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# Health Care Cost Growth Trends in Oregon, 2018-2020

2022 Sustainable Health Care Cost Growth Target Annual report

## Report Chart Pack

May 2023

HEALTH CARE  
COST GROWTH  
TARGET 

Oregon  
Health  
Authority



# Full report and databook online at:

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

## Oregon's Sustainable Health Care Cost Growth Target Program

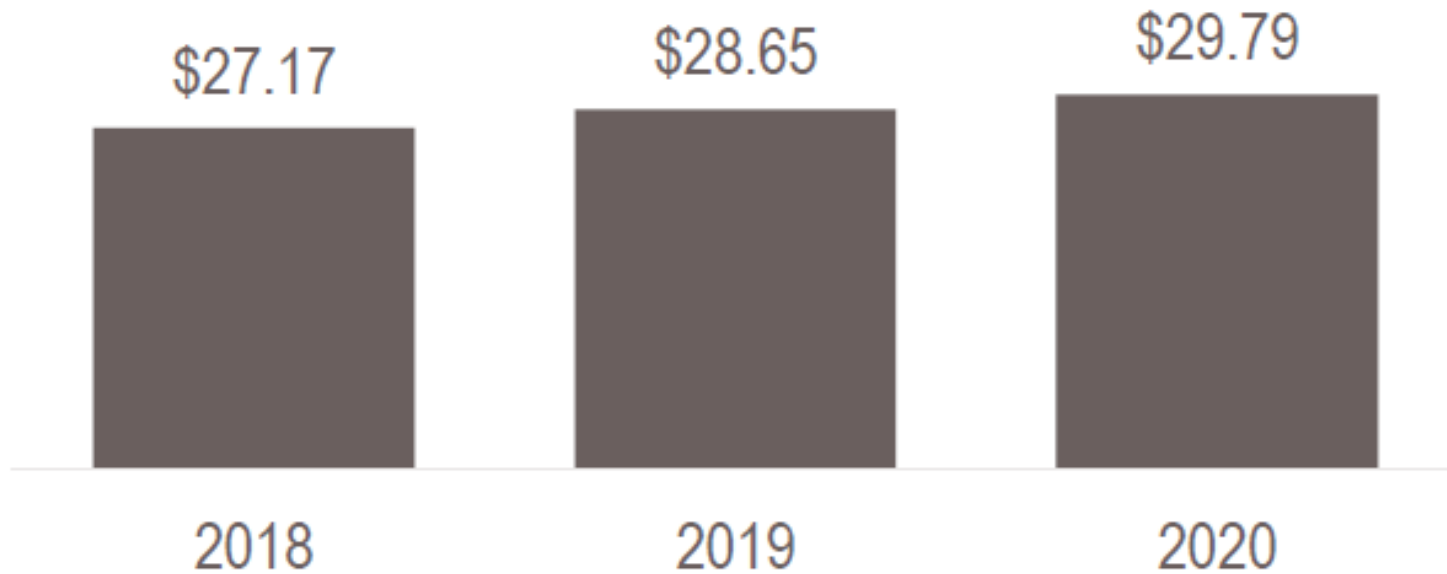
In 2019, the Oregon Legislature established the Sustainable Health Care Cost Growth Target Program, which sets a statewide target for the annual per person growth rate of total health care spending in the state. The program also monitors and publishes reports on health care cost increases and factors driving these trends.

### For more information:

<https://www.oregon.gov/oha/HPA/HP/Pages/Sustainable-Health-Care-Cost-Growth-Target.aspx>

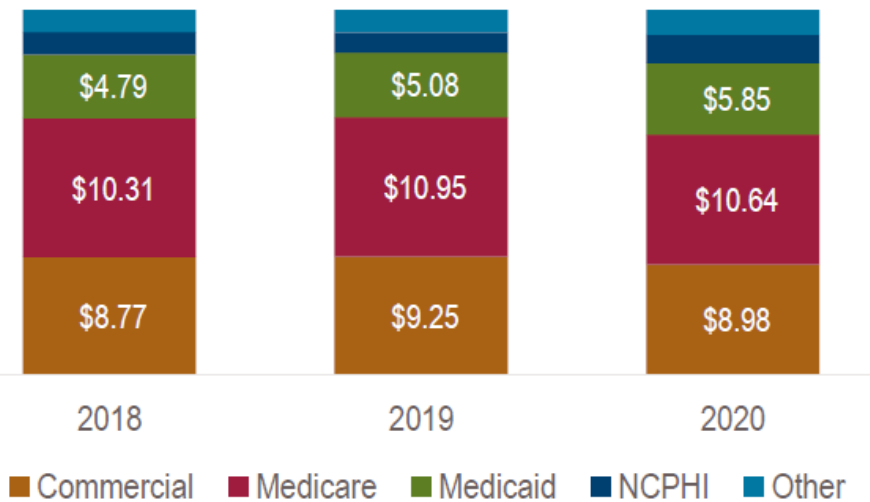
# **Chapter I. Health Care Cost Growth Trends, 2018-2020 Statewide and by Market**

# Total health care spending in Oregon, 2018-2020, billions

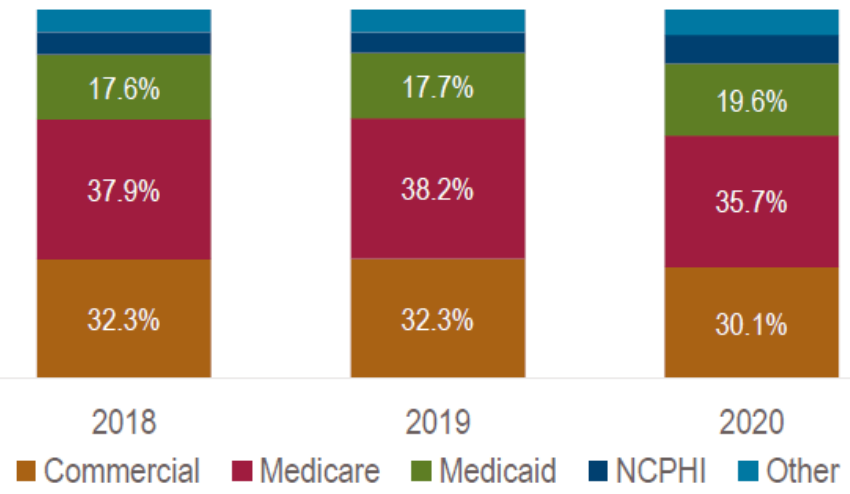


# Total health care spending in Oregon, by market, 2018-2020

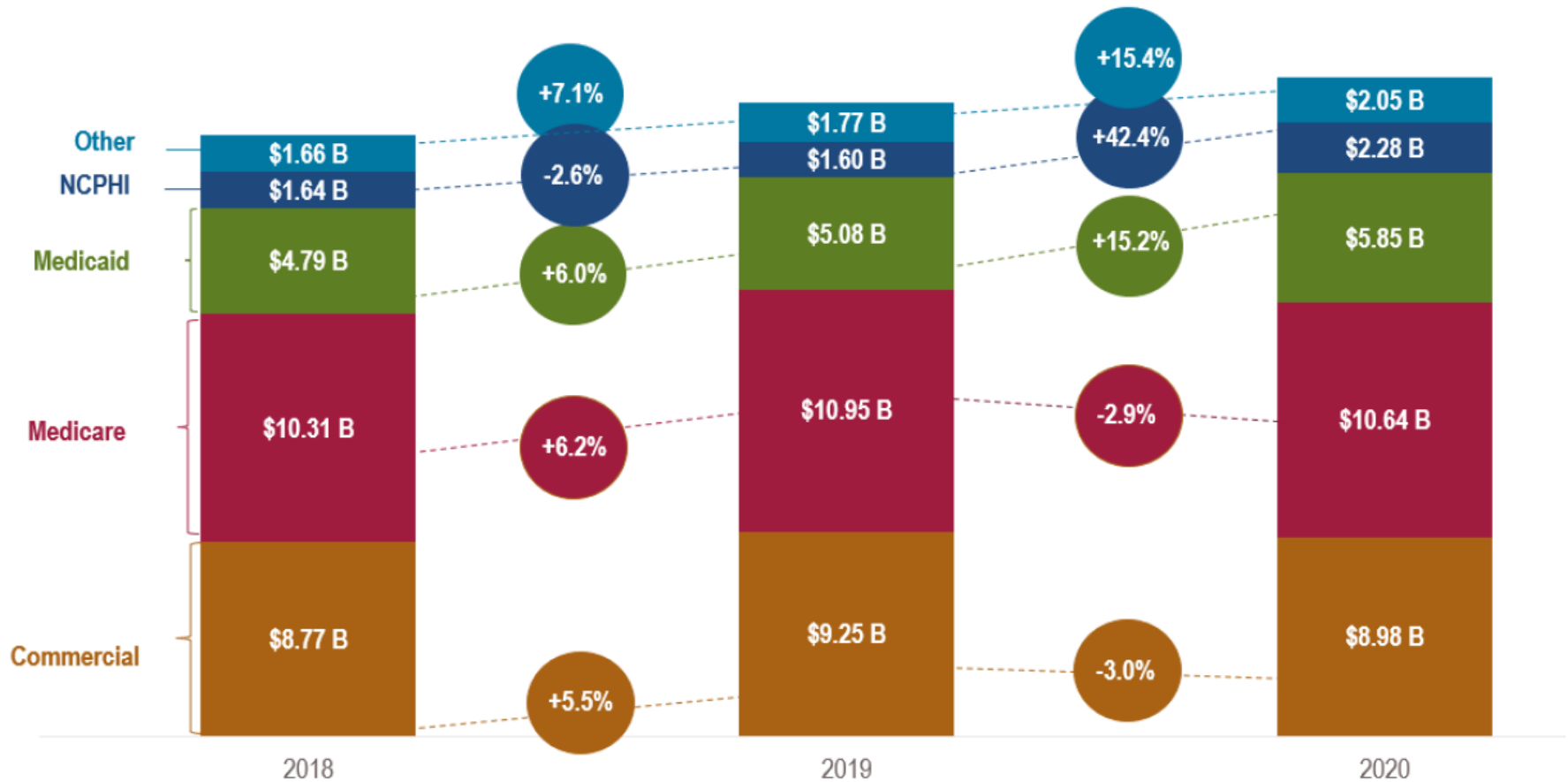
Total spending in **billions**



Total spending as a **percentage of total**

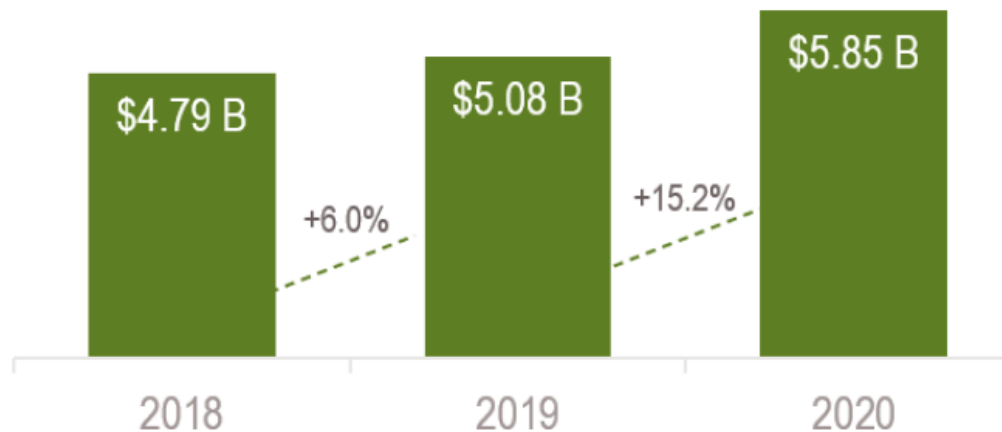


# Growth rate in total health care spending and total spending in billions, by market, 2018-2020



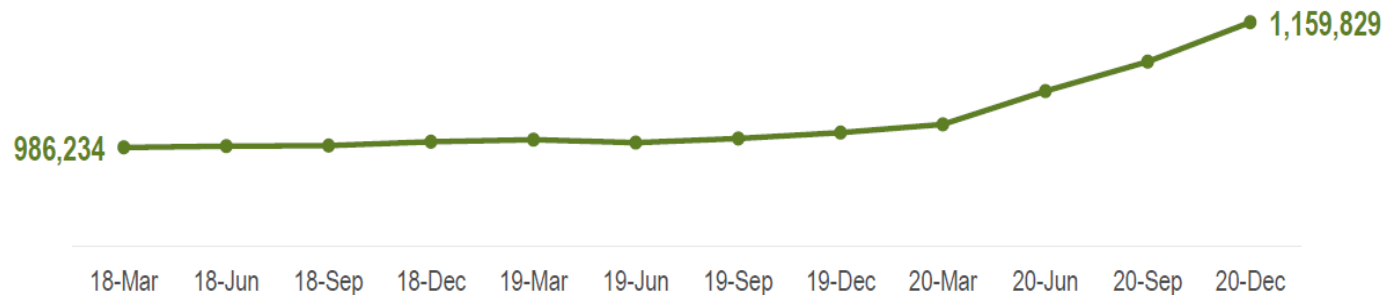
# Total Medicaid spending and the Public Health Emergency

Growth rate in total health care spending and total spending in billions, Medicaid, 2018-2020



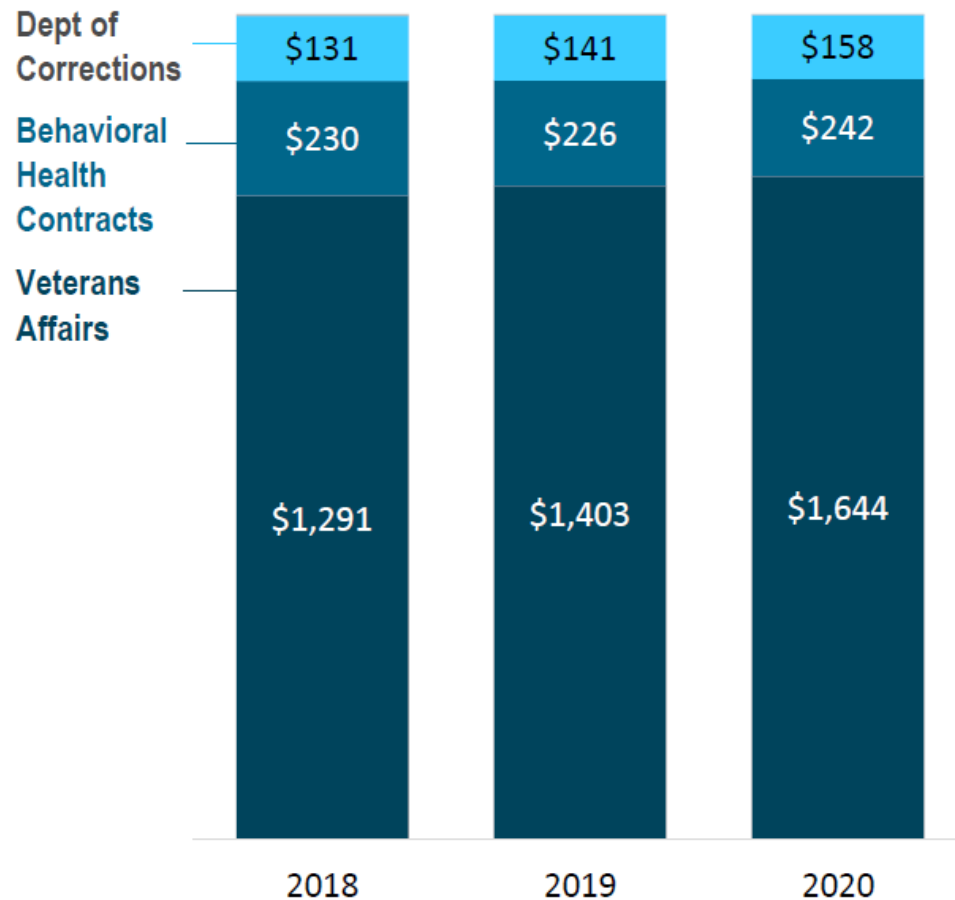
Increased growth in **Medicaid** spending from 2019-2020 relative to 2018-2019 likely reflected increased enrollment due to the Public Health Emergency

Medicaid eligibility by quarter, 2018-2020



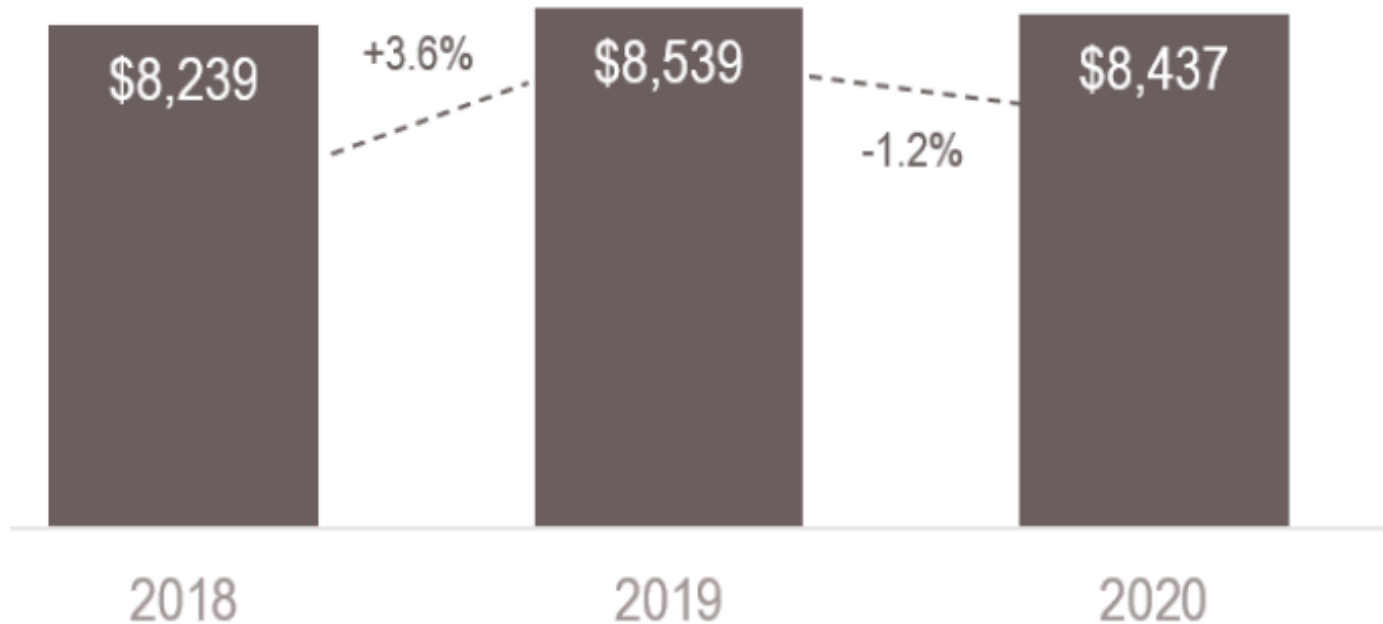
# Total health care spending – Other Spending, 2018-2020

Total spending is in millions



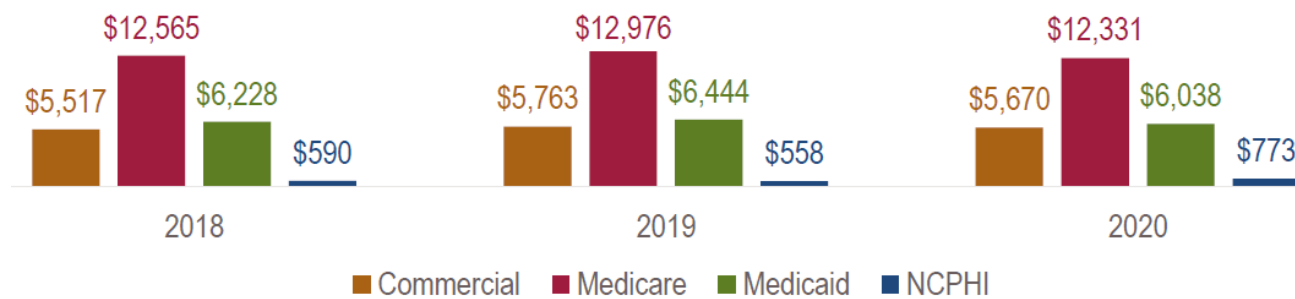


# Total Health Care Expenditures (THCE), and growth rate in Oregon, per person per year, 2018-2020

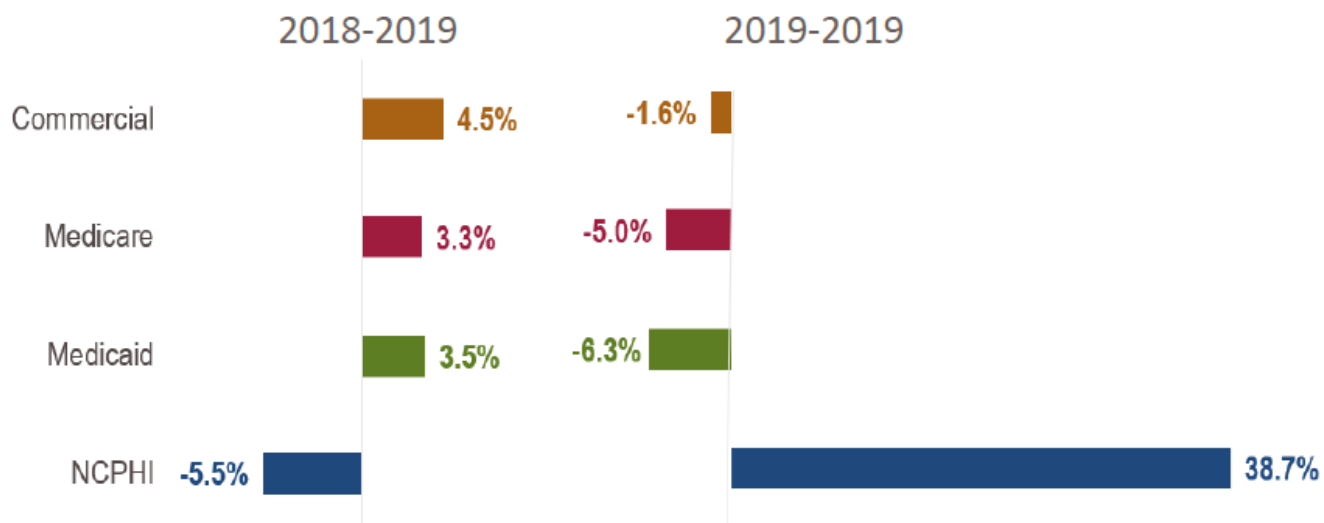


# Total Health Care Expenditures in Oregon, per person per year, by market, 2018-2020

Total per person per year spending, by market



Growth in per person per year spending, by market

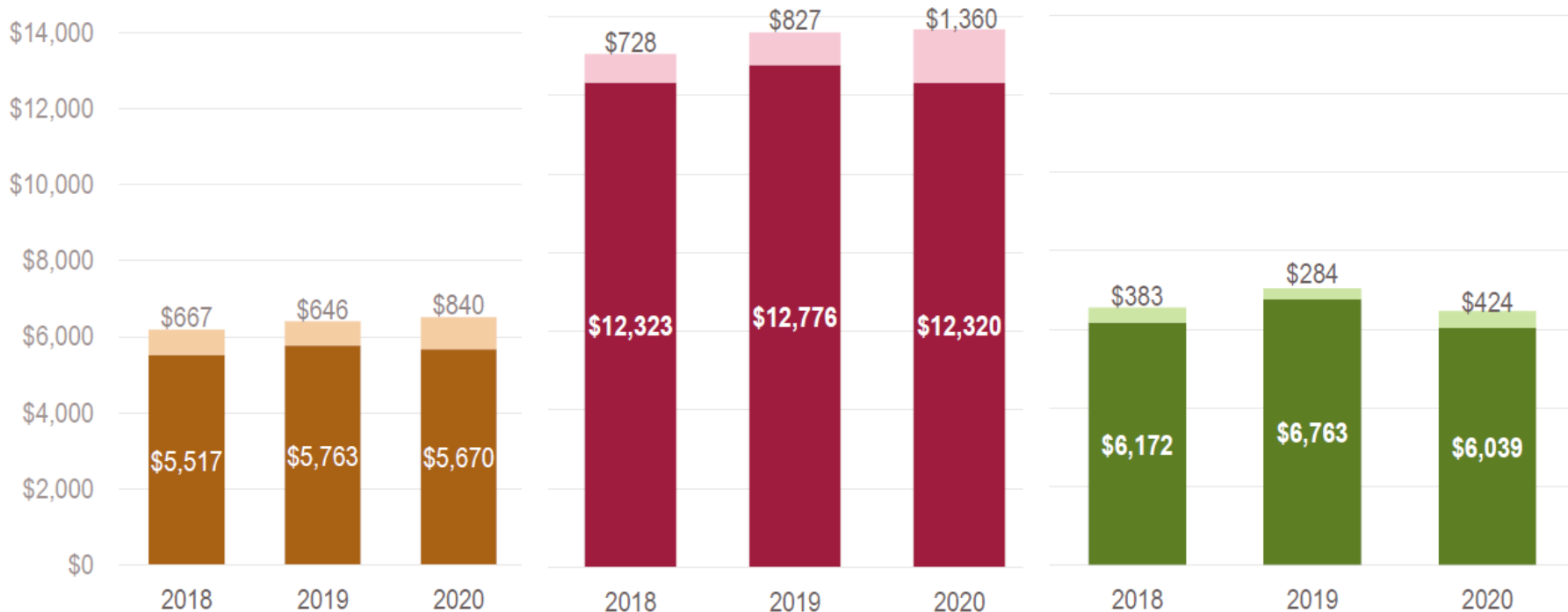


# Total Health Care Expenditures, by market, with the Net Cost of Private Health Insurance (NCPHI, lighter bars) per person per year, 2018-2020

## Commercial

## Medicare Advantage

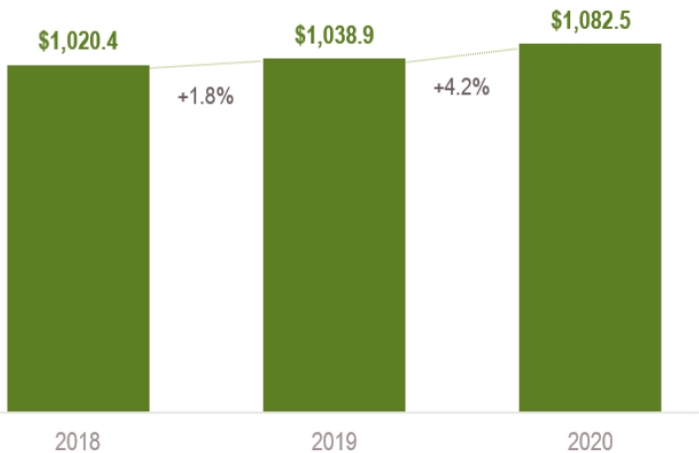
## Medicaid Coordinated Care Organizations



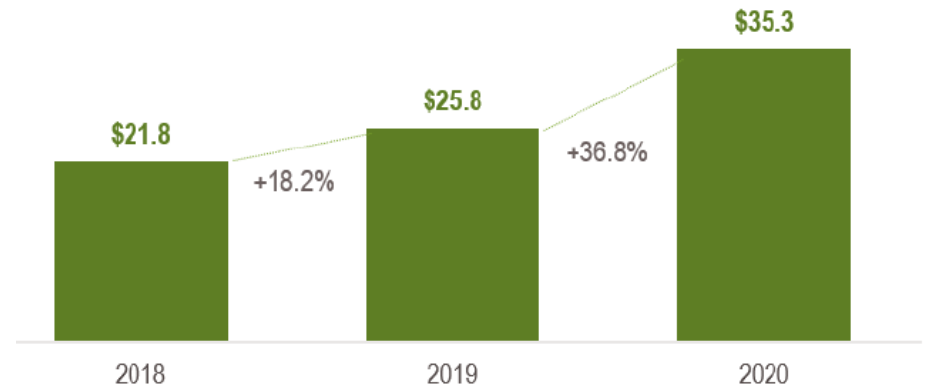
Medicare Advantage includes spending for dual eligible members.

# Other Medicaid Coordinated Care Organization (CCO) spending, 2018-2020

Medicaid CCO spending in Qualified Direct Payments and Hospital Reimbursement Adjustments\*, in millions



Medicaid CCO spending on Health-Related Services\*\*, in millions



\* In addition to the claims and non-claims payments Medicaid CCOs make to provider organizations that are described in more detail in chapter II, they also make several types of payments that can be included in Total Health Care Expenditures for the Medicaid market. Qualified Directed Payments (QDPs) and Hospital Reimbursement Adjustments (HRAs) are CMS-approved incentive payments designed to improve quality and access to health care services for Medicaid members.

\*\* Health-related services (HRS) are non-covered services that are offered as a supplement to covered benefits under Oregon's Medicaid State Plan to improve care delivery and overall member and community health and well-being.

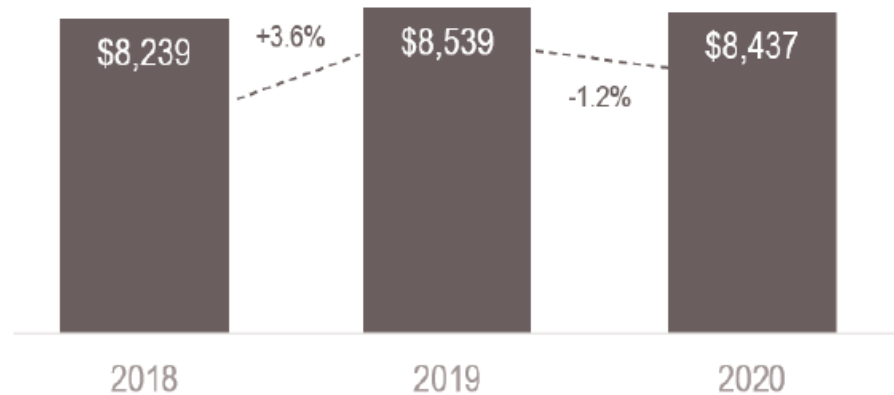
# **Chapter II. Health Care Cost Growth Trends, 2018-2020 by Service Category**

# Total medical expenses (TME), statewide, 2018-2020

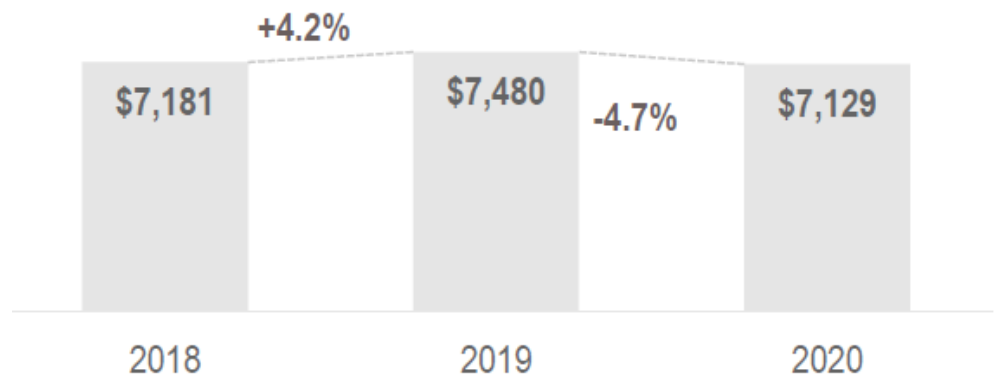
Total Health Care Expenditures (THCE) includes the Net Cost of Private Health Insurance (NCPHI) and Other Spending.

Total Medical Expenses (TME) is a subset of THCE that does not include the NCPHI or Other Spending categories. It includes medical claims and non-claims spending.

Total Health Care Expenditures (THCE), statewide per person per year, 2018-2020



Total Medical Expenses (TME) statewide per person per year, 2018-2020

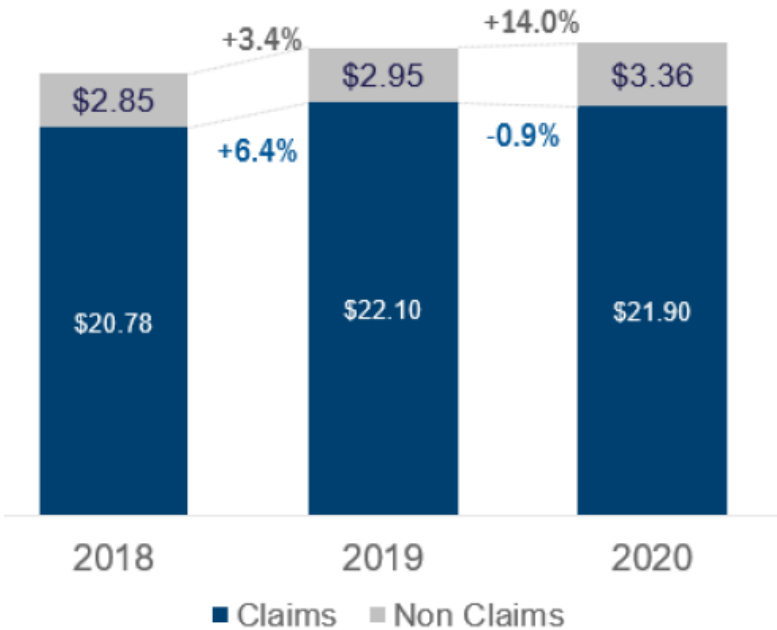


# Total Medical Expenses – total dollars spent, in billions, statewide, 2018-2020

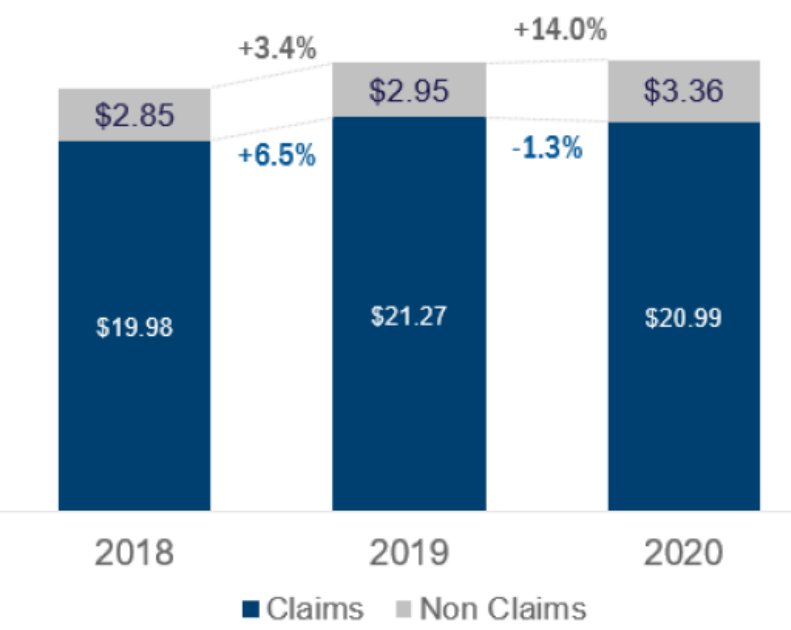
**Gross of pharmacy rebates** means that the cost of pharmacy rebates has not been subtracted from the amount paid for retail pharmacy by the payer.

**Net of pharmacy rebates** means that the amount received by payers in pharmacy rebates has been subtracted from the total amount spent on retail pharmacy.

Gross of pharmacy rebates

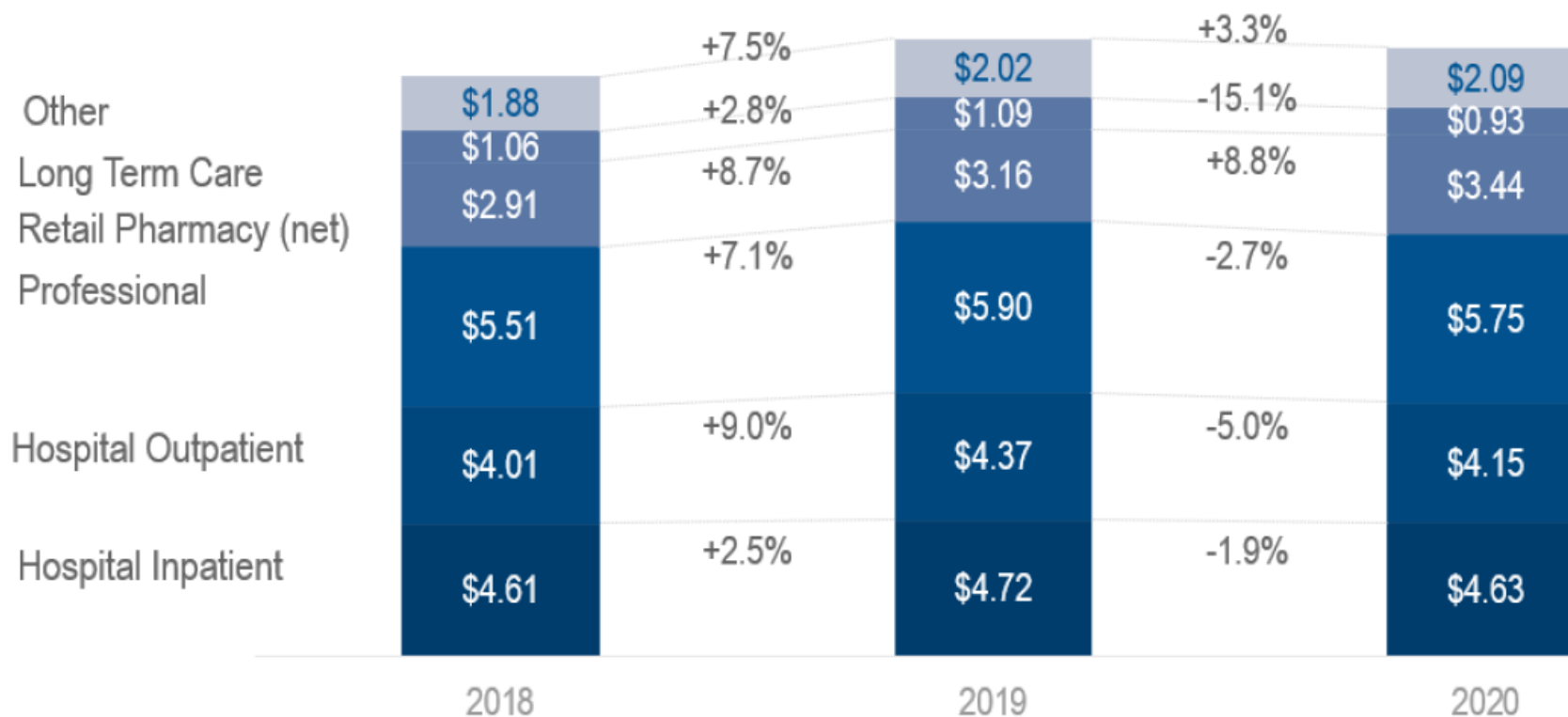


Net of pharmacy rebates



# Total Medical Expenses – total claims spending, statewide, 2018-2020

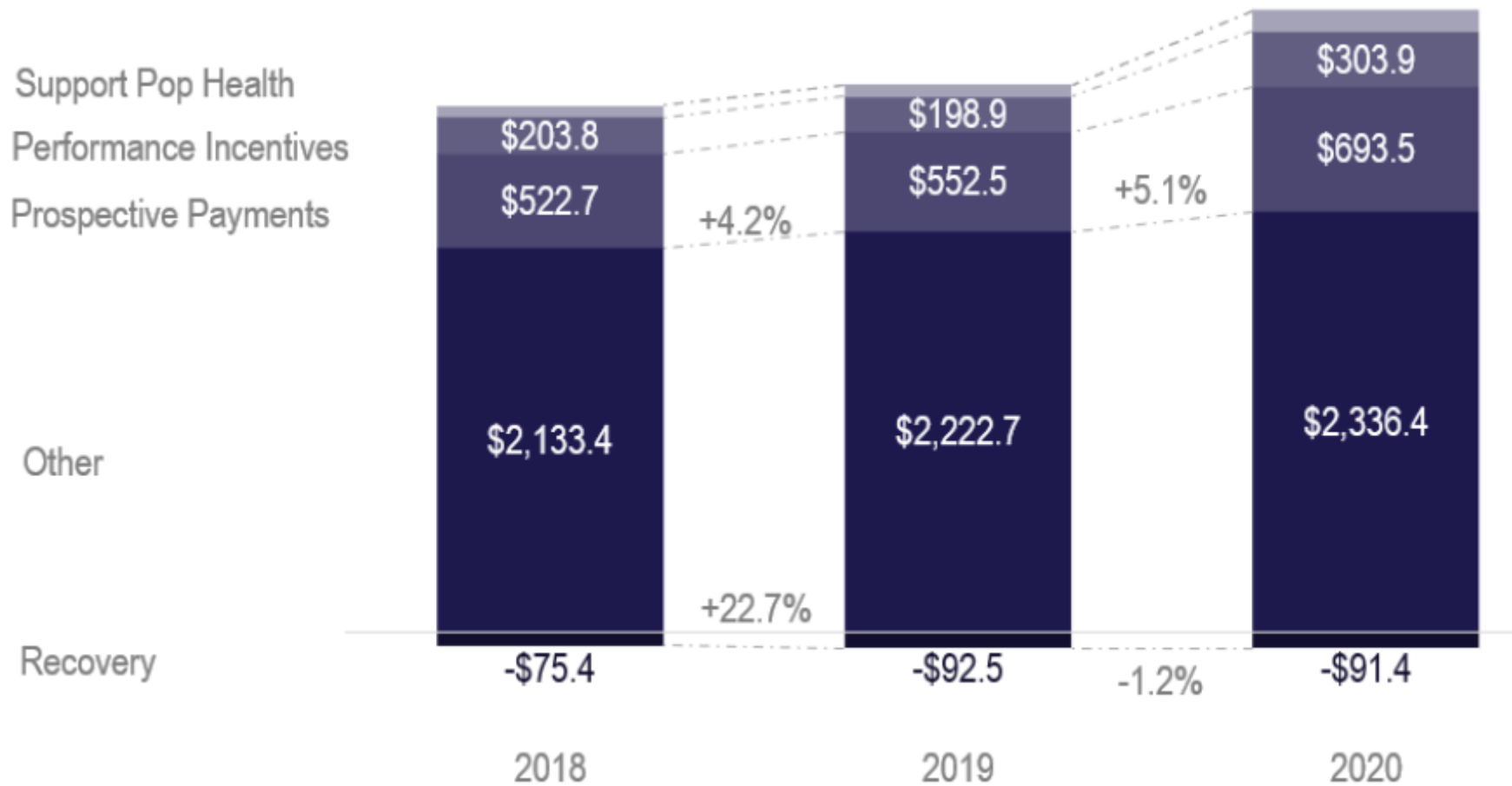
Spending reported net of pharmacy rebates, in billions





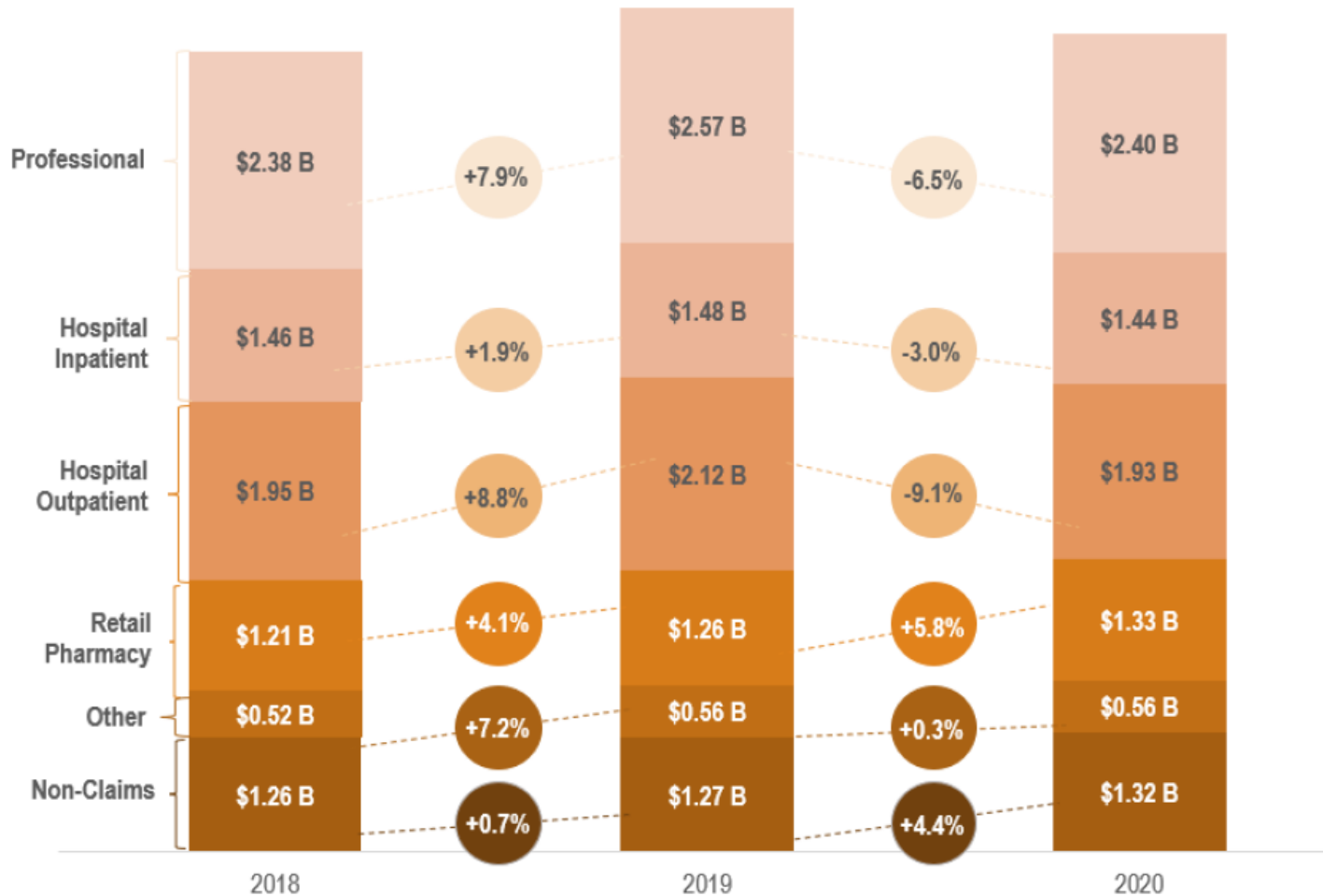
# Total Medical Expenses – non-claims spending categories, statewide, 2018-2020

Spending reported in millions



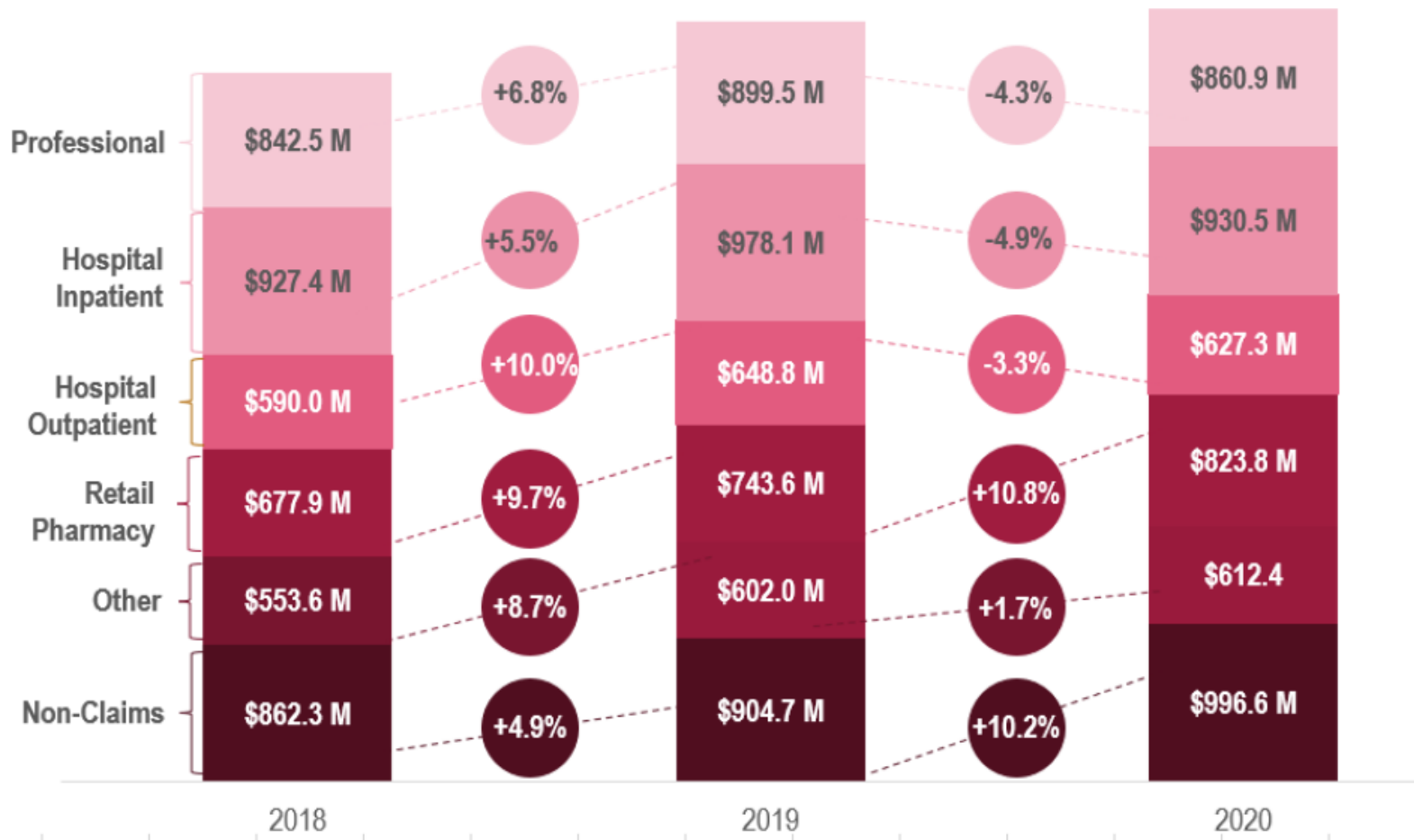
# Total Medical Expenses – total spending, Commercial, 2018-2020

Spending reported net of pharmacy rebates, in billions



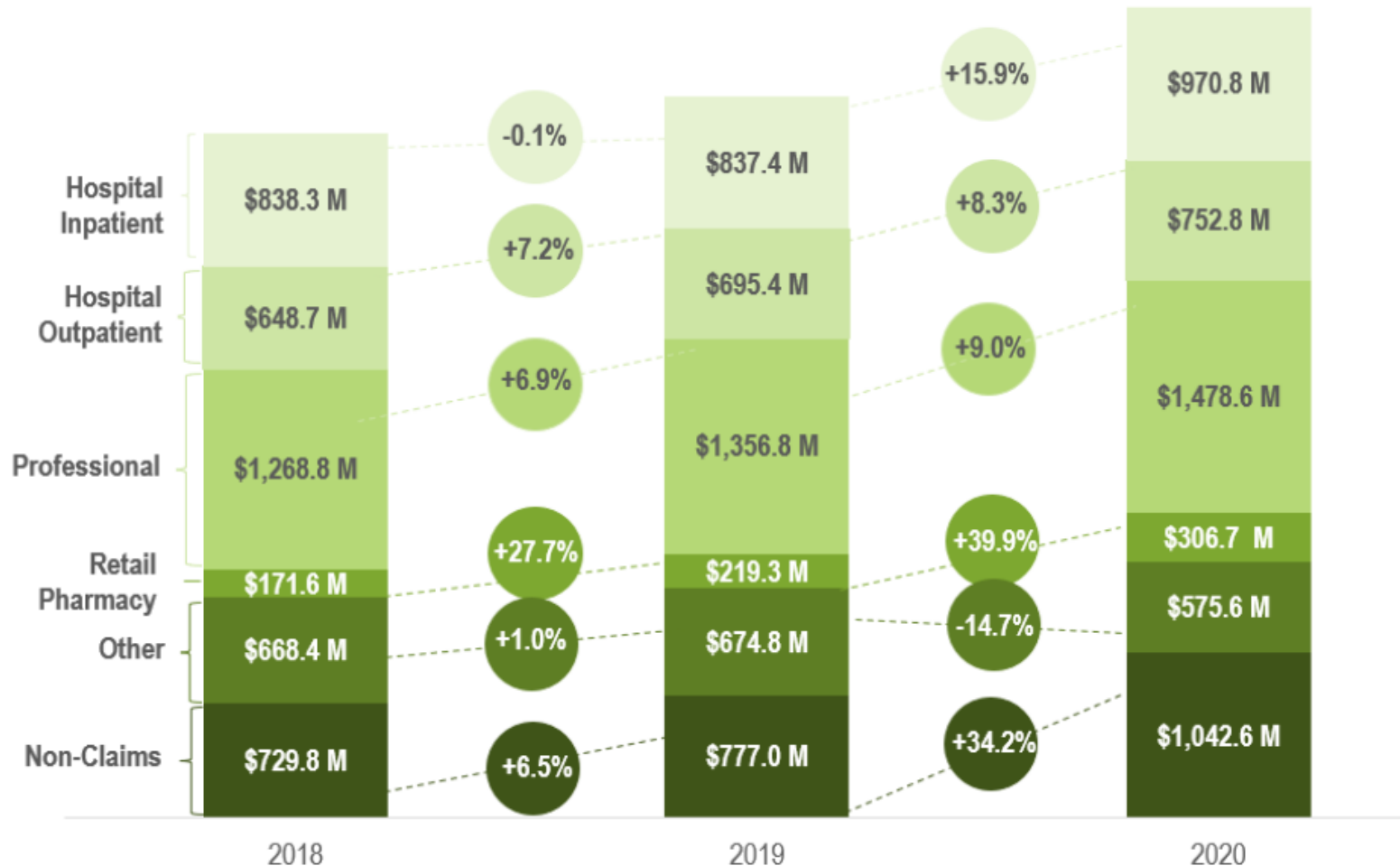
# Total Medical Expenses – total spending, Medicare Advantage, 2018-2020

Spending reported net of pharmacy rebates, in millions

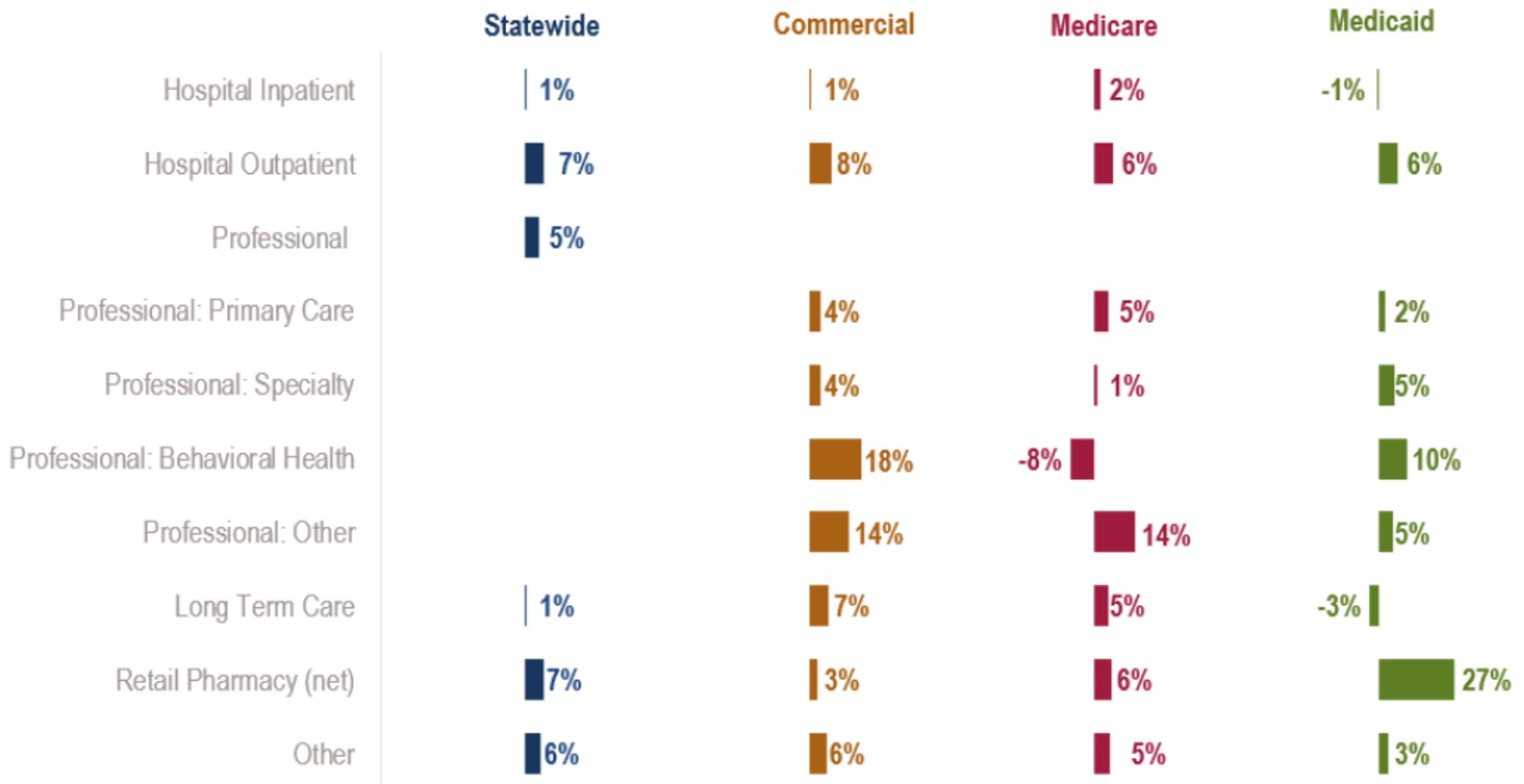


# Total Medical Expenses – total spending, Medicaid, 2018-2020

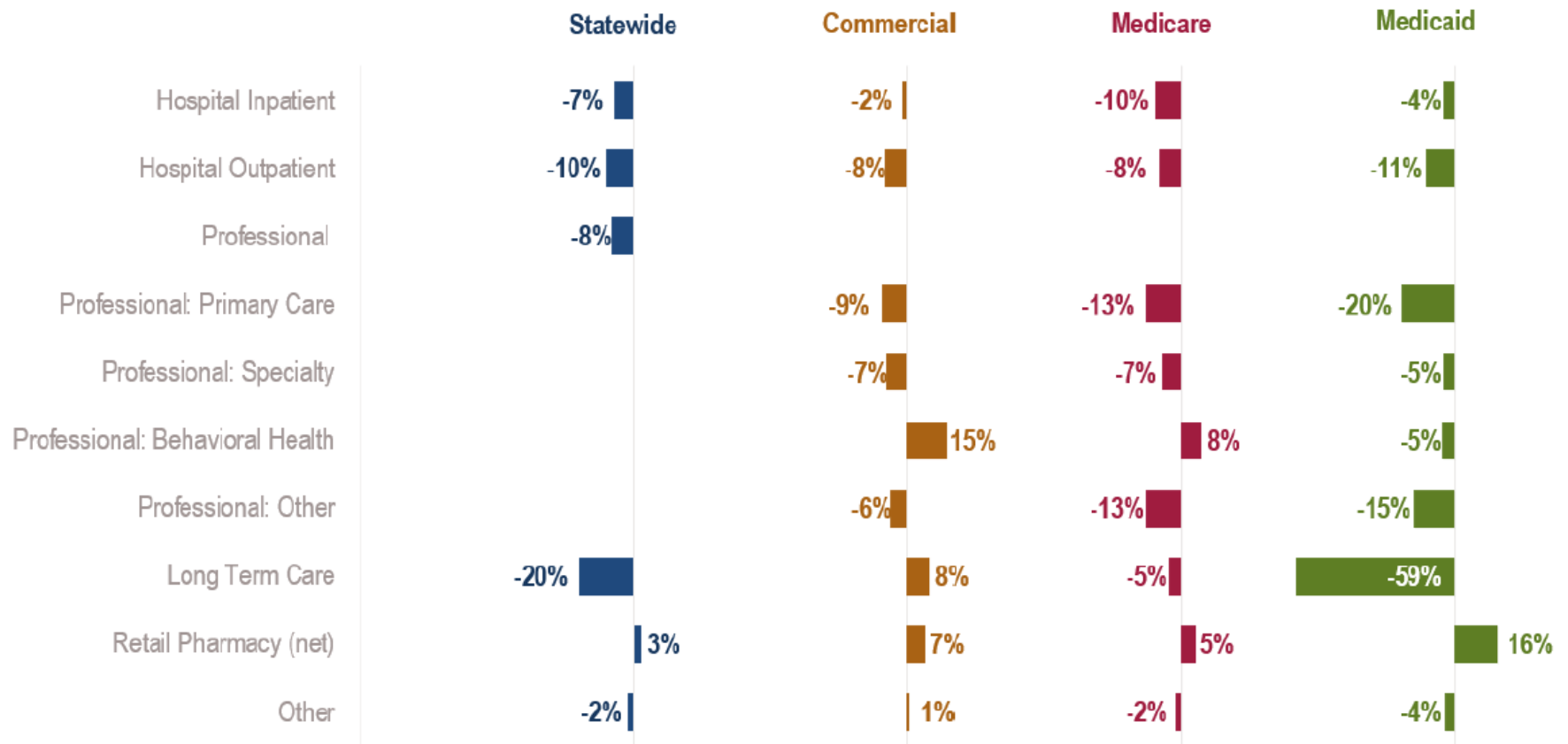
Spending reported net of pharmacy rebates, in millions



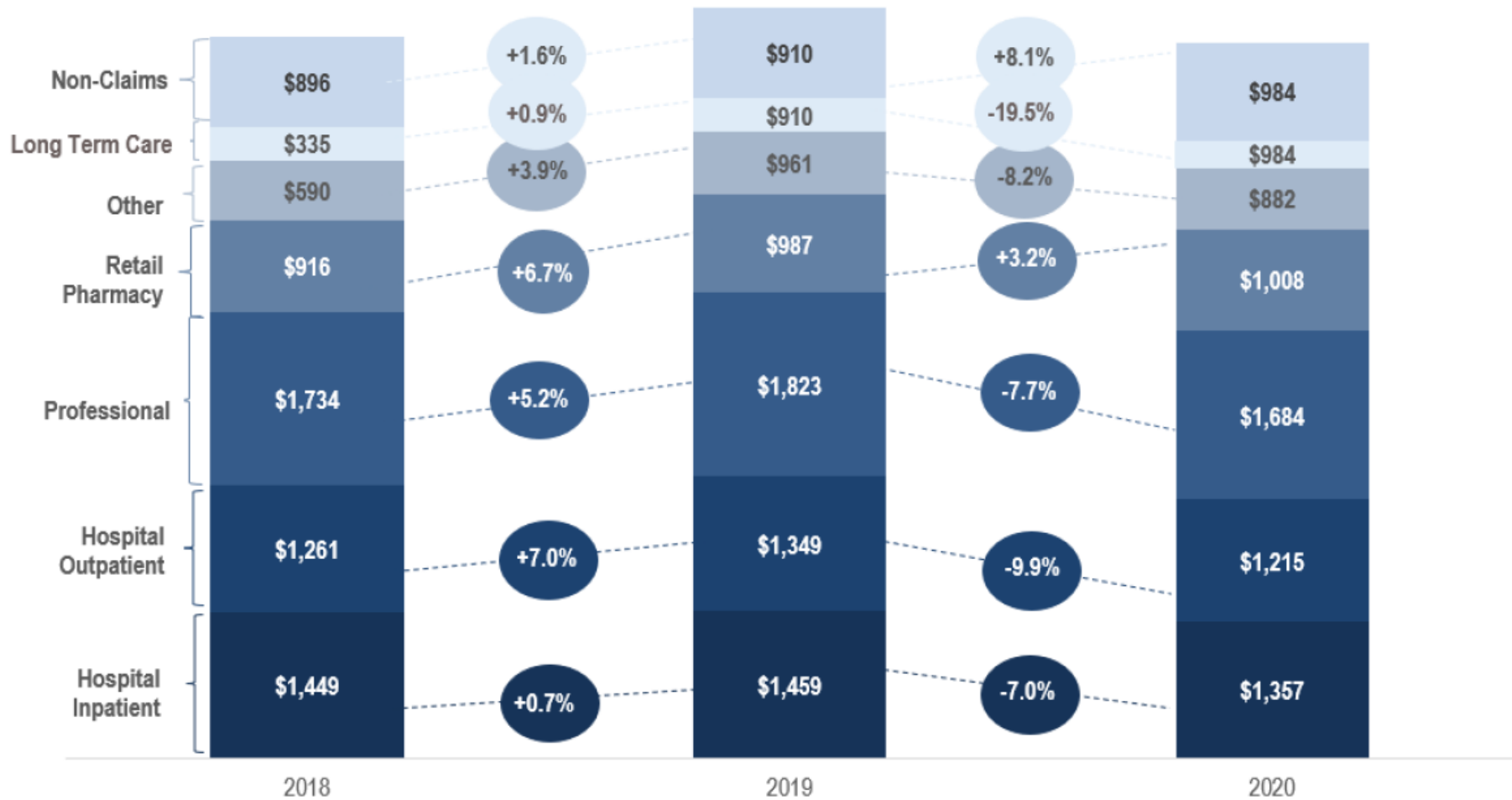
# Total Medical Expenses – growth in per person per year spending, by category and market, 2018-2019



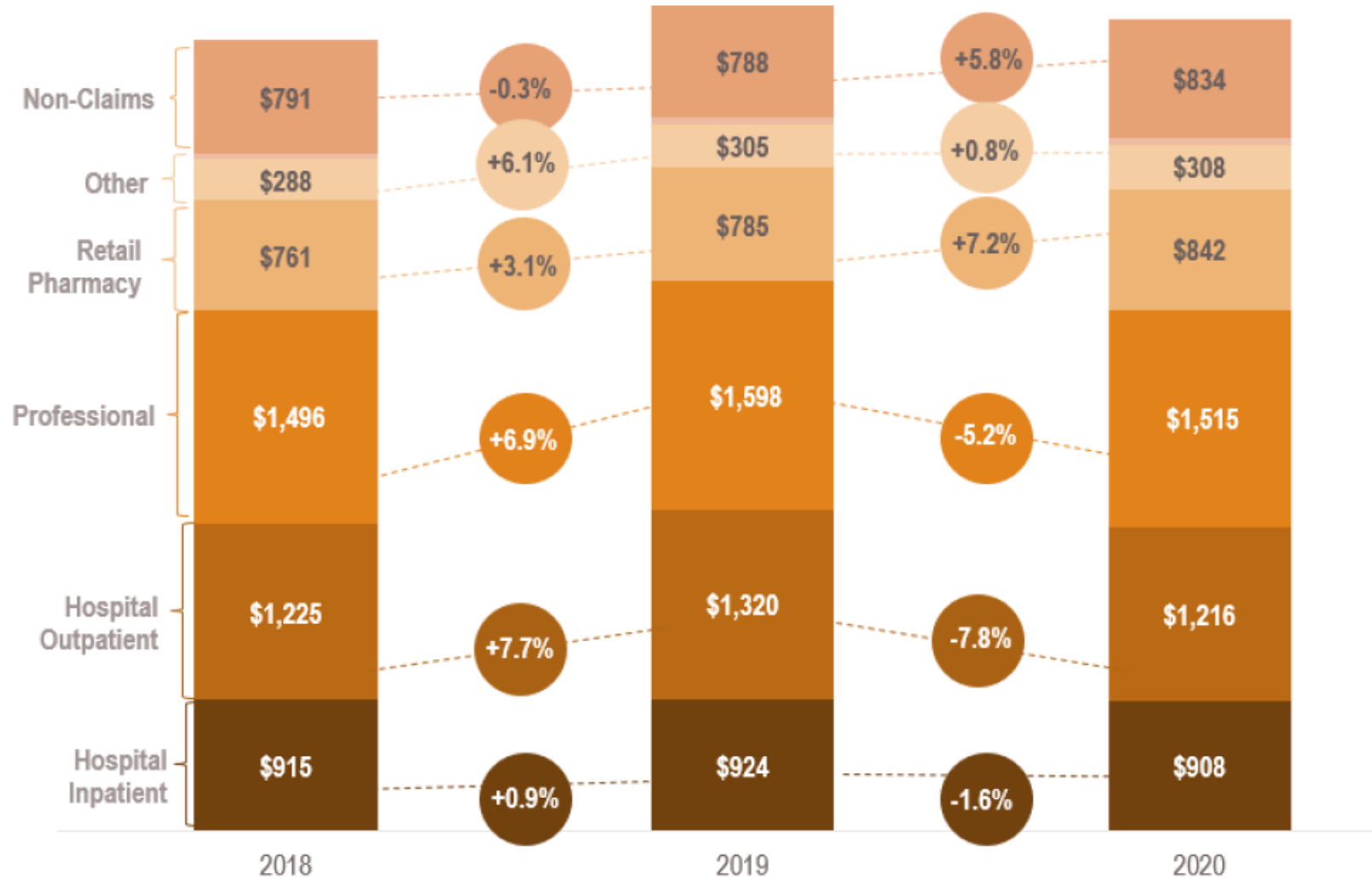
# Total Medical Expenses – growth in per person per year spending, by category and market, 2019-2020



# Total Medical Expenses – per person per year spending by service category, statewide, 2018-2020

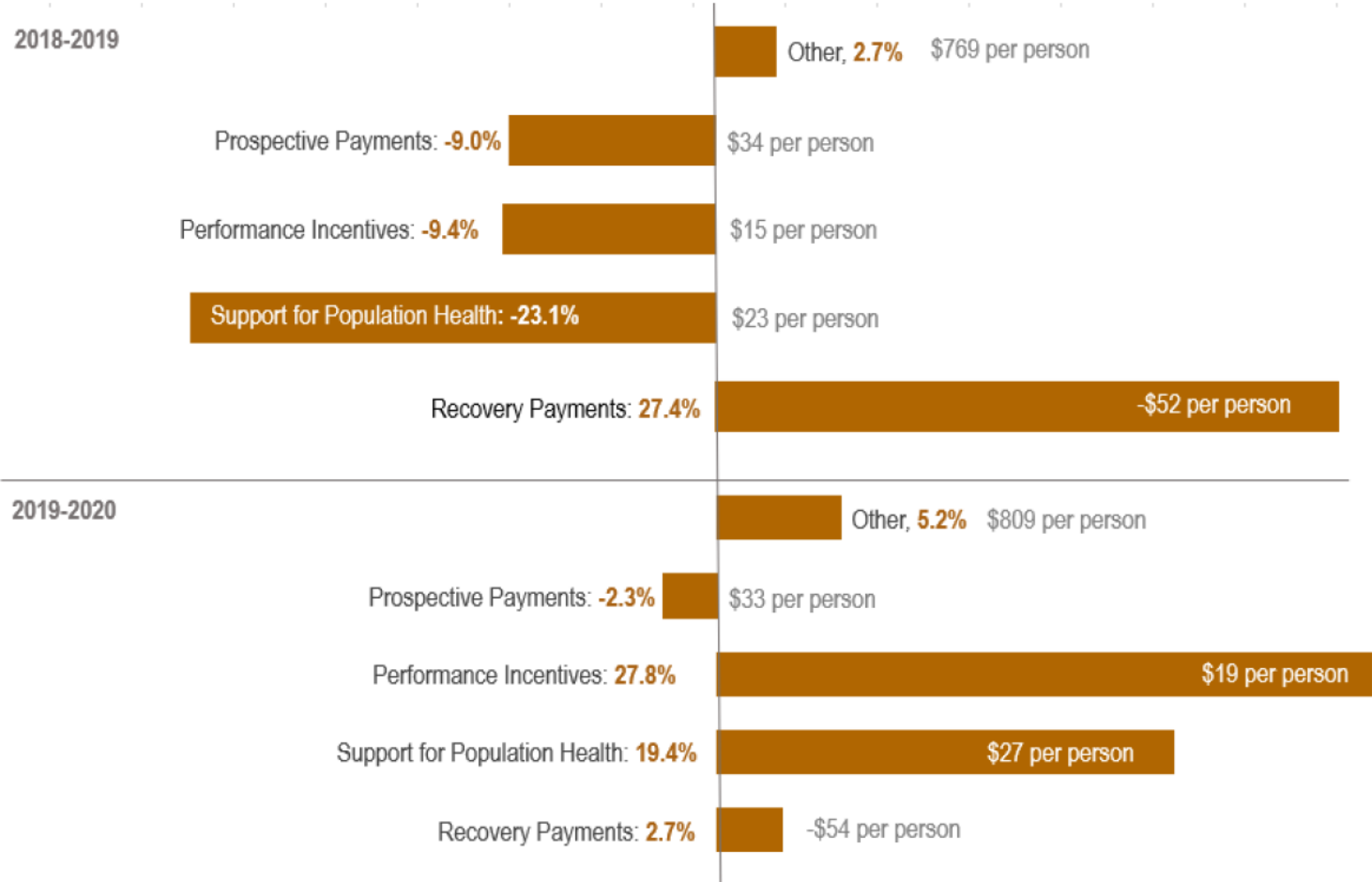


# Total Medical Expenses – per person per year spending by service category, Commercial, 2018-2020

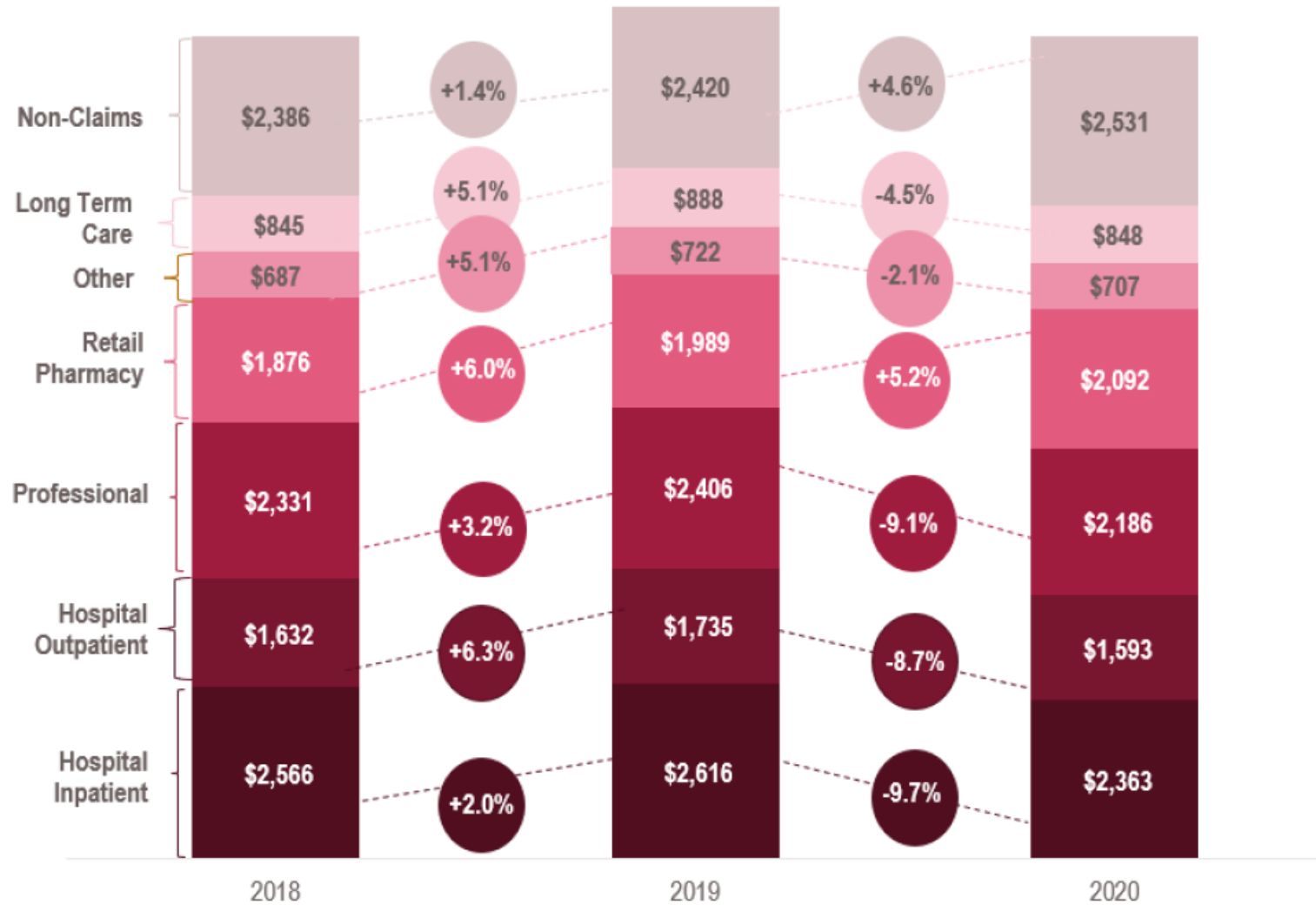




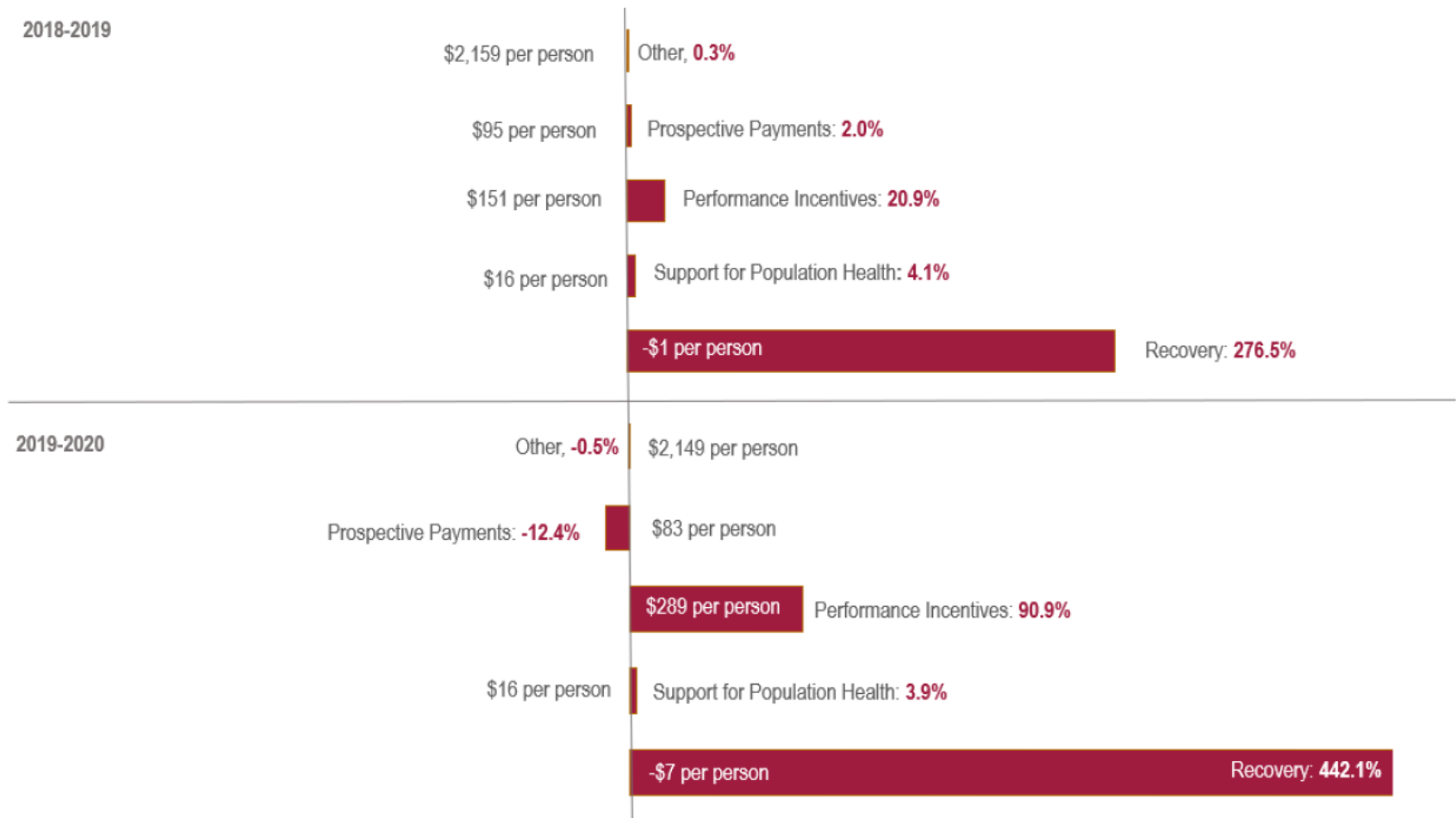
# Total Medical Expenses – non-claims growth and cost per person per year, Commercial, 2018-2020



# Total Medical Expenses – per person per year spending by service category, Medicare Advantage, 2018-2020



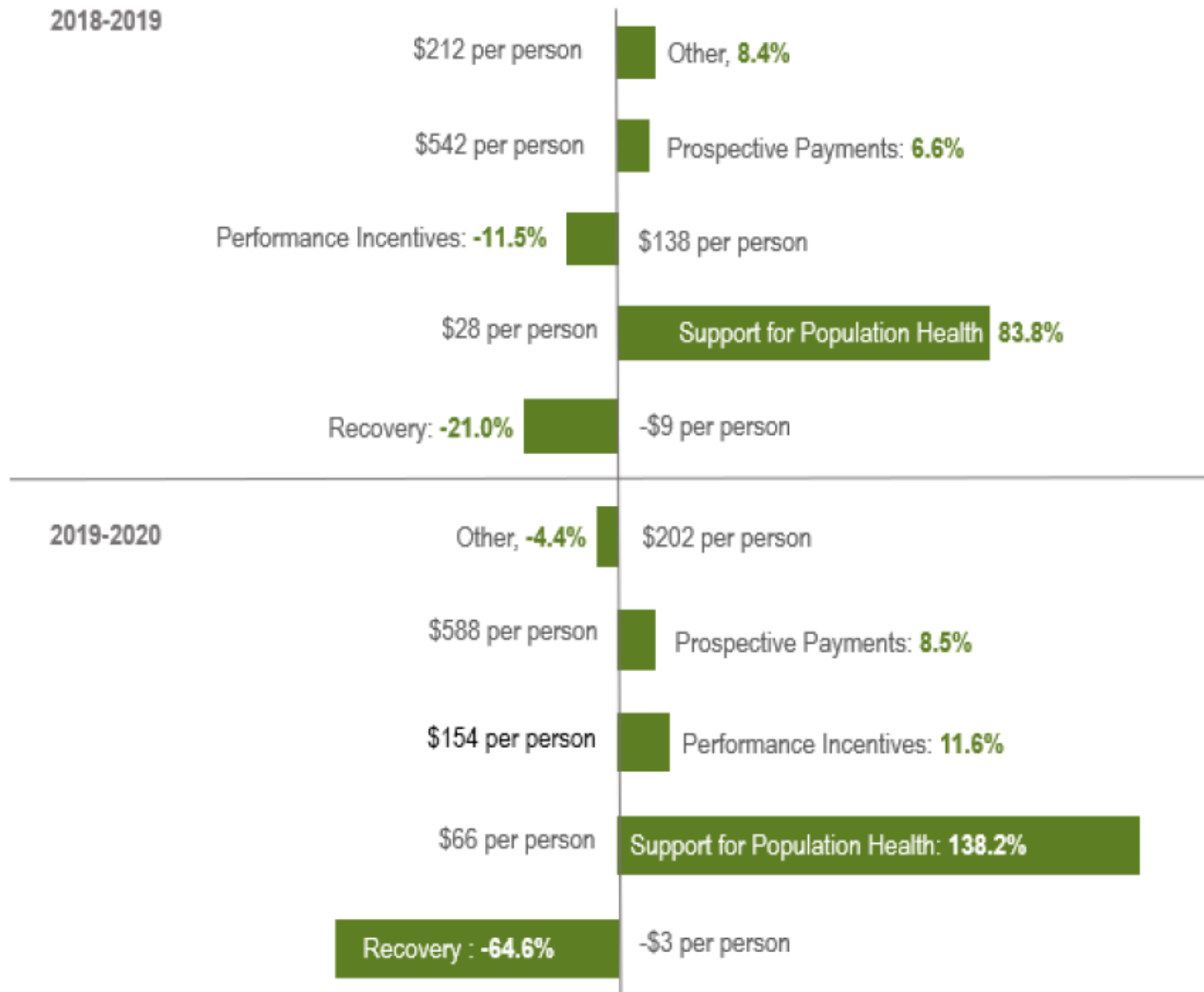
# Total Medical Expenses – non-claims growth and cost per person per year, Medicare Advantage, 2018-2020



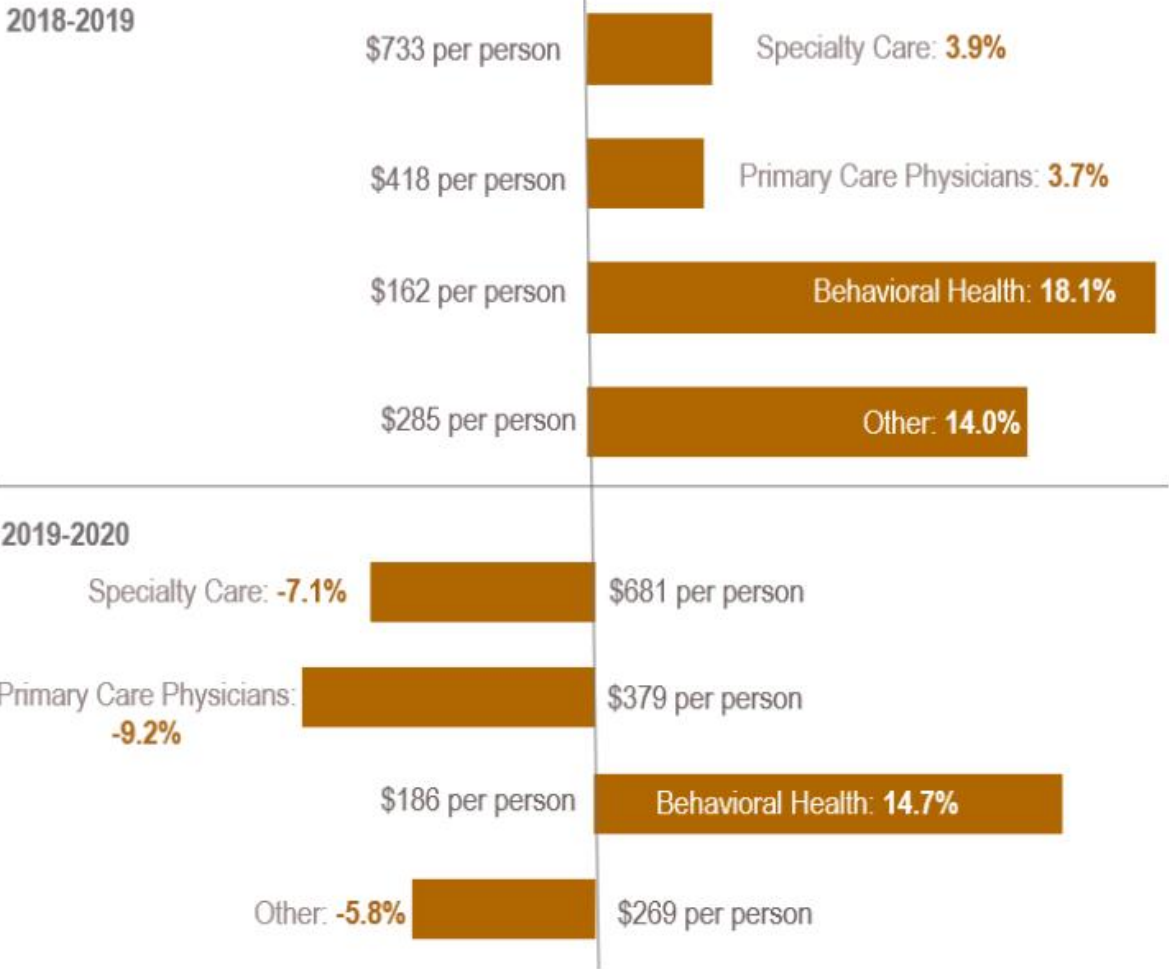
# Total Medical Expenses – per person per year spending by service category, Medicaid, 2018-2020



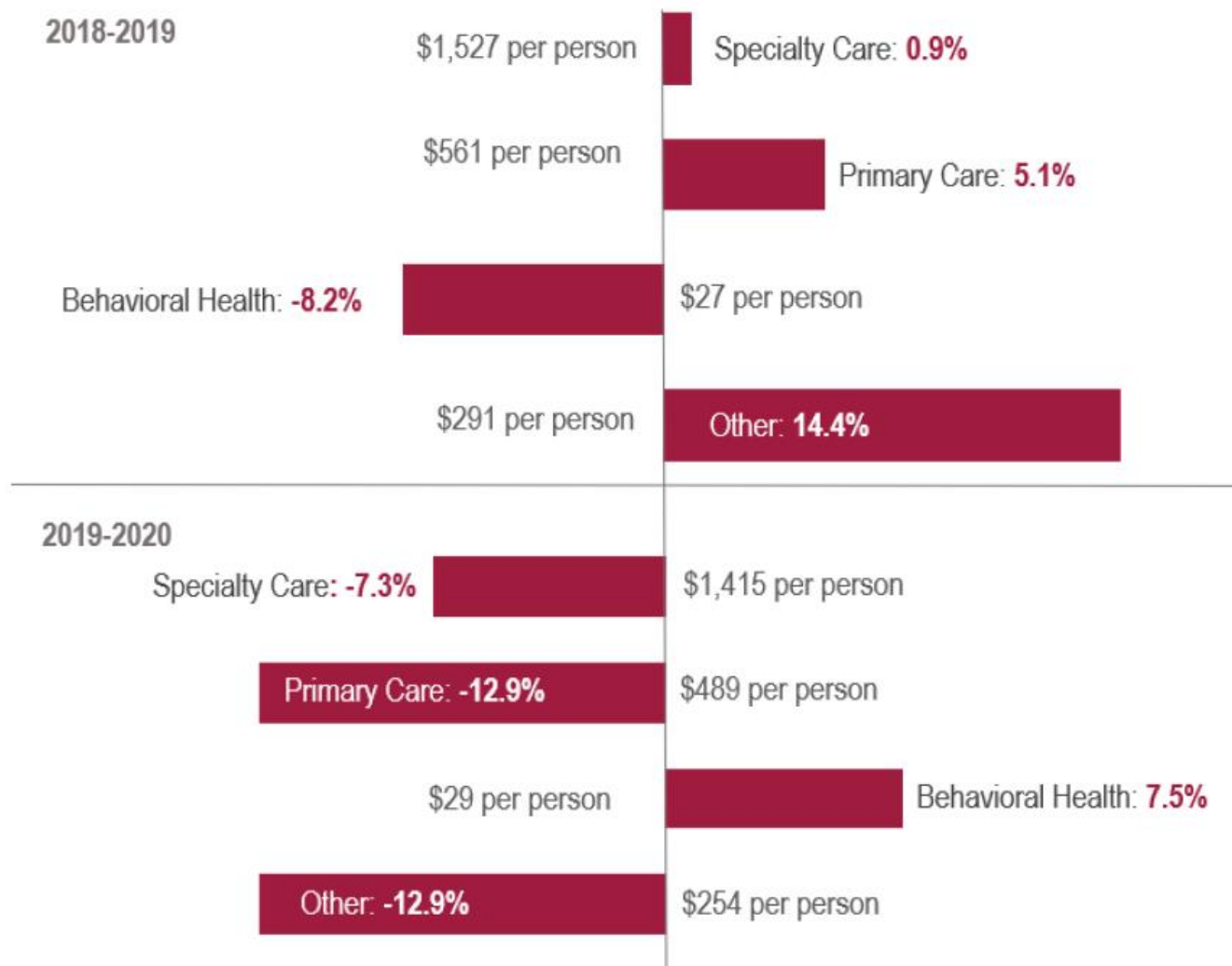
# Total Medical Expenses – non-claims growth and cost per person per year, Medicaid, 2018-2020



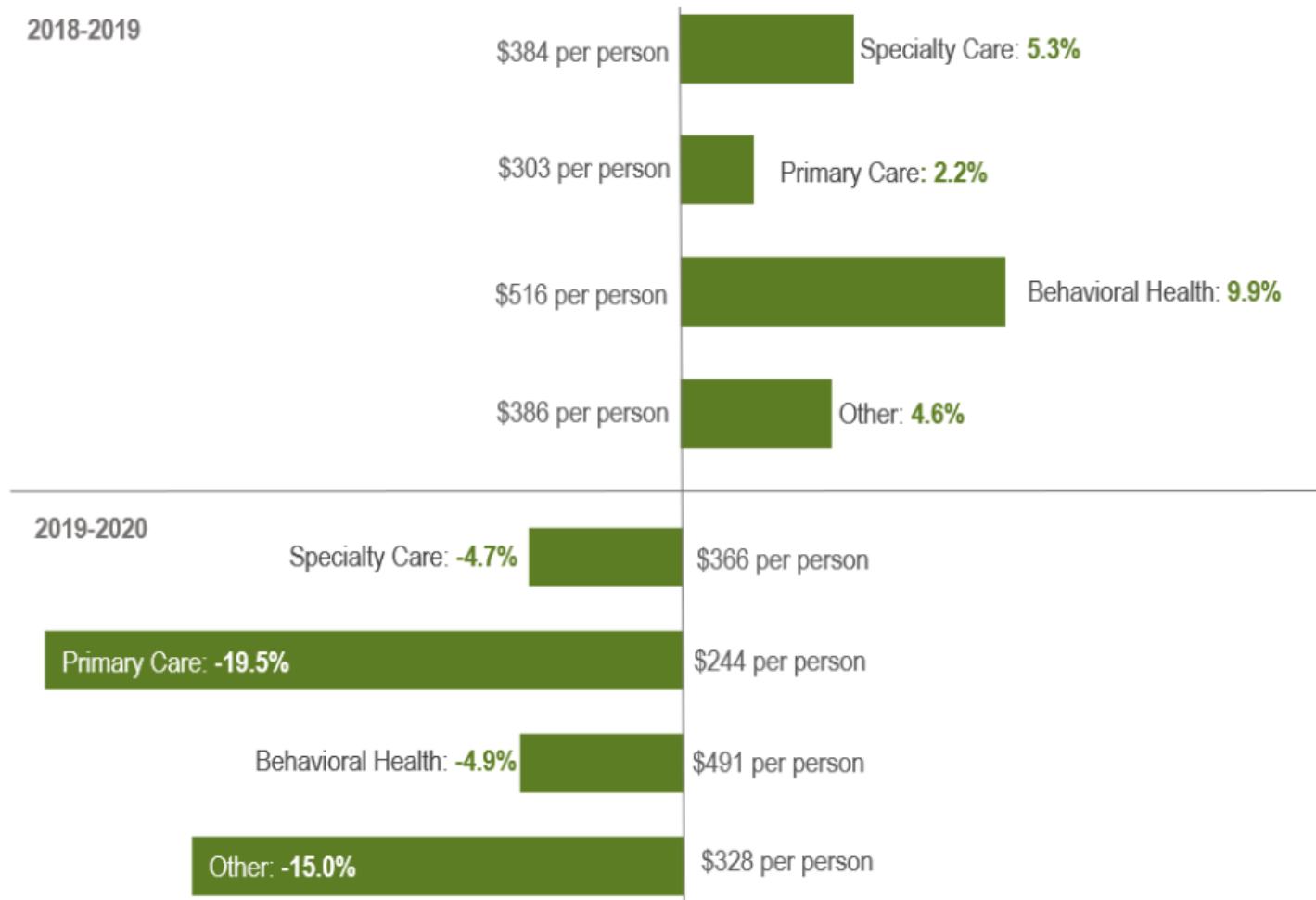
# Total Medical Expenses – claims professional services spending by subcategory, Commercial, 2018-2020



# Total Medical Expenses – claims professional services spending by subcategory, Medicare Advantage, 2018-2020



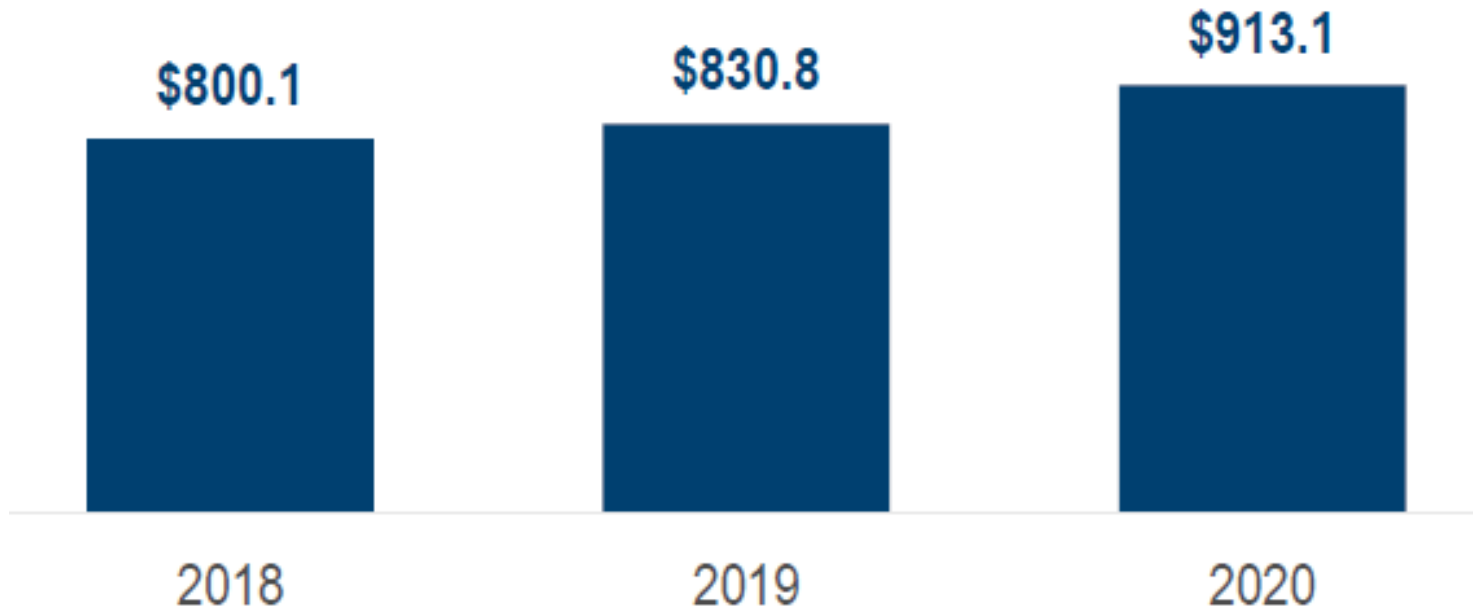
# Total Medical Expenses – claims professional service spending by subcategory, Medicaid, 2018-2020





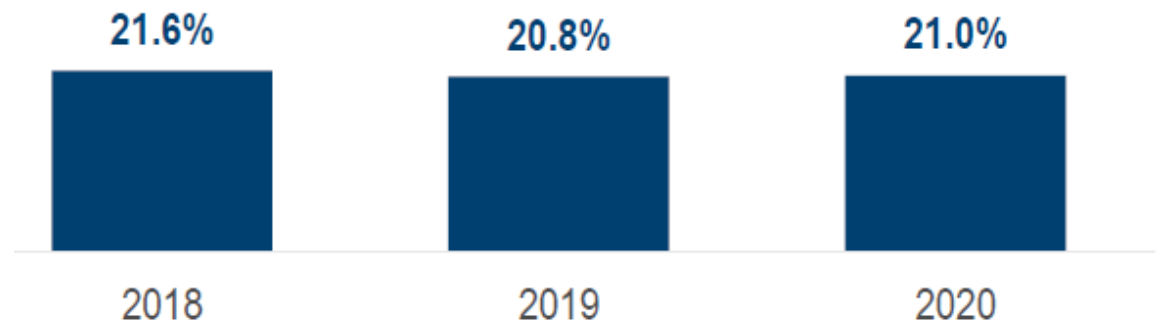
# Pharmacy rebates spending, statewide, 2018-2020

Total rebates in millions

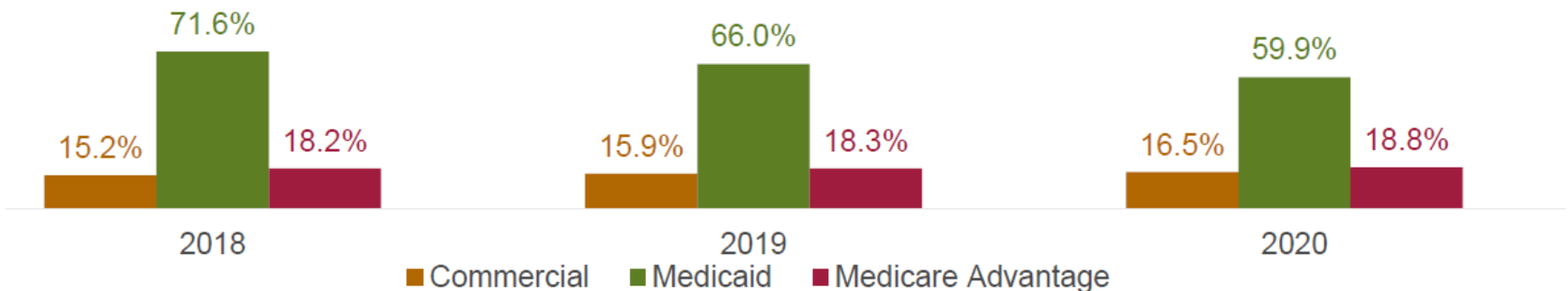


# Pharmacy rebates as a percent of retail pharmacy spending, 2018-2020

**Statewide**, about 21% of spending for retail pharmacy was returned to payers and PBMs through rebates.

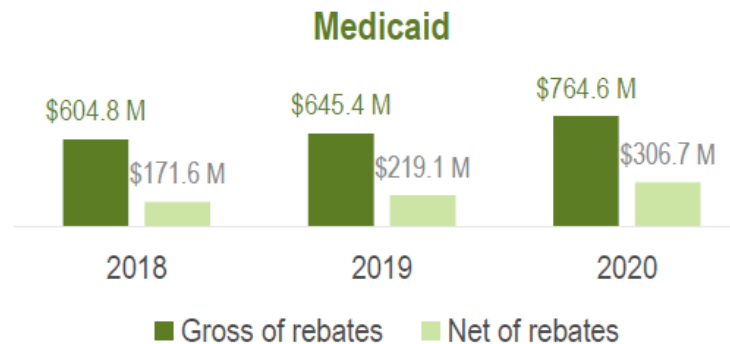
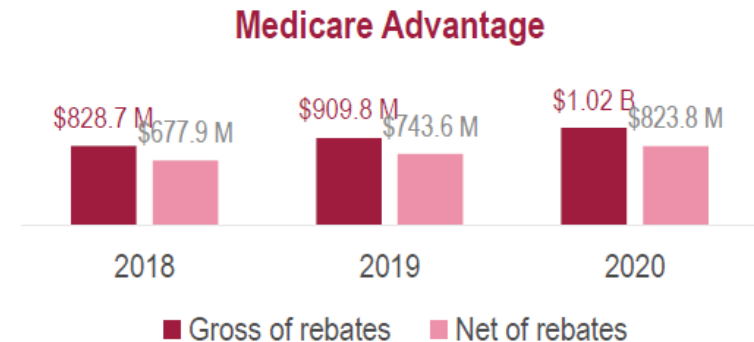
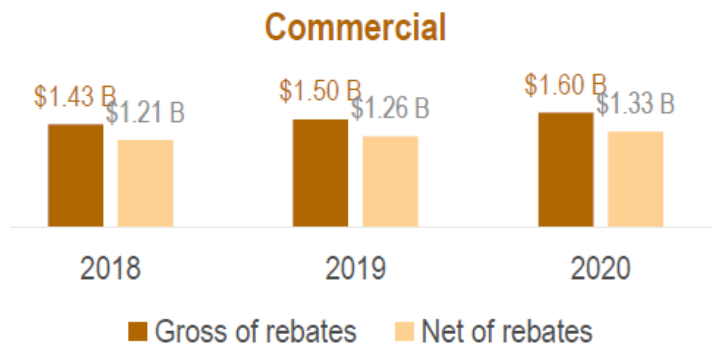


By market, **Medicaid** recoups a majority of prescription drug costs through rebates, due to federal and state policies.



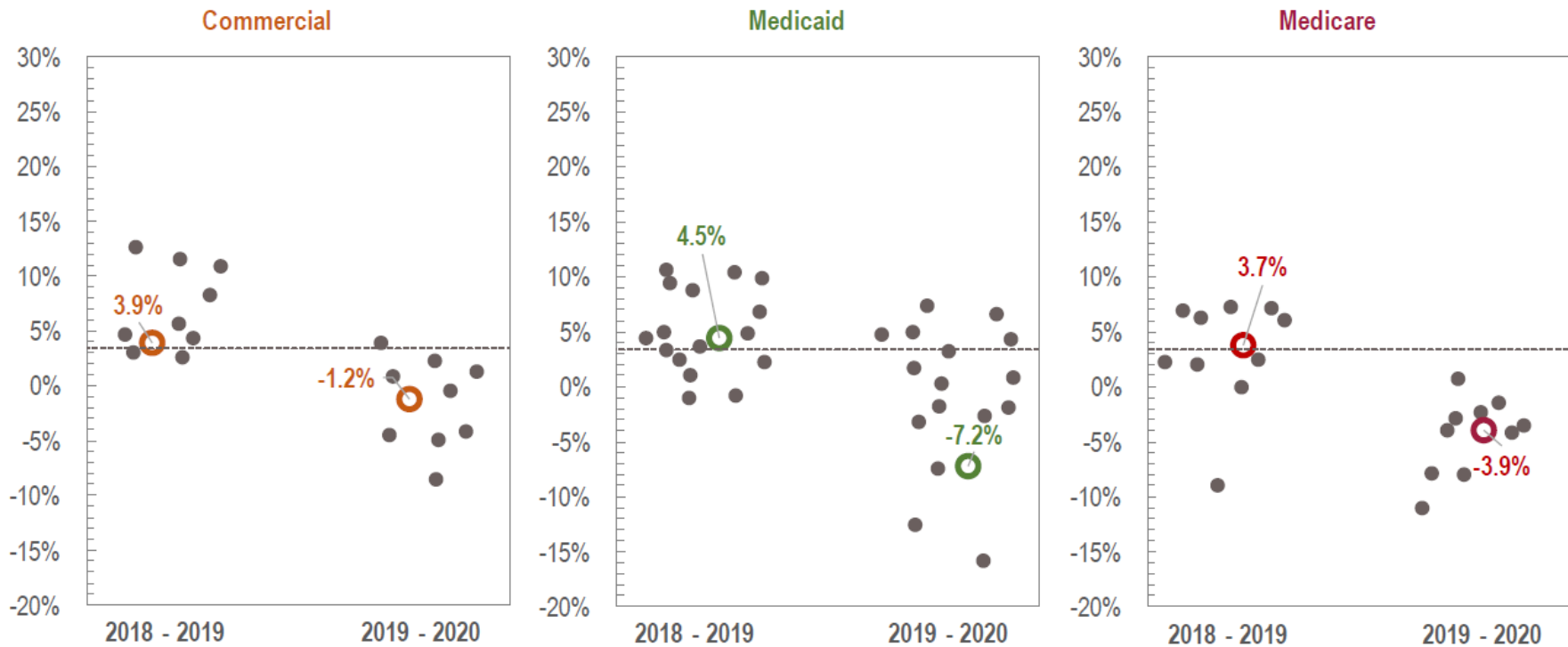
# Retail pharmacy spending gross (before) and net (after) pharmacy rebates, by market, 2018-2020

Even with pharmacy rebates taken into account, pharmacy spending continues to grow in each market



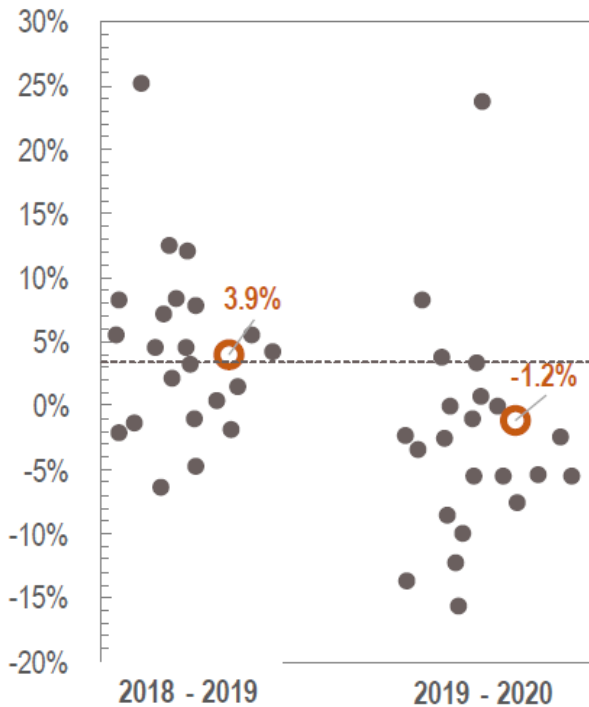
# **Chapter III. Health Care Cost Growth Trends, 2018-2020 Payer and Provider Level (de-identified)**

# Total Medical Expenses – cost growth for de-identified payers, compared to the statewide average for each market, 2018-2020

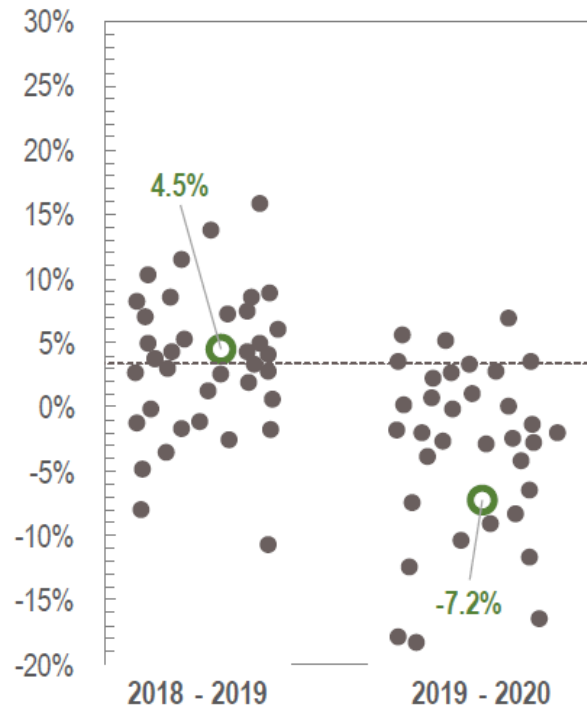


# Total Medical Expenses – cost growth for de-identified provider organizations, compared to the statewide average for each market, 2018-2020

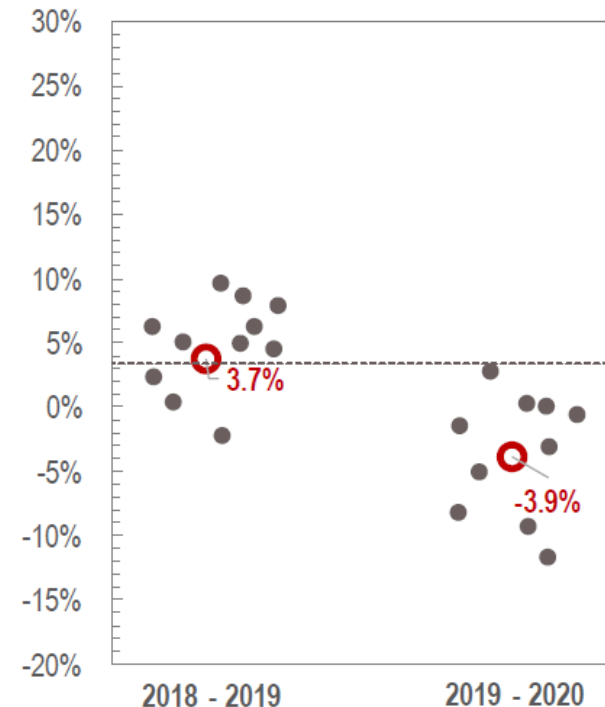
Commercial



Medicaid



Medicare



# Databook and Methodology

All data is available in the public databook posted [online](#).  
See the full report for all notes on data sources and methodology.

Suggested Citation:  
Oregon Health Authority. Health Care Cost Growth Trends in Oregon, 2018-2020. Portland, OR. May 2023.

For questions about this report, please contact:  
[HealthCare.CostTarget@oha.oregon.gov](mailto:HealthCare.CostTarget@oha.oregon.gov)