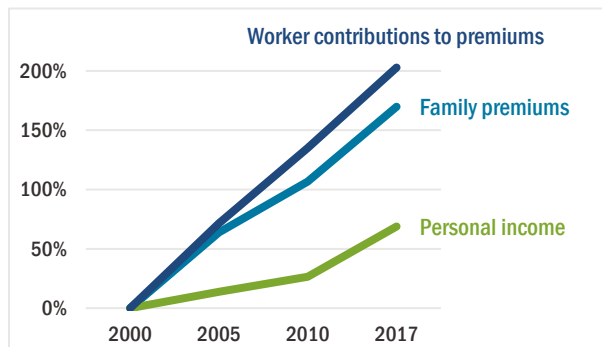


Charting a Sustainable Path for Health Care Spending

Senate Bill 889 directs the Oregon Health Authority (OHA) to work with stakeholders and consumers to set a Sustainable Health Care Cost Growth Target that would apply to insurance companies, hospitals and health care providers, so that health care costs do not outpace wages or the state's economy. Through this program, OHA will also identify opportunities to reduce waste and inefficiency, resulting in better care at a lower cost.

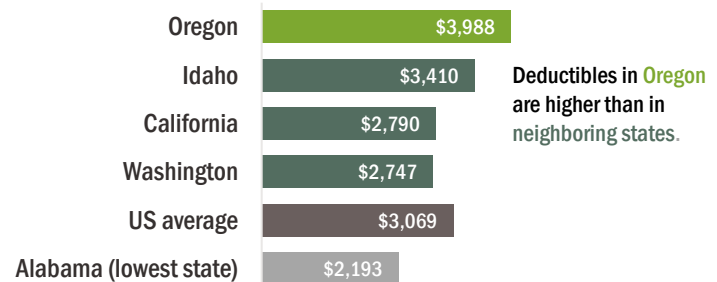
Health care costs in Oregon are growing at a rate that's not sustainable for families, businesses, or the state budget.

Oregon employer-sponsored insurance premiums have grown three times faster than personal income since 2000.



Oregonians' deductibles are the 3rd highest in the nation.

Oregon is 4th highest in the country for the percent of individuals with high out of pocket costs relative to their income.



To transform health care and contain costs for all Oregonians, we need strategies that move beyond Medicaid into the private market, where most people get their health insurance.

The first step to containing costs is establishing a budget target and measuring our health system's success at meeting it. State programs (Medicaid and PEBB/OEBB) are already subject to a 3.4% growth target.

The SB 889 Implementation Committee, selected by Governor Kate Brown and operating under the supervision of the Oregon Health Policy Board (OHPB), will recommend:

- A target for the annual per capita rate of growth of total health care spending in the state.
- Steps to implement the Sustainable Health Care Cost Growth Target.
- Spending measures that maximize available data and minimize new data collection.
- A process to hold insurance companies and large providers accountable if their cost growth rises above the target.

Oregon is leading the way as one of the first few states to set a cost target to rein in the rising costs of health care.

There's room in the system to save and improve quality of care. The Institute of Medicine estimates there's \$750 billion in annual waste in the health care system. In Massachusetts adopting a cost growth target has resulted in about \$5.5 billion in savings for consumers between 2013 and 2016. Through its work to establish a cost growth target and implementation program, OHA will identify waste and inefficiency, address underlying costs in the health system, and provide new, better cost driver information that can help inform policy that will help reduce costs.

Timeline

The Implementation Committee is required to make its final recommendation in September 2020. If approved by the OHPB, 2021 will be the first year to apply the cost growth target to our health system.



Stay informed

To learn more and subscribe to email notices about the development and implementation of the Sustainable Health Care Cost Growth Target, go to the Health Policy and Analytics website:

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