DFR Division of Financial Regulation
Department of Consumer and Business Services
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Oregon Department of Consumer and Business Services Division of Financial Regulation, Bulletin No. DFR 2026-12

To: All issuers offering health benefit plans in Oregon

Date: November 24, 2026

RE: Requirement to spend 12 percent annually on primary care services

I. Purpose

In accordance with Gov. Tina Kotek's Executive Order 26-27,[1] the purpose of this bulletin is to remind health benefit plan issuers of their obligation under ORS 743.010 to annually spend at least 12 percent of their total medical expenditures on payments for primary care, and to clarify the Division of Financial Regulation's approach to ensuring compliance with the law.

II. Authority

ORS 731.296, ORS 731.988, ORS 743.010, Executive Order 26-27, OAR 836-053-0473

III. Background

ORS 743.010 requires Oregon health benefit plans to spend at least 12 percent of their total medical expenditures on payments for primary care beginning in 2023. The requirements of ORS 743.010 apply to insurers offering individual, small group and fully-insured large group health benefit plans.

OAR 836-053-0473(3) implements this statutory requirement through the annual rate review process for individual and small group plans. The rule applies to plans subject to rate review and is not applicable to large group health benefit plans. The rule requires insurers that spend less than 12 percent of total medical expenditures on payments for primary care to include with each health benefit plan rate filing a plan to increase spending on payments for primary care by at least one percentage point each year.

Once an insurer has met the 12 percent benchmark for primary care spending, that fact must be disclosed with each health benefit plan rate filing including a disclosure of the current percentage of total medical expenditures on primary care.

[1] The text of the Executive Order may be found at https://www.oregon.gov/gov/eo/eo%2026-27.pdf

Insurers shall use the methodology outlined in the annual Primary Care Spending in Oregon report to calculate the percentage of primary care spending.

ORS 743.010 (2)(a) and (b) define “primary care’ and “total medical expenditures as follows:

(a) “Primary care” means family medicine, general internal medicine, naturopathic medicine, obstetrics and gynecology, pediatrics or general psychiatry.

(b) “Total medical expenditures” means payments to reimburse the cost of physical and mental health care provided to enrollees, excluding prescription drugs, vision care and dental care, whether paid on a fee-for-service basis or as part of a capitated rate or other type of payment mechanism.

Executive Order 26-27 directs the division to communicate to insurers how the division will pursue enforcement of the primary care spending target law, and to enforce corrective actions and further transparency in this area.

IV. Guidance

In accordance with the statute and rule noted above, the division has required health insurance carriers to submit an action plan as part of the rate filing process when primary care spending does not meet or exceed the 12 percent target. However, to date, the division has not collected information about primary care spending for large group health plans, taken specific enforcement action, or levied penalties against violations of the law.

Starting in 2027, the division will exercise its authority under ORS 731.296 to require all issuers of fully-insured large group health benefit plans to report annually on the percent of total medical expenditures spent on primary care. This reporting will be aligned with what carriers currently provide in the rate filing process. Further guidance regarding the specific format and timing of this reporting will be provided soon via the division’s website. The division’s goal in enacting EO 26-27 is to avoid duplicative reporting and ensure appropriate spending on primary care in compliance with state law. The division recommends carriers filing individual and small group rates avoid the need for potentially duplicative reporting by including information about large group primary care spending in their rate filings.

Going forward, the division expects health insurance carriers subject to the law to redouble their efforts in the area of primary care spending. Failure to demonstrate adequate progress toward reaching the 12 percent spending target can result in enforcement for any violations of ORS 743.010, including civil penalties if appropriate under ORS 731.988.

The division will balance its compliance reviews by considering health insurance market and healthcare delivery system factors that may have an effect on insurers’ spending on primary care services including but not limited to cost containment efforts, carrier solvency, and the availability of primary care providers in the state.

Historical and projected primary care spending and proposed action plans from carriers are already publicly available as part of Oregon's transparent health insurance rate review process. However, the division will also take steps in the coming months to make information about carrier performance in the area more widely available and accessible, including posting additional information to the division's website and highlighting individual carrier performance in other public-facing communications.

V. Applicability

This bulletin is effective upon issuance and applies to health benefit plans that are subject to ORS 743.010.

The bulletin remains in effect until repealed.



11/24/2026

TK Keen, Administrator
Oregon Insurance Commissioner
Division of Financial Regulation

Date