



January 13, 2026

TO: Sarah Bartlemann, Oregon Health Authority

FR: Ryan Tuthill, Oregon Business & Industry

RE: Proposed Rule Changes to Oregon Health Authority's (OHA) Health Care Market Oversight (HCMO) Program

Oregon Business & Industry (OBI) is a statewide association representing businesses from a wide variety of industries and from each of Oregon's 36 counties. In addition to being the statewide chamber of commerce, OBI is the state affiliate for the National Association of Manufacturers and the National Retail Federation. Our 1,600 member companies, more than 75% of which are small businesses, employ more than 250,000 Oregonians. Oregon's private sector businesses help drive a healthy, prosperous economy for the benefit of everyone.

Thank you for the opportunity to provide comment on the proposed rules considered by OHA's Health Care Market Oversight Program Rules Advisory Committee. We wish to voice three primary concerns: increases in the proposed fee structure, regulatory certainty for covered entities and process transparency around agency need for this new revenue.

Proposed New Fees

The fee increases proposed at OHA's HCMO 2025 Rules Advisory Committee meeting on Dec. 11, 2025, represent a significant expansion of the program's current fee structure. The changes to existing fees represent an increase in compliance costs from anywhere between 250% to 1,400%, further compounding the cost of providing health care in Oregon. In addition to proposed fee increases, the agency is proposing a new follow-up review fee as well as a \$10,000 civil penalty for failing to respond promptly to agency requests for information. OBI opposes imposing additional fees on health care payers and providers amid a volatile and changing health care policy landscape.

Furthermore, we are concerned with the vague language relating to civil penalties and timeliness requirements for documentation. There exist legitimate reasons that certain documentation may not be promptly available. For example, a document may be subject to third-party confidentiality, may require extended compilation time or may not exist in the first place. The "separate offense" provision is particularly troublesome: A request for 10 unavailable documents could result in \$100,000 in fines.

Regulatory Burden on Covered Entities

At the most recent Oregon Leadership Summit, the governor stated that critical investments in our state are often blocked by bureaucratic red tape. It is imperative that the systems providing health care to Oregonians are also not forgotten in this effort. As mentioned in other submitted testimony, the HCMO program has approved a single emergency exemption and has not completed a single comprehensive review in the program's existence. Of the six transactions that have made it to the final comprehensive review stage, four have withdrawn their application entirely. These proposed rules put Oregon firms at a

competitive disadvantage, disincentivizing out-of-state investment in Oregon without improving access to or quality of care.

Businesses and institutions need clear, stable regulations to plan and expand effectively. According to a 2025 StratACUMEN study, Oregon is the 7th most regulated state in the nation, and research shows that every 10% increase in regulation results in a 1% increase in consumer prices and a 0.6% decrease in small firm employment. Any proposed rule should add clarity, not further uncertainty, to program compliance.

We recommend the following changes to the current proposed rule:

- Significantly tailor the program's focus to the core mission of protecting access and affordability for Oregonians
- Identify and eliminate duplicative reviews where transactions are already subject to state or federal government or regulatory review
- Exclude transactions between Oregon-based entities and out-of-state entities that do not result in a change of control of an Oregon-based entity
- Provide clearer guidance on what triggers review requirements and what constitutes approval criteria

We believe these points reflect important considerations for Oregon's business community and health care sector. The HCMO should avoid creating unnecessary barriers to health care investment and sustainability so that it can effectively protect consumers.

Agency Need and Process Transparency

Any proposed fee increase should be tied to the actual cost of administering a program, and the basis for any fee calculation should be shared with regulated entities when devising new rules as a matter of transparency and good governance. Revenues should be calculated to meet expected volume of reviews; if the expected volume of incoming reviews does not support full-time dedicated staff, the program should adjust staffing accordingly. Finally, the agency must adequately explain how anticipated revenue is connected to expected workload, and how the agency arrived at that calculation.

Oregon's health systems face increasing pressures, and with declining state resources, the state should avoid compounding our already strained health system with additional regulatory and financial burdens. The agency needs to be conscious of its regulatory role and the accumulated administrative burden that it places on the payers and providers of health care, understanding that many of those costs are ultimately incorporated into the cost of care.

Thank you for your attention to this matter.



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