

Oregon Health Policy Board

2015-2016 Sustainable Healthcare Expenditures Workgroup

Charter

I. Authority

In 2013, the Oregon Health Policy Board (OHPB) recommended that the Oregon Health Authority (OHA) and Oregon Insurance Division create a workgroup to establish a methodology for calculating annual total health care expenditures and spending by payer type with the intention of moving the healthcare marketplace towards a fixed rate of growth. The Sustainable Healthcare Expenditure Workgroup (SHEW) wrapped up the first phase of its work at the end of 2014 with a sustainable rate of growth methodology framework and five recommendations for continued work.

The OHPB has decided to incorporate the second phase of the SHEW into the Coordinated Care Model Alignment Workgroup as a time-limited subcommittee focused on determining the potential application of the sustainable rate of growth methodology, analyzing results, and assessing potential policy options.

II. Timeline

The workgroup will convene starting in August/September 2015 and meet monthly. The OHA director will appoint workgroup members and membership will be limited to the remaining duration of the Coordinated Care Model Alignment Workgroup, unless OHPB decides to extend the timeline of the group. The SHEW subcommittee's charter will expire after June 2016 at the discretion of OHA.

III. Charge/Deliverables

The second phase of the SHEW will leverage the work of the previous group and assist in determining appropriate approaches to move the Oregon health care marketplace toward a sustainable rate of growth that attempts to account for increasing health system costs and emerging high-costs (e.g., behavioral health, new high-cost drugs).

Options for the group's scope of work include the following:

- Refine and recommend adjustments to the methodology developed by the previous group, in consultation with Dr. John McConnell.

- Clearly define the purpose and determine appropriate uses for the total health care expenditure calculations.
- Develop a report outlining Oregon health system spending trends and variations, cost drivers and strategies for cost containment. The report would highlight successful efforts to contain costs in Oregon.
- Develop recommendations for accountability mechanisms and policies to ensure steady progress in cost containment.
 - This might include building a framework for a global spending target for health care cost growth. Alternatively, the group could leverage primary care spend reports, as required by SB 231, to inform the development of a primary care spend target that could later lead to the development of a global spending target.

IV. Dependencies

The group will be dependent on the continued work of Dr. John McConnell and Oregon Health & Science University Center for Health Systems Effectiveness to complete and further refine the measurement framework. As additional data is available, the calculations will need to be adjusted to account for any fluctuations in health care spending.

Brian DeVore, OHPB member, will serve as the group's liaison to the Board and assist in defining the group's charge.