

# Sustainable Health Care Cost Growth Target Program Update to Accountability Timeline

## Background

Oregon's Health Care Cost Growth Target program includes escalating accountability mechanisms for payer and provider organizations that exceed the cost growth target with statistical [significance](#) and without good reason in a given year. The Cost Growth Target Implementation Committee originally recommended that accountability mechanisms be phased-in over time to allow payers and provider organizations time to implement cost containment approaches.

In January 2023, after consideration of macro-economic factors including inflation and labor market trends, the Cost Growth Target Advisory Committee agreed to delay accountability (Performance Improvement Plans) by one year. OHA intended to conduct administrative rulemaking for Performance Improvement Plans (PIP) and financial penalties in Fall 2023 to provide payers and provider organizations with more information about the process even though PIP implementation was pushed back.

In July 2023, the Advisory Committee recommended the delay of rulemaking by a few months to allow the Committee more time to discuss accountability mechanisms at their September and November meetings as needed. This delay revises the rulemaking and accountability timelines OHA published in March.

## Revised Timeline

Performance Improvement Plan (PIP) implementation has been delayed until 2024. This means the first time any payer or provider organization may be subject to a PIP will be for health care cost growth between 2022-2023 (data collected in the fall of 2024, accountability determination in early 2025).

To be subject to a PIP, a payer or provider organization's cost growth must exceed the state cost growth target **with statistical significance** and **without good reason**.<sup>1</sup>

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<sup>1</sup> Factors that may reasonably drive cost growth may include changes in mandated benefits, new pharmaceuticals or treatments, changes in taxes or other administrative factors, "Acts of God" (e.g., pandemics, wars), changes in federal or state law, investments to improve population health and/or address health equity, macro-economic factors, and others.

| CGT Year                                  | 0         | 1         | 2         | 3         | 4         | 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       |
| Does \$ penalty apply?                    | No        | No        | No        | No        | No        | Yes       |

## Accountability Rulemaking – Revised Timeline

OHA will conduct administrative rulemaking for the Cost Growth Target program’s accountability mechanisms as directed by statute.<sup>2</sup> The revised timeline below reflects the July 2023 discussion with the Advisory Committee and the agreement to push the original rulemaking timeline back by several months to allow for additional Committee discussion.

### Proposed Rulemaking Timeline

|                       |   |
|-----------------------|---|
| June, July 2023       | Share draft performance improvement plan templates and guidance and financial penalty methodology options with the Cost Growth Target Technical Advisory Group (TAG) for feedback |
| July                  | Share draft templates, guidance, methodology options etc. with the Cost Growth Target Advisory Committee for feedback   |
| September / November  | Continue discussing accountability mechanisms and methodology with the Cost Growth Target Advisory Committee  |
| Oct-Dec               | Rules Advisory Committee (RAC) recruitment<br><i>OHA intends to have RAC members selected before the end of 2023</i>  |
| January/February 2024 | Hold RAC meeting  |
| TBD                   | Public bulletin posting<br>Public comment period<br>Public rules hearing<br>Permanent rule filing   |
| TBD                   | Publish final PIP templates and guidance  |

<sup>2</sup> Oregon Revised Statutes 442.386(7)(a) and (9) direct OHA to adopt by rule criteria for waiving the requirement for a payer or provider organization to undertake a performance improvement plan if necessitated by unforeseen market conditions or other factors and criteria for imposing a financial penalty on any payer or provider organization that exceeds the cost growth target without reasonable cause in any three out of five years.

## Rules Advisory Committee

OHA will convene a Rules Advisory Committee in 2024. OHA will open a call for RAC members this fall.

To be notified about the call for RAC membership and upcoming meetings, please subscribe: [https://public.govdelivery.com/accounts/ORDHS/subscriber/new?topic\\_id=ORDHS\\_782](https://public.govdelivery.com/accounts/ORDHS/subscriber/new?topic_id=ORDHS_782)

RACs are used to seek input to the maximum extent possible during the development of the proposed rulemaking prior to giving notice of intent to adopt, amend, or repeal an administrative rule. RACs allow the public and interested parties to provide input and suggestions during the development of new rules, amendment or repeal of existing rules, and the fiscal impact of the proposed rulemaking. The RAC's role is advisory, and consensus is not necessary.

RACs are public meetings and any individual is welcome to attend, observe, and listen. The RAC meetings will be virtual. The RAC meetings will include a time for the public to provide comment.

