

Frequently Asked Questions about Oregon's Value-Based Payment Compact

1. What is the Oregon Value-Based Payment (VBP) Compact?

The Oregon VBP Compact is a voluntary commitment by payers and providers across the state to participate in and spread VBPs. The Compact is based on the work of the Sustainable Health Care Cost Growth Target Implementation Committee (Cost Growth Implementation Committee) which was charged by the legislature to identify mechanisms to lower the growth of health care spending in Oregon to a financially sustainable rate. The Committee identified VBP as a critical strategy to lower costs, and developed a set of VBP principles which serve as the basis of the [VBP Compact](#).

2. What is my organization committing to? Is the VBP Compact legally binding?

The VBP Compact demonstrates a commitment to a set of VBP principles drafted by the Cost Growth Implementation Committee to increase the spread of VBP across Oregon. While the Compact is not legally binding, signatory organizations are expected to adhere to the principles, which lay out a plan for increasing the use of advanced VBP models.

As laid out in the principles, the advanced VBP model of prospective budget-based and quality-linked payment (i.e., Health Care Payment Learning and Action Network (LAN) category 4) should be the primary VBP models used, when feasible. When they aren't feasible, VBP models that include shared savings and downside risk (LAN categories 3A and 3B) should be used. See the [VBP Compact](#) for specific VBP targets to be achieved, which will require payer and provider collaboration and partnership.

3. Given that my organization is signing the Compact in 2021, I'm not sure we will reach the 2021 VBP target. Should I still sign?

We encourage all payers and providers to sign the Compact and work in good faith to achieve the targets. Participation contributes to a broader statewide effort to move away from a fee-for-service system, and the more organizations that participate, the faster we will make progress.

4. What will happen if my organization signs and doesn't achieve the targets?

There will be no penalty for not meeting the targets. However, there will be public reporting on Compact target progress. Specifically, a VBP Implementation Workgroup, whose goal is to ensure the Oregon VBP Compact is successfully implemented, will develop a VBP Roadmap that outlines a plan for implementing the Compact. Progress on the Roadmap goals will be included in an annual report submitted to the organizations that convene signers of the Compact*, the Sustainable Health Care Cost Growth Target Implementation Committee and the Oregon legislature.

5. This looks like something payers have to do – what's the role of providers?

Both payers and providers are being asked to sign the Compact because achieving the goals of the Compact will require partnership and collaboration across the health care system.

* Oregon Association of Hospitals and Health Systems, Oregon Health Authority, Oregon Health Leadership Council, Oregon Medical Association, Public Employees' Benefit Board/Oregon Educators Benefit Board.

The Compact supports the state's commitment, per the [recommendations](#) of the Sustainable Health Care Cost Growth Target Implementation Committee, to hold payers and providers accountable for maintaining a 3.4% total cost of care growth target for 2021-2025 and then 3.0% for 2026-2030. Providers and payers will need to contain costs and demonstrate their efforts to do so, including through increased adoption of VBPs. Transitioning from fee-for-service to VBP is a shared responsibility.

6. These targets are different than those required of CCOs through CCO 2.0. What targets are CCOs required to meet?

These targets are more aggressive than those under the CCO 2.0 contract. Given the urgent need to contain statewide costs and respond to health system funding instability during the pandemic, the Sustainable Health Care Cost Growth Target Implementation Committee recommended a faster rate of adoption of VBPs across the state. We hope all CCOs will consider signing the Compact; a majority already have.

7. Is my organization on its own to achieve these targets? What kind of support will be provided?

A VBP Implementation Workgroup (Workgroup), whose goal is to ensure the Oregon VBP Compact is successfully implemented, is currently under development. As laid out in the [Workgroup charter](#), the Workgroup will identify paths to accelerate the adoption of VBP across the state; highlight challenges and barriers to implementation and recommend policy change and solutions; coordinate and align with other state VBP efforts; and monitor progress on achieving the Compact principles, including the VBP targets.

8. How can I keep apprised of statewide progress towards achieving the targets?

Refer to the joint Oregon Health Leadership Council and Oregon Health Authority [VBP Compact website](#).

9. If I want to sign the Compact, who should I contact?

Reach out to VBP.compact@dhsola.state.or.us.