



Legacy Health  
1919 N.W. Lovejoy St.  
Portland, OR 97209  
503.415.5600 phone  
50.415.5777 fax

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Sarah Bartelmann, Cost Programs Manager  
Sustainable Health Care Cost Growth Target Program  
Oregon Health Authority

*Delivered electronically to [HealthCare.CostTarget@oha.oregon.gov](mailto:HealthCare.CostTarget@oha.oregon.gov).*

Re: Comments for the Oregon Health Authority on the Cost Growth Target

Ms. Bartelmann:

Legacy Health would like to extend appreciation to the Oregon Health Authority (OHA) for convening the cost growth target workgroup and considering the feedback of that group as OHA prepares to set a target or target formula for the years 2026-2030.

While Legacy Health supports the majority proposal advanced by the workgroup, we understand that the proposal has no guarantee of adoption by OHA, and we write here to advocate for certain principles in the setting of the target.

- We strongly believe that any target must acknowledge the intention of the program to try to keep health care cost growth low for Oregonians. Legacy Health is committed to managing the cost of care and has managed to keep cost growth low for patients, especially Commercial and Medicaid patients, according to OHA cost growth reports. Legacy Health is fully committed to decreasing internal costs through several strategic initiatives, including reducing contract labor.
- We believe with equal conviction that the cost growth target must acknowledge and reference health care expenditures.
  - Legacy Health opposes any measure that does not include a health care expenditure component. There is no area in health care where a target is set totally independently of the thing it measures. If we wanted to reduce the growth in falls, hospital-acquired infections, or surgical site infections, we would start with the historical growth of *those incidents* and try to reduce that number. We would not set a target based solely on the growth of a different, distantly related measure like the growth in the percentage of senior citizens.
  - Legacy Health strongly recommends not substituting traditional measures of inflation in lieu of health care expenditures. Even the Consumer Price Index-Medical Care measurement only assesses the change in unit cost of select health care services. Much of the strain on the health care financing system currently arises from increases in utilization, which are unmeasured by the Consumer Price Index.

The majority proposal that emerged from the workgroup considered these two areas—consumer purchasing power and health care expenditures—equally, which feels like the appropriate place to launch the second generation target and an improvement over the first target, which leveraged a target (3.4%) that arose from an arbitrary reduction to a measure of health care costs.

Thank you again for offering the opportunity to provide input into the process of setting the cost growth target, both within the workgroup and within this written public comment forum.

Sincerely,

Merrin Permut  
Vice President, Chief Population Health Officer

**Signature:** Merrin Permut  
Merrin Permut (Nov 25, 2025 13:49:25 PST)

**Email:** mpermut@lhs.org