

# Cost Growth Target Advisory Committee

## CHARTER

### 1. Problem Statement

Health care costs are rising and are continuing to take up a larger proportion of state, employer, and family budgets. Since 2000, Oregon employer-sponsored insurance premiums have grown three times faster than personal income,<sup>i</sup> and premiums equate to nearly one third of average family household income in Oregon.<sup>ii</sup> Oregonians' deductibles are the third highest in the nation, and average annual family deductibles have increased 77% since 2010.<sup>iii</sup>

Not all health care costs are warranted. Nationally, approximately 25% of total health care spending is spent on poor care delivery and coordination, unnecessary treatments or low-value care, high prices, fraudulent or abusive charges and administrative waste.<sup>iv</sup>

In Oregon, health care prices are high, especially among providers with negotiating leverage. This leads to a wide variation in what payers are spending for the same services at different providers. This variation in pricing is unjustifiable and leads to higher costs for people across Oregon.

### 2. Vision and Mission

Oregon's vision is to lower the growth of health care spending in the state to a financially sustainable rate by leveraging its sustainable health care cost growth target. A sustainable health care cost growth target is a target for the annual rate of growth of total health care spending in the state.

Oregon's mission is to implement a sustainable health care cost growth target program that:

- measures as much total statewide health care spending as possible;
- transparently reports on the performance of Oregon's health care payers and provider organizations relative to the cost growth target;
- transparently monitors for key drivers of costs and cost growth, as well as negative impacts of the cost growth target and other key performance measures;
- holds payers and provider organizations accountable when they exceed the cost growth target with statistical certainty and without a good reason;
- contributes toward OHA's strategic goal of eliminating health inequities by 2030; and
- identifies and implements strategies to slow cost growth and support cost growth target attainment.

### **3. Predecessor Implementation Committee**

In 2019, Oregon passed Senate Bill 889, creating the Sustainable Health Care Cost Growth Target Program, and establishing the Cost Growth Target Implementation Committee under the direction of the Oregon Health Policy Board to design the implementation plan and program details for the Sustainable Health Care Cost Growth Target Program.<sup>v</sup>

The Implementation Committee delivered their recommendations in January 2021<sup>vi</sup>, including establishing a future governance committee for the Cost Growth Target Program in 2022 and beyond. The Implementation Committee recommended that the new Committee should consist of health care payers and provider organizations, as well as employer and consumer representatives. The Committee further recommended there be some overlap between members of the predecessor Implementation Committee and the new Committee to ensure continuity.

### **4. Advisory Committee Charge**

The Sustainable Health Care Cost Growth Target Advisory Committee is established under the direction of the Oregon Health Policy Board (OHPB) and is charged with the following:

- Monitoring and informing ongoing program implementation
- Revisiting the cost growth target value for 2026-2030 (and beyond)
- Reviewing and understanding cost growth trends and cost drivers and advising OHA, DCBS and OHPB on the impact of cost
- Reviewing and understanding the performance of Oregon's health care payers and provider organizations relative to the cost growth target
- Monitoring for negative impacts of the cost growth target and other key performance measures
- Identifying opportunities to improve equity
- Reviewing and understanding progress toward value-based payment (VBP) goals
- Identifying and recommending opportunities and strategies to reduce cost growth
- Encouraging collective action across payers, provider organizations, and other stakeholders to meet the cost growth target
- Informing public hearings
- Ensuring transparency of the cost growth target program and data, performance relative to the target, negative impacts, and other key indicators

OHA, DCBS and/or the Oregon Health Policy Board may charge the Advisory Committee with other responsibilities over time.

The Advisory Committee is not responsible for making determinations of whether or not payers and provider organizations have reasonable cost growth and/or should be subject to any accountability mechanisms; those decisions rest with the Oregon Health Authority. The Advisory Committee will be kept informed of accountability decisions and may be asked to provide recommendations or guidance to inform the development of the financial penalty methodology, as well as recommendations for additional accountability mechanisms if needed.

### **Deliverables**

The Advisory Committee will provide an annual report to the Oregon Health Policy Board with a summary of its work and identified recommendations, strategies and opportunities. OHA, DCBS and/or the Oregon Health Policy Board may request other deliverables from the Advisory Committee over time.

## **5. Committee Membership**

### **Appointment**

Advisory Committee members are appointed by the Oregon Health Policy Board through an open recruitment process; OHPB will appoint members to fill any vacancies as needed.

### **Committee Composition**

The Oregon Health Authority and the Oregon Health Policy Board have prioritized health equity and one of OHA's core values of health equity states "We consider the diversity of Oregon's communities as we make decisions about how policy and practices are developed, and how resources are distributed." OHA and OHPB are working to ensure diverse and equity-focused membership across all committees of the Board, including the following demographic representation: racial and ethnic, age, gender identity, sexual orientation, language, and disability, as well as intersections among these communities or identities.

OHPB adopted an "[ideal committee composition matrix](#)" in March 2022 to guide the membership selection process for the Advisory Committee. The composition matrix balanced representation across sectors, demographics, and expertise.

### **Term Lengths**

Advisory Committee members will serve two-year terms, although initial term lengths may be staggered to ensure continuity. Terms may be extended at the discretion of the Director of the Oregon Health Authority.

### **Removal**

Committee members may be removed for failure to fulfil responsibilities as outlined in this charter.

Cost Growth Target Advisory Committee Charter

Approved June 22, 2022

## **Role Changes**

Members of the Committee who no longer represent the organization or role they were selected for can continue to serve on the Committee at the discretion of the Director of the Oregon Health Authority.

## **Conflicts of Interest**

As the Advisory Committee will not be making accountability determinations for payers and provider organizations who exceed the cost growth target, payers and provider organizations that are subject to the cost growth target may be Advisory Committee members.

## **Public Officials**

Advisory Committee members are considered public officials under Oregon law; Advisory Committee members are required to follow Oregon Government Ethics law, including its guidance on conflicts of interest and potential conflicts of interest.<sup>1</sup>

## **Ex Officio Members**

Ex officio members representing the Oregon Health Authority, the Department of Consumer and Business Services, and the Office of Economic Analysis are non-voting members of the Committee.

## **Compensation**

Qualified Advisory Committee members may receive a per diem compensation related to performing official committee duties, as defined in ORS 292.495(4). Per diem compensation is equal to the per diem paid to members of the Legislative Assembly for each full or partial day that an Advisory Member performs official duties.

All Advisory Committee may also receive reimbursement for necessary travel and other expenses incurred in the performance of official duties. Advisory Committee members receive reimbursement in the manner and amount provided in ORS 292.495. Advisory Committee members may decline to accept compensation or reimbursement of expenses.

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<sup>1</sup> <https://www.oregon.gov/ogec/Documents/2021%20PO%20Guide%20Final%20Adopted.pdf>

## 6. Committee Duties and Responsibilities

### Advisory Committee Member Agreements & Responsibilities

Members agree to participate in good faith and to act in the best interests of the Advisory Committee and its charge. To this end, members agree to place the interests of the State above any political or organizational affiliations or other interests.

Members accept the responsibility to collaborate in developing potential recommendations that are fair and constructive for the State. Members are expected to consider a range of issues and options to address them, discuss the pros and cons of the issues/options presented and where possible, come to conclusion or consensus that reflects the “sense of the group.”

Members acknowledge that their role is to frame policy choices and provide advice; final decisions, if any, rest with the OHA, DCBS, and/or OHPB.

Members agree to fulfill their responsibilities by attending and participating in Committee meetings; reviewing materials to understand issues to be addressed in meetings; working collaboratively with one another to explore issues and solutions; participating in the development of recommendations and documents as requested; and considering and integrating public comment into Committee recommendations as appropriate.

### Role of Advisory Committee Chairs

The Advisory Committee will elect two Co-Chairs, with one Co-Chair representing the health care industry and one Co-Chair representing non-health care industry perspectives.

The Co-Chairs will encourage full and safe participation by Committee members in all aspects of the process, assist in the process of building consensus, and ensure all members abide by the expectations for the decision-making process and behavior defined herein.

The Co-Chairs will work with OHA to develop meeting agendas, provide meeting facilitation, and otherwise ensure an efficient decision-making process. Co-Chairs will assist with the voting process if consensus cannot be reached (see Committee Operating Procedures below).

The Co-Chairs will serve, with OHA, as key spokespeople for the Committee to the Oregon Health Policy Board, the Legislature, and other key stakeholders.

## Role of OHA and DCBS

The Oregon Health Authority and the Department of Consumer and Business Services shall assist the Advisory Committee by furnishing information, advising members, and staffing meetings.

OHA agrees to act in good faith in all aspects of the Committee's process. OHA will support the Committee, along with the Co-Chairs, by setting meeting agendas, facilitating meetings, and preparing content for consideration in such a way that will allow the Committee members to make informed decisions.

OHA staff supporting the Committee will provide the Committee with well-informed policy options for their review and discussion. OHA will not preclude members from introducing alternative policy options related to the topic at hand.

OHA will document any decisions made by the Committee and seek Committee approval on meeting summaries and other work products.

OHA will help make connections between Advisory Committee discussions and work related to cost growth and cost containment strategies that is occurring in other venues (e.g. other Oregon Health Policy Board Committees, Prescription Drug Affordability Board, etc.).

## 7. Committee Principles

The principles listed below will guide the Advisory Committee's recommendations for Oregon's Health Care Cost Growth Target program. The principles can be revised if proposed by the Co-Chairs or by majority of members.

The Cost Growth Target Advisory Committee will:

- be sensitive to the impact that high health care spending growth has on people in Oregon;
- align recommendations where possible with other state health reform initiatives to lower the rate of growth of health care costs;
- recognize that not all health care cost growth is problematic;
- promote collaboration across payers and provider organizations, and encourage collective action to meet the cost growth target;
- Identify and work to mitigate health inequities; and
- focus on the charges delegated to the Committee and avoid topics and recommendations that are beyond the Committee's assignment.

## 8. Committee Operating Procedures

### Expectations

Committee members agree to act in good faith in all aspects of the Committee’s process. This includes being honest and refraining from undertaking any actions that will undermine or threaten the deliberative process. It also includes behavior outside of meetings.

Expectations include:

- Members should try to attend all meetings. If members cannot attend a meeting, they should notify OHA staff. After missing a meeting, the member should contact OHA staff for a briefing, and review materials and the meeting summary and/or recording.
- Members agree to be respectful at all times of other Committee members, staff, and audience members. They will listen to each other to seek to understand the other’s perspectives, even if they disagree.
- Members agree to make every effort to bring all aspects of their concerns about these issues into this process to be addressed.
- Members agree to refrain from personal attacks, intentionally undermining the process, and publicly criticizing or mis-stating the positions taken by any other participants during the process.
- Any written communications, including emails, blogs and/or other social networking media, will be mindful of these procedural ground rules and will maintain a respectful tone even if highlighting different perspectives.
- Members are advised that email, blogs, and/or other social networking media may be considered public documents. Emails and social networking messages meant for the entire group will be distributed via OHA staff.
- Requests for information made outside of meetings will be directed to OHA staff. Responses to such requests will be limited to items that can be provided within a reasonable amount of time.

### Communications

#### Written Communications

Members agree that transparency is essential to the Committee’s deliberations. In that regard, members are requested to include both the Co-Chairs and staff in written communications commenting on the Committee’s deliberations from/to interest groups (other than a group specifically represented by a member); these communications will be included in the public record as detailed below and copied to the full Committee as appropriate.

Committee members should take care to not “reply all” to emails sent to them by the Co-Chairs or Committee staff, unless requested.

Written comments to the Committee, from both individual Committee members and from agency representatives and the public, should be directed to OHA staff. Written comments will be distributed by OHA staff to the full Committee in conjunction with distribution of meeting materials or at other times at the Co-Chairs' discretion and posted publicly in accordance with Public Meeting Law.

### **Media**

While not precluded from communicating with the media, Committee members agree to generally defer to the Co-Chairs or OHA staff for all media communications related to the Committee. Committee members agree not to negotiate through the media or use the media to undermine the work of the Committee.

Committee members agree to raise all their concerns, especially those being raised for the first time, at a Committee meeting and not in or through the media.

### **Lobbyists**

While not precluded from communicating with or meeting with lobbyists or representatives of organizations that may have a vested interest in Advisory Committee recommendations and/or the Cost Growth Target program, Committee members agree to disclose these conversations to the Committee and/or OHA staff and encourage lobbyists and representatives to bring their perspectives to Committee meetings via public comment.

Advisory Committee members agree that they cannot make decisions or promises about Committee decisions or recommendations outside of Committee meetings.

## **Committee Meetings**

The Committee will meet at times and places proposed by OHA staff, the Co-Chairs, or by a majority of members. The Committee shall meet at least once per quarter.

In addition to authority granted to the Co-Chairs, work groups or other advisory processes may be established by approval of a majority of Committee members. Meetings of these groups will be conducted in accordance with these operating procedures.

A majority of voting members constitutes a quorum for the transaction of Committee business.

Meetings will be conducted in a manner deemed appropriate by the Co-Chairs to foster collaborative decision-making and consensus building (see below). Robert's Rules of Order will be applied when deemed appropriate.



## **Consensus Process/Voting**

A consensus decision-making model will be used to facilitate the Committee's deliberations and to ensure that the Committee receives the collective benefit of the individual views, experience, background, training, and expertise of its members. Consensus is a participatory process whereby, on matters of substance, the representatives strive for agreements that they can accept, support, live with, or agree not to oppose.

Committee members agree that consensus has a high value, and that the Committee should strive to achieve it. As such, decisions on Committee recommendations will be made by consensus of all present members unless voting is requested by a Committee member. Voting shall be by roll call. Final action on Committee recommendations requires an affirmative vote of the majority of the Committee members. A Committee member may vote by telephone or video.

If no consensus is reached on an issue for proposed Committee recommendation, minority positions will be documented, which may include alternative suggestions.

Members will honor decisions made and avoid re-opening issues once resolved.

## **Documentation**

All meetings of the Committee shall be recorded and written summaries prepared. The audio/video records shall be posted on the Committee's meeting archive web page. Meeting agendas, summaries and supporting materials will also be posted to the Committee web page.

## **Public Status of Committee Meetings and Records**

Committee meetings are open to the public and will be conducted under the provisions of Oregon Public Meetings Law (ORS 192.610-690). Members of the public, stakeholders, and legislators may present before the Committee upon the invitation of the Co-Chairs, or at the invitation of the majority of the members of the Committee. Members of the public may also submit public comment in accordance with Oregon Public Meetings Law. In the absence of a quorum, a Committee may still receive public testimony.

Committee records, including formal documents, discussion drafts, meeting summaries and exhibits, are public records.

Communications of Committee members are not confidential because the meetings and records of the Committee are open to the public. “Communications” refers to all statements and votes made during the Committee meetings, memoranda, work products, records, documents or materials developed to fulfill the charge, including electronic mail correspondence. The personal, private notes of individual Committee members might be considered to be public to the extent they “related to the conduct of the public’s business,” (ORS 192.410(4)).

### Amendment of Operating Procedures

These procedures may be changed by an affirmative vote of the majority of the members of the Committee, but at least one week’s notice of any proposed change shall be given in writing to each member of the Committee.

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<sup>i</sup> Medical Expenditure Panel Survey-Insurance Component and the Bureau of Economic Analysis.

<sup>ii</sup> “The Burden of Health Care Costs for Working Families: A State-Level Analysis” University of Pennsylvania Leonard Davis Institute of Health Economics. April 2019.

<sup>iii</sup> Ibid.

<sup>iv</sup> Shrank et al. “Waste in the US Health Care System: Estimated Costs and Potential for Savings” *JAMA* 2019;322(15):1501-1509.

<sup>v</sup> <https://www.oregon.gov/oha/HPA/HP/Pages/cost-growth-target-implementation-committee.aspx>

<sup>vi</sup> <https://www.oregon.gov/oha/HPA/HP/HCCGBDocs/Cost%20Growth%20Target%20Committee%20Recommendations%20Report%20FINAL%2001.25.21.pdf>