

2022 HEALTH CARE COST TRENDS HEARING

Ten Years of Cost Containment in Massachusetts:
Charting the Path to Affordability and
Equity for the Next Decade

PROGRAM BOOK

#CTH22



MASSACHUSETTS
HEALTH POLICY COMMISSION

NOVEMBER 2, 2022

WELCOME

Welcome to the 2022 Health Care Cost Trends Hearing. This marks the tenth year the Health Policy Commission (HPC) has hosted this essential hearing on behalf of the residents of the Commonwealth of Massachusetts. We are so pleased to return to Suffolk University Law School this year and to be live-streaming today's proceedings on the [HPC's YouTube Channel](#) for those who will be participating remotely.

After the passage of landmark health care cost containment legislation in 2012, health care spending growth in Massachusetts stayed below the comparable U.S. rate for most of the decade, resulting in billions of dollars in avoided spending for residents of the Commonwealth. In recent years, however, spending growth has accelerated, exceeding the benchmark from 2017 to 2019. After a decrease in spending from 2019 to 2020 resulting from the COVID-19 pandemic, health care spending trends for 2021 and beyond are widely expected to rise at pre-pandemic rates.

Today, the Commonwealth finds itself navigating the third year of a pandemic that has illuminated and exacerbated health disparities and created economic hardship for many individuals and businesses. Persistently high health care costs in the Commonwealth have contributed significantly to those problems. The decline in health care spending in 2020 did not translate to proportional cost relief for residents with commercial health insurance. Meanwhile, half of Massachusetts residents with low to medium incomes reported difficulty paying household expenses in August 2020.

At the same time, health care providers are wrestling with acute workforce shortages and confronting broader inflationary headwinds. How the Commonwealth should balance efforts to respond to the challenges facing the health care systems with efforts to address the challenges facing residents is an important theme of this hearing.

This year's hearing also presents an opportunity to reflect on Massachusetts' experience with health care cost containment. Drawing on ten years of data and evidence for effective policies for restraining health care cost growth, promoting affordability, and advancing equity, we see a moment to chart a bold path forward for the next decade. Following the release of the HPC's Annual Report on Health Care Cost Trends in September, the 2022 Cost Trends Hearing provides a forum to reflect on the policy recommendations put forth by the HPC and to collaborate on defining a roadmap to a health care system that is accessible, sustainable, and just.

We are honored to have Governor Charlie Baker, U.S. Senator Ed Markey, and Attorney General Maura Healey participate in today's proceedings, as well as keynote speaker, Dr. Barak Richman. In-person testimony from the panelists at the hearing and written pre-filed testimony from 28 health care organizations will also provide important perspectives.

Additional materials, including the presentation slides and written testimony, are posted to the HPC's website. Your engagement and collaboration are critical to our effort. We encourage you join the conversation on Twitter via #CTH22.

Thank you for your participation.

DEBORAH DEVAUX
Chair

DAVID SELTZ
Executive Director

2022 HEALTH CARE COST TRENDS HEARING

WEDNESDAY, NOVEMBER 2, 2022

WELCOME

12:00PM

Deborah Devaux, HPC Board Chair
David Seltz, HPC Executive Director

OPENING REMARKS

The Honorable Charlie Baker, Governor
The Honorable Edward Markey, U.S. Senator for Massachusetts
The Honorable Maura Healey, Attorney General (via pre-recorded video)

KEYNOTE PRESENTATION

12:45PM

PROVIDER CONSOLIDATION IN THE FAILURE OF ANTITRUST LAW

Dr. Barak D. Richman, Katherine T. Bartlett Professor of Law and Professor of Business Administration,
Duke University School of Law

DATA PRESENTATION

1:30PM

IMPACT OF PRICE AND SPENDING TRENDS ON HEALTH CARE AFFORDABILITY AND EQUITY IN MASSACHUSETTS

Dr. David Auerbach, HPC Senior Director of Research and Cost Trends

POLICY PRESENTATION

STATE POLICY SOLUTIONS TO ADVANCE AFFORDABILITY

David Seltz, HPC Executive Director

BREAK

WITNESS PANEL 1

2:15PM

IMPLICATIONS OF PERSISTENT HEALTH CARE AFFORDABILITY CHALLENGES IN THE COMMONWEALTH

Moderator: HPC Chair Deborah Devaux

Michael Curry, Esq, President and CEO, Massachusetts League of Community Health Centers
Bill Grant, Chief Financial Officer and Senior Vice President, Cummings Properties
Colin Killick, Executive Director, Disability Policy Consortium
Amy Rosenthal, Executive Director, Health Care for All

WITNESS PANEL 2

3:15PM

HEALTH SYSTEM LEADERS: WHAT IS THE PATH FORWARD FOR MASSACHUSETTS?

Moderator: HPC Chair Deborah Devaux

Dr. Kevin Churchwell, President and CEO, Boston Children's Hospital
Dr. Eric Dickson, President and CEO, UMass Memorial Medical Center
Andrew Dreyfus, President and CEO, Blue Cross Blue Shield of Massachusetts
Cain Hayes, President and CEO, Point32Health
Dr. Anne Klibanski, President and CEO, Mass General Brigham

CLOSING DISCUSSION

4:30PM

HPC Board of Commissioners

KEYNOTE SPEAKER



DR. BARAK D. RICHMAN

Barak Richman is the Katharine T. Bartlett Professor of Law and Business Administration at Duke University and has served in visiting positions at Columbia, Harvard, and Stanford. Both an attorney and an institutional economist, his health policy research examines the utilization of health insurance benefits, antitrust policy towards healthcare providers, and organizational innovation in healthcare markets. Another line of his research focuses on how social relationships shape economic performance. His book *Stateless Commerce: The Diamond Network and the Persistence of Relational Exchange* published by Harvard University Press in 2017, studies how ethnic merchants organize the diamond industry. He was named Duke Law's Teacher of the Year in 2010, and he is also on Fuqua's Health Sector Management faculty and a Senior Fellow at Duke's Kenan Institute for Ethics.

HPC SPEAKERS



DAVID SELTZ

David Seltz is the first Executive Director of the Massachusetts Health Policy Commission. Prior to this role, Mr. Seltz was the chief health care advisor for former State Senate President Therese Murray and served as the Special Advisor on health care for former Massachusetts Governor Deval Patrick. Through these positions, Mr. Seltz advised on the passage of Chapter 58 of the Acts of 2006 and Chapter 224 of the Acts of 2012. Mr. Seltz is a 2003 graduate of Boston College and originally from Minnesota. He was a recipient of Modern HealthCare's 2015 Up and Comer Award, which recognizes young executives that have made significant contributions in the areas of healthcare administration, management, or policy.



DR. DAVID AUERBACH

Dr. David Auerbach is a health economist and the Director for Research and Cost Trends at the Massachusetts Health Policy Commission. His work has spanned a number of health policy areas including understanding employer markets for insurance, spending trends and cost drivers, primary care, and the health care workforce. He has specialized in, and is a nationally-recognized expert on, the Registered Nurse workforce including advanced practice nurses. He has twice chaired the workforce theme for the Academy-Health Annual Research Conference, has appeared several times on NPR's Marketplace, and has authored and co-authored several dozen publications on a range of topics in the top journals in the field including *New England Journal of Medicine*, *Journal of the American Medical Association*, and *Health Affairs*. Prior to the HPC, Dr. Auerbach was a senior policy researcher at the RAND Corporation in Boston and prior to that, was a principal analyst at the Congressional Budget Office in Washington, D.C. where he co-developed the model used to analyze the 2010 Affordable Care Act.

WITNESS PANEL 1

MODERATOR: HPC CHAIR DEBORAH DEVAUX



MICHAEL CURRY

Michael Curry, Esq. is the CEO of the Massachusetts League of Community Health Centers, which represents 52 health centers, serving over 1 million patients out of over 300 practice sites throughout the state. He previously served as Deputy CEO & General Counsel for the Mass League. Prior to joining the League in 2008, Michael worked for 16 years at Blue Cross and Blue Shield of Massachusetts. He has served on the health care transition teams for former Massachusetts Governor Deval Patrick and was involved in the passage of Massachusetts Health Reform and the Affordable Care Act.



BILL GRANT

William F. Grant joined Cummings Properties as its chief financial officer in 1998. He oversees all the accounting, IT, and human resources functions. Grant received his undergraduate and master's degrees in accounting from Bentley College. He attended the Advanced Management Program at Harvard Business School. Prior to joining Cummings Properties, Grant held several senior management positions at Tweeter Etc., and was chief financial officer for Rich's department stores from 1989 to 1998. He has served on the board of directors of Associated Industries of Massachusetts (AIM) since 2009 and as chairperson for the Health Care Cost and Quality Committee since 2012.



COLIN KILLICK

Colin Killick (he/him) is the Executive Director of Disability Policy Consortium, a statewide civil rights advocacy and research organization run by and for people with disabilities. He first joined DPC as a community organizer. He co-founded the Housing Advocacy Leadership Team (HALT), which has successfully advocated to more than quintuple Massachusetts' investment in affordable housing for people with disabilities and led DPC's successful efforts to overturn and replace Massachusetts' discriminatory COVID-19 Crisis Standards of Care in 2020. He serves on the HPC Advisory Council. He has motor dysgraphia, executive function disorder, and major depression, and credits the accommodations he received thanks to prior generations of disability rights advocates for being able to do this work. He holds an MPP from Harvard Kennedy School of Government.



AMY ROSENTHAL

Amy Rosenthal is the Executive Director of Health Care For All, a Massachusetts consumer advocacy organization that runs campaigns on a variety of health care issues facing consumers. Ms. Rosenthal also teaches at the Harvard T. H. Chan School of Public Health working with MPH policy students on their practicum experience. Previously, she spent over a decade at Community Catalyst, a national health care advocacy organization. Ms. Rosenthal has also worked in the Massachusetts State Senate and the State House of Representatives, served as the Policy Director on a gubernatorial campaign, and provided political consulting services for several clients in New England.

WITNESS PANEL 2

MODERATOR: HPC CHAIR DEBORAH DEVAUX



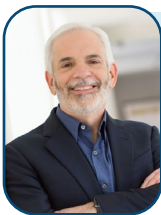
DR. KEVIN CHURCHWELL

Dr. Kevin Churchwell is the President and Chief Executive Officer of Boston Children's Hospital. Since joining Boston Children's as its Executive Vice President of Health Affairs Chief Operating Officer in 2013, Dr. Churchwell has been instrumental in leading the hospital's work to become a High Reliability Organization, one where zero avoidable harm impacts any patient, family member, or employee.



DR. ERIC DICKSON

Dr. Eric Dickson is President and CEO of UMass Memorial Health, the largest not-for-profit health care system in Central Massachusetts. UMass Memorial partners with the University of Massachusetts Medical School where Dr. Dickson also serves as a Professor of Emergency Medicine. Dr. Dickson's prior roles include President of the UMass Memorial Medical Group and senior associate dean at the University of Massachusetts Medical School.



ANDREW DREYFUS

Andrew Dreyfus is President and CEO for Blue Cross Blue Shield of Massachusetts (BCBSMA), one of the largest independent Blue Cross Blue Shield plans in the country with over \$8 billion in revenue and nearly three million members. He previously served as founding President of the Blue Cross Blue Shield of Massachusetts Foundation and Executive Vice President of the Massachusetts Hospital Association (MHA).



CAIN HAYES

Cain Hayes is President and Chief Executive Officer of Point32Health, a \$9-billion organization that includes Harvard Pilgrim Health Care and Tufts Health Plan. Serving 2.2 million members across five states, Point32Health is one of New England's largest non-profit health and well-being organizations. Cain is responsible for leading the company's executive team, defining strategic vision and direction.



DR. ANNE KLIBANSKI

Dr. Anne Klibanski is the President and CEO of Mass General Brigham (MGB), a large integrated health care system based in Boston. MGB is the largest private employer in Massachusetts with 78,000 employees and annual revenue of \$13.4 billion. It is the nation's leading recipient of NIH funding and a principal teaching affiliate of Harvard Medical School. Dr. Klibanski previously served as the health care system's Chief Academic Officer and as Chief of Neuroendocrine at Massachusetts General Hospital and is the Laurie Carrol Guthart Professor of Medicine at Harvard Medical School.

HPC BOARD MEMBERS



DEBORAH DEVAUX

Chair

Deborah Devaux was appointed to Chair the HPC's Board of Commissioners in July 2022, following 40 years of health care management experience with health insurers and providers in Massachusetts. Most recently, she served as the Executive Vice President and Chief Population Health Officer at Beth Israel Lahey Health.



MARTIN COHEN

Vice Chair

Martin D. Cohen is the President and CEO of the MetroWest Health Foundation. He has more than 30 years of experience working to plan and implement comprehensive strategies to improve public mental health services. Mr. Cohen was appointed to the Board in 2015, reappointed in 2018, and confirmed as Vice Chair in September 2019.



DR. DONALD BERWICK

Donald M. Berwick, M.D., was President and CEO of the Institute for Healthcare Improvement (IHI) for nearly 20 years. In July 2010, President Obama appointed Dr. Berwick to the position of Administrator of the Centers for Medicare & Medicaid Services, a position he held until December 2011. Dr. Berwick was appointed to the Board in 2016.



BARBARA BLAKENEY

Committee Chair, Care Delivery Transformation

Barbara Blakeney, MS, RN, FNAP, was President of the American Nurses' Association, and the former Innovation Advisor to the Centers for Medicare and Medicaid Innovation Center. Ms. Blakeney was appointed to the Board in 2019. She also serves as Committee Chair for Care Delivery Transformation.



DR. DAVID CUTLER

Committee Chair, Market Oversight and Transparency

David Cutler, Ph.D., is the Otto Eckstein Professor of Applied Economics at Harvard University and holds secondary appointments at Harvard Kennedy School and Harvard School of Public Health. Dr. Cutler was appointed to the Board in 2012 and reappointed in 2015. He also serves as Committee Chair for Market Oversight and Transparency.



TIMOTHY FOLEY

Timothy Foley is the Executive Vice President for 1199SEIU Healthcare Workers East, the state’s largest union of health care workers. He has worked for SEIU for 11 years, starting out as a political director, then being elected to a Vice President position. Mr. Foley was appointed to the Board in 2016.



SECRETARY MICHAEL J. HEFFERNAN

Executive Office of Administration and Finance

Michael J. Heffernan serves as Secretary of the Executive Office for Administration and Finance. He is responsible for managing state finances, and oversees state agencies that provide core administrative services.



PATRICIA HOUPT

For over 40 years, Patricia Houpt advised employers, from large corporations to small business owners, on how best to structure their employee benefits offerings to achieve their financial and retention goals. She recently retired after serving as executive director at the New England Employee Benefits Council (NEEBC) for eight years.



DR. JOHN CHRISTIAN (CHRIS) KRYDER

Dr. John Christian Kryder is an Executive Partner at Flare Capital, a Boston-based health care technology investment group. He spent twenty-five years as a Clinical Instructor in Medicine in the Medical Engineering and Medical Physics Program at Harvard Medical School, HST Division. Dr. Kryder was appointed to the Board in 2018.



RENATO (RON) MASTROGIOVANNI

Ron Mastrogiovanni is the President and CEO of HealthView Services and has more than 25 years of experience in management consulting, financial services, and health care software design. Mr. Mastrogiovanni was appointed to the Board in 2015 and reappointed in 2016.



SECRETARY MARYLOU SUDDERS

Executive Office of Health and Human Services

Marylou Sudders serves as the Secretary of the Executive Office of Health and Human Services. In this role, Secretary Sudders leads the largest executive agency in state government, and oversees critical services that touch approximately one in six residents of the Commonwealth.

PRE-FILED TESTIMONY

PAYERS

- ▶ **56% (5/9)** supported policies related to **enhanced oversight of pharmaceutical spending** and **constraining drug costs**
 - ▶ **56% (5/9)** expressed **concerns with the growing cost of pharmaceuticals**
 - ▶ **78% (7/9)** payers cited initiatives to steer members to **low-cost, high-value sites of care**, including through use of **consumer education tools**, site of service restrictions, and **tiering/limited network plans**.
 - ▶ **67% (6/9)** payers are making **financial investments toward health equity** by advancing initiatives such as data science tech support.
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PROVIDERS

- ▶ **84% (16/19)** providers listed **workforce and staffing** as top concerns
 - ▶ **58% (11/19)** are **increasing recruitment efforts** (i.e., developing pipelines in schools, certification programs)
 - ▶ **59% (11/19)** are attempting to **address clinician burnout** with administrative simplification, professional development, and higher pay
 - ▶ **79% (15/19)** providers identified they are collecting **race, ethnicity, and language** data
 - **53% (10/19)** are either collecting **gender identity data** or have plans to do so in the future
 - ▶ **79% (15/19)** expressed the need for **increased investments in the health care workforce** at the state level
 - **37% (7/19)** cited support for MA passing legislation to join the **Nurse Licensure Compact**
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