



KATE BROWN  
Governor

October 18, 2019

Dr. Carla McKelvey, Chair  
Dr. David Bangsberg, Vice-Chair  
Oregon Health Policy Board  
500 Summer St. NE  
Salem, OR 97301

Re: Appointments to the SB 889 Sustainable Health Care Cost Growth Target Implementation Committee

Dear Chair McKelvey and Vice-Chair Bangsberg,

Oregon has long been a trailblazer in health policy. Oregon's Coordinated Care Organization model has reduced costs while improving quality, patient satisfaction, and health of the one million individuals in the Oregon Health Plan. In 2019, we passed a revenue package to fund the Oregon Health Plan for the next six years, providing the longest period of revenue sustainability in the program's history. Today, 94% of Oregonians have health insurance (up from 85% just six years ago), and we have expanded health care coverage to Compact of Free Association Pacific Islanders and all children in the state.

Next, we must address health care costs for Oregonians. Oregon health care costs—particularly private health care costs—are growing at a rate that is not sustainable for Oregon's families, businesses, or the state. Between 2010 and 2016, Oregon household income grew by 15%, while employer-sponsored health care premiums grew by 25% and deductibles for families grew by 77%. The average family premium for employer-sponsored health insurance equals 29% of the average family income. And costs continue to grow. Private health care costs are expected to continue to grow faster than wages or the economy.

Health care costs must be contained so more investments can be directed to wages, retirement, housing, education, and other services critical to moving Oregon forward and ensuring all Oregonians can reach their full health potential and well-being.

Senate Bill 889 - passed with broad bipartisan support in 2019 - charts a course to containing health care costs. It will establish an annual health care spending growth target and hold the health care system accountable for meeting that target. The State of Oregon has already taken this step with state health care programs. The Oregon Health Plan and public employee health insurance programs, serving 1.3 million Oregonians, have been held to a per capita cost growth target for several years. SB 889 will expand this concept statewide, holding the entire health care system to a sustainable cost growth target. The program will improve transparency so the public and policymakers have a better understanding of cost drivers and opportunities to reduce costs.



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I'm appointing the following members to the Implementation Committee for Oregon's Sustainable Health Care Cost Growth Target program:

Patrick Allen  
Kraig Anderson  
Kathryn Correia  
Angela Dowling  
Dr. Kevin Ewanchyna  
Jack Friedman (Chair)  
Jessica Gomez  
Felisa Hagins  
Ruby Haughton

Dr. K. John McConnell  
Mark McMullen  
William Olson  
Jordan Papé  
Ken Provencher  
Shanon Saldivar  
Cameron Smith  
Jenny Smith  
Jenn Welander

As the Implementation Committee's work begins, committee members should work collaboratively and independent of particular interests to design a program that will meaningfully contain health care costs for Oregonians.

I direct the Implementation Committee and Oregon Health Policy Board to ensure:

- A target rate of growth is selected that provides an aggressive restraint to cost growth so that health care costs grow at a sustainable rate for families and businesses in Oregon.
- Transparency of cost drivers is prioritized, and the program provides meaningful information—utilizing the state's All Payer All Claims (APAC) database and other data sources—to identify and report publicly on areas of high cost, cost growth drivers, and variation in price and utilization.
- The program provides information on cost drivers and savings opportunities to other programs within the Oregon Health Authority and the Department of Consumer and Business Services to support respective roles in setting, negotiating, or approving affordable health plan rates.
- Health care quality is a key component of the program, with a focus on inequities and reducing disparities in health care.
- Robust enforcement and accountability tools are recommended to hold health insurance carriers and providers accountable for meeting the target, including presenting a legislative concept for the 2021 Legislative Session for authority needed to implement the recommendations.

With SB 889, Oregon is blazing another trail toward a high quality, affordable health care system. Thank you for your commitment to this important work.

Sincerely,



Governor Kate Brown