

Sustainable Health Care Cost Growth Target Program Update to Accountability Timeline

Background

Oregon’s Cost Growth Target program includes escalating accountability mechanisms for payer and provider organizations that exceed the cost growth target with statistical certainty 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.

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 certainty** and **without good reason**.¹

	We are here					
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

¹ 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 possibly others.

Accountability Rulemaking

OHA will conduct administrative rulemaking for the Cost Growth Target program's accountability mechanisms as directed by statute.² While the accountability timeline has been delayed by one year, OHA intends to begin the rulemaking process in 2023.

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
July, August	Launch Rules Advisory Committee (RAC) recruitment
September	Hold RAC meeting
TBD	Public bulletin posting Public comment period Public rules hearing Permanent rule filing
TBD	Publish final PIP templates and guidance

Rules Advisory Committee

OHA will convene a Rules Advisory Committee in 2023. OHA will open a call for RAC members this summer.

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

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 include a time for the public to provide comment.

² 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.