

CERTIFIED MAIL, RETURN RECEIPT REQUESTED

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Date Mailed: January 21, 2025

**STATE OF OREGON
OREGON HEALTH AUTHORITY
HEALTH POLICY AND ANALYTICS DIVISION
SUSTAINABLE HEALTH CARE COST GROWTH TARGET PROGRAM**

In the Matter of:

Valley Family Health Care, Inc., an
Idaho Nonprofit Corporation

For the Cost Growth Target
measurement period: 2021-2022

Agency No. **CGT-2023-PROV-51**

**NOTICE OF PROPOSED DETERMINATION
AND RIGHT TO REQUEST A HEARING**

Oregon Health Authority's (OHA) Sustainable Health Care Cost Growth Target Program (CGT) is tasked with monitoring the cost of health care in Oregon and holding payers and provider organizations accountable for cost growth that exceeds the annual target with statistical confidence and without an acceptable reason. The CGT is governed by Oregon Revised Statutes (ORS) 442.385 through 442.386 and Oregon Administrative Rules (OAR) Chapter 409, Division 65.

Per ORS 442.386 and OAR 409-065-0035, OHA reviews underlying cost drivers and reasons for cost growth and makes a determination as to whether such conditions or factors, or combination of such conditions or factors, suffices as reasonable cause for an entity to exceed the cost growth target for the measurement period.

Now, therefore, upon due consideration of the circumstances, including the mandatory cost growth target data submissions, supplemental information provided by the entity, and the entirety of OHA's record, OHA enters the following Notice of Proposed Determination.

Procedural History and Findings of Fact

OHA's CGT conducted its cost growth review under OAR 409-065-0035, which requires that OHA conduct analyses to understand potential systematic causes or other factors that might result in payers or provider organizations exceeding the cost growth target. The cost growth target for 2021 through 2025 is 3.4%.¹

Valley Family Health Care, Inc, is an Idaho nonprofit corporation ("Valley Family Health Care") that operates as a provider organization in Oregon. Valley Family Health Care was identified as an accountable organization for the 2021-2022 measurement period. To be accountable to the target, provider organizations must have at least 10,000 unique patient lives or 5,000 lives within any one CGT market (Medicaid, Medicare, Commercial) attributed to them across CGT data submissions for the measurement period.²

On or around December 13, 2023, OHA notified Valley Family Health Care that it had sufficient attributed patient volume to be accountable to the cost growth target. On or around January 10, 2024, OHA generated a data validation summary and shared it with Valley Family Health Care on or around January 26. On or around March 6, 2025, OHA met with Valley Family Health Care to review its data for the 2023 data cycle and

¹ The cost growth target value for 2021-2025 was established by the Cost Growth Target Implementation Committee, as documented in their January 2021 Recommendations Report.

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

² Provider inclusion criteria were established by the Cost Growth Target Implementation Committee, as documented in their January 2021 Recommendations Report.

<https://www.oregon.gov/oha/HPA/HP/HCCGBDocs/Cost%20Growth%20Target%20Committee%20Recommendations%20Report%20FINAL%2001.25.21.pdf>. OHA publishes the list of provider organizations that meet inclusion criteria every year.

https://www.oregon.gov/oha/HPA/HP/Cost%20Growth%20Target%20documents/List-of-Provider-Organizations-for-CGT_01.31.2024.pdf

discuss and resolve any data validation concerns. On or around March 6, 2024, OHA completed CGT-1 data validation with Valley Family Health Care.

On or around May 7, 2024, OHA notified Valley Family Health Care of the cost growth data that were to be reported publicly in OHA's 2024 Cost Growth Target Annual Report, for the 2021-2022 cost growth measurement period. This report was released publicly on or around May 28, 2024.

OHA identified Valley Family Health Care as having cost growth over the target between calendar years 2021 and 2022 for the following markets: **Medicaid, 10.7%.**

On or around July 25, 2024, OHA notified Valley Family Health Care that it had exceeded the cost growth target for the 2021-2022 measurement period pursuant to OAR 409-065-0035(3).

FQHCs and the Determining Reasonableness Process

OHA did not require Federally Qualified Health Centers (FQHCs) to have a meeting or provide any data or other information to determine reasonableness for this 2021-2022 measurement period. FQHCs play a crucial role in providing health care access and services to the most vulnerable populations across the state, and this role was particularly critical during the COVID-19 pandemic. As it is an FQHC, Valley Family Health Care was not required to attend a meeting with OHA to discuss the reasons for its excess 2021-2022 Medicaid cost growth.

Based on an analysis of Valley Family Health Care's cost growth target data and on its data validation conversation with Valley Family Health Care, OHA identified a few key areas driving 2021-2022 Medicaid cost growth, which are detailed below.

- 1. Limited, high-cost hospital network** – Valley Family Health Care serves as the primary care home for multiple patients that sought high-cost hospital care in the second year of measurement. Valley Family Health Care serves Oregon's most rural areas where the lack of hospital options leads to unavoidably higher costs which further exacerbates these large claims for high-cost hospital services.

PROPOSED DETERMINATION

Following a review of CGT data and additional information on health care spending, OHA has determined that Valley Family Health Care's health care cost growth for Medicaid from 2021-2022 was:

Due to acceptable reason(s). Valley Family Health Care will not be held accountable for cost growth in this measurement period and no further action is required for this measurement period.

Please see Attachment 1 for a running summary of Valley Family Health Care's cost growth performance over time.

Dated this 21 day of January, 2025.

By:



Sarah Bartelmann, MPH
Cost Programs Manager
Oregon Health Authority

IMPORTANT NOTICES

PETITION FOR RECONSIDERATION: You may file a Petition for Reconsideration ("Petition") pursuant to OAR 409-065-0050 within 30 days from the date this proposed order was mailed (See the "Date Mailed" on the first page). The Petition must include the specific grounds for reconsideration, and may be supported by written argument or attachments explaining why you believe OHA erred in its decision. This Petition will initiate an informal review process under OAR 409-065-0050.

The Petition must be submitted via email to HealthCare.CostTarget@oha.oregon.gov.

NOTICE OF RIGHT TO REQUEST A HEARING: You are entitled to a hearing as provided by the Administrative Procedures Act (chapter 183, Oregon Revised Statutes), OAR 409-065-0050 and OAR 137-070-0075. You are entitled to be represented by an

attorney at the hearing. Legal aid organizations may be able to assist a party with limited resources. The Oregon Health Authority will be represented by an Assistant Attorney General from the Oregon Department of Justice.

To request a contested case hearing, your request must be in writing and must be received within twenty (20) calendar days from the date this Order was personally served, mailed, or electronically transmitted to you, based on the date at the top of this document.

A request sent by U.S. mail is “received” on the date it is postmarked. Your request may also be emailed. Your request should be sent to:

HealthCare.CostTarget@oha.oregon.gov

or

421 SW Oak Street, Suite 875
Attn: Cost Growth Target Program
Portland, OR 97204

If you submit a request for a contested case hearing, you will be notified of the time and place of the hearing. Information on the hearing process will be provided to you in accordance with ORS 183.413(2). Any hearing will be conducted by an administrative law judge from the Office of Administrative Hearings, assigned as required by ORS 183.635.

If you fail to request a hearing within the time allowed, if you request a hearing and subsequently withdraw your request for a hearing, if you request a hearing and fail to appear for the hearing, or if a hearing is scheduled and you later notify OHA that you will not appear at the specified time and place, you will have waived your right to a hearing, and this proposed order will become a final order by default. If OHA issues a final order by default, it designates its file on this matter, including all materials that you have submitted relating to this matter, as the record in this case for purposes of proving a prima facie case.

NOTICE TO ACTIVE DUTY SERVICEMEMBERS: Active-duty service members have a right to stay these proceedings under the federal service members Civil Relief Act. For

more information contact the Oregon State Bar at 800-452-8260, the Oregon Military Department at 503-584-3571, or the nearest United States Armed Forces Legal Assistance Office through <http://legalassistance.law.af.mil>. The Oregon Military Department does not have a toll-free telephone number.

Attachment 1: Cost Growth Target Performance Over Time

Valley Family Health Care’s Medicaid Cost Growth

Measurement Year	Cost Growth %	Status	Determination
2021-2022	10.7%	Not Met	Reasonable