

Oregon's Cost Growth Target for 2026-2030

Oregon's sustainable health care cost growth target sets the expectation that total health care spending should not grow more than a certain percentage each year. The cost growth target was initially set at 3.4% for the first five years of the program (2021-2025) and 3.0% for the second five years (2026-2030) by the legislatively established [Cost Growth Target Implementation Committee](#). To date, the cost growth target has been set in such a way as to slow the rate of health care cost growth, so that health care spending does not grow faster than other economic indicators like wage growth or inflation.

In 2021, the Implementation Committee recommended convening an advisory body to revisit the cost growth target for 2026-2030 by reviewing economic trend data and recommending whether the target should remain at 3.0% or be modified. In October and November 2025, OHA convened a [short-term workgroup](#) to make a recommendation to the agency on the cost growth target for 2026-2030.

The workgroup had 34 members, with 50% of members representing provider organizations and 26% representing health plans that are subject to the cost growth target. When including professional associations that represent organizations subject to the cost growth target, 85% of the workgroup was comprised of health care industry members. To encourage participation, the workgroup did not have specific demographic or sector targets for its membership. However, few patients and companies that pay for employer-sponsored insurance applied to the serve on the workgroup, which resulted in health care purchasers being significantly underrepresented.

The workgroup met five times and developed a [recommendation](#) by majority vote that reflected the dominant industry perspective. A subset of the workgroup that represented those who pay for high health care costs also made a minority recommendation.

OHA's guiding principle when setting the cost growth target for 2026-2030 was to help improve health care affordability for the people of Oregon. In making its final decision on the 2026-2030 target, OHA considered the workgroup recommendations and public comment. OHA believes the new target is grounded in economic indicators, uses defensible methodology, and has a good chance of bending Oregon's health care cost curve in alignment with program intent and OHA's strategic plan.

Oregon's cost growth target for 2026 is 3.75%. The target was set using a 50/50 blend of the 5-year historic average annual growth in Oregon's median wage and the 5-year historic average annual growth in regional inflation (as measured by the Consumer Price Index – West), minus one percentage point to bend the cost curve. The new target of 3.75% was recommended by a minority of the workgroup that reflected consumer advocate, health care purchaser, and economist perspectives. The underlying methodology for this recommendation best aligned with the principles stated above.

In the event of extraordinary circumstances, including highly significant changes in the economy or the health care system, OHA may adjust the target of 3.75% up or down to reflect a changing landscape. This would be done after reviewing economic indicators and health system performance, and engaging with the Oregon Health Policy Board as needed.

OHA also realizes some cost growth is understandable and outside provider or payer control. The Cost Growth Target Program will continue to consider some reasons for cost growth above the target acceptable, including but not limited to:

- Increased enrollment in and usage of Medicaid health coverage
- Increased frontline workforce costs for health care provider organizations
- High drug costs, including for expensive cancer and weight-loss drugs
- Increased services to meet growing community needs
- Changes to federal or state policy

Table 1 below provides a detailed overview of the cost growth target program years, measurement periods, and which cost growth target applies to each measurement period.

Table 1. Oregon's Cost Growth Target and Measurement Years

CGT Program Year	0	1	2	3	4	5
Measures cost growth between	2018-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
Cost Growth Target	--	3.4%	3.4%	3.4%	3.4%	3.4%
Data submitted in	2021	2022	2023	2024	2025	2026
Report published in	2022	2023	2024	2025	2026	2027

CGT Program Year	6	7	8	9	10	11
Measures cost growth between	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031
Cost Growth Target	3.75%	3.75%	3.75%	3.75%	3.75%	TBD
Data submitted in	2027	2028	2029	2030	2031	2032
Report published in	2028	2029	2030	2031	2032	2033

Note: As of January 2026, Oregon is in CGT Program Year 4 and is currently validating data submissions covering the 2023-2024 measurement period. While the cost growth target has been confirmed for 2026, there are still two measurement periods under the 3.4% cost growth target (2023-2024 and 2024-2025). OHA will be publicly reporting and holding payers and providers accountable for their cost growth in 2023-2024 and 2024-2025 under the 3.4% target, even though those activities will happen in calendar years 2026 and 2027. The new target of 3.75% applies to Program Year 6 (cost growth between 2025-2026), which will be reported on in calendar year 2028.

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Oregon's Sustainable Health Care Cost Growth Target Program
www.oregon.gov/oha/hpa/hp/pages/sustainable-health-care-cost-growth-target.aspx