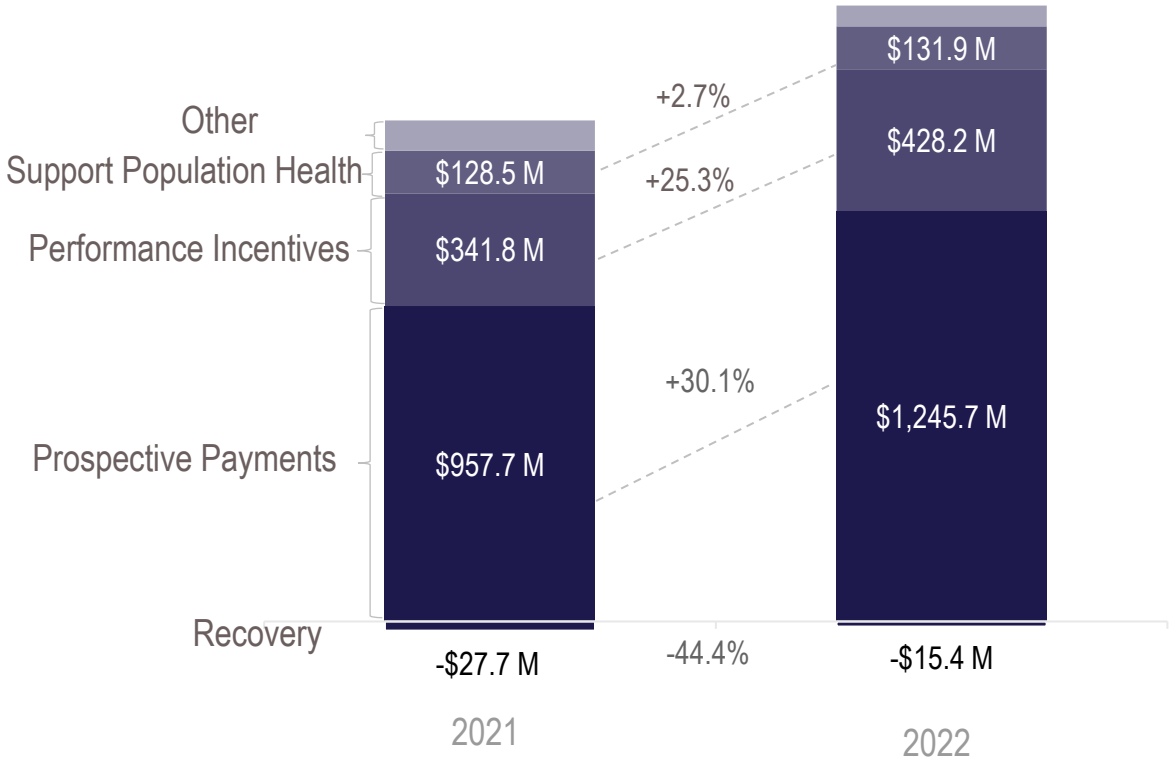
Non-claims payments totaled $1.85 billion statewide in 2022 (or about 6.6% of total medical expenses).

Across all subcategories, non-claims payments grew 24.1% between 2021-2022.

There were large increases in all markets in 2022 in the prospective payments and performance incentive categories, 30.1% and 25.3% respectively.

This cost growth was likely driven by payments made to providers to support clinical and business operations during the ongoing COVID-19 pandemic as many payers used these programs to help sustain provider organizations.

Total Medical Expenses – total non-claims spending, in millions, and growth rate, statewide 2021-2022



Total Medical Expenses – Total Spending and Spending Growth by Category and by Market, 2021-2022

Total Commercial spending increased by 1.1% in 2022. Claims spending categories grew by 1.1% and non-claims spending grew by 2.6%.

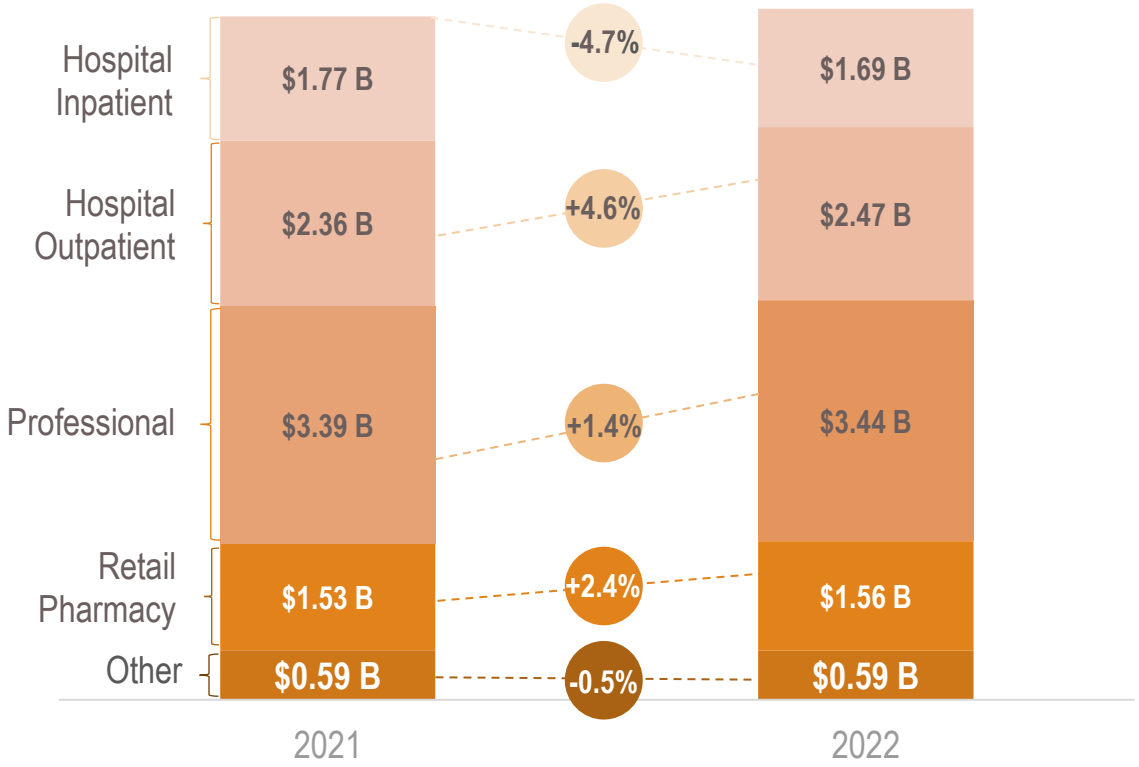
The service category with the most Commercial spending is professional services, followed by hospital outpatient and inpatient services.

Hospital outpatient services grew the fastest at 4.6%, followed by pharmacy spending at 2.4%. Increases in these categories were balanced out by a decrease in total spending in the hospital inpatient category of 4.7%.

Compared to previous Cost Growth Target reports, non-claims spending makes up a much smaller proportion of Commercial spending in 2021-2022, and is included under "Other." This change is due to the effort of one payer to more accurately report their costs under the different claims categories. Each reporting period sees efforts by data submitters to make such improvements.

Total Medical Expenses – total spending and spending growth by category – Commercial, 2021-2022

Spending is reported net of pharmacy rebates. Spending in billions.



Note: Other in this figure includes Long Term Care and Non-claims categories.

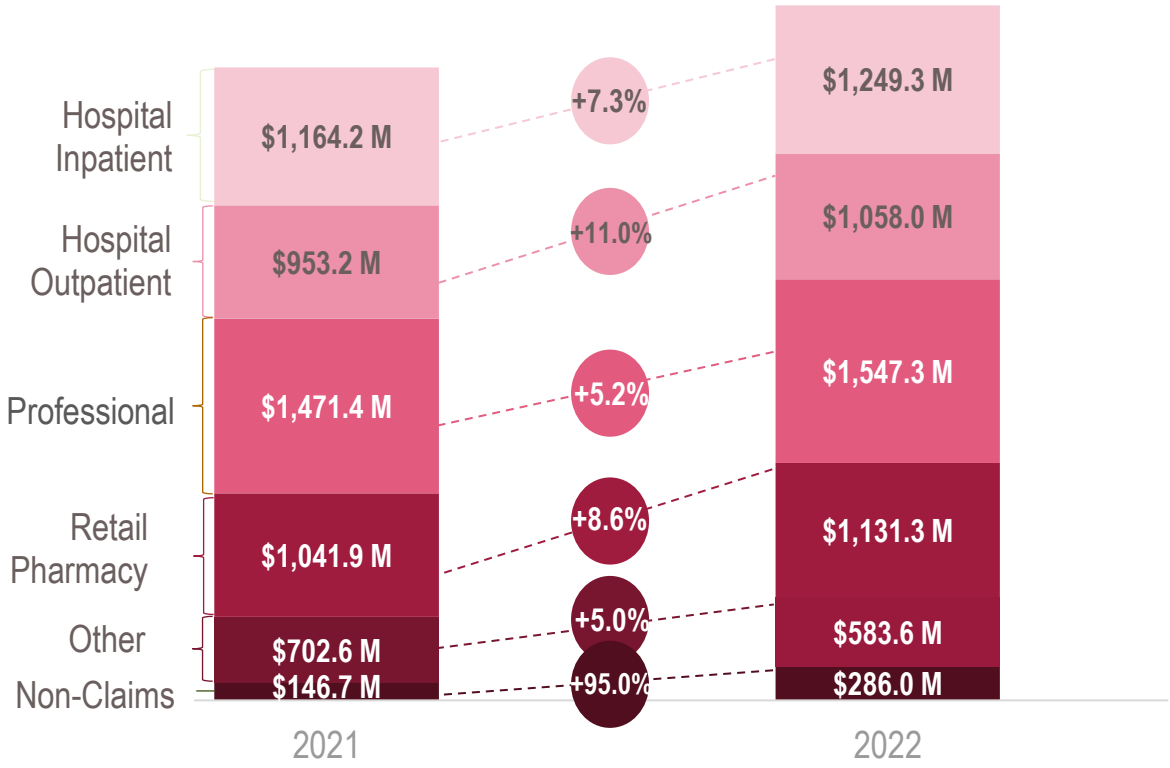
From 2021 to 2022, total Medicare Advantage spending increased in every major service category, resulting in overall growth of 7.4%.

Non-claims categories had the highest growth rate, increasing 95% between 2021 and 2022 even though non-claims spending was a small portion of overall costs. The next highest spending was in the hospital outpatient category, which grew 11.0%, an increase of $104.8 million between 2021-2022.

Growth in retail pharmacy (net of rebates) and hospital inpatient was also substantial at 8.6% (+$89.4 million) and 7.3% (+$85.0 million) respectively.

Total Medical Expenses – total spending and spending growth by category – Medicare Advantage, 2021-2022

Spending is reported net of pharmacy rebates. Spending in millions.



Note: Other in this figure includes Long Term Care.

From 2021 to 2022, total Medicaid spending increased in all categories except Long Term Care.

Non-claims spending grew the most, at 17.7%. Non-claims categories of prospective payments and performance incentives drove high growth for Medicaid in 2022 with 17.3% and 27.5% growth, respectively.

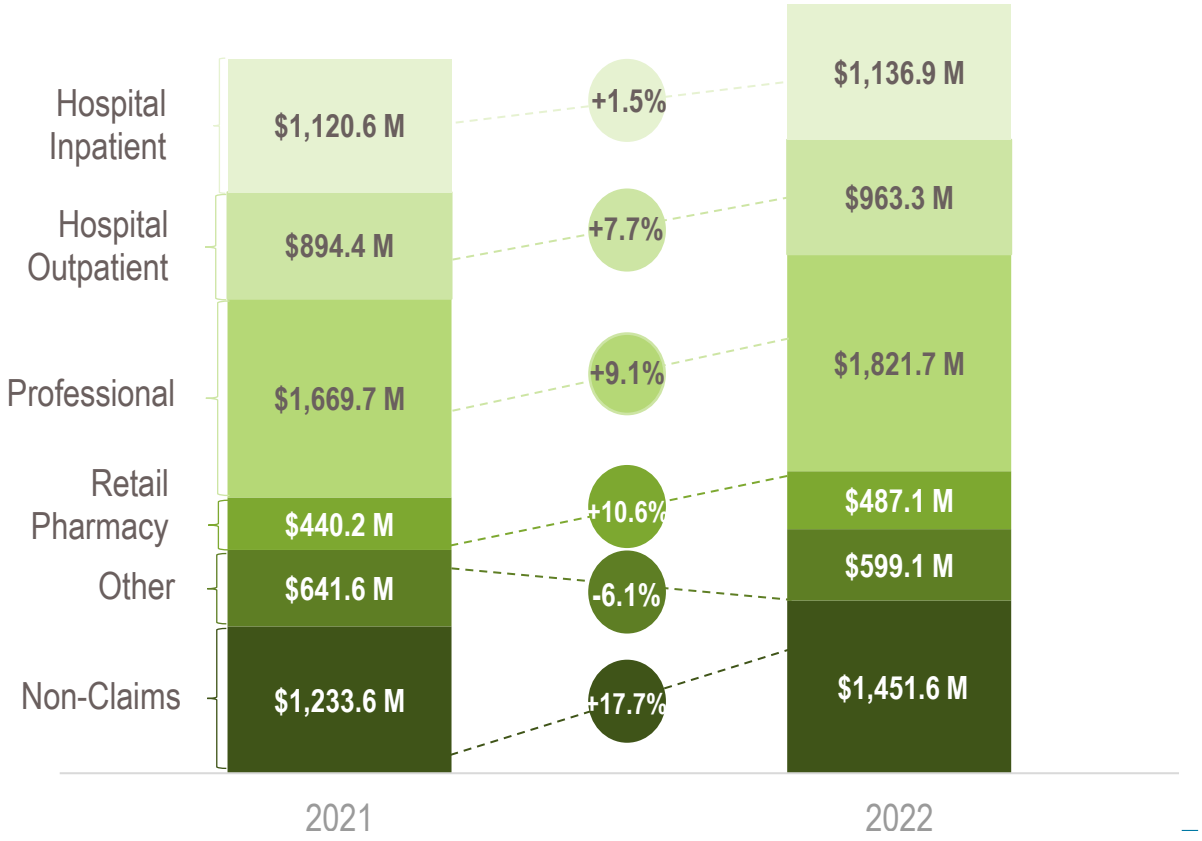
Medicaid also saw 10.6% growth in retail pharmacy, 9.1% growth in professional services, and 7.7% growth in hospital outpatient services.

Medicaid enrollment grew almost 8% during the COVID-19 Public Health Emergency, which closely aligns with the 7.7% increase in total Medicaid spending.

See page 13 for more details on the overall increase in Medicaid spending between 2021-2022.

Total Medical Expenses – total spending and spending growth by category – Medicaid, 2021-2022

Spending is reported net of pharmacy rebates. Spending in millions.



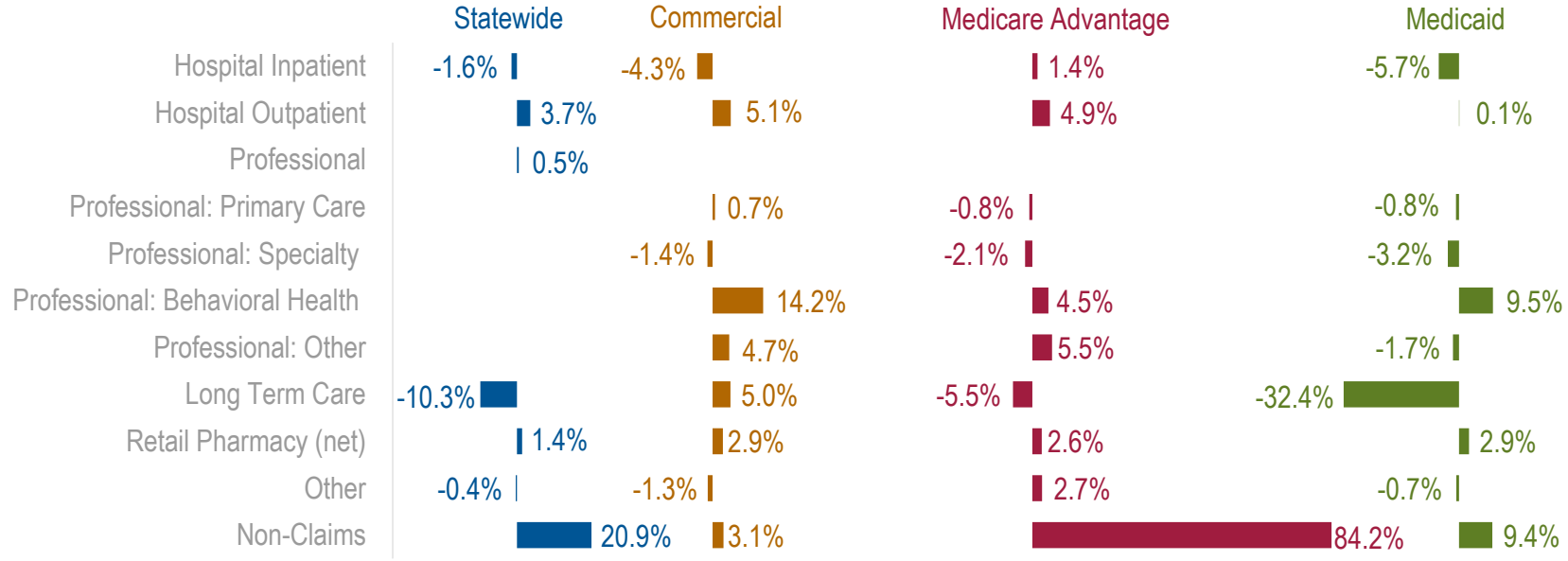
Note: Other in this figure includes Long-Term Care.

Total Medical Expenses – Growth in Per Person Per Year Spending, by Category and by Market

The previous pages reported on total dollars spent on health care in Oregon by service category and by market, which can be affected by the number of people in Oregon overall and the number of people with health insurance coverage in a market. Total Medical Expenses can also be reported on a *per person per year* basis to provide a standardized comparison across markets and service categories.

Per person per year spending increased by 1.5% between 2021-2022 statewide, driven by high non-claims growth - all three markets experienced increased spending in that category, though most prominently in the Medicare Advantage and Medicaid markets. Hospital and Professional services showed minimal growth in 2022, at 1.0% and 0.5%, respectively. Retail pharmacy also saw low growth per person in every market in 2022, after accounting for rebates.

Total Medical Expenses – growth in per person per year spending between 2021-2022, by market and service category .



Statewide data include Medicare Advantage and Original Medicare. Oregon collects more detailed subcategories for professional spending in other markets.

The impact of increased non-claims spending on overall cost growth is clear when looking at the change in average per person per year spending in total dollars, especially for Medicaid and Medicare Advantage. While there were increases in hospital outpatient spending in each individual market, hospital inpatient spending declined in the Commercial and Medicaid markets. Behavioral health spending continues to increase, especially in the Commercial and Medicaid markets.

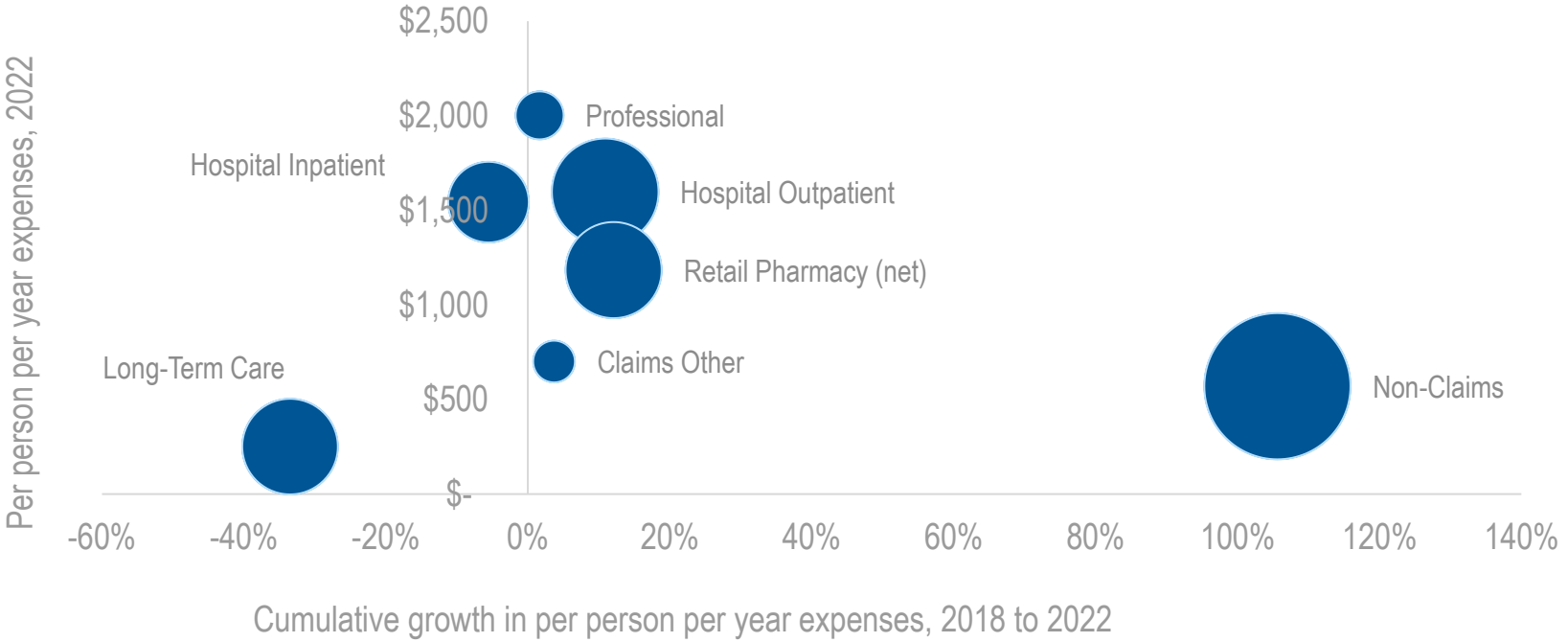
Total Medical Expenses – absolute dollar change in average per person per year spending between 2021-2022, by market and service category

	Statewide	Commercial	Medicare Advantage	Medicaid
Hospital Inpatient	-$24.90	-$48.71	$38.49	-$52.08
Hospital Outpatient	$53.69	$77.90	$110.37	$0.86
Professional	$11.79	$39.89	-$22.02	$19.47
Professional: Primary Care		$3.86	-$6.15	-$2.11
Professional: Specialty		-$14.12	-$45.94	-$12.25
Professional: Behavioral Health		$29.67	$2.29	$38.91
Professional: Other		$20.49	$27.77	-$5.08
Long Term Care	-$26.09	$1.93	-$31.00	-$66.88
Retail Pharmacy (net)	$15.46	$28.27	$64.21	$10.27
Other	-$2.55	-$4.61	$20.50	-$2.29
Non-Claims	$88.25	$2.26	$293.18	$94.67

Total Medical Expenses – Cumulative Growth in Per Person Per Year Spending, by Category and by Market, 2018-2022

Overall growth in claims spending per person from 2018 to 2022 was 1.8%; while non-claims grew 105.6%. During this time frame, there was a significant shift in Medicare and Medicaid toward prospective payment arrangements. Meanwhile, Retail Pharmacy and Hospital Outpatient growth drove costs in every market.

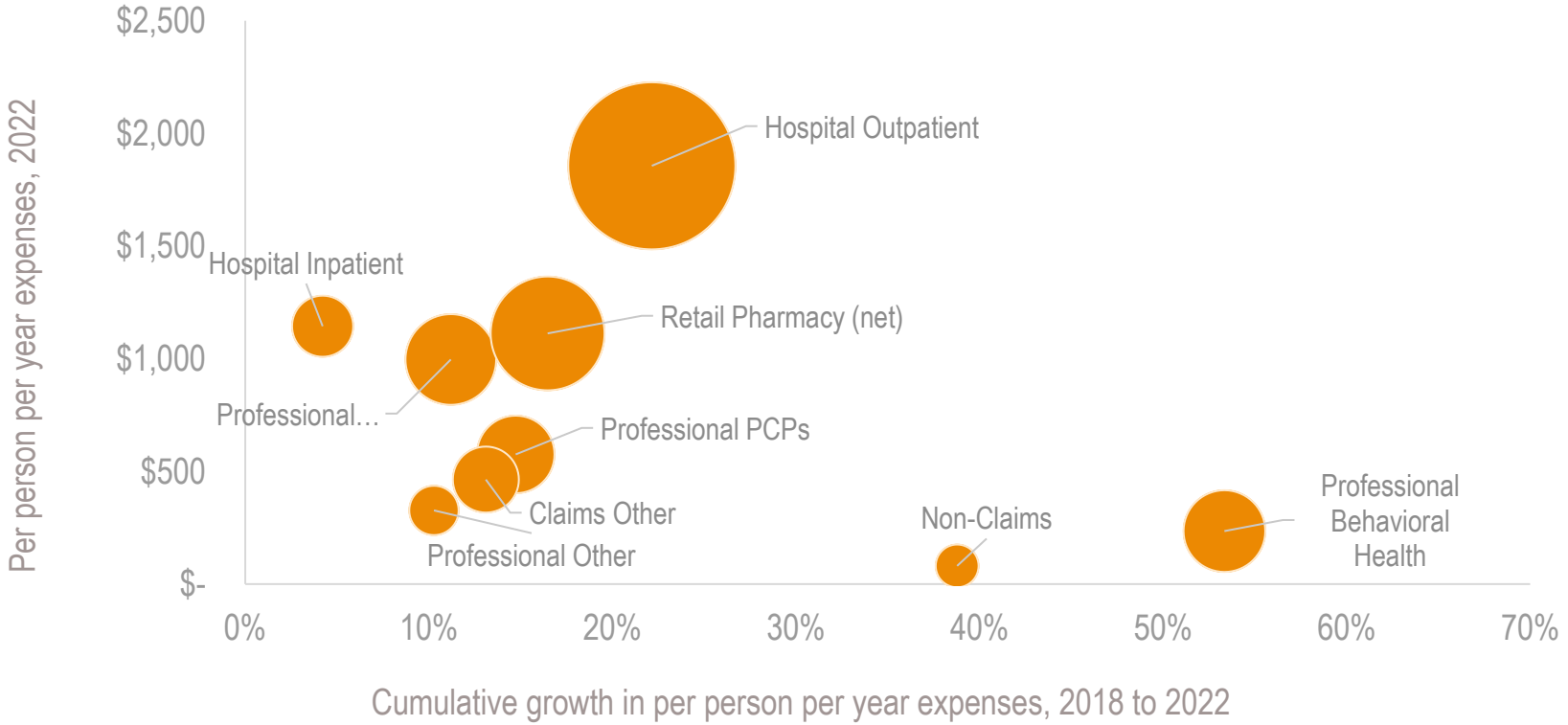
Total Medical Expenses – Cumulative growth in spending per person per year from 2018-2022 and spending in 2022 with absolute dollar change (bubble size) from 2018-2022, by service category, Statewide*



*Data from Kaiser is excluded from all figures on this page due to changes that were made in their reporting methodology in the current data submission cycle relative to the reporting cycle covering 2018 costs. The differences in methodology for Kaiser during those two periods would skew growth percentages by service category if included.

Every service category in the Commercial market has experienced per person growth since 2018. In this time frame, Hospital Outpatient was the largest portion of costs, $1,856 per year, and also the highest cumulative increase, up $337 per year since 2018. The move away from expensive Inpatient settings and increases in Behavioral Health spending were also observed throughout the market.

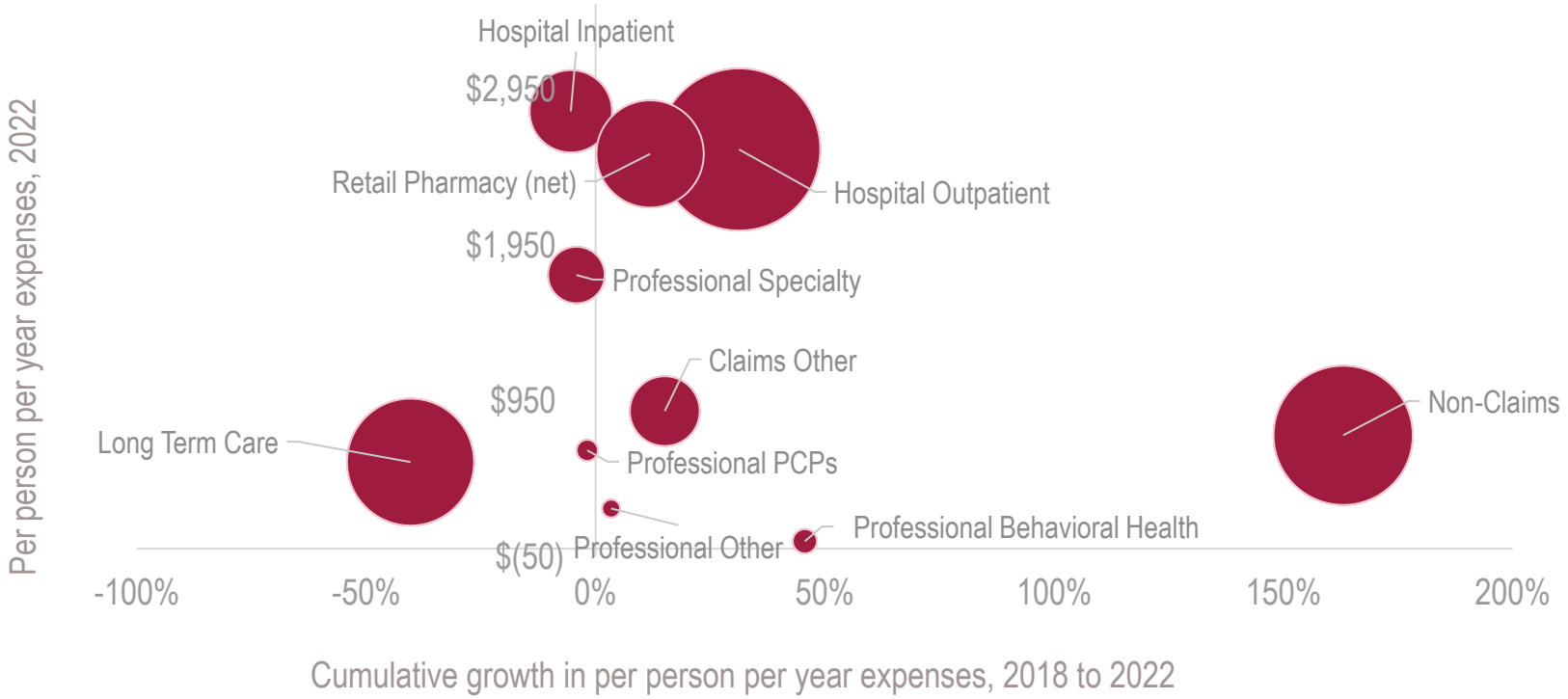
Total Medical Expenses – Cumulative growth in spending per person per year from 2018-2022 and spending in 2022 with absolute dollar change (bubble size) from 2018-2022, by service category, Commercial*



*Data from Kaiser is excluded from all figures on this page due to changes that were made in their reporting methodology in the current data submission cycle relative to the reporting cycle covering 2018 costs. The differences in methodology for Kaiser during those two periods would skew growth percentages by service category if included.

Per member spending in the Medicare Advantage market grew only 7.1% total between 2018-2022. Despite large increases in prospective payments, the majority of Medicare Advantage spending is still driven by Hospital Outpatient claims which increased 9.2%. Meanwhile Professional and Long Term Care claims decreased since 2018, pulling down overall growth.

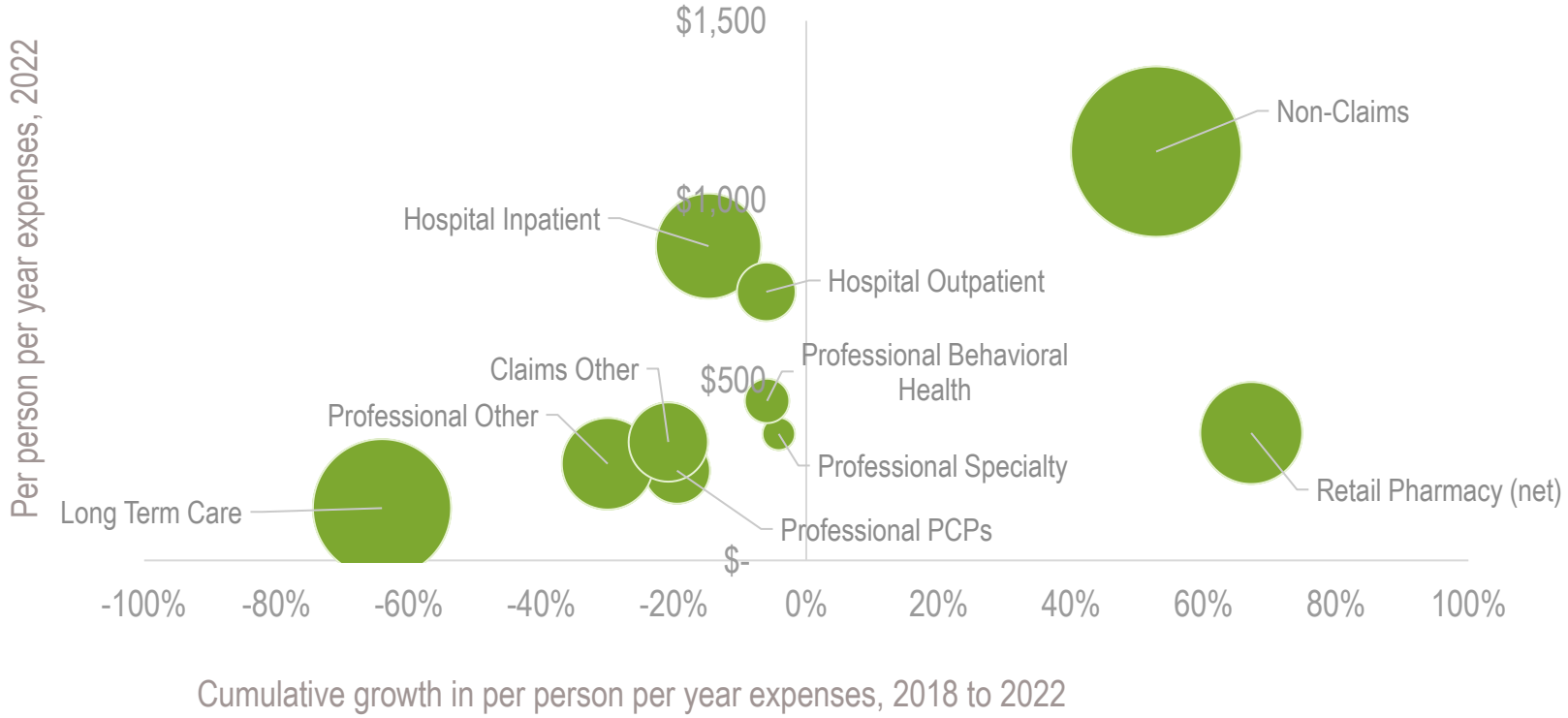
Total Medical Expenses – Cumulative growth in spending per person per year from 2018-2022 vs. spending in 2022 with absolute dollar change (bubble size) from 2018-2022, by service category, Medicare Advantage*



*Data from Kaiser is excluded from all figures on this page due to changes that were made in their reporting methodology in the current data submission cycle relative to the reporting cycle covering 2018 costs. The differences in methodology for Kaiser during those two periods would skew growth percentages by service category if included.

Between 2018-2022, Medicaid spending continued to move away from traditional claims payments and toward a non-claims model, as both prospective payments and performance incentives increased. The COVID-19 public health emergency paused redeterminations so many claims categories show cumulative decreases in per member spending for this time frame.

Total Medical Expenses – Cumulative growth in spending per person per year from 2018-2022 and spending in 2022 with absolute dollar change (bubble size) from 2018-2022, by service category, Medicaid*



*Data from Kaiser is excluded from all figures on this page due to changes that were made in their reporting methodology in the current data submission cycle relative to the reporting cycle covering 2018 costs. The differences in methodology for Kaiser during those two periods would skew growth percentages by service category if included.

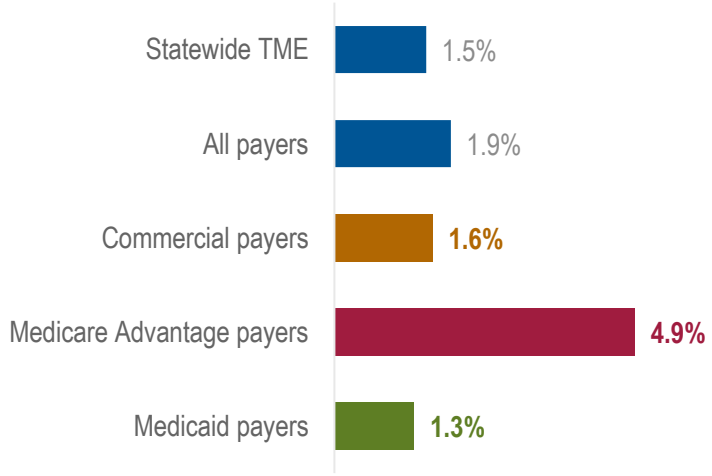
Chapter III. Health Care Cost Growth Trends, 2021-2022 by Payers and Market

Key Findings

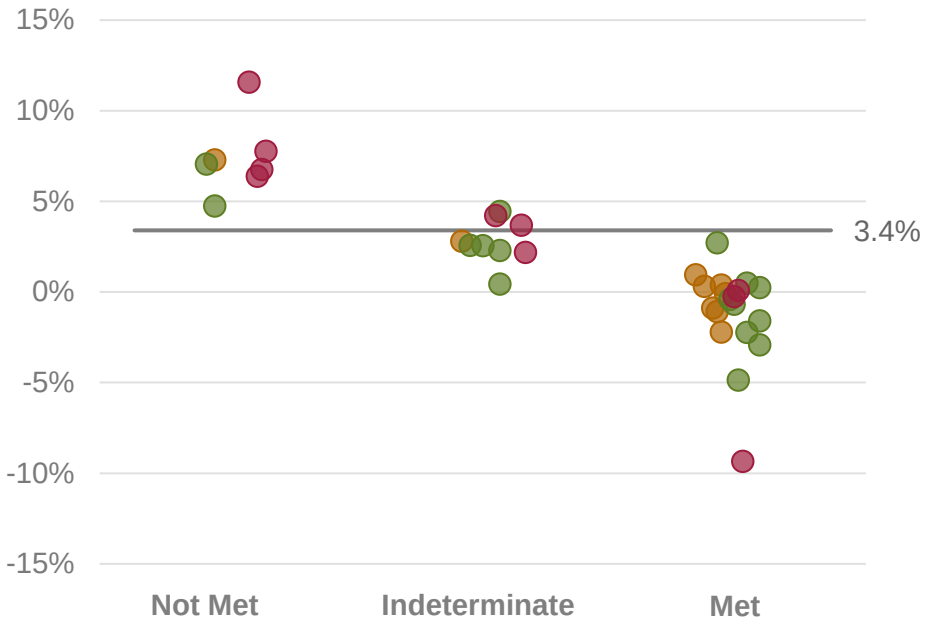
Thirty payers were included in cost growth target reporting for the 2021-2022 measurement period. Of the 30 payers, 19 met the target for at least one market.

Overall cost growth for payers was 1.9%, compared to statewide TME growth of 1.5%.[13] Cost growth for Commercial payers was 1.6%, while Medicare Advantage cost growth was 4.9%. Medicaid payers had the lowest overall cost growth at 1.3%.

Overall cost growth for payers, by market, 2021-2022



Payer performance relative to the cost growth target for **Commercial**, **Medicare Advantage**, and **Medicaid**, 2021-2022.



Market	Group Count	Met Target Count	Cost Growth 2021-22
Commercial	9	7	1.6%
Medicare Advantage	10	3	4.9%
Medicaid	17	9	1.3%

[13] Payer cost growth is calculated with certain exclusions relative to statewide TME. In particular, Commercial payer cost growth only includes full claims and Medicare/Medicaid Duals are excluded from those two markets. Also, payer cost growth is demographically adjusted. See Appendix A for additional detail on the methodology of calculating payer growth.

Which payers met the cost growth target in 2021-2022?

Some payers have covered lives in multiple markets and are included in cost growth target reporting for each market in which they have at least 5,000 covered lives.

For the 2021-2022 measurement period, 30 payers are included across the three markets, for a total of 36 possible payer / markets measured.

Of the 30 payers:

- 9 are included for the Commercial market and only one did not meet the target,
- 10 are included for Medicare Advantage and four did not meet the target, and
- 17 are included for Medicaid and three did not meet the target.

Payer	Commercial	Medicare Advantage	Medicaid
Advanced Health			Not Met
Aetna	Met	Indeterminate	
AllCare CCO			Met
ATRIO		Met	
Cascade Health			Not Met
Cigna	Met		
CPC - CareOregon			Indeterminate
EOCCO - Moda			Indeterminate
Health Net Company		Met	
Health Net Oregon	Met	Indeterminate	
Health Share			Not Met
IHN - Samaritan			Met
Jackson CCO - CareOregon			Indeterminate
Kaiser	Met	Not Met	
Medicaid FFS / Open Card			Met
Moda	Met	Not Met	
PacificSource - Central OR			Met
PacificSource - Gorge			Indeterminate
PacificSource - Lane			Met
PacificSource - Marion and Polk			Met
PacificSource Community		Met	
PacificSource Health	Indeterminate		
Providence	Met		
Providence Health Assurance		Indeterminate	
Regence	Not Met	Not Met	
Trillium CCO Southwest			Met
Trillium CCO Tri-County			Met
UHC Company	Met	Not Met	
Umpqua CCO			Indeterminate
Yamhill Community Care			Met

Payer perspectives on cost growth

As a part of the data validation process in the fall of 2023, OHA met with each payer to discuss their data and address any validation issues that arose. These conversations also touched on the reasons for cost growth from 2021-2022.

In-depth conversations about the reasons for cost growth will take place with payers exceeding the target in summer of 2024. However, initial conversations identified some themes.

Post COVID-19 return to care

In the 2020-2021 period, many Commercial plans saw a bounce back in utilization as the pandemic began to ease. This utilization surge continued in 2022, particularly for Medicare Advantage plans.

The types of care that increased, according to payers, included everything from office visits to orthopedic surgeries and cancer treatments. One payer mentioned that an increase in in-person care relative to the pandemic period may have driven up overall utilization, as patients tended to use more services following an in-person visit when compared to telehealth.

Growth in retail pharmacy

A number of payers who exceeded the cost growth target mentioned growth in retail pharmacy as a cost driver. One payer saw an increase in outliers – that is, health plan members with high costs relative to other health plan members – with high pharmacy costs. Another mentioned that a decrease in pharmacy rebates in 2022 relative to 2021 may have contributed to growth in total retail pharmacy expenditures net of rebates.

Catastrophic claims

A few payers mentioned variation in the number of large claims. In one case, this was related to high retail pharmacy costs. In another case, these claims related to transplants, cancer, and gene therapy.

Increased spending on behavioral health

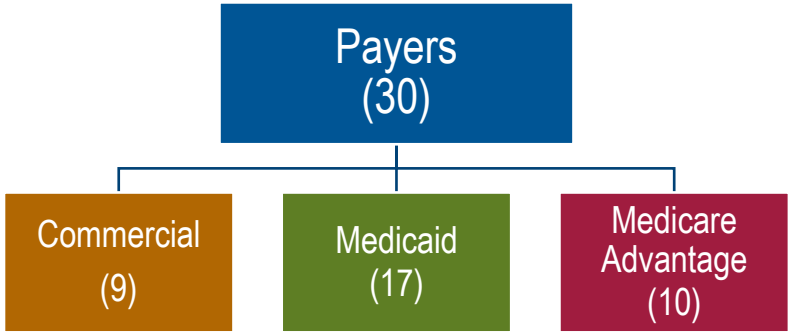
One Medicaid payer explained that there was a marked increase in spending on behavioral health, as a part of efforts to improve care provision in this area. OHA understands this to be an ongoing and well-documented area for cost growth throughout Medicaid as expanded access and increased behavioral health rates are a focus for the state

Which payers are included?

Data Submission: All payers and third-party administrators (TPAs) with at least 1,000 members in Oregon must submit cost growth target data to the Oregon Health Authority. OHA identifies mandatory data submitters each year, using enrollment data from Medicaid enrollment reports and the Department of Consumer and Business Services. ERISA self-insured plans may voluntarily submit data. The mandatory data submitter notification letter and list of payers for 2021-2022 is available online, as is the list of voluntary data submitters.

Public Reporting: Payers and TPAs with at least 5,000 lives in a market (Medicaid, Medicare Advantage, Commercial) are included in public reporting. All other payer level data is included in aggregate in the state and market level totals.

Number of payers meeting the reporting threshold for 2021-2022, by market



* UHC Company includes all UHC Medicare entities due to novated contracts during the measurement period

Payer	Comm.	MA	Medicaid
Advanced Health			●
Aetna	●	●	
AllCare CCO			●
ATRIO		●	
Cascade Health			●
Cigna	●		
CPC - CareOregon			●
EOCCO - Moda			●
Health Net Company		●	
Health Net Oregon	●	●	
Health Share			●
IHN - Samaritan			●
Jackson CCO - CareOregon			●
Kaiser	●	●	
Medicaid FFS / Open Card			●
Moda	●	●	
PacificSource - Central OR			●
PacificSource - Gorge			●
PacificSource - Lane			●
PacificSource - Marion and Polk			●
PacificSource Community		●	
PacificSource Health	●		
Providence	●		
Providence Health Assurance		●	
Regence	●	●	
Trillium CCO Southwest			●
Trillium CCO Tri-County			●
UHC Company	●	●	
Umpqua CCO			●
Yamhill Community Care			●

How to read the charts in this chapter

Chapters III and IV present information about individual payer and provider organization cost growth in relation to the 3.4% target.

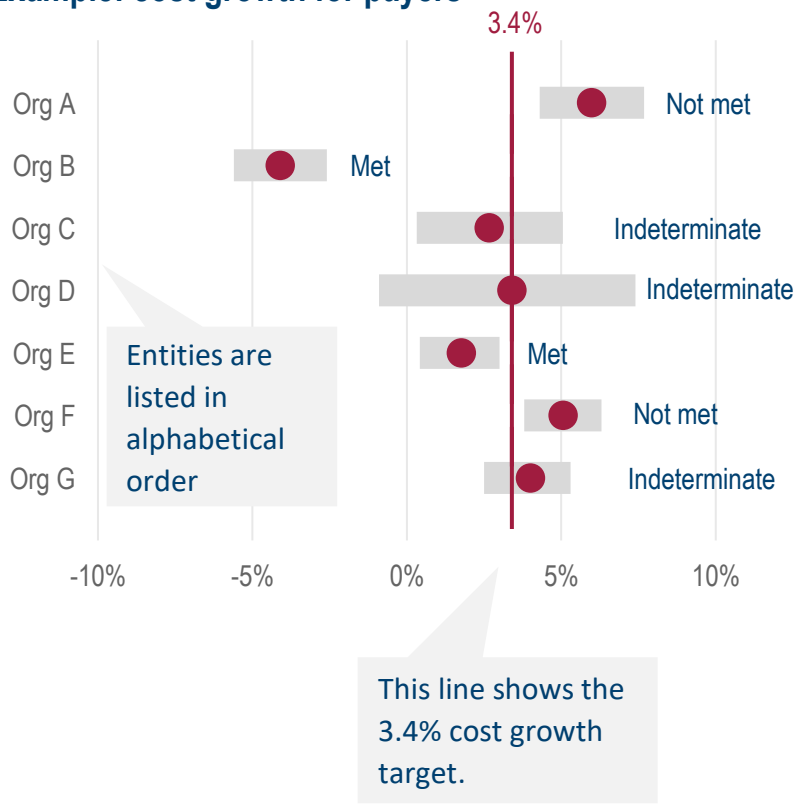
In the example chart, the y-axis lists payers that are accountable for meeting the cost growth target. Dots represent 2021-2022 cost growth for the payers listed. Bars represent confidence intervals. Positive percentages show how much health care spending increased, while negative cost growth percentages mean that health care spending went down.

Dots and bars that fall left of the target line have met the target. Dots and bars to the right of the line have not met the target. If bars cross the target line, performance is indeterminate (i.e., the payer did not meet or exceed the target with statistical certainty).

How to interpret confidence intervals

Confidence intervals help ensure that data are accurate and reliable by giving a range of plausible values. In calculating cost growth, OHA uses a 95% confidence interval, which means that we are 95% confident that an organization's cost growth value falls within that range. The gray bars in the chart show the confidence interval range, with longer bars indicating a greater range and smaller bars indicating a smaller range. Generally, organizations with a larger number of members or patients will have a shorter confidence interval bar, while a company with a smaller number of members or patients will have a longer bar.

Example: cost growth for payers



Payers and provider organizations must exceed the cost growth target with statistical confidence before they could potentially be held accountable. For any entities where cost growth is "indeterminate" – no accountability would apply.

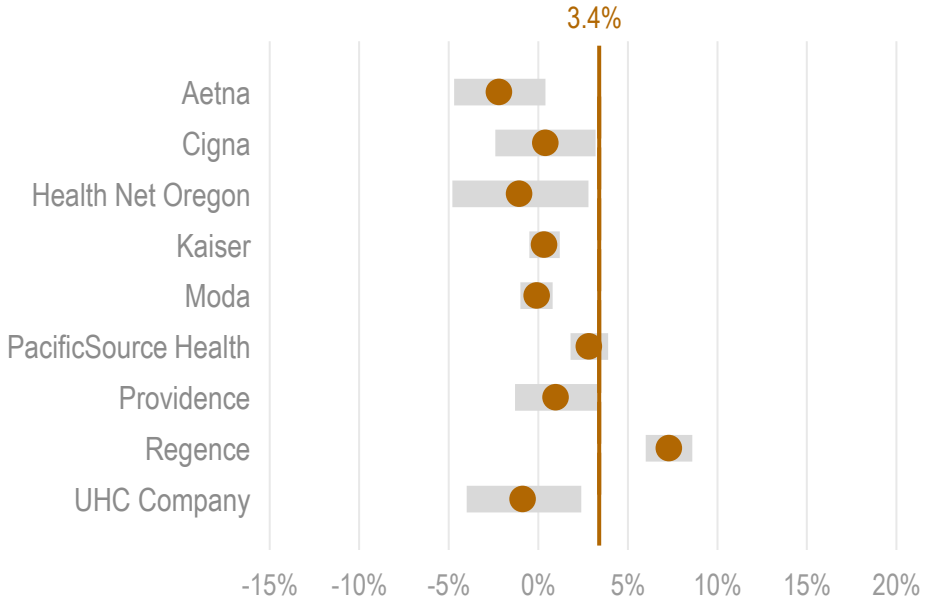
Commercial Payers

Nine Commercial payers were included in the Cost Growth Target program in 2021-2022

Cost growth for Commercial payers ranged from -2.2% to 7.3%. Seven Commercial payers met the cost growth target: one payer was indeterminate, and one payer exceeded the target with statistical certainty.

Since OHA only uses full claims to calculate cost growth, some payers do not have all their members and/or spending data captured. The table below shows the portion of Commercial payer's members were reported in partial claims (and therefore not reflected in the cost growth trends presented on this page).

2021-2022 cost growth for Commercial payers

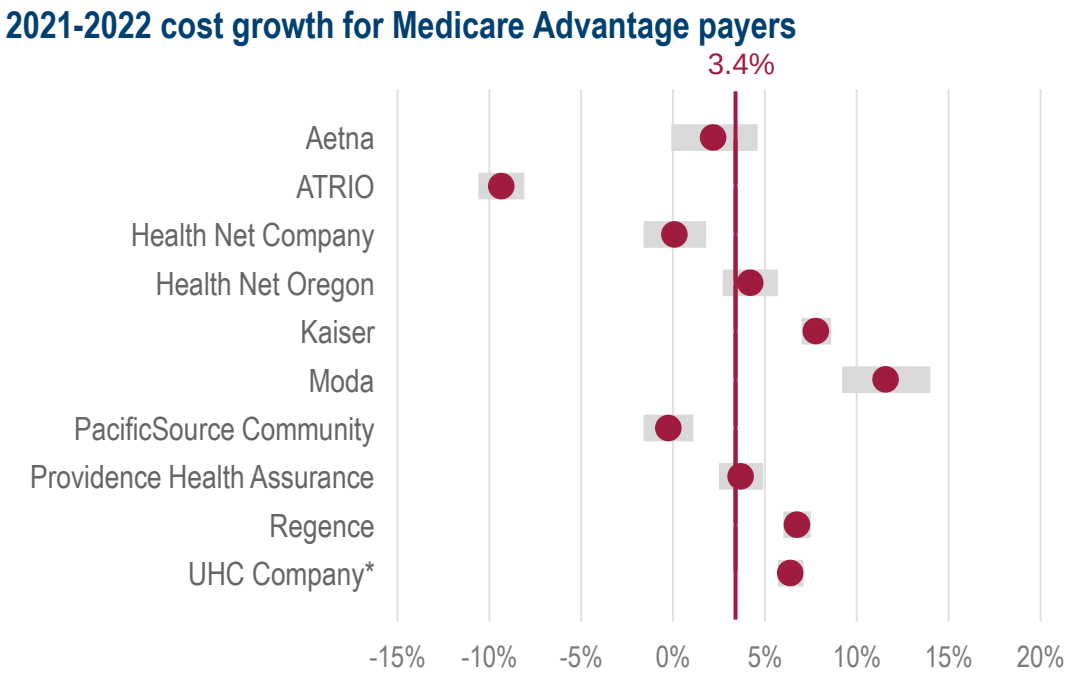


Commercial Payer	Partial claims, as a percentage of member months	
	2021	2022
Aetna	62%	60%
Cigna	22%	32%
Moda	19%	19%
Regence	36%	33%

Commercial Payer	Target Performance	2021-22 Cost Growth
Aetna	Met	-2.2%
Cigna	Met	0.4%
Health Net Oregon	Met	-1.1%
Kaiser	Met	0.3%
Moda	Met	-0.1%
PacificSource Health	Indeterminate	2.8%
Providence	Met	1.0%
Regence	Not Met	7.3%
UHC Company	Met	-0.9%

Medicare Advantage Payers

Ten Medicare Advantage payers were included in the Cost Growth Target program for the 2021-2022 performance period. Cost growth for Medicare Advantage payers ranged from -9.3% to 11.6%. Three payers met the target, three payers were indeterminate, and four payers exceeded the target with statistical confidence.



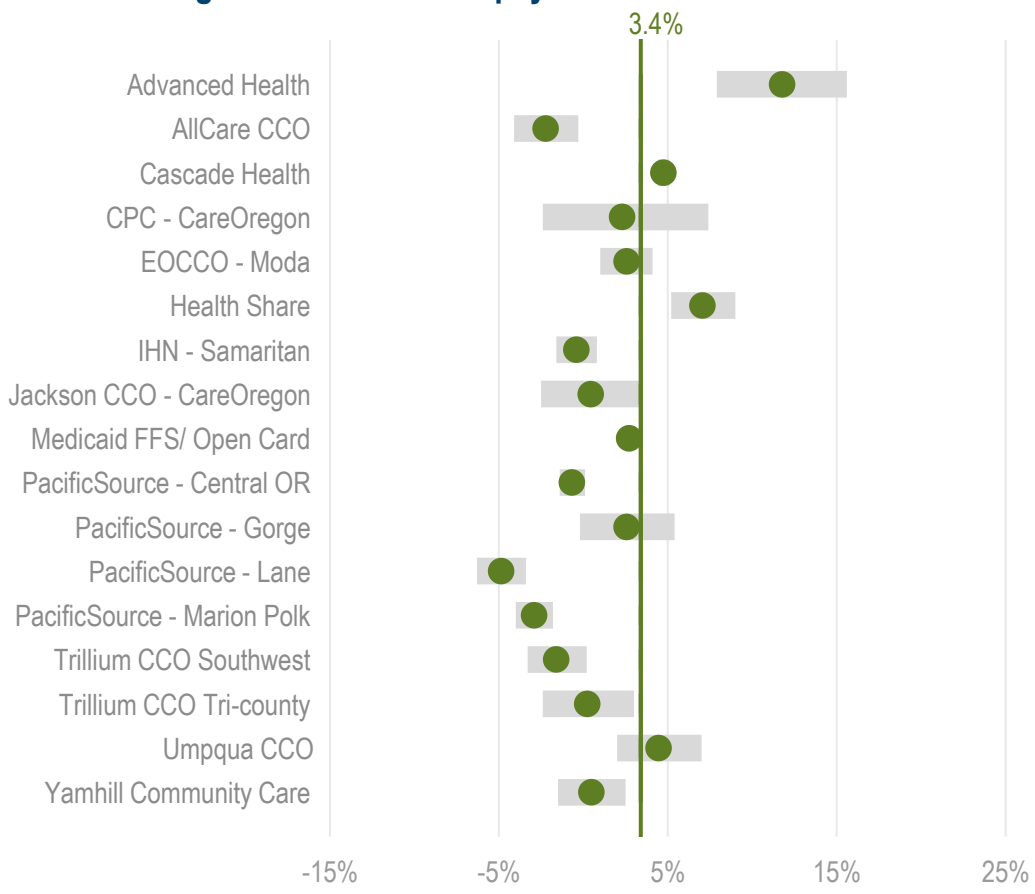
Medicare Advantage Payer	Target Performance	2021-22 Cost Growth
Aetna	Indeterminate	2.2%
ATRIO	Met	-9.3%
Health Net Company	Met	0.1%
Health Net Oregon	Indeterminate	4.2%
Kaiser	Not Met	7.8%
Moda	Not Met	11.6%
PacificSource Community	Met	-0.3%
Providence Health Assurance	Indeterminate	3.7%
Regence	Not Met	6.8%
UHC Company*	Not Met	6.4%

* UHC Company includes all UHC Medicare entities due to novated contracts during the measurement period

Medicaid Payers

Seventeen Medicaid payers were included in the Cost Growth Target program for the 2021-2022 performance period, including all Coordinated Care Organizations (CCOs) and Medicaid Fee-for-Service (FFS)/Open Card. Cost growth ranged from -4.9% to 11.8%. Nine Medicaid payers met the target, five were indeterminate, and three exceeded the target with statistical confidence.[14]

2021-2022 cost growth for Medicaid payers



Medicaid Payer	Target Performance	2021-22 Cost Growth
Advanced Health	Not Met	11.8%
AllCare CCO	Met	-2.2%
Cascade Health	Not Met	4.7%
CPC - CareOregon	Indeterminate	2.3%
EOCCO - Moda	Indeterminate	2.6%
Health Share	Not Met	7.1%
IHN - Samaritan	Met	-0.4%
Jackson CCO - CareOregon	Indeterminate	0.4%
Medicaid FFS/ Open Card	Met	2.7%
PacificSource - Central OR	Met	-0.7%
PacificSource - Gorge	Indeterminate	2.6%
PacificSource - Lane	Met	-4.9%
PacificSource - Marion Polk	Met	-2.9%
Trillium CCO Southwest	Met	-1.6%
Trillium CCO Tri-County	Met	0.2%
Umpqua CCO	Indeterminate	4.5%
Yamhill Community Care	Met	0.5%

[14] The majority of Medicaid pharmacy rebates are collected at the state level and applied to the Medicaid market in aggregate. Any pharmacy rebates reported by CCOs are included in CCO-level total medical expense calculation, but the majority of Medicaid pharmacy rebates are not applied to the results on this page.

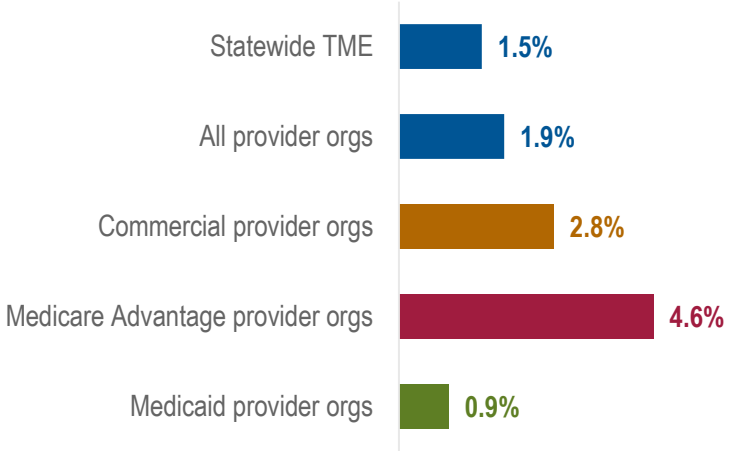
Chapter IV. Health Care Cost Growth Trends, 2021-2022 by Provider Organization and Market

Key Findings

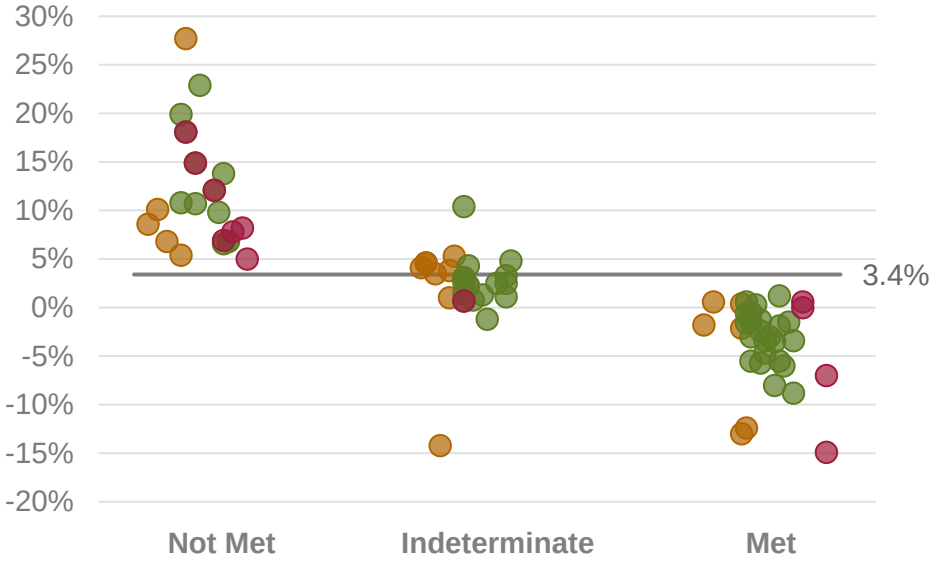
Fifty-three provider organizations were included in cost growth target reporting for 2021-2022. Overall cost growth for provider organizations was 1.9%, compared to statewide TME of 1.5%.

Commercial cost growth for provider organizations was 2.8%, while Medicare Advantage cost growth was 4.6%. Provider organizations had the lowest cost growth for Medicaid, at 0.9%. Of the 53 provider organizations, 29 met the target for at least one market. [15]

Overall cost growth for provider organizations, by market, 2021-2022



Distribution of provider organization performance in relation to the cost growth target for **Commercial**, **Medicare Advantage**, and **Medicaid** markets, 2021-2022.



Market	Group Count	Met Target Count	2021-2022 Cost Growth
Commercial	21	6	2.8%
Medicare Advantage	13	4	4.6%
Medicaid	50	24	0.9%

[15] Provider organization cost growth is calculated with exclusions relative to statewide TME. Commercial provider organization cost growth only includes full claims and Medicare/Medicaid Duals are excluded from those two markets. Only provider organizations with at least 60,000 attributed member months (or, 5,000 patients) in each measurement year are included. Pharmacy rebate data are not available at the provider organization level, so all figures are gross of pharmacy rebates, whereas statewide TME is net of pharmacy rebates. See Appendix A for additional detail on the methodology of calculating cost growth.

Which provider organizations met the cost growth target in 2021-2022?

Some provider organizations have attributed patients in multiple markets and are included in cost growth target reporting for each market in which they have at least 5,000 attributed patients. Because of the variation in provider organizations across the state, this report groups provider organizations by type and size.

For the 2021-2022 measurement period, 53 provider organizations are included across the three markets. Of those:

- 21 are included for the Commercial market – four did not meet the target,
- 13 are included for Medicare Advantage and seven did not meet the target, and
- 50 are included for Medicaid and 12 did not meet the target.

Provider Organization	Commercial	Medicare Advantage*	Medicaid
Large health systems and group practices (more than 20,000 patients)			
Kaiser	Met	Not Met	Met
Legacy Health	Met	Not Met	Indeterminate
Oregon Medical Group	Not Met	Met	Met‡
PeaceHealth	Indeterminate	Met	Met***
Praxis Health	Indeterminate	Met	Indeterminate‡
Providence	Not Met	Not Met	Indeterminate
Salem Clinic	Indeterminate	Indeterminate	Indeterminate**
Mid-sized health systems and group practices (10-20,000 patients)			
Asante	Indeterminate	Not Met	Met‡
Northwest Medical Homes			Met
Northwest Primary Care	Indeterminate		
OHSU	Met	Met	Indeterminate**
Oregon Integrated Health			Met
Salem Health	Indeterminate	Indeterminate	Indeterminate
Samaritan Health	Indeterminate	Not Met	Met**
Sky Lakes Medical Center			Not Met
The Corvallis Clinic	Indeterminate	Not Met	
WFMC Health			Met

*All providers in the Medicare Advantage market are reported together.
**OHSU and Samaritan Health are large provider organization for Medicaid.
***North Bend, PeaceHealth, Salem Clinic, and St Charles are mid-size provider organizations for Medicaid
‡Asante, Oregon Medical Group, and Praxis Health are small provider organization for Medicaid

Provider Organization	Commercial	Medicare Advantage*	Medicaid
Smaller health systems and group practices (fewer than 10,000 patients)			
Adventist Health			Indeterminate
Best Med			Met
Columbia Clinic			Not Met
Evergreen Family Medicine			Met
Grande Ronde Hospital			Met
Grants Pass Clinic			Indeterminate
North Bend Medical Center	Met		Not Met***
Physicians Medical Center			Indeterminate
Santiam Memorial Hospital			Met
St Charles Health System	Indeterminate		Indeterminate***
Summit Health	Not Met		Met
The Portland Clinic	Indeterminate	Not Met	
Pediatric practices			
COPA	Met		Met
CHAOS			Indeterminate
Hillsboro Pediatrics			Not Met
Metropolitan Pediatrics	Indeterminate		Not Met
Oregon Pediatrics			Indeterminate
Salem Pediatrics	Not Met		Indeterminate
Sanford's Childrens			Not Met
The Children's Clinic	Met		Not Met
Woodburn Pediatrics			Not Met

Provider Organization	Medicaid
Federally Qualified Health Centers	
Aviva Health	Not Met
Benton Co Health Dept	Met
Clackamas Health Centers	Not Met
La Clinica	Met
Community Health Centers of Lane County	Met
Mosaic Community Health	Met
Multnomah Co Health Dept	Not Met
Neighborhood Health Center	Indeterminate
Northwest Human Services	Met
One Community Health	Indeterminate
Rogue Community Health	Met
Siskiyou CHC	Met
Valley Family Health Care	Not Met
Virginia Garcia	Indeterminate
Yakima Valley Farm Workers Clinic	Met

*All providers in the Medicare Advantage market are reported together.

**OHSU and Samaritan Health are large provider organization for Medicaid.

***North Bend, PeaceHealth, Salem Clinic, and St Charles are mid-size provider organizations for Medicaid

ǂAsante, Oregon Medical Group, and Praxis Health are small provider organization for Medicaid

Provider perspectives on cost growth

As a part of the 2021-2022 data validation process, OHA shared detailed data summaries with all provider organizations and met with some organizations to discuss data validity and touch on cost growth drivers.

In-depth conversations about the reasons for cost growth will take place with organizations exceeding the target in summer of 2024. However, initial conversations identified some themes.

Utilization increases

COVID-19 profoundly disrupted the health care system, resulting in many non-essential services being paused and patients delaying care during 2020. In meetings relating to 2020-2021 cost growth, many providers with commercially-insured patients noted a surge in utilization as the pandemic eased. In the 2021-2022 period, this increase in utilization continued for some providers, particularly among older adults in the Medicare Advantage population.

Expanded services

Some providers mentioned expanding certain service offerings, which could have resulted in increased utilization among their patient populations, which had easier access to these services. One provider organization constructed a new cancer treatment center, while another increased its provision of infusion services for its patients.

Increase in non-claims payments from CCOs

Numerous providers serving the Medicaid population mentioned receiving additional quality payments or shared savings from their Coordinated Care Organizations (CCOs) in 2022. In some cases, this was related to work that was specific to COVID-19, like vaccination clinics. In other cases, provider organizations had improved their quality metrics and the increased payments were paid as incentives.

Behavioral health spending

There was an uptick in behavioral health spending, particularly among FQHCs and other providers serving the Medicaid population. For most provider organizations, this was part of a strategy to improve the holistic health of their patient populations, respond to rising patient needs, or meet quality metrics set by the state.

Hospital rate increases

A number of provider organizations mentioned hospital rate increases as a factor driving up their costs in the hospital inpatient and outpatient service categories. In the face of workforce challenges and rising inflation, many hospital systems pushed for higher reimbursement from payers, increasing these costs for all patient populations using those services. Because of the primary care attribution model used by this program, these rate increases are felt by all provider organizations, not just the hospitals that are providing the care and receiving the money.

'Tripledemic' among the pediatric population

In the fall of 2022, pediatric organizations faced a "tripledemic," where there was a surge in COVID-19, flu, and respiratory syncytial virus (RSV) cases.[16] As a result of this surge in respiratory disease, there was an uptick of utilization of medical services and treatments among children, including costly services provided in a hospital setting.

[16] See McKoy, Jillian. RSV, Flu and COVID: Understanding today's 'Tripledemic'. Boston University. 2022. Accessed April 2024.

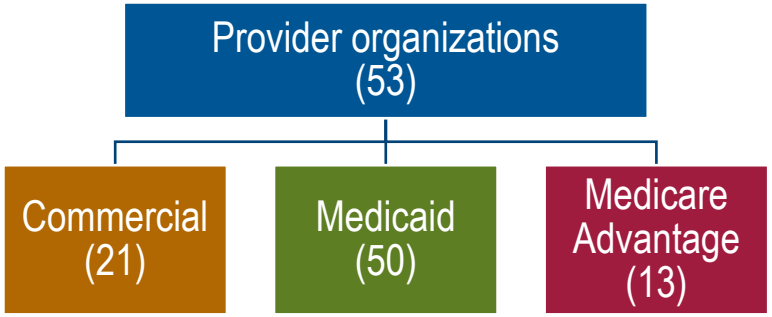
Which provider organizations are included in reporting?

Provider organizations are included in the Cost Growth Target Program if they meet the following criteria:

1. Include primary care providers who direct a patient's care (and can influence where a patient receives care)

2. Have sufficient patient volume to calculate accurate and reliable cost, defined as at least 10,000 attributed patients across all markets or at least 5,000 attributed patients in any one market.

Number of provider organizations meeting the threshold for 2021-2022, by market



Provider organizations designated as hospitals will be identified by an icon next to their name on any charts to further distinguish their pivotal role in the provider landscape.

Grouping similar provider organizations

To avoid inaccurate comparisons, OHA created groups for presenting provider organization cost growth, based on patient volume and type of organization.

Market	Provider Organization Group	#
Commercial	Large health systems and group practices (> 20,000 attributed patients)	7
	Mid-sized health systems and group practices (10,000 to 20,000 attributed patients)	6
	Smaller health systems and group practices (< 10,000 attributed patients)	4
	Pediatric practices	4
Medicare Advantage	All	13
Medicaid	Federally qualified health centers (FQHCs)	15
	Large health systems and group practices (>20,000 attributed patients)	5
	Mid-sized health systems and group practices (10,000 to 20,000 attributed patients)	9
	Smaller health systems and group practices (< 10,000 attributed patients)	12
	Pediatric practices	9

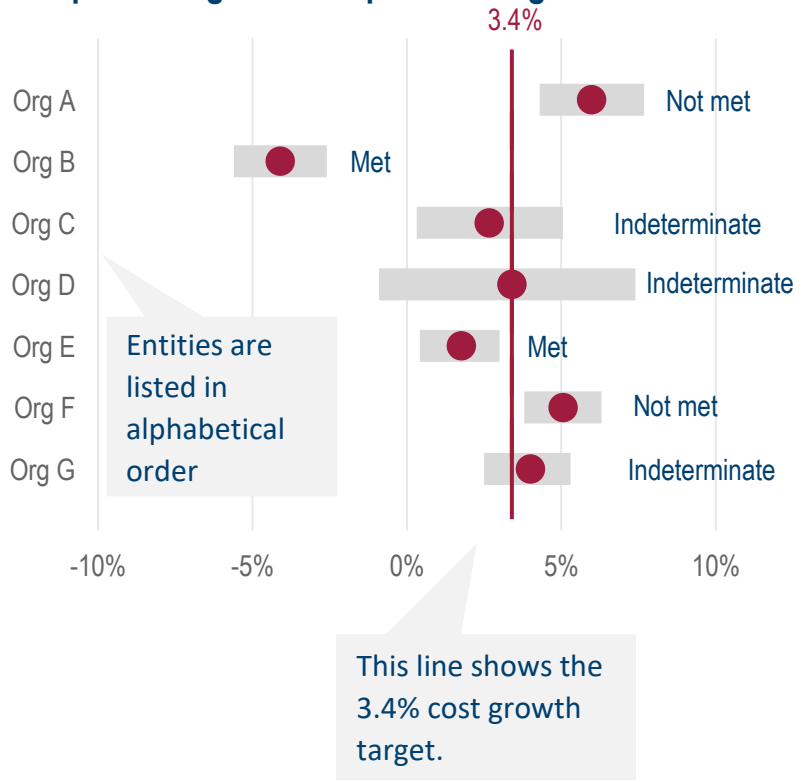
How to read the charts in this chapter

Chapters III and IV present information about individual payer and provider organization cost growth in relation to the 3.4% target.

In the example chart, the y-axis lists provider organizations that are accountable for meeting the cost growth target. Dots represent 2021-2022 cost growth for the provider organizations listed. Bars represent confidence intervals. Positive percentages show how much health care spending increased, while negative cost growth percentages mean that health care spending went down.

Dots and bars that fall left of the target line have met the target. Dots and bars to the right of the line have not met the target. If bars cross the target line, performance is indeterminate (i.e., the provider organization did not meet or exceed the target with statistical confidence).

Example: cost growth for provider organizations



How to interpret confidence intervals

Confidence intervals help ensure that data are accurate and reliable by giving a range of plausible values. In calculating cost growth, OHA uses a 95% confidence interval, which means that we are 95% confident that an organization's cost growth value falls within that range. The gray bars in the chart show the confidence interval range, with longer bars indicating a greater range and smaller bars indicating a smaller range. Generally, organizations with a larger number of members or patients will have a shorter confidence interval bar, while a company with a smaller number of members or patients will have a longer bar.

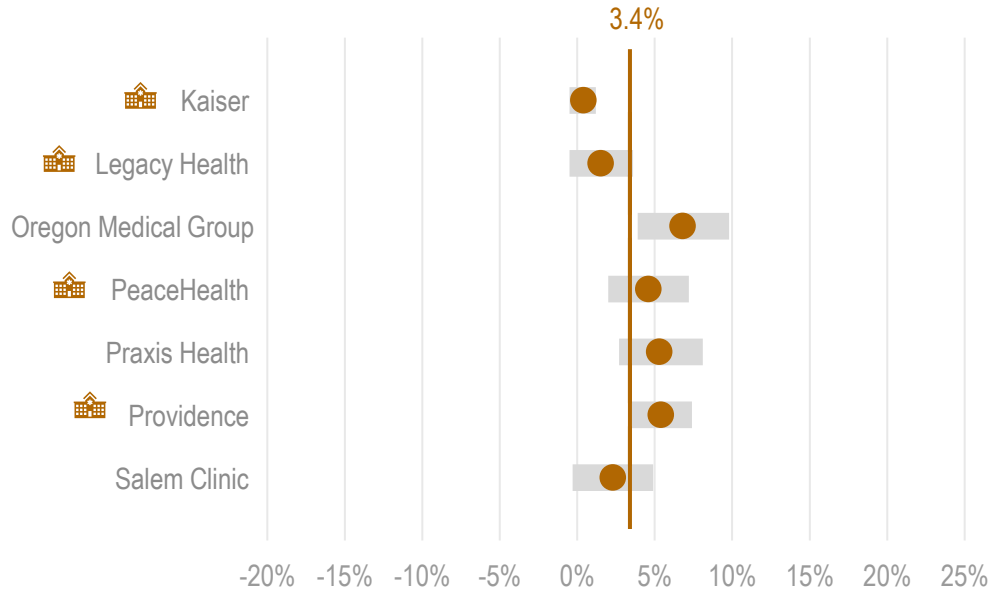
Payers and provider organizations must exceed the cost growth target with statistical confidence before they could potentially be held accountable. For any entities where cost growth is "indeterminate" – no accountability would apply.

Commercial: Large Provider Organizations

This group includes seven provider organizations. Organizations in this group had more than 20,000 attributed patients with Commercial insurance coverage. Cost growth for this group ranged from 0.4% to 6.8%. Two provider organizations in this group met the target; two exceeded the target with statistical confidence, and three were indeterminate.

Between 2021-2022, almost all large provider organizations saw meaningful increases in the amount being spent on (gross of rebate) retail pharmacy, up to 12.1% in one case. Hospital inpatient and outpatient costs were also a significant contributor to Commercial cost growth. One provider organization suggested increased hospital costs could be related to hospital rate increases.

2021-2022 Commerical cost growth for large provider organizations
(more than 20,000 attributed patients in 2022)

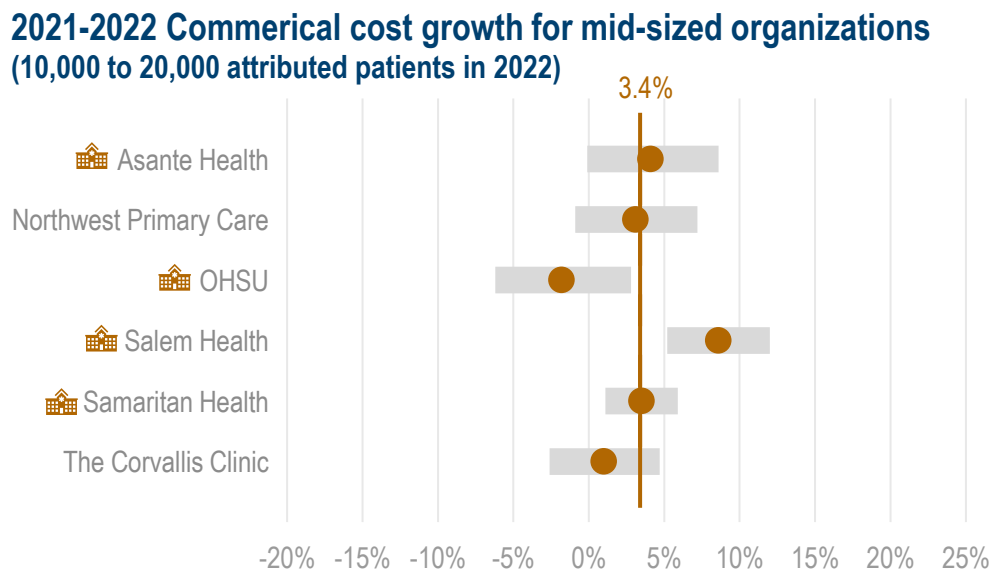


Provider Organization	Target Performance	2021-22 Commercial Cost Growth
Kaiser	Met	0.4%
Legacy Health	Met	1.5%
Oregon Medical Group	Not Met	6.8%
PeaceHealth	Indeterminate	4.6%
Praxis Health	Indeterminate	5.3%
Providence	Not Met	5.4%
Salem Clinic	Indeterminate	2.3%

Commercial: Mid-Sized Provider Organizations

This group includes six provider organizations. Organizations in this group had between 10,000 and 20,000 attributed patients with Commercial insurance coverage. Cost growth for this group ranged from -1.8% to 8.6%. One organization met the target, one exceeded the target with statistical confidence, and four were indeterminate.

Commercial cost growth was relatively modest in this group during the 2021-2022 period; however, similar to the larger provider organizations, those with higher Commercial cost growth tended to have increased spending for attributed patients in the hospital and retail pharmacy categories.

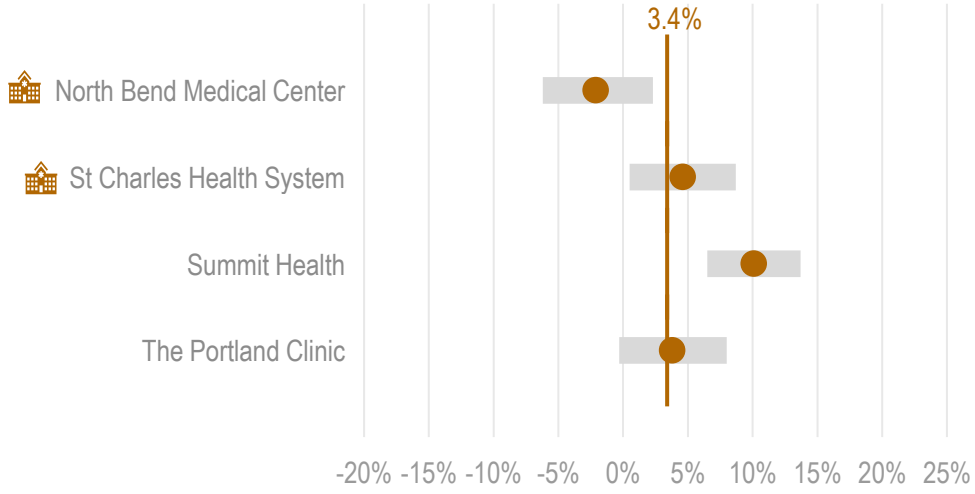


Provider Organization	Target Performance	2021-22 Commercial Cost Growth
Asante	Indeterminate	4.1%
Northwest Primary Care	Indeterminate	3.1%
OHSU	Met	-1.8%
Salem Health	Not Met	8.6%
Samaritan Health	Indeterminate	3.5%
The Corvallis Clinic	Indeterminate	1.0%

Commercial: Smaller Provider Organizations

This group includes four provider organizations. Organizations in this group had fewer than 10,000 attributed patients with Commercial insurance coverage. Cost growth for this group ranged from -2.1% to 10.1%. One provider organization met the target, one exceeded the target, and two were indeterminate.

2021-2022 commerical cost growth for smaller provider organizations (fewer than 10,000 attributed patients in 2022)



Provider Organization	Target Performance	2021-22 Commercial Cost Growth
North Bend Medical Center	Met	-2.1%
St Charles Health System	Indeterminate	4.6%
Summit Health	Not Met	10.1%
The Portland Clinic	Indeterminate	3.8%

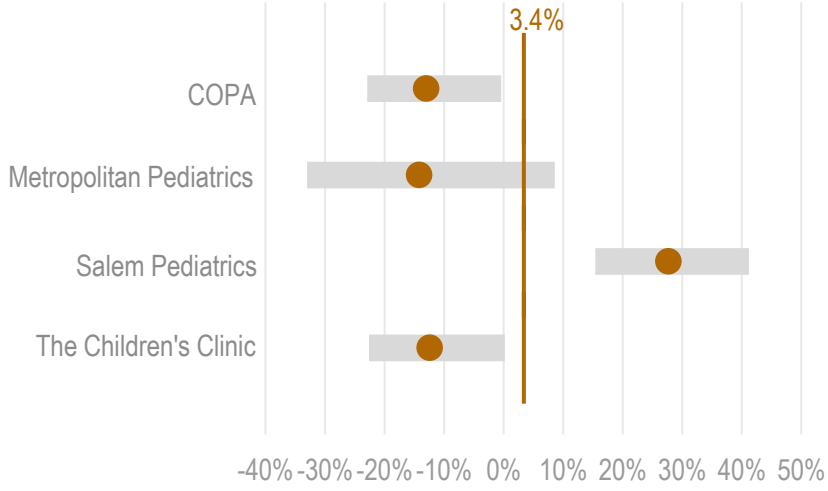
Commercial: Pediatric Provider Organizations

This group includes four pediatric practices. Cost growth for attributed patients with Commercial insurance coverage varied widely, ranging from -14.2% to 27.7%. Two pediatric practices met the target, one exceeded, and one was indeterminate.

Hospital costs were a factor driving Commercial cost growth for pediatric provider organizations and may have been related to a limited number of complex cases. Several pediatric organizations highlighted the cost impact of treating children during the COVID-19, RSV and flu "tripledemic" in the fall of 2022.

OHA understands that pediatric providers play a critical role in managing health care costs by focusing on preventative care and early intervention. By addressing health issues in children before they escalate, pediatric providers help mitigate the need for costly treatments later in life. The emphasis on family-centered care may ultimately reduce health care expenditures.

2021-2022 Commerical cost growth for pediatric provider organizations

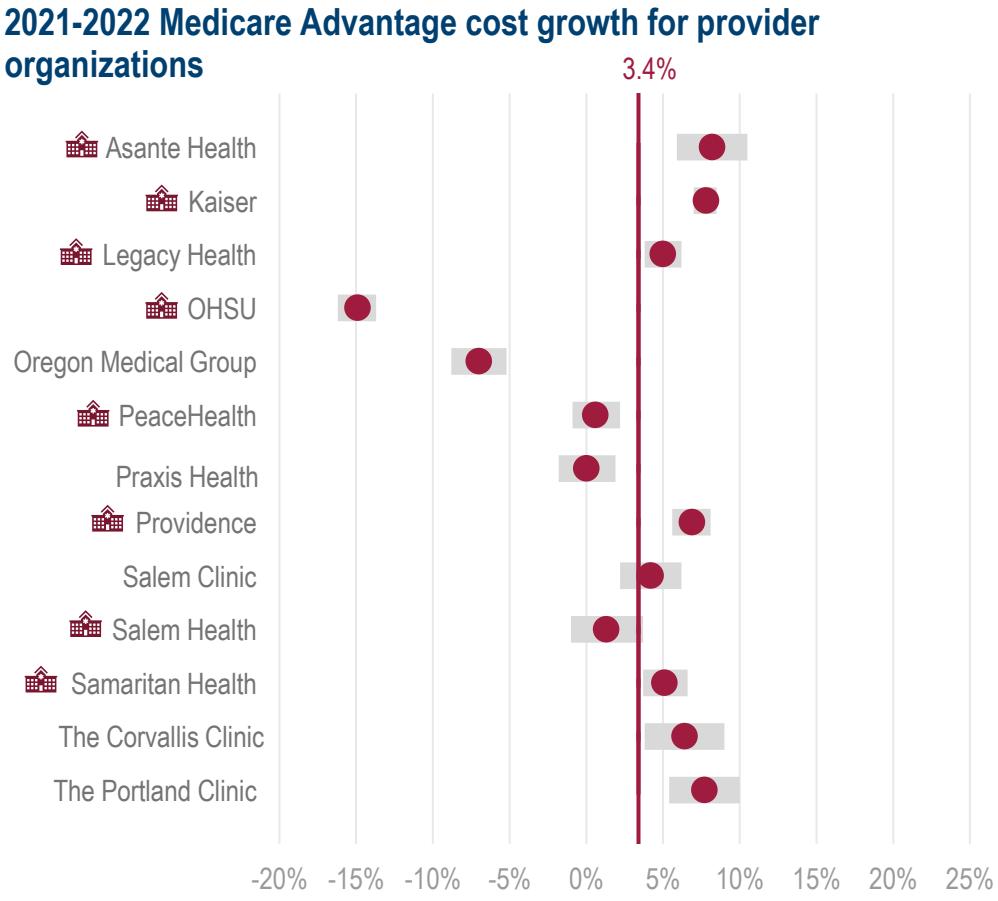


Provider Organization	Target Performance	2021-22 Commercial Cost Growth
COPA	Met	-13.0%
Metropolitan Pediatrics	Indeterminate	-14.2%
Salem Pediatrics	Not Met	27.7%
The Children's Clinic	Met	-12.4%

Medicare Advantage

This group includes all 13 provider organizations that had attributed patients with Medicare Advantage insurance coverage. Cost growth for this group ranged from -14.9% to 8.2%. Four organizations met the target, two were indeterminate, and seven exceeded the target with statistical confidence.

Almost across the board, provider organizations saw large increases in Medicare Advantage hospital inpatient, outpatient and retail pharmacy costs. In some cases, hospital outpatient costs could have been related to a return to the office for procedures and treatments put off during the pandemic, which was mentioned by several organizations.

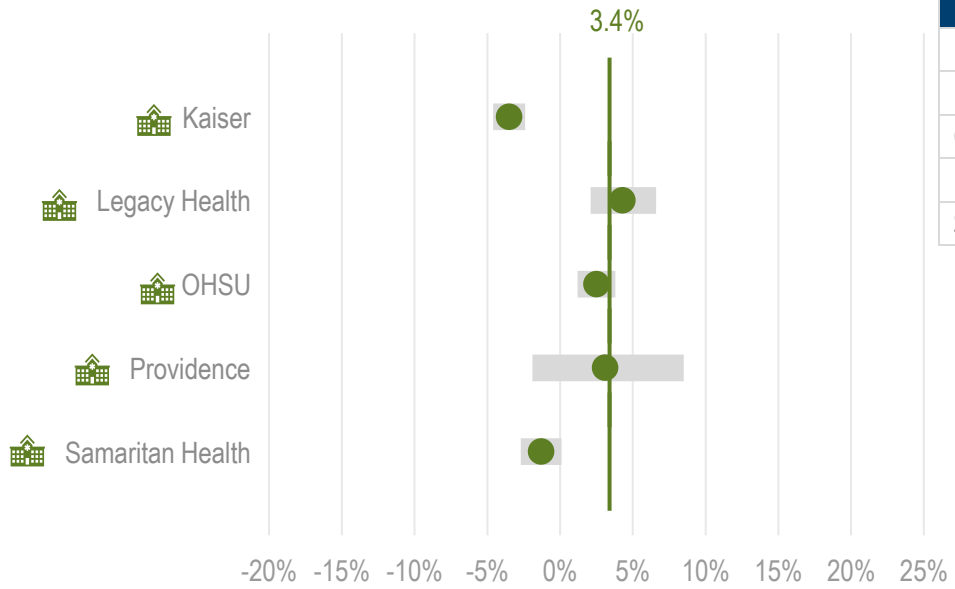


Provider Organization	Target Performance	2021-22 Medicare Advantage Cost Growth
Asante	Not Met	8.2%
Kaiser	Not Met	7.8%
Legacy Health	Not Met	5.0%
OHSU	Met	-14.9%
Oregon Medical Group	Met	-7.0%
PeaceHealth	Met	0.6%
Praxis Health	Met	0.0%
Providence	Not Met	6.9%
Salem Clinic	Indeterminate	4.2%
Salem Health	Indeterminate	1.3%
Samaritan Health	Not Met	5.1%
The Corvallis Clinic	Not Met	6.4%
The Portland Clinic	Not Met	7.7%

Medicaid: Large Provider Organizations

This group includes five provider organizations, each with more than 20,000 attributed patients with Medicaid coverage. Cost growth for this group ranged from -3.5% to 4.3%. Two of the organizations met the cost growth target and three were indeterminate.

2021-2022 Medicaid cost growth for large provider organizations
(more than 20,000 attributed patients in 2022)



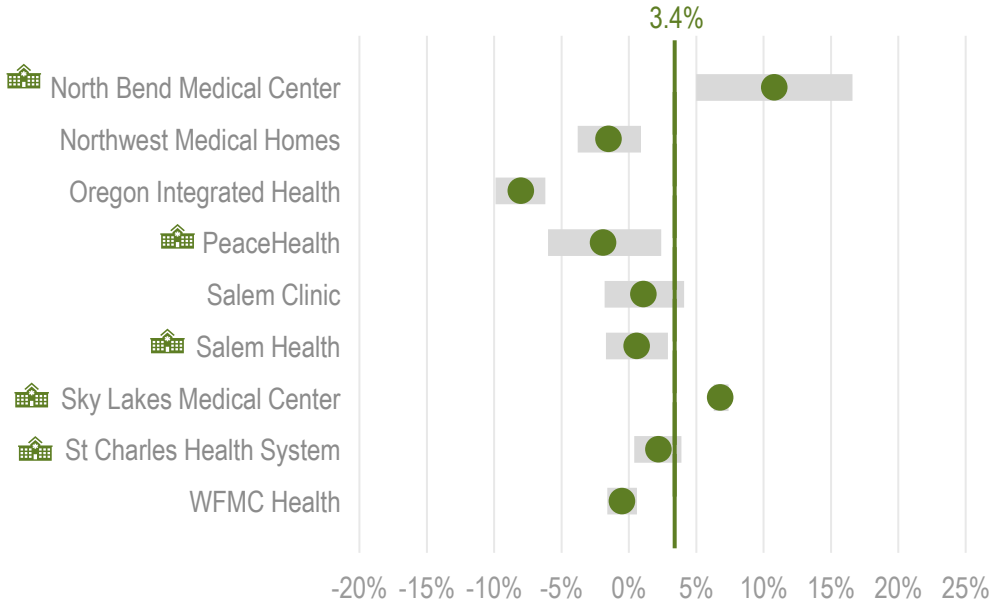
Provider Organization	Target Performance	2021-22 Medicaid Cost Growth
Kaiser	Met	-3.5%
Legacy Health	Indeterminate	4.3%
OHSU	Indeterminate	2.5%
Providence	Indeterminate	3.1%
Samaritan Health	Met	-1.3%

Medicaid: Mid-sized Provider Organizations

This group includes nine provider organizations, each with 10,000 to 20,000 attributed patients with Medicaid coverage. Cost growth for this group ranged from -8.0% to 10.8%. Five organizations met the cost growth target, two were indeterminate, and two organizations exceeded the cost growth target with statistical confidence.

For the provider organizations that exceeded the target, elevated hospital inpatient spending, prospective payments, performance incentives and retail pharmacy were cost drivers.

2021-2022 Medicaid cost growth for mid-sized provider organizations
(10,000 to 20,000 attributed patients in 2022)

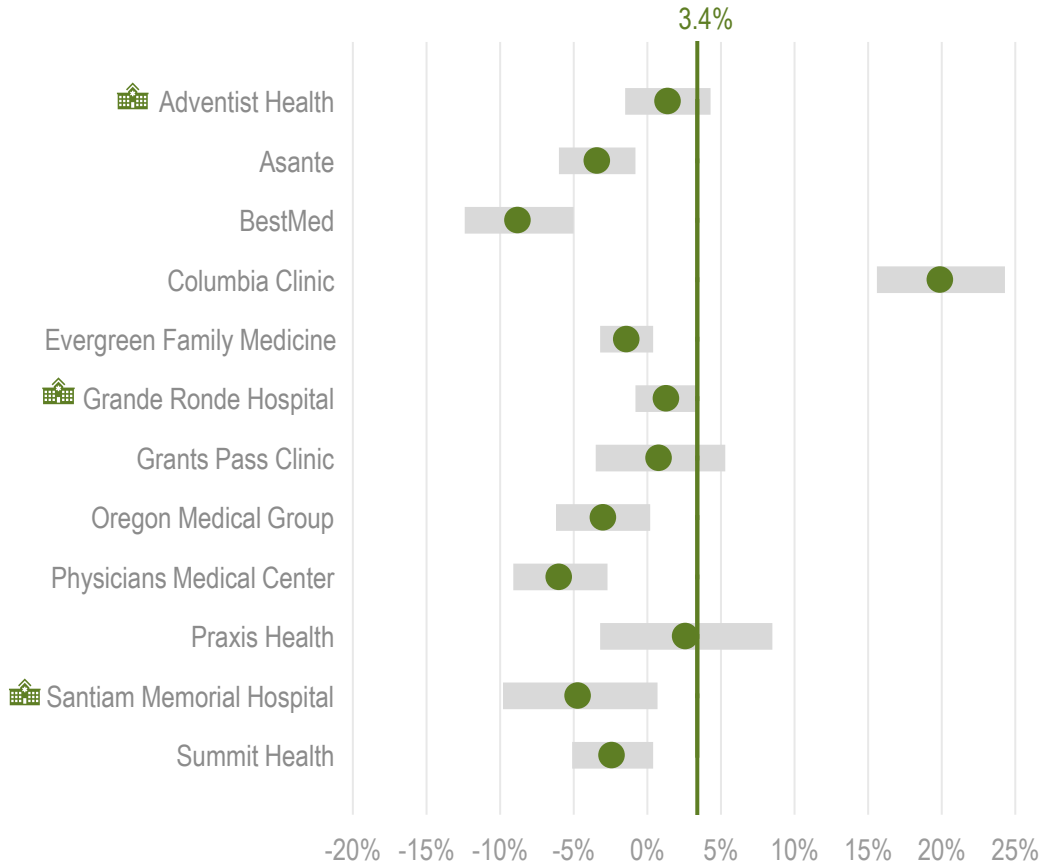


Provider Organization	Target Performance	2021-22 Medicaid Cost Growth
North Bend Medical Center	Not Met	10.8%
Northwest Medical Homes	Met	-1.5%
Oregon Integrated Health	Met	-8.0%
PeaceHealth	Met	-1.9%
Salem Clinic	Indeterminate	1.1%
Salem Health	Met	0.6%
Sky Lakes Medical Center	Not Met	6.8%
St Charles Health System	Indeterminate	2.2%
WFMC Health	Met	-0.5%

Medicaid: Smaller Provider Organizations

This group includes 12 provider organizations, each with fewer than 10, 000 attributed patients with Medicaid coverage. Cost growth for this group ranged from -8.8% to 19.9%. Eight organizations met the cost growth target, three were indeterminate, and one organization exceeded the cost growth target with statistical confidence.

2021-2022 Medicaid cost growth for smaller provider organizations
(fewer than 10,000 attributed patients in 2022)



Provider Organization	Target Performance	2021-22 Medicaid Cost Growth
Adventist Health	Indeterminate	1.4%
Asante	Met	-3.4%
BestMed	Met	-8.8%
Columbia Clinic	Not Met	19.9%
Evergreen Family Medicine	Met	-1.4%
Grande Ronde Hospital	Met	1.3%
Grants Pass Clinic	Indeterminate	0.8%
Oregon Medical Group	Met	-3.0%
Physicians Medical Center	Met	-6.0%
Praxis Health	Indeterminate	2.6%
Santiam Memorial Hospital	Met	-4.7%
Summit Health	Met	-2.4%

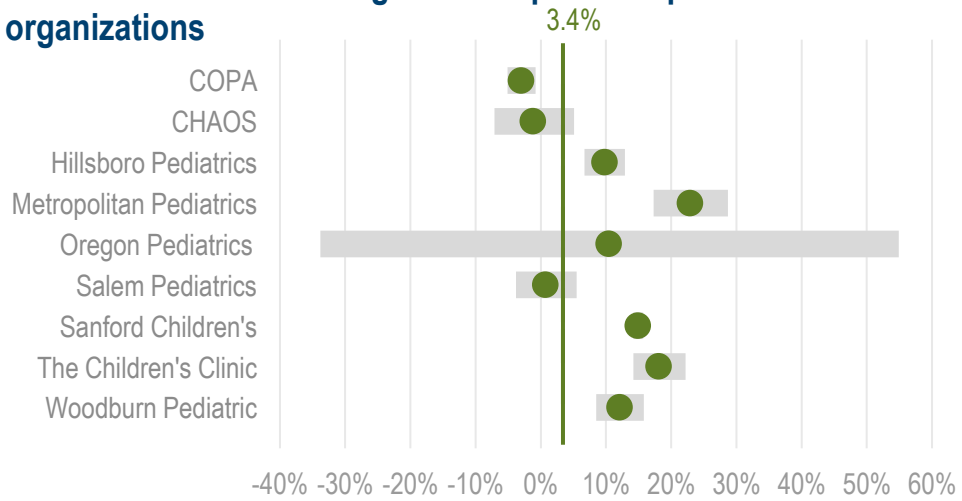
Medicaid: Pediatric Provider Organizations

Nine pediatric provider organizations had attributed patients with Medicaid coverage. Cost growth for this group ranged from -3.0% to 22.9%. One pediatric provider organization met the cost growth target, three were indeterminate, and five exceeded the cost growth target with statistical certainty.

Major cost growth drivers for pediatric provider organizations included: hospital inpatient spending, increased non-claims spending, and high-cost patients. One organization mentioned an influx of newborns with higher medical needs than usual during the period that could have required hospital treatment. Another identified several high-cost patients with elevated hospital costs in 2022.

OHA understands that pediatric providers play a critical role in managing health care costs by focusing on preventative care and early intervention. By addressing health issues in children before they escalate, pediatric providers help mitigate the need for costly treatments later in life. Medicaid pediatric provider organizations play a crucial role in providing health care access and services to traditionally underserved youth and this critical function is key to understanding and interpreting cost growth.

2021-2022 Medicaid cost growth for pediatric provider organizations



Provider Organization	Target Performance	2021-22 Medicaid Cost Growth
COPA	Met	-3.0%
CHAOS	Indeterminate	-1.2%
Hillsboro Pediatrics	Not Met	9.8%
Metropolitan Pediatrics	Not Met	22.9%
Oregon Pediatrics	Indeterminate	10.4%
Salem Pediatrics	Indeterminate	0.7%
Sanford Children's	Not Met	14.9%
The Children's Clinic	Not Met	18.1%
Woodburn Pediatric[17]	Not Met	12.1%

[17] As of May 2024, there are outstanding questions about Woodburn Pediatric's attributed patients and their cost growth performance may change when data are finalized.

Medicaid: Federally Qualified Health Centers

A Federally Qualified Health Center (FQHC), also known as a Community Health Center, is a primary care center that is community-based and patient-directed. By mission and design, FQHCs exist to serve those who have limited access to healthcare and welcome low-income individuals, the uninsured, and the underinsured.

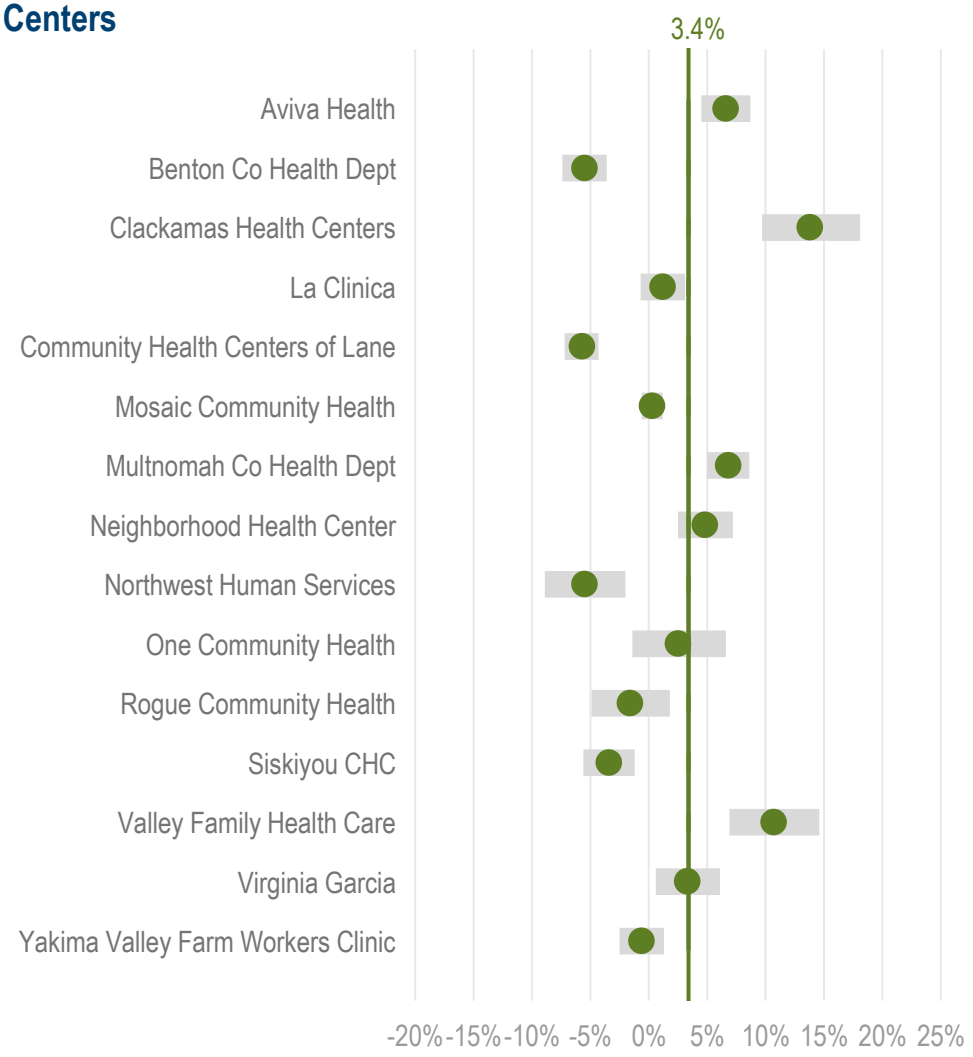
FQHCs play a crucial role in providing health care access and services to the most vulnerable populations across the state and this critical function is key to understanding and interpreting their cost growth.

While FQHCs may exceed the cost growth target with statistical certainty in some years, their cost growth is almost certainly for an acceptable reason (see page 6).

When looking at why FQHCs exceeded the target in 2022, several themes came up:

- Increased investment in behavioral health,
- Patients with specialized needs traveling from rural areas for their treatment, and
- Increases in prospective payments and performance incentives, which could have been related to improved quality or increased funding availability from payers, potentially for COVID-19 interventions.

2021-2022 Medicaid cost growth for Federally Qualified Health Centers



The FQHC group includes 15 provider organizations with attributed patients with Medicaid coverage. Cost growth for this group ranged from -5.7% to 13.8%. Eight FQHCs met the cost growth target, four exceeded, and three were indeterminate.

Provider Organization	Target Performance	2021-22 Medicaid Cost Growth
Aviva Health	Not Met	6.6%
Benton Co Health Dept	Met	-5.5%
Clackamas Health Centers	Not Met	13.8%
La Clinica	Met	1.2%
Community Health Centers of Lane County	Met	-5.7%
Mosaic Community Health	Met	0.3%
Multnomah Co Health Dept	Not Met	6.8%
Neighborhood Health Center	Indeterminate	4.8%
Northwest Human Services	Met	-5.5%
One Community Health	Indeterminate	2.5%
Rogue Community Health	Met	-1.6%
Siskiyou CHC	Met	-3.4%
Valley Family Health Care	Not Met	10.7%
Virginia Garcia	Indeterminate	3.3%
Yakima Valley Farm Workers Clinic	Met	-0.6%

Appendix A: Methodology

Types of Cost Growth Target Program Analyses

	Cost Growth Target Performance	Cost Driver Analysis
What is this?	A calculation of health care cost growth over a given period, compared to the cost growth target. It is measured at the state, payer, and provider level.	An analysis of what was driving health care cost growth in a given period, for example, growth in prices or growth in services
What data are used?	Aggregate data on health care costs, submitted by payers specifically for the Cost Growth Target Program. Includes claims and non-claims spending, pharmacy rebates, and administrative costs.	Granular claims data from Oregon's All Payer All Claims (APAC) database, submitted by payers, third-party administrators, and pharmacy benefit managers.
When is the analysis conducted?	Annually. Payers submit data to the Cost Growth Target Program each fall, data is validated and analyzed and published several months later.	Ad hoc throughout the year, as needed to supplement the Cost Growth Target Performance analysis and to help identify and inform opportunities and strategies to reduce cost growth.

Data Sources

Cost Growth Target Data Submissions

Total health care expenditure data for calendar years 2021-2022 is collected in the 2023 CGT data submissions. These files were submitted by mandatory data reporters in the Fall/Winter of 2023. Mandatory reporters include payers and third-party administrators (TPAs) with at least 1,000 covered Oregon lives across all lines of business. OHA uses enrollment data from the Department of Consumer and Business Services and from OHA's Medicaid enrollment reports to identify mandatory data submitters each year. OHA also identifies ERISA self-insured plans and invites these payers to voluntarily submit cost growth data.

More detail on payer inclusion criteria can be found in Oregon Administrative Rule 409-065.

OHA conducted a comprehensive three-stage data validation process with all data reporters, focusing on data completeness and quality, understanding cost growth trends, and outliers in the data. OHA met individually with each data reporter about their data submission before finalizing data for analysis.

OHA obtained a data file from CMS with spending for Medicare Fee-For-Service members in Oregon.

Other Data Sources

Other health care spending was collected from a variety of sources, including:

- Veterans Affairs spending in Oregon from the US Department of Veteran's Affairs,
- Spending for people in state correctional facilities from the Oregon Department of Corrections,
- State funding for behavioral health (e.g., contracts for treatment and recovery supports for mental health, substance use disorder, and problem gambling) from OHA,
- Consumer spending on prescriptions through Oregon's regional bulk pharmacy discount program (ArrayRx) not otherwise captured in claims spending, from OHA,
- State funding for the Oregon State Hospital from OHA, and
- Other Coordinated Care Organization (CCO) spending from OHA.

OHA also compiles data to calculate the Net Cost of Private Health Insurance from the CMS MLR resources website and National Association of Insurance Commissioners (NAIC) Supplemental Health Care Exhibit (SHCE) reports provided by DCBS or from payers.

Some SHCE data were not available in time to be included in this report and are not reflected in the market level NCPHIs:

- HEALTH NET LIFE INSURANCE COMPANY (2021-2022),
- HEALTH NET HEALTH PLAN OF OREGON, INC. (2021),
- SUMMIT HEALTH PLAN (2022),
- UNITED HEALTHCARE INSURANCE COMPANY (2022),
- UNITED HEALTHCARE INSURANCE COMPANY OF AMERICA (2021)

Market Specific Notes

Payers reported all claims and non-claims payments made to provider organizations in three major markets: Commercial, Medicare, and Medicaid.

Commercial includes individual, large group, small group, self-insured, short-term, and student plans.

Medicare includes both Medicare Advantage and traditional Medicare fee-for-service (FFS), also known as Original Medicare.

Medicaid includes both Coordinated Care Organizations and Open Card / Medicaid fee-for-service (FFS).

Commercial

The Commercial data in this report includes fully-insured and PEBB/OEBB plans. Commercial data includes some spending for self-insured plans, but not all self-insured spending.

Medicare

The Medicare data at the statewide level include both commercial Medicare Advantage plans (Part C) and Medicare fee-for-service (A, B, D).

In Total Medical Expenditure (TME) reporting, Medicare market data is limited to Medicare Advantage only. Medicare FFS data is provided in aggregate by CMS and does not precisely match the service categories used.

Medicaid

Medicaid Coordinated Care Organizations report data that includes all Medicaid and CHIP expenditures across all CCO benefit categories (A, B, E and G) unless specifically excluded, see *Guidance for Medicaid Coordinated Care Organizations (CCOs)* in the Data Specification Manual.

The Medicaid trends identified in this report do not necessarily align with CCO global budgets trends or the state budget for the Medicaid program due to significant differences in methodology, inclusion and exclusion criteria, and data sources.

Dual Eligible Members

At the statewide level, Total Health Care Expenditures for people dually enrolled in Medicare and Medicaid is reported in the Medicare market. OHA is unable to estimate a unique count of individual members between all dual market data sources.

When reporting Total Medical Expenditures, spending for dual eligible members are reported on a *paid amount* basis (unlike other cost growth target TME data, which is reported on an allowed amount basis). Spending for dual eligible members is reported for paid amounts because some duals spending would be excluded if only the allowed amounts were reported.

Payers report payments for dual eligible members whether they were the primary or secondary insurer for that member. Medicare-related expenses are reported under the Medicare

Duals line of business and Medicaid-related expenses are reported under the Medicaid Duals line of business.

Exclusions

The cost growth target program excludes the following:

- Health care spending for out-of-state residents who received care from Oregon providers and people without insurance.
- Certain benefit plans, including accident policy; disability policy; hospital indemnity policy; long-term care insurance; Medicare supplemental insurance (AKA Medigap); stand-alone prescription drug plans; specific disease policy; stop-loss plans; supplemental insurance that pays deductibles, copays, or coinsurance; vision-only insurance; workers compensation; and dental-only insurance.
- Certain payments, including CMS reconciliation payments (such as Medicare sweep or Part D) and ACA risk transfer payments.
- Premium payments made by people to their health plan.
- Payer reinsurance recoveries or reinsurance premiums.
- Discounts and other perks, such as gym memberships.
- COVID-related funds that are *not* paid to providers.

Data Validation

OHA conducts comprehensive validation on the cost growth target data submissions each year.

A data submission is considered validated when OHA and the payer have had a change to review, correct if needed, and discuss any questions and provide any clarifications for completeness and quality.

The cost growth target data validation process includes:

1) Initial review for completeness
2) Detailed review for trends and outliers
3) Data review and finalization

Stage 1: Initial review for completeness

OHA reviews each data submission for completion of all relevant tabs in the workbook and for consistency of dollars, member months, provider organizations, and other information across the workbook.

A data submission must pass Stage 1 before moving forward; any failed validation checks prevents the data submission file from being used to produce year-to-year cost trends or merged into the statewide data file.

Stage 2: Detailed review for trends and outliers

OHA produces and reviews cost growth trends for each data submitter for each market in which they have sufficient members. If any potential issues are identified, OHA will communicate with the data submitter during Stage 3.

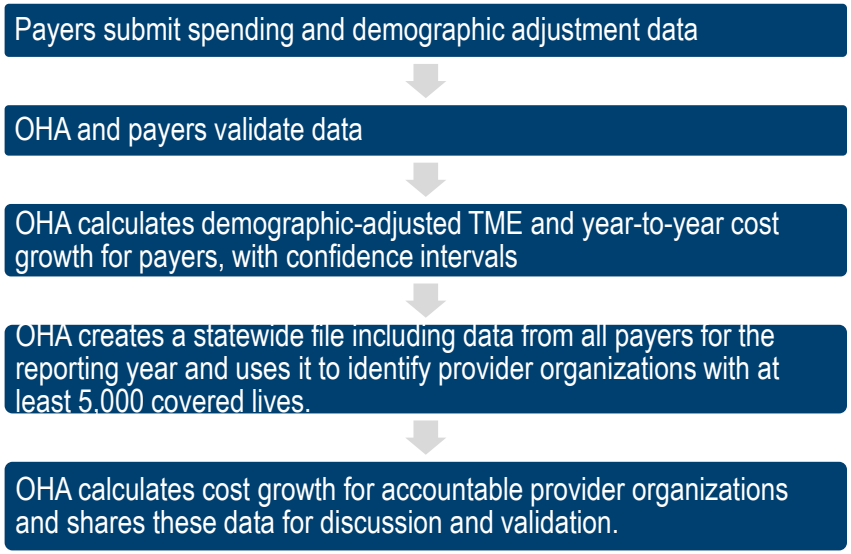
Stage 3: Data review and finalization

OHA shares the Stage 2 data output with the payer and holds a meeting to discuss any outstanding questions or concerns. Stage 3 meetings can result in a final data submission or a request for the payer to resubmit the data file with any needed corrections.

Regular communication occurs between OHA and data submitter staff throughout the data validation process. Once all potential issues have been addressed and approved by OHA, then the data file is considered finalized and ready for statewide, market, payer, and provider organization analysis.

More detail on the data validation process is available in the CGT Data Specification Manual.

The data validation process with provider organizations:



Adjustment

States with cost growth target programs adjust spending data in various ways to account for changes in populations that may impact spending growth. For example, a population with more health needs can be expected to have higher spending.

The Cost Growth Target Implementation Committee recommended that performance relative to the cost growth target needs to be risk-adjusted for payers and provider organizations, but not at the market or statewide levels, since these populations are large enough to be stable over time.

For 2021-2022, payers submitted unadjusted and adjusted spending data using demographic risk adjustment methodology provided by OHA. OHA used demographically adjusted data to calculate cost growth trends at the payer and provider level. OHA used unadjusted data to calculate the state and market level trends for this report, but also calculates the demographically adjusted state and market level trends to provide an appropriate comparison for payer and provider organization cost growth.

Covered benefits and cost and utilization patterns differ across markets and across years. No adjustments were made in this report to account for those differences.

Cost Growth Target Analysis

The cost growth target program measures the total cost of care and spending trends in Oregon across multiple levels and using two key measures:

Total Health Care Expenditures (THCE)
THCE is an aggregate measure of health care spending that includes all claims and non-claims based spending, as reported in the cost growth target data submission. It also includes the Net Cost of Private Health Insurance, and other spending from supplemental data sources.

THCE is reported as total dollars spent and on a per person per year (PPPY) basis. The year-over-year growth rate for both total dollars and PPPY is calculated between 2021-2022.

Total Medical Expenses (TME)
TME is an aggregate measure of health care spending that includes all claims and non-claims based spending, as reported in the cost growth target data submission.

TME is reported as total dollars spent and on a per person per year (PPPY) basis at the state, market, payer, and provider organization level. The year-over-year growth rate for both total dollars and PPPY is calculated between 2021-2022.

OHA calculates both an unadjusted and demographically-adjusted TME at the state and market level, so that payer and provider organization cost growth can be compared to the adjusted statewide cost growth rate.

Measuring cost growth against the target for payers and provider organizations

When reporting on health care cost growth relative to the target for payers and provider organizations, the cost growth target program uses TME.

- For payers, growth in TME is reported on a per person per year basis, demographically adjusted and net of pharmacy rebates.
- For provider organizations, growth in TME is reported on a per person per year basis, demographically adjusted and gross of pharmacy rebates. Pharmacy rebate data are not available at the provider organization level.

Payer and provider cost growth are presented as the percent increase in per person spending from 2021 to 2022; the dollar amount of per person per year spending in each measurement year is not reported at the payer and provider organization level.

Full claims and partial claims

Oregon collects both full and partial claims spending from payers. Full claims data are reported when a payer has information about all direct claims and any claims paid by a delegated entity.

Partial claims are those where a payer only has limited data because benefits are carved out or provided by others. Some payers carve out benefits (e.g., prescription drugs or behavioral health care services) by contracting with another

entity that takes on the responsibility of paying for those carved out services. Payers estimate these costs.

In the Commercial market, OHA only uses full claims to calculate TME for payers and provider organizations because partial claims cannot be fully allocated on a per person basis.

Dual Eligible members

When reporting cost growth for the Medicare and Medicaid markets at the payer and provider level, the costs of dual eligible members are excluded.

Attribution to provider organizations

When payers submit data to the cost growth target program, they attribute their members to provider organizations based on where those members receive primary care.

Payers use one of these three approaches to attribute members, listed in hierarchical order:

1. **Member selection:** Members who were required to select a primary care provider or a primary care home by plan design should be assigned to that primary care provider's organization.

2. **Contract arrangement:** Members not included in #1 who were attributed to a primary care provider or a primary care home during the measurement period pursuant to a contract between the payer and provider, should be attributed to that primary care provider's organization. For example, if a provider is engaged in a total cost of care arrangement, then the payer may use its attribution model for that contract to attribute members.

3. **Utilization:** Members not included in #1 or #2 who can be attributed to a primary care provider or a primary care home based on the member's utilization, using the payer's own attribution methodology.

Not all members are attributed to provider organizations. In 2021, 61% of all individuals were attributed to provider organizations; 62% in 2022.

Claims Spending Categories

Hospital Services	
Inpatient care	Hospital-based care after being admitted. Examples include childbirth, complex surgeries, medical or behavioral hospitalizations. Includes drugs that are administered to patients admitted in a hospital.
Outpatient care	Services provided in hospital-licensed satellite clinic settings; specifically excludes services that are rendered to patients admitted in a hospital. Includes emergency room services not resulting in admittance and observation services.
Professional Services	
Primary care	Services provided by health care providers that are defined as a primary care provider including, but not limited to: doctors of medicine or osteopathy in family medicine, internal medicine, general medicine, pediatric medicine, nurse practitioners, and physician assistants.
Specialty care	Services provided by doctors of medicine or osteopathy working in clinical areas other than family medicine, internal medicine, general medicine, or pediatric medicine, not defined as primary care (see above).
Behavioral health	Services provided by behavioral health providers, including, but not limited to: physician - addiction specialist, physician-psychiatrist, community mental health center, certified community behavioral health clinic, etc.
Other	Services provided by licensed practitioners other than a physician, but not identified as primary care, specialist or behavioral health above. This includes, but is not limited to, licensed podiatrists, non-primary care nurse practitioners, nonprimary care physician assistants, physical therapists, etc.
Retail Pharmacy	
Retail prescription drugs, biological products, and vaccines as defined by the payer. Does not include physician-administered medications.	
Other	
Long-Term care	Care provided in nursing homes and skilled nursing facilities (SNF), intermediate care facilities for individuals with intellectual disabilities (ICF/ID) and assisted living facilities. Also includes providers of home- and community-based services, including personal care (e.g., assistance with dressing, bathing, etc.), homemaker and chore services, home delivered meal programs, home health services, etc.
All other	All other services including ambulance rides, independent laboratories, hospice, and any service not otherwise categorized.

Non-Claims Spending Categories

Prospective Capitated, Prospective Global Budget, Prospective Case Rate, or Prospective Episode-Based Payments

All payments based under the following payment arrangements: *capitation payments*, *global budget payments, case rate payments* (prospective payments made to providers in a given provider organization for a patient receiving a defined set of services for a specific period of time), *prospective episode-based payments* (i.e., payments received by providers [which can span multiple provider organizations] for a patient receiving a defined set of services for a specific condition across a continuum of care, or care for a specific condition over a specific time period).

Performance Incentive Payments

Payments to reward providers for reaching quality or cost-savings goals, or payments received by providers that may be reduced if costs exceed a defined pre-determined, risk-adjusted target. This category includes pay-for-performance, pay-for-reporting, shared savings distributions, and shared risk recoupments.

Payments to Support Population Health and Practice Infrastructure

Payments made to develop provider capacity and practice infrastructure to help coordinate care, improve quality and control costs. Includes payments that support care management, care coordination and population, data analytics, EHR/HIT infrastructure payments, medication reconciliation; patient-centered medical home recognition payments and primary care and behavioral health integration that are not reimbursable through claims.

Provider Salaries

All payments for salaries of providers who provide healthcare services not otherwise included in other claims and non-claims categories. This category is typically only applicable to closed delivery systems.

Recovery

All payments received by a payer from a provider, member/beneficiary, or other payer which were distributed by a payer and then later recouped due to a review, audit or investigation.

Other

All other payments made in accordance with a contract between a payer and provider not made on the basis of a claim for health care benefits or services and cannot be classified elsewhere. This may include governmental payer shortfall payments, grants or other surplus payments. For calendar years 2020 and 2021, this may also include supportive funds made to providers to support clinical and business operations during the global COVID-19 pandemic

Appendix B: Historical Cost Growth Performance

Since implementing the Cost Growth Target Program, payers and provider organizations have encouraged OHA to consider cost growth in the context of a wider historical trend. OHA acknowledges the value of multi-year analysis; a payer or provider organization may have cost growth below the target in one measurement period and exceed the target in the next period. The relationship of annual growth from one period to another was especially clear during the COVID-19 pandemic, which saw steep drops in spending from 2019 to 2020 and rebounding growth from 2020 to 2021 and to a certain extent from 2021 to 2022.

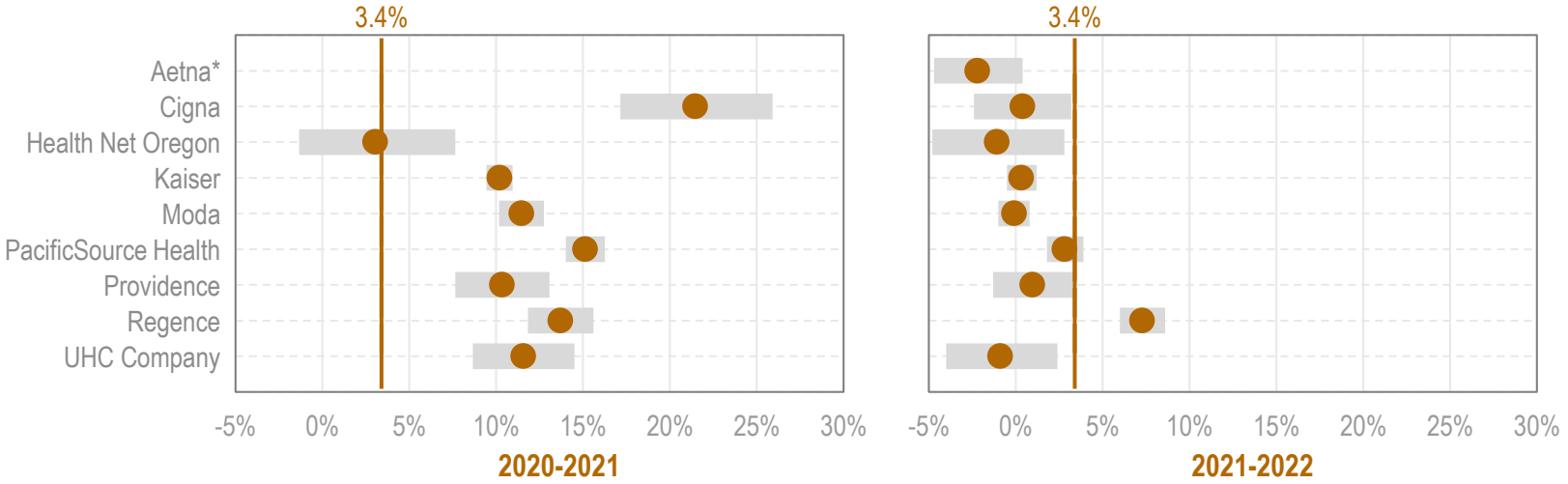
The Cost Growth Target Program has flexibility to consider multi-year trends when determining accountability. Before putting a payer or provider organization on a Performance Improvement Plan (PIP) when their cost growth exceeds the target, OHA and the entity discuss whether cost growth was due to an acceptable reason (see page 6). If growth was low one year and above the target the next year for an acceptable reason, OHA will determine the high cost growth reasonable and the payer or provider organization would not be subject to a PIP. In designing the program, the Cost Growth Target Implementation Committee also recommended that financial penalties would only be applicable if a payer or provider organization exceeded the cost growth target in three out of five years without an acceptable reason, leaving room for some variation in growth from period to period.

Although cost growth during 2021-2022 is the focus of this report, OHA is committed to explaining and contextualizing payer and provider organization cost growth trends. The tables and graphs in this appendix provide an easy reference for each entity's cost growth over the first two years of Cost Growth Target Program reporting on payers and provider organizations. Average growth across the two periods is also calculated and included.

Historical cost growth for payers by market, 2020-2022

Entities marked with an asterisk (*) in charts were not included in public cost growth target reporting for either the 2020-2021 cycle or the 2021-2022 cycle.

Commercial Payers



Commercial Payer	2020-21 Cost Growth	2020-21 Target Performance	2021-22 Cost Growth	2021-22 Target Performance	2020-2022 Average Growth
Aetna*	N/A	N/A	-2.2%	Met	N/A
Cigna	21.5%	Not Met	0.4%	Met	11.0%
Health Net Oregon	3.0%	Indeterminate	-1.1%	Met	1.0%
Kaiser	10.2%	Not Met	0.3%	Met	5.3%
Moda	11.5%	Not Met	-0.1%	Met	5.7%
PacificSource Health	15.1%	Not Met	2.8%	Indeterminate	6.6%
Providence	10.3%	Not Met	1.0%	Met	8.1%
Regence	13.7%	Not Met	7.3%	Not Met	10.5%
UHC Company	11.6%	Not Met	-0.9%	Met	5.4%

*Aetna did not validate its 2020-2021 cost growth data in time for inclusion in Cost Growth Target reporting.

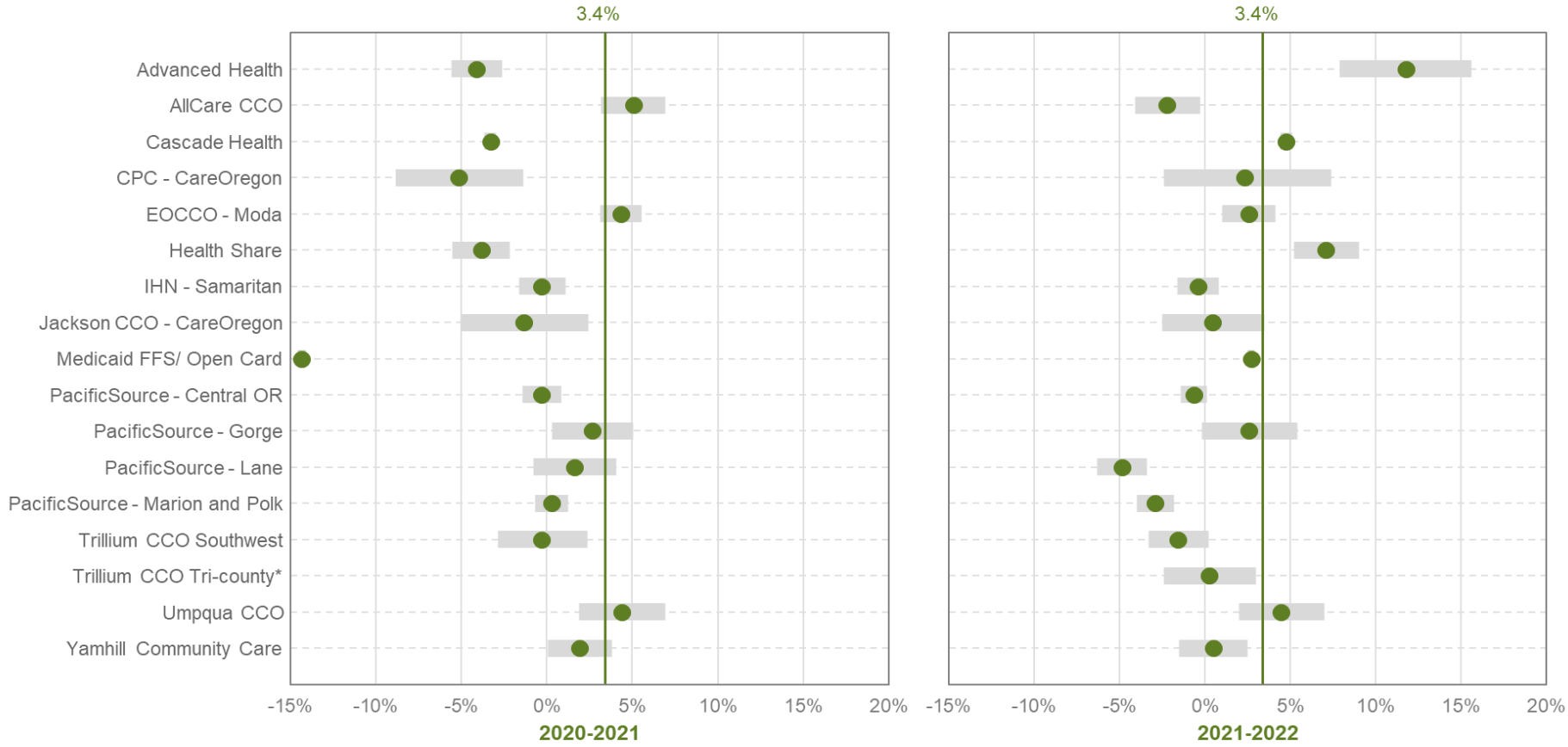
Medicare Advantage Payers

Medicare Advantage Payer	2020-21 Cost Growth	2020-21 Target Performance	2021-22 Cost Growth	2021-22 Target Performance	2020-2022 Average Growth
Aetna*	N/A	N/A	2.2%	Indeterminate	N/A
ATRIO	10.7%	Not Met	-9.3%	Met	0.7%
Health Net Oregon	10.0%	Not Met	4.2%	Indeterminate	7.1%
Health Net Company	6.0%	Not Met	0.1%	Met	3.1%
Kaiser	3.4%	Indeterminate	7.8%	Not Met	5.6%
Moda	5.7%	Not Met	11.6%	Not Met	8.7%
PacificSource Community	1.8%	Met	-0.3%	Met	0.8%

Medicare Advantage Payer (con.)	2020-21 Cost Growth	2020-21 Target Performance	2021-22 Cost Growth	2021-22 Target Performance	2020-2022 Average Growth
Providence Health Assurance	5.6%	Not Met	3.7%	Indeterminate	4.7%
Regence	8.1%	Not Met	6.8%	Not Met	7.5%
UHC Company**	6.5%	Not Met	6.4%	Not Met	N/A
UHC Oregon***	8.8%	Not Met	N/A	N/A	N/A

*Aetna did not validate its 2020-2021 cost growth data in time for inclusion in Cost Growth Target reporting.
**2020-21 and 2021-22 cost growth for UHC Company are not comparable due to changes in member populations across UHC entities for each data submission cycle.
***UHC Oregon was no longer an accountable payer for the 2021-22 growth period.

Medicaid Payers



Medicaid Payer	2020-21 Cost Growth	2020-21 Target Performance	2021-22 Cost Growth	2021-22 Target Performance	2020-2022 Average Growth
Advanced Health	-4.1%	Met	11.8%	Not Met	3.9%
AllCare CCO	5.1%	Indeterminate	-2.2%	Met	1.5%
Cascade Health	-3.3%	Met	4.7%	Not Met	0.7%
CPC – CareOregon	-5.2%	Met	2.3%	Indeterminate	-1.5%

Medicaid Payer (Con.)	2020-21 Cost Growth	2020-21 Target Performance	2021-22 Cost Growth	2021-22 Target Performance	2020-2022 Average Growth
EOCCO - Moda	4.3%	Indeterminate	2.6%	Indeterminate	3.5%
Health Share	-3.8%	Met	7.1%	Not Met	1.7%
IHN - Samaritan	-0.3%	Met	-0.4%	Met	-0.4%
Jackson CCO - CareOregon	-1.4%	Met	0.4%	Indeterminate	-0.5%
Medicaid FFS/ Open Card	-14.3%	Met	2.7%	Met	-5.8%
PacificSource - Central OR	-0.3%	Met	-0.7%	Met	-0.5%
PacificSource - Gorge	2.7%	Indeterminate	2.6%	Indeterminate	2.7%
PacificSource - Lane	1.6%	Indeterminate	-4.9%	Met	-1.7%
PacificSource - Marion Polk	0.3%	Met	-2.9%	Met	-1.3%
Trillium CCO Southwest	-0.3%	Met	-1.6%	Met	-1.0%
Trillium CCO Tri-County*	N/A	N/A	0.2%	Met	N/A
Umpqua CCO	4.4%	Indeterminate	4.5%	Indeterminate	4.5%
Yamhill Community Care	1.9%	Indeterminate	0.5%	Met	1.2%

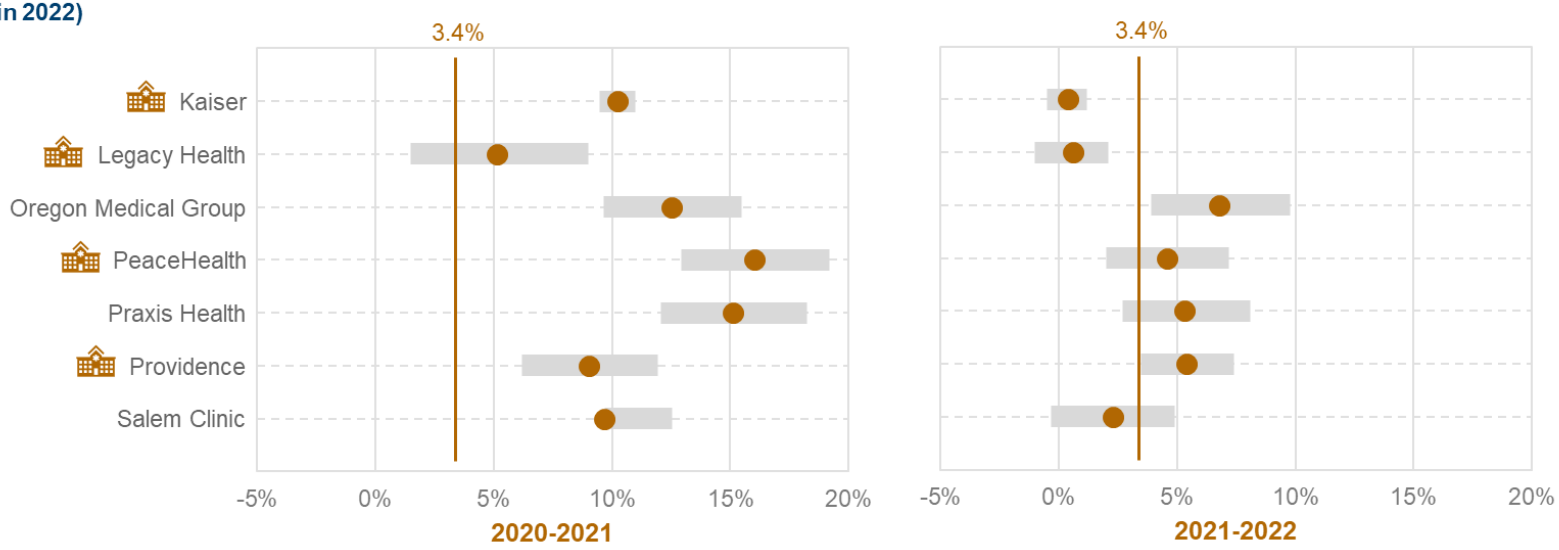
*Trillium CCO Tri-County did not have a large enough membership during the 2020-2021 growth period to be accountable to the cost growth target.

Historical cost growth for provider organizations by market, 2020-2022

Entities marked with an asterisk (*) in charts were not included in public cost growth target reporting for either the 2020-2021 cycle or the 2021-2022 cycle.

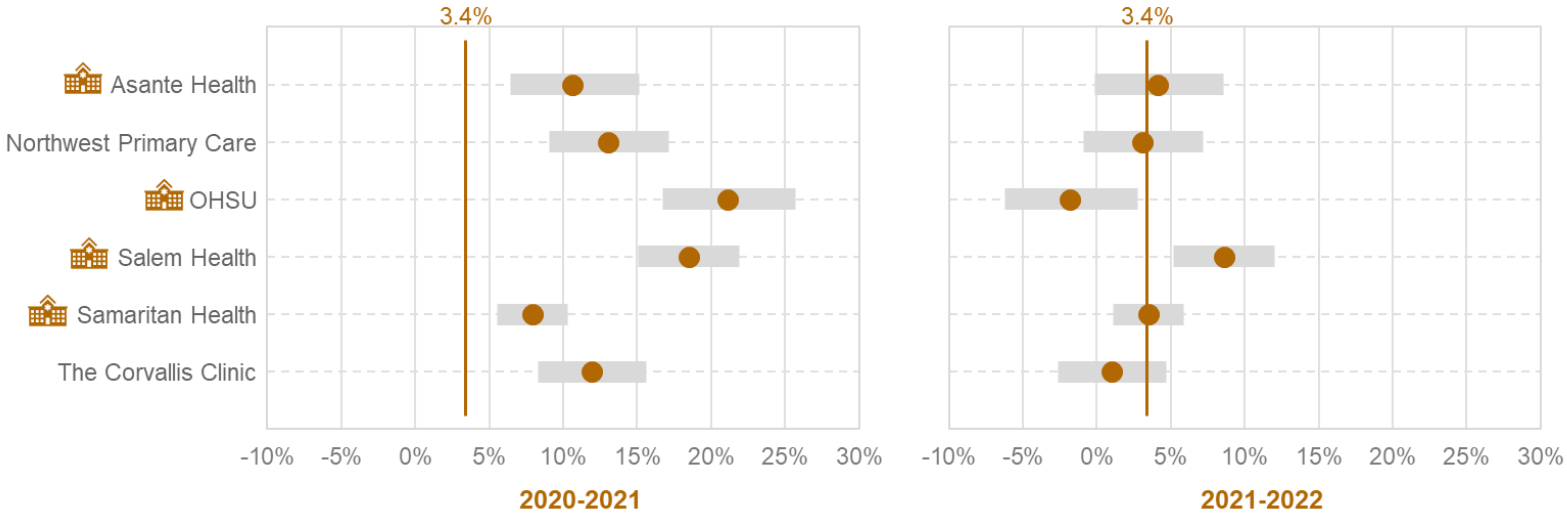
Commercial Provider Organizations

Commerical cost growth for large provider organizations (more than 20,000 attributed patients in 2022)



Provider Organization	2020-21 Cost Growth	2020-21 Target Performance	2021-22 Cost Growth	2021-22 Target Performance	2020-2022 Average Growth
Kaiser	10.2%	Not Met	0.4%	Met	5.3%
Legacy Health	5.1%	Indeterminate	1.5%	Met	3.3%
Oregon Medical Group	12.5%	Not Met	6.8%	Not Met	9.7%
PeaceHealth	16.0%	Not Met	3.6%	Indeterminate	9.8%
Praxis Health	15.1%	Not Met	5.3%	Indeterminate	10.2%
Providence	9.0%	Not Met	5.4%	Not Met	7.2%
Salem Clinic	9.7%	Not Met	2.3%	Indeterminate	6.0%

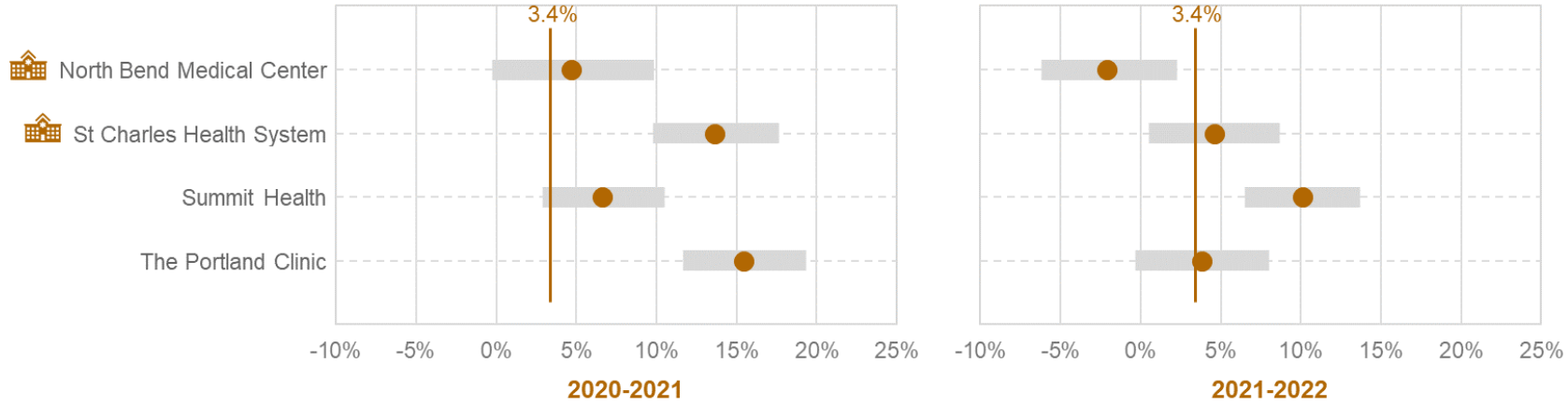
Commerical cost growth for mid-sized organizations (10,000 to 20,000 attributed patients in 2022)



Provider Organization	2020-21 Cost Growth	2020-21 Target Performance	2021-22 Cost Growth	2021-22 Target Performance	2020-2022 Average Growth
Asante*	10.6%	Not Met	3.4%	Indeterminate	7.0%
Northwest Primary Care*	13.0%	Not Met	3.1%	Indeterminate	8.1%
OHSU	21.1%	Not Met	-1.8%	Met	9.7%
Salem Health	18.5%	Not Met	8.6%	Not Met	13.6%
Samaritan Health	7.9%	Not Met	3.4%	Indeterminate	5.7%
The Corvallis Clinic	11.9%	Not Met	1.0%	Indeterminate	6.5%

*Asante and Northwest Primary Care were considered smaller organizations for the 2020-22 growth period.

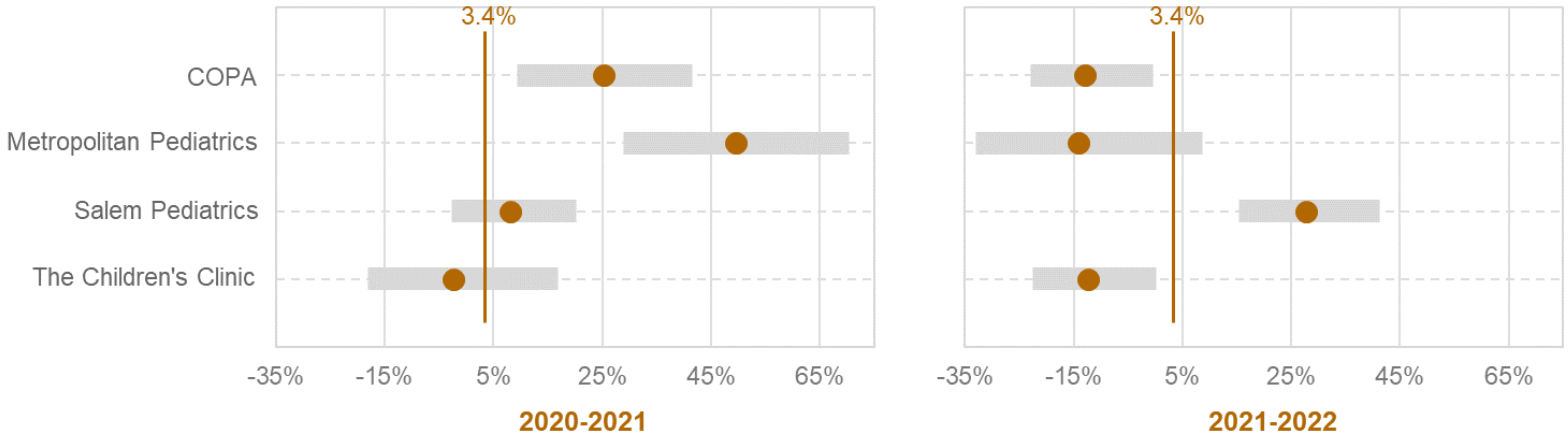
Commercial cost growth for smaller provider organizations (fewer than 10,000 attributed patients in 2022)



.

Provider Organization	2020-21 Cost Growth	2020-21 Target Performance	2021-22 Cost Growth	2021-22 Target Performance	2020-2022 Average Growth
North Bend Medical Center	4.7%	Indeterminate	-2.1%	Met	1.3%
St Charles Health System	13.6%	Not Met	4.6%	Indeterminate	9.1%
Summit Health	6.6%	Indeterminate	10.1%	Not Met	8.4%
The Portland Clinic	15.4%	Not Met	3.4%	Indeterminate	9.4%

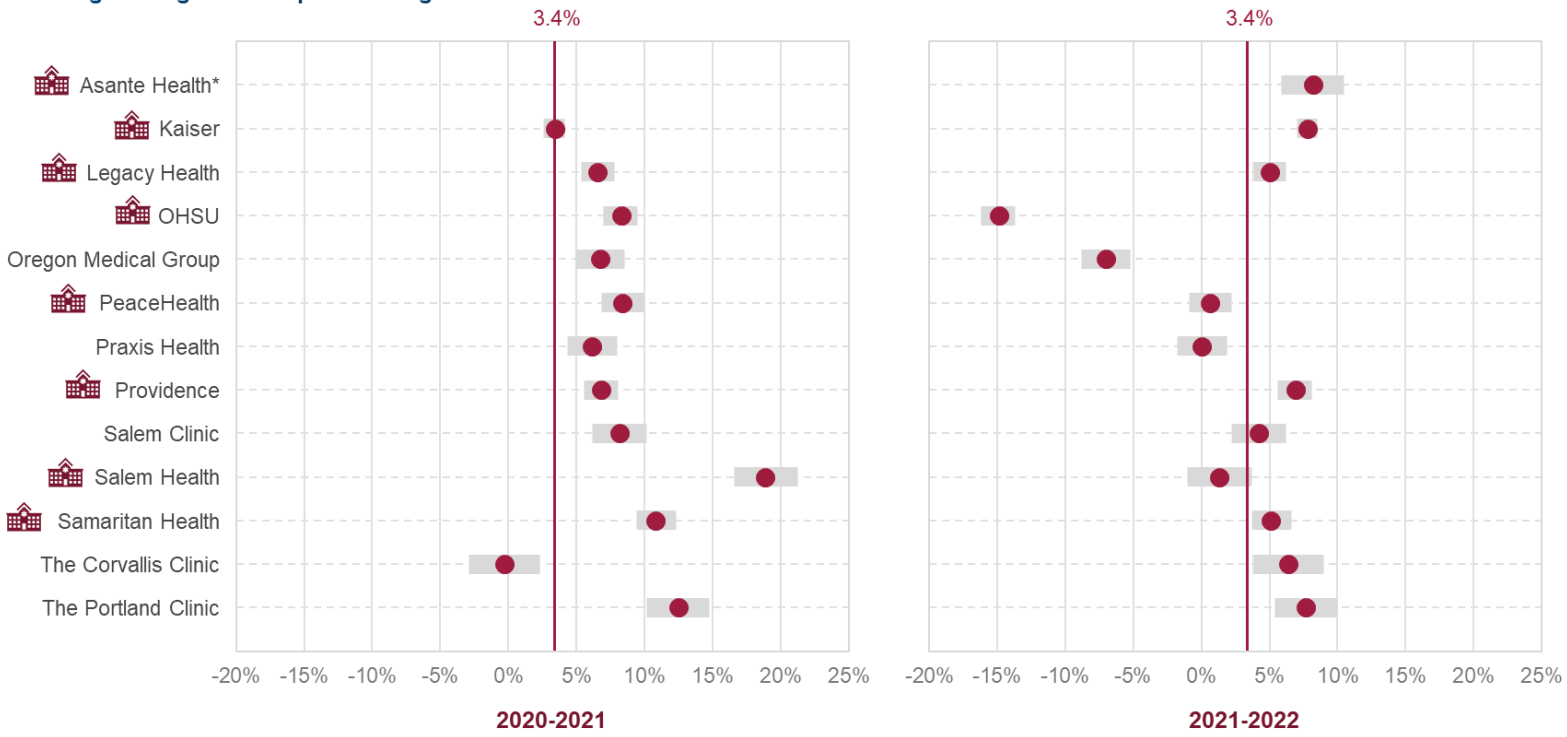
Commercial cost growth for pediatric provider organizations



Provider Organization	2020-21 Cost Growth	2020-21 Target Performance	2021-22 Cost Growth	2021-22 Target Performance	2020-2022 Average Growth
COPA	25.2%	Not Met	-13.0%	Met	6.1%
Metropolitan Pediatrics	49.5%	Not Met	-14.2%	Indeterminate	17.7%
Salem Pediatrics	8.1%	Indeterminate	27.7%	Not Met	17.9%
The Children's Clinic	-2.4%	Indeterminate	-12.4%	Met	-7.4%

Medicare Advantage Provider Organizations

Medicare Advantage cost growth for provider organizations



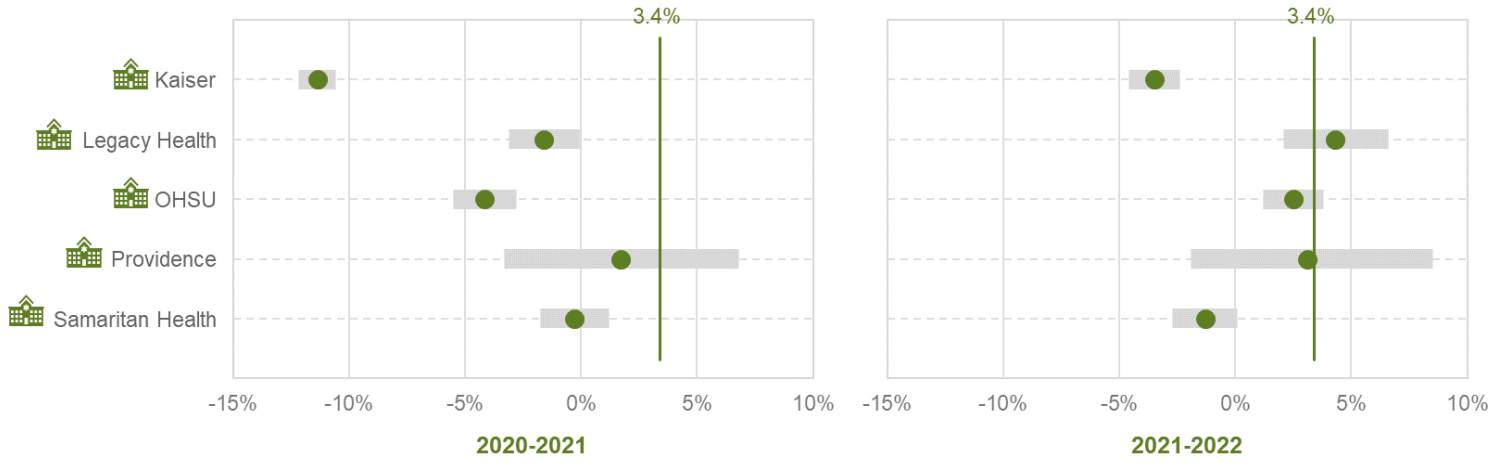
Medicare Advantage Provider Organization	2020-21 Cost Growth	2020-21 Target Performance	2021-22 Cost Growth	2021-22 Target Performance	2020-2022 Average Growth
Asante*	N/A	N/A	8.2%	Not Met	N/A
Kaiser	3.4%	Indeterminate	7.8%	Not Met	5.6%
Legacy Health	6.6%	Not Met	5.0%	Not Met	5.8%
OHSU	8.3%	Not Met	-14.9%	Met	-3.3%
Oregon Medical Group	6.8%	Not Met	-7.0%	Met	-0.1%

*Asante did not have sufficient member months in the Medicare Advantage market for the 2020-21 period to be accountable to the cost growth target.

Provider Organization (Con.)	2020-21 Cost Growth	2020-21 Target Performance	2021-22 Cost Growth	2021-22 Target Performance	2020-2022 Average Growth
PeaceHealth	8.4%	Not Met	0.6%	Met	4.5%
Praxis Health	6.1%	Not Met	0.0%	Met	3.1%
Providence	6.8%	Not Met	6.9%	Not Met	6.9%
Salem Clinic	8.2%	Not Met	4.2%	Indeterminate	6.2%
Salem Health	18.9%	Not Met	1.3%	Indeterminate	10.1%
Samaritan Health	10.8%	Not Met	5.1%	Not Met	8.0%
The Corvallis Clinic	-0.3%	Met	6.4%	Not Met	3.1%
The Portland Clinic	12.5%	Not Met	7.7%	Not Met	10.1%

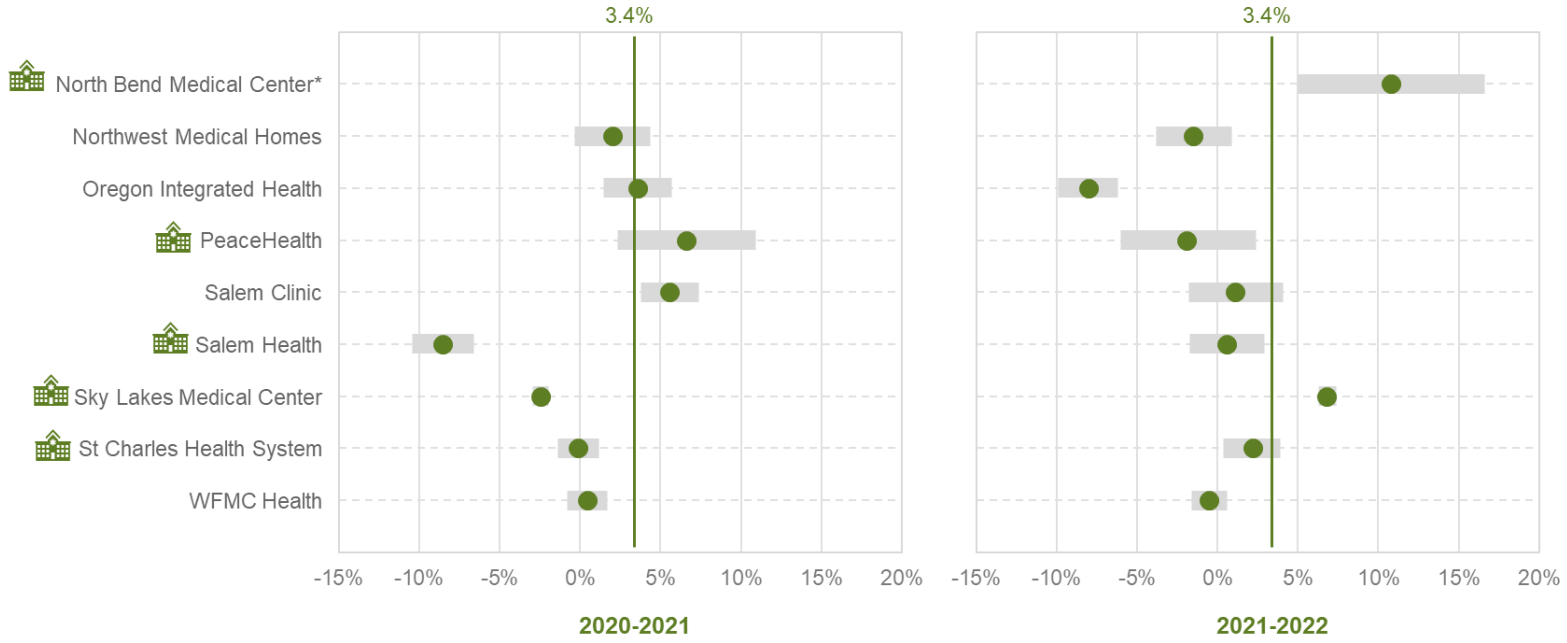
Medicaid Provider Organizations

Medicaid cost growth for large provider organizations (more than 20,000 attributed patients in 2022)



Provider Organization	2020-21 Cost Growth	2020-21 Target Performance	2021-22 Cost Growth	2021-22 Target Performance	2020-2022 Average Growth
Kaiser	-11.4%	Met	-3.5%	Met	-7.5%
Legacy Health	-1.6%	Met	4.3%	Indeterminate	1.4%
OHSU	-4.2%	Met	2.5%	Indeterminate	-0.9%
Providence	1.7%	Indeterminate	3.1%	Indeterminate	2.4%
Samaritan Health	-0.3%	Met	-1.3%	Met	-0.8%

Medicaid cost growth for mid-sized provider organizations (10,000 to 20,000 attributed patients in 2022)



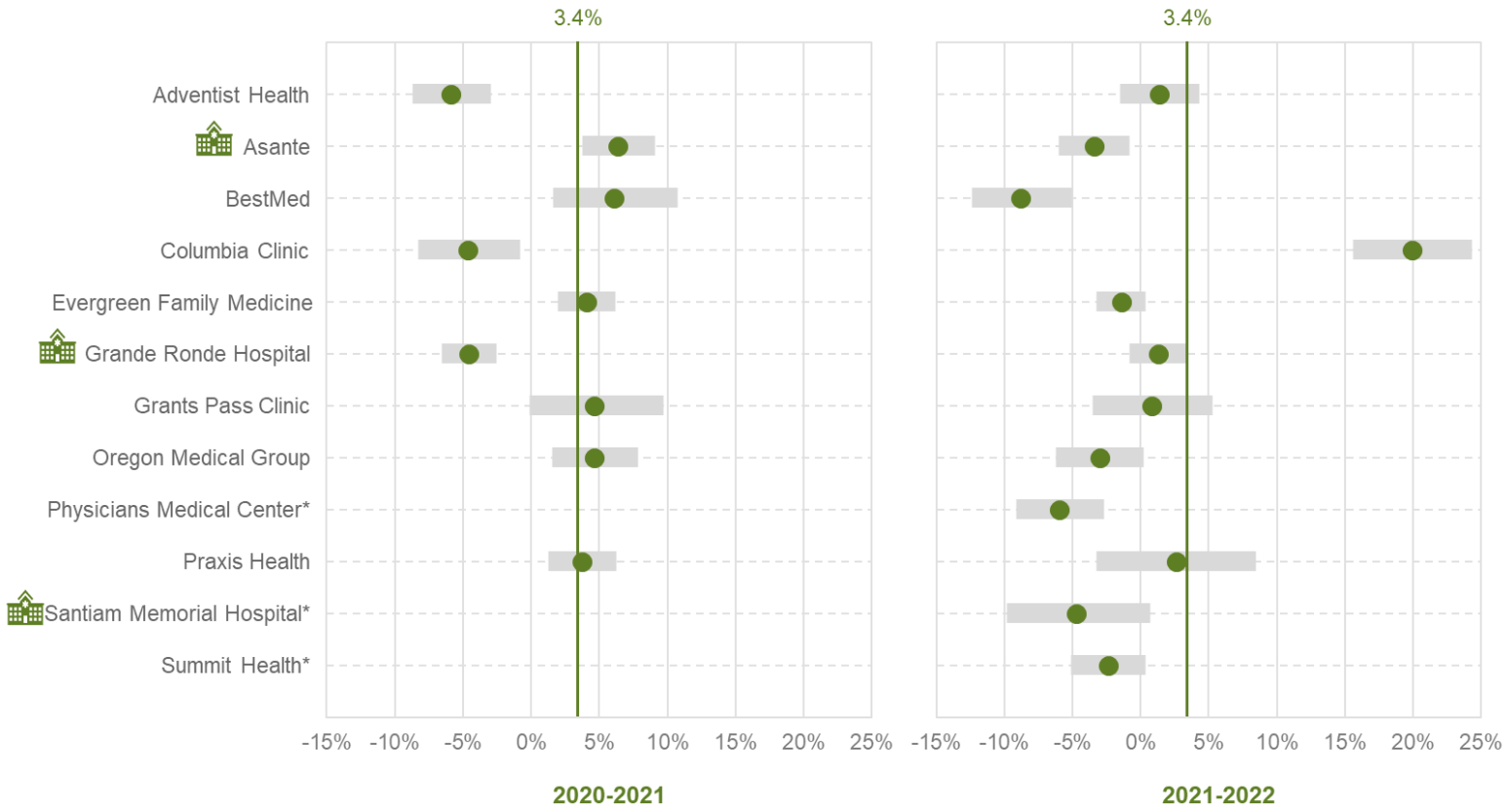
Provider Organization	2020-21 Cost Growth	2020-21 Target Performance	2021-22 Cost Growth	2021-22 Target Performance	2020-2022 Average Growth
North Bend Medical Center*	N/A	N/A	10.8%	Not Met	N/A
Northwest Medical Homes	2.0%	Indeterminate	-1.5%	Met	0.3%
Oregon Integrated Health	3.6%	Indeterminate	-8.0%	Met	-2.2%
PeaceHealth	6.6%	Indeterminate	-1.9%	Met	2.4%
Salem Clinic	5.6%	Not Met	1.1%	Indeterminate	3.4%

Provider Organization (Con.)	2020-21 Cost Growth	2020-21 Target Performance	2021-22 Cost Growth	2021-22 Target Performance	2020-2022 Average Growth
Salem Health	-8.5%	Met	0.6%	Met	-4.0%
Sky Lakes Medical Center	-2.4%	Met	6.8%	Not Met	2.2%
St Charles Health System	-0.1%	Met	2.2%	Indeterminate	1.1%
WFMC Health**	0.4%	Met	-0.5%	Met	-0.1%

*North Bend Medical Center did not have enough member months in the Medicaid market during the 2020-21 growth period

**WFMC Health was considered a smaller provider organization for the 2020-21 measurement period.

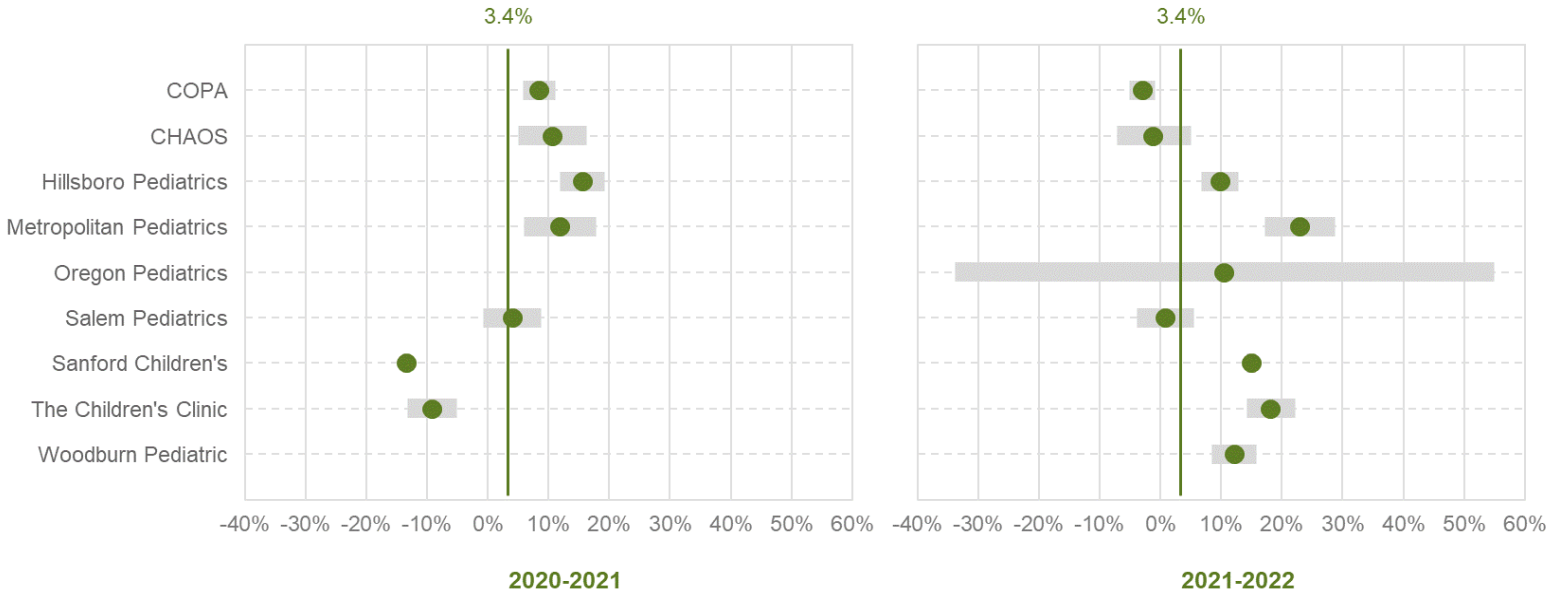
Medicaid cost growth for smaller provider organizations (fewer than 10,000 attributed patients in 2022)



Provider Organization	2020-21 Cost Growth	2020-21 Target Performance	2021-22 Cost Growth	2021-22 Target Performance	2020-2022 Average Growth
Adventist Health	-5.9%	Met	1.4%	Indeterminate	-2.3%
Asante	6.4%	Not Met	-3.4%	Met	1.5%
BestMed	6.1%	Indeterminate	-8.8%	Met	-1.4%
Columbia Clinic	-4.6%	Met	19.9%	Not Met	7.7%
Evergreen Family Medicine	4.1%	Indeterminate	-1.4%	Met	1.4%
Grande Ronde Hospital	-4.6%	Met	1.3%	Met	-1.7%
Grants Pass Clinic	4.7%	Indeterminate	0.8%	Indeterminate	2.8%
Oregon Medical Group	4.7%	Indeterminate	-3.0%	Met	0.9%
Physicians Medical Center*	N/A	N/A	-6.0%	Met	N/A
Praxis Health	3.8%	Indeterminate	2.6%	Indeterminate	3.2%
Santiam Memorial Hospital*	N/A	N/A	-4.7%	Met	N/A
Summit Health*	N/A	N/A	-2.4%	Met	N/A

*Physicians Medical Center, Santiam Memorial Hospital and Summit Health did not have adequate Medicaid member months for the 2020-21 measurement period to be accountable to the cost growth target.

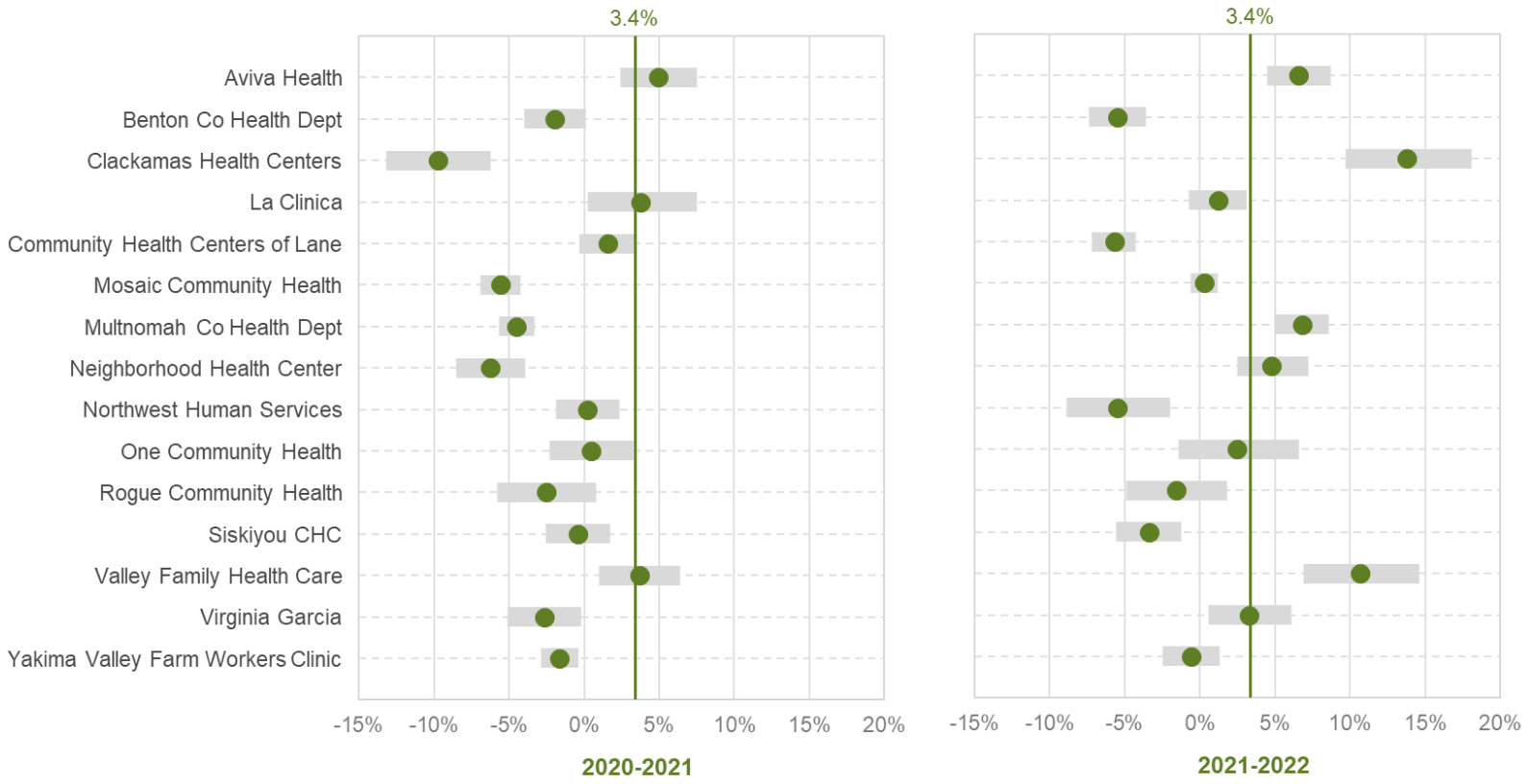
Medicaid cost growth for pediatric provider organizations



Provider Organization	2020-21 Cost Growth	2020-21 Target Performance	2021-22 Cost Growth	2021-22 Target Performance	2020-2022 Average Growth
COPA	8.4%	Not Met	-3.0%	Met	2.7%
CHAOS	10.6%	Not Met	-1.2%	Indeterminate	4.7%
Hillsboro Pediatrics	15.5%	Not Met	9.8%	Not Met	12.7%
Metropolitan Pediatrics	11.8%	Not Met	22.9%	Not Met	17.4%
Oregon Pediatrics*	N/A	N/A	10.4%	Indeterminate	N/A
Salem Pediatrics	4.0%	Indeterminate	0.7%	Indeterminate	2.4%
Sanford Children's	-13.4%	Met	14.9%	Not Met	0.7%
The Children's Clinic	-9.2%	Met	18.1%	Not Met	4.5%
Woodburn Pediatric*	N/A	N/A	12.1%	Not Met	N/A

*Oregon Pediatrics and Woodburn Pediatric did not have enough attributed member months during the 2020-21 measurement period to be accountable to the cost growth target.

Medicaid cost growth for Federally Qualified Health Centers



Provider Organization	2020-21 Cost Growth	2020-21 Target Performance	2021-22 Cost Growth	2021-22 Target Performance	2020-2022 Average Growth
Aviva Health	4.9%	Indeterminate	6.6%	Not Met	5.8%
Benton Co Health Dept	-2.0%	Met	-5.5%	Met	-3.8%
Clackamas Health Centers	-9.8%	Met	13.8%	Not Met	2.0%
La Clinica	3.8%	Indeterminate	1.2%	Met	2.5%

Provider Organization	2020-21 Cost Growth	2020-21 Target Performance	2021-22 Cost Growth	2021-22 Target Performance	2020-2022 Average Growth
Community Health Centers of Lane County	1.6%	Indeterminate	-5.7%	Met	-2.1%
Mosaic Community Health	-5.6%	Met	0.3%	Met	-2.7%
Multnomah Co Health Dept	-4.5%	Met	6.8%	Not Met	1.2%
Neighborhood Health Center	-6.2%	Met	4.8%	Indeterminate	-0.7%
Northwest Human Services	0.2%	Met	-5.5%	Met	-2.7%
One Community Health	0.4%	Met	2.5%	Indeterminate	1.5%
Rogue Community Health	-2.5%	Met	-1.6%	Met	-2.1%
Siskiyou CHC	-0.4%	Met	-3.4%	Met	-1.9%
Valley Family Health Care	3.7%	Indeterminate	10.7%	Not Met	7.2%
Virginia Garcia	-2.7%	Met	3.3%	Indeterminate	0.3%
Yakima Valley Farm Workers Clinic	-1.6%	Met	-0.6%	Met	-1.1%

You can get this document in other languages, large print, braille, or a format you prefer. Contact the Sustainable Health Care Cost Growth Target Program at 503-385-5948 or email HealthCare.CostTarget@oha.oregon.gov.

HEALTH CARE COST GROWTH TARGET

Oregon Health Authority