

January 23, 2026

Re: Participation in Oregon's Sustainable Health Care Cost Growth Target Program

Your organization has been identified for inclusion in Oregon's [Sustainable Health Care Cost Growth Target program](#) (CGT) for the 2025 data cycle (measuring health care cost growth between calendar years 2023-2024). This letter provides more information about the cost growth target, what it means to be included in the program, what to expect over the coming months, and opportunities for your organization to engage.

This letter also accompanies your organization's 2023-2024 Cost Growth Target data output. The Oregon Cost Growth Target program has conducted initial data validation with health plans and finalized their data submissions. The CGT program is now ready to begin data validation for the 2023-2024 measurement period with provider organizations. Please see the email from OHA that accompanied this letter with specific next steps for your organization regarding data validation.

We look forward to working with your organization over the coming months.

If you have questions or need more information on anything in this letter, please contact us at HealthCare.CostTarget@oha.oregon.gov.

Sincerely,



Sarah Bartelmann, MPH
Cost Programs Manager
Oregon Health Authority

1. Introduction to the Cost Growth Target Program

If you are not already familiar with Oregon's Cost Growth Target Program, we strongly encourage you to view an **orientation webinar** previously held May 2022 to learn about the background and intent of the program ([recording](#), [slides](#)). The hour-long webinar provides an overview of Oregon's Cost Growth Target program and what it means for provider organizations. The webinar is intended for provider organization leadership, including CEOs, CFOs and COOs. It may also be appropriate for government relations, compliance, and those working on health care cost issues (e.g., contracting, price transparency).

Additional information and commonly asked questions are provided in this letter; the [provider organization FAQs document](#) also provides more information about the program.

Additional background information and guidance documentation is available on the Cost Growth Target website: <https://www.oregon.gov/oha/hpa/hp/pages/sustainable-health-care-cost-growth-target.aspx>

2. Cost Growth Target Technical Advisory Group

Your organization is also invited to participate in our monthly [Cost Growth Target Technical Advisory Group \(TAG\)](#) meetings. Held on the fourth Wednesday of each month, the TAG is open to health plans (payers) and provider organizations who are included in the cost growth target program, and other interested parties to work with OHA on data submission template and specifications, data validation processes, and other technical topics.

3. Contact Us

Contact program staff at any time via email at HealthCare.CostTarget@oha.oregon.gov.

About the Cost Growth Target Program

The cost of health care in Oregon has grown and is projected to grow faster than both the state economy and Oregonians' wages. [Oregon's Cost Growth Target program](#) was established in 2019 (SB 889; ORS 442.385, 442.386) as a vital tool to monitor and contain rising health care costs across the state.

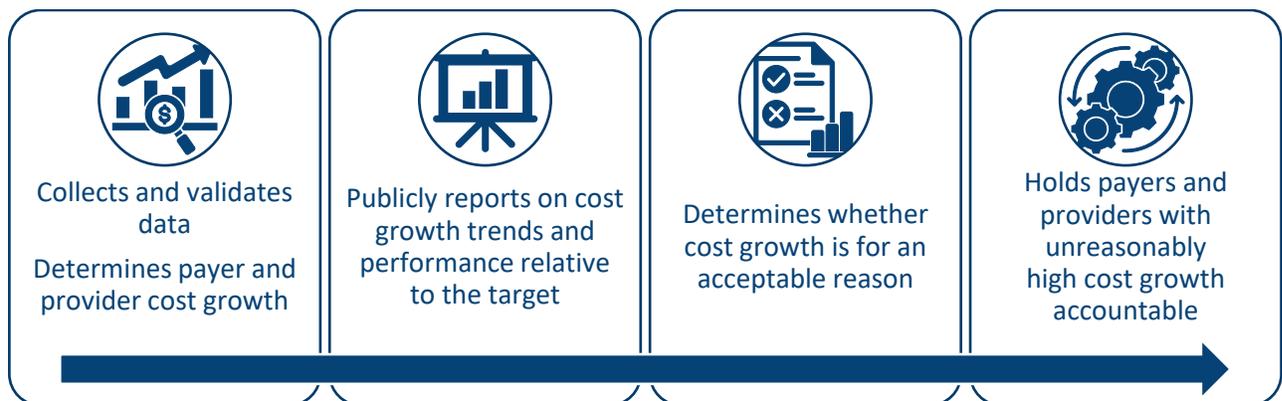
What is a cost growth target?

The health care cost growth target is a target for the annual per person rate of growth of total health care spending in the state. Cost increases of health insurance companies and health care provider organizations will be compared to the growth target each year. The program will also evaluate and annually report on cost increases and drivers of health care costs.

The first step in containing health care costs is establishing an expectation and common goal that costs grow at a sustainable rate, not outpacing the economy or wages. A cost growth target (or benchmark) is a prospective target for annual per capita growth in total health care spending in a state.

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 currently set at 3.4% for the 2021 – 2025 measurement periods; the [cost growth target for 2026-2030](#) is set at 3.75%.

Each year, the Cost Growth Target program:



1. Data Validation

OHA has conducted initial validation meetings with health plans and finalized their data submissions. The Cost Growth Target program is now ready to begin provider organization data validation for the 2023-2024 measurement period. Accompanying this letter is your organization's CY 2023-2024 cost growth trend data ("data summary") for your review.

OHA meets (virtually) with provider organizations to review and discuss the data summary; the purpose of a validation meeting is to review the data for any potential discrepancies that may need to be addressed before the cost growth data are finalized and offer an opportunity to review the data before the Cost Growth Target Program's annual report is published in Spring/Summer of 2026.

Data validation meetings are not required for all provider organizations; OHA will notify each provider organization whether or not they are required to participate in a data validation meeting for the 2023-2024 measurement period. Please see the email from OHA to know whether your organization is required to participate in a data validation meeting.

No accountability or determination of reasonableness will be decided at the validation meeting or during the data validation process. See #3 below for more information about the reasonableness process.

2. Data Reporting

All provider organizations that have been identified as subject to the cost growth target for the 2023-2024 measurement period will have their cost growth reported publicly in OHA's annual Health Care Cost Trends report, regardless of whether they are over the target.

For reporting purposes, organizations will be grouped by market (Commercial, Medicare Advantage, and Medicaid) and entity type and size.

Previous annual reports are available online for reference.

<https://www.oregon.gov/oha/HPA/HP/Pages/cost-growth-target-reports.aspx>

3. Determining Reasonableness

Provider organizations that exceed the cost growth target with statistical confidence may be required to meet with OHA following the data validation process to discuss the reasons for exceeding the target between 2023-2024. Reasonableness meetings for provider organizations will be held after data validation is completed, likely beginning around March 2026. **OHA will provide separate written notice to organizations that require a reasonableness meeting.**

If OHA can determine that the provider organization exceeded the cost growth target for an acceptable reason from its own analysis, OHA will not require the provider organization to participate in a reasonableness meeting for the 2023-2024 measurement period.

For more information about acceptable reasons for cost growth and guidance on the types of documentation that might be required to support the reasonableness conversation, please see the [CGT-7 Sub-Regulatory Guidance document](#) published in June of 2024.

4. Accountability

OHA will issue formal determinations to all provider organizations that exceeded the cost growth target for the 2023-2024 measurement period when the determining reasonableness process is complete. Provider organizations that exceed the cost growth target with statistical confidence and without an acceptable reason may be subject to accountability measures, including Performance Improvement Plans (PIPs) and financial penalties.

Performance Improvement Plans: If excess cost growth is determined to be unreasonable, OHA will notify provider entities of the requirement for a PIP. Further guidance on the PIP process is available in the [CGT-6 Performance Improvement Plan Template Guidance](#), and the [PIP template](#) has been posted online on the Cost Growth Target Program's [Accountability webpage](#).

Financial penalties: If a provider organization continues to exceed the cost growth target for three measurement years out of five without an acceptable reason, they may incur a financial penalty. Provider organizations that primarily serve pediatric populations and Federally Qualified Health Centers are exempt from financial penalties.

Additional information on financial penalties and CGT accountability mechanisms is available in the [CGT-7 Sub-Regulatory Guidance document](#) published in June of 2024, and in the [final CGT rules effective July 22, 2024](#).

Who does the cost growth target apply to?

The cost growth target is applied at four different levels:

- Statewide
- Statewide, by market (Medicaid, Medicare, Commercial)
- Payers
- Provider Organizations

See question 8 in the [provider organization FAQs document](#) for more details on provider organization inclusion criteria.

What does inclusion in the CGT program mean for provider organizations?

Provider organizations who have been identified for inclusion in the Cost Growth Target program will have year-over-year growth in their total medical expenditures for attributed patients calculated and compared to the cost growth target.

All provider organizations who are included in the program have their cost growth reported publicly each year. Provider organizations that exceed the target with statistical confidence and without an acceptable reason may also be put on a Performance Improvement Plan (PIP), and some provider organizations may eventually be subject to a financial penalty.

Implementation of the different program components has been phased in over time since the program's inception. The timeline below shows the previous cost growth target measurement periods and when accountability measures have phased in.

CGT Year	0	1	2	3	We are here - data validation in process	5
Cost growth between	2018 – 20	2020 – 21	2021 – 22	2022 – 23	2023 –24	2024 – 25
Data submitted in	2021	2022	2023	2024	2025	2026
Report published in	2022	2023	2024	2025	2026	2027
Are payers/providers publicly identified?	No	Yes	Yes	Yes	Yes	Yes
Do PIPs apply?	No	No	No	Yes	Yes	Yes
Applies to a potential \$ penalty in 2028?	No	No	Yes	Yes	Yes	Yes

Which provider organizations are subject to the cost growth target program?

The Cost Growth Target Implementation Committee provided several parameters for determining which provider organizations should be held responsible for their performance relative to the cost growth target:

Provider organizations that can be held accountable for Total Medical Expenditures

Provider organizations that can be held accountable for Total Medical Expenditures include only those organizations that could in theory take on contracts where they are responsible for the total cost of care because they (1) include primary care providers who direct a patient's care, and/or (2) can influence where a patient receives care to promote high value providers and care.

These include health systems, hospitals with primary care providers, medical groups with primary care providers, and a subset of specialists that provide care coordination (e.g., some oncologists) or provide a majority of primary care-like services.

Health care cost growth is measured for provider organizations, not individual clinicians.

Provider organizations that have sufficient patient volume

Provider organizations must have sufficient patient volume to be able to detect accurate and reliable changes in annual per capita Total Medical Expenditures, and to help prevent situations where smaller provider organizations may exceed the health care cost growth target due to a few unusually complex and expensive cases.

Sufficient patient volume is defined as: Provider organizations with at least 10,000 unique all-payer attributed lives, or at least 5,000 attributed lives within any one market (Medicaid, Medicare, Commercial). To align with CGT data submissions, these thresholds were converted to provider organization member months: at least 120,000 member months across all markets or at least 60,000 member months within one market.

How was my organization identified for inclusion?

Health insurance plans have identified their members who live in Oregon and attributed them (where possible) to a primary care provider. All spending incurred by that member is attributed to the primary care provider, and spending is then rolled up to the provider organization level based on primary care provider to organization affiliation.

Your organization was identified for inclusion in the Cost Growth Target Program out of the latest cost growth target data submissions from payers, covering CY 2023-2024. The list of current payers (data submitters) is available on the [CGT Data Submission website](#).

Over 50 provider organizations were identified for inclusion in the Cost Growth Target Program from the latest 2023-2024 data.