



On **Wednesday, November 8, 2023**, the Massachusetts Health Policy Commission (HPC) hosted its 11th Annual Health Care Cost Trends Hearing, titled “**The Next Phase of Massachusetts Health Reform: Achieving Affordability and Health Equity for All.**” Materials from the hearing are available on the HPC's [website](#) and a full recording is available on the HPC's [YouTube Channel](#).

This annual hearing provides a forum for health care stakeholders, industry representatives, policymakers, and community leaders to reflect on recent trends in the Commonwealth's health care market, engage with the policy recommendations put forth by the HPC, and work collaboratively towards a more accountable and equitable health care system in Massachusetts.

The discussions at the hearing focused on the drivers of health care spending and the challenges and opportunities for improving care and reducing costs across the Commonwealth's health care system. A major theme of the hearing was the need to modernize the state's benchmark policy framework by embedding a greater focus on measures of affordability and equity into the health care system. This theme was underscored by a panel of community voices that kicked off the hearing, which provided a platform for community advocates to deliver perspectives on the impact of health care costs and persistent racial disparities on health care access for Massachusetts residents.

The HPC's nine [policy recommendations](#), which were a focal point of the day, can be found in the HPC's [2023 Health Care Cost Trends Report](#).

PRE-FILED TESTIMONY

In advance of the hearing, 33 health care organizations – 22 provider organizations and 9 payers – were required to submit written [testimony](#), responding to questions from the HPC and the Office of the Attorney General. Full text responses from all 33 organizations are available on the HPC's [website](#). A brief summary of responses can be found in the hearing [program booklet](#).

FEATURED SPEAKERS

Welcome Remarks

Attorney General Andrea Campbell reflected on the role of the Attorney General's office in improving and promoting affordability, accessibility, and equity in the Massachusetts health care system. She outlined the current efforts being made by the Attorney General's office, including the consumer protection and anti-trust laws that allow her office to investigate unlawful conduct that has led to health care becoming unaffordable and inaccessible. She discussed the Attorney General's authority to examine health care cost trends and conduct reports on current cost trends in the Commonwealth and recommendations to improve those conditions.

The Attorney General also highlighted her office's new Reproductive Justice Unit and the recently launched grant program aimed at improving maternal health care access and outcomes across the Commonwealth. Attorney General Campbell also acknowledged the extensive work and investment that is needed to improve access to behavioral health care across the Commonwealth, especially for adolescents.

Attorney General Campbell's remarks start at the 1:05:46-minute mark in the Cost Trends Hearing [recording](#).

Keynote Remarks

Governor Maura Healey acknowledged the ongoing challenges that residents and families of the Commonwealth face with increasingly unaffordable and inaccessible health care and noted that these lived experiences cannot go overlooked. Governor Healey focused on three primary themes during her keynote remarks: affordability, competitiveness, and equity, which reflect the top priorities of the Healey-Driscoll Administration.

The Governor described actions her administration is taking to address health care affordability, including repaying loans for 3,000 health care workers in the state, and signing a two-year pilot expansion of the ConnectorCare program into law.

Governor Healey voiced her support for the HPC's 2023 policy recommendations, which includes urging the Legislature to update the state's health care benchmark framework "to prioritize affordability and equity." Following the hearing, Governor Healey said, **"Health care costs are rising, and I am here today to say that as an Administration, we are looking forward to partnering with the HPC and with the Legislature on steps we need to take to reduce health care costs across the state."**

Governor Healey emphasized, **"What's important here is that we do the work to update and modernize the tools given to the HPC and others to make sure we're driving down costs, we're reining in costs. We need to do that for residents, and we need to do that for businesses."**

Governor Healey's full remarks and Q&A with board members start at the 1:55:05-minute mark in the Cost Trends Hearing [recording](#).

COMMUNITY VOICES ON HEALTH CARE AFFORDABILITY AND EQUITY

Purpose: This panel provided a platform for community members, consumers, employers, and advocates to deliver perspectives on the everyday impact of high and rising health care costs and persistent racial disparities in care and outcomes. Panelists provided testimonials of personal and community experiences within the health care system.

The stories panelists shared emphasized to health care executives, industry leaders, and policymakers that policy decisions – and inaction in addressing health care affordability and equity – have significant impacts on Massachusetts residents.

"Getting access to care shouldn't be about luck. We have a moral obligation to address these racial inequities in health and our state has an opportunity to lead," said panelist **Sheila Och, Chief Engagement and Equity Officer of the Lowell Community Health Center.**

Participants:

- **Pastor "Keke" Dieufort Fleurissant**, President and Executive Director, True Alliance Center
- **Sheila Och**, Chief Engagement and Equity Officer, Lowell Community Health Center; Member, Health Equity Compact
- **Jose de la Rosa**, Business Owner and CEO, Guardian Healthcare; Member, Health Equity Compact
- **Damaris Velasquez**, Co-Founder and Director of Programs, Agencia ALPHA

ADVANCING POLICY SOLUTIONS HEALTH CARE AFFORDABILITY AND EQUITY

Purpose: This panel convened leaders in health care policy to underline the points made by the earlier *Community Voices* panelists and emphasized the urgent need and moral imperative for policy change to ensure the Commonwealth's health care system is working for all residents. The discussion focused on policy solutions to address the intersecting challenges of affordability and equity and offered specific steps for policymakers to achieve these goals.

Participants:

- **Filaine Deronnette**, Vice President-at-Large, 1199SEIU; Member, Health Equity Compact
- **Colin Killick**, Executive Director, Disability Policy Consortium; HPC Advisory Council Member
- **Juan Fernando Lopera**, Chief DEI Officer, Beth Israel Lahey Health; Co-Founder, Health Equity Compact; HPC Advisory Council Member
- **Amy Rosenthal**, Executive Director, Health Care for All; HPC Advisory Council Member

Key Themes:

- The need for action on policy solutions to address known challenges in affordability and health inequities
- The concept and merits of establishing new benchmarks/indexes in Massachusetts to measure affordability and equity, as recommended by the HPC
- The impact of rising pharmaceutical prices on consumers and the need for greater oversight in the pharmaceutical market
- The importance of understanding how and why, based on a variety of factors, different residents may experience disparities in accessing and affording needed health care
- The need to balance competing priorities across the market, including health care workforce challenges, financial pressures for providers, the increasing cost of premiums, reducing unnecessary administrative complexity

DATA AND POLICY PRESENTATIONS

Affordability Trends in Massachusetts & HPC Policy Recommendations

Dr. David Auerbach, HPC Senior Director of Research and Cost Trends, shared recent data findings which laid the foundation for the witness panel discussions. Dr. Auerbach's presentation, *Affordability Trends in Massachusetts*, highlighted trends over the past decade, including increased consolidation amongst the largest hospital systems, increases to commercial prices, the increasing cost of health care plans, and the continued growth in pharmaceutical prices.

"The current trajectory of commercial spending growth will continue to erode take-home pay, increase avoidance of care, worsen health outcomes, and will require more and more residents to choose between health care and other basic needs," said Dr. Auerbach.

David Seltz, HPC Executive Director, reviewed the HPC's recent policy recommendations to combat these issues, including strengthened accountability around the cost growth benchmark, strategies to constrain provider prices, enhanced oversight of pharmaceutical spending, and continued advancement of health equity.

The full policy presentation can be found on the [HPC's website](#). Dr. Auerbach's presentation begins on slide 7 and Director Seltz's presentation can be found on slide 30 and slides 38 – 50. Dr. Auerbach's presentation also

highlighted the latest episode of *HPC Shorts*, entitled “Excessive Pricing in the Massachusetts Health Care System,” which can be found on the HPC’s [YouTube Channel](#).

Performance of the Massachusetts Health Care System: A Focus on Affordability

Caitilin Sullivan, CHIA Deputy Executive Director, shared recent findings focused on the performance of the Massachusetts health care system and affordability in the Commonwealth. The presentation provided an overview of the total health care expenditure (THCE) growth from 2020-2021, which demonstrated trends in the overall health care spending in the state. CHIA’s data presentation examined the cost growth within health care plans and how the increase in the health care expenditures impacts Massachusetts residents and small businesses.

The full presentation can be found on the [HPC’s website](#). CHIA’s presentation begins on slide 31.

Office of the Attorney General Cost Trends Report 2023: Ground Ambulances

Lisa Gaulin, Assistant Attorney General, presented findings from the [Office of the Attorney General’s 2023 Cost Trends Report](#), with a focus on ground ambulance services and emergency response. The presentation also included policy recommendations to address the ongoing issues facing municipalities and residents of the Commonwealth.

The full presentation can be found on the [HPC’s website](#). The presentation from the Attorney General’s office begins on slide 53.

WITNESS PANELS

The hearing included three witness panels, with four panelists on each panel, moderated by HPC commissioners.

Witness Panel #1 – The Role of Health Plans in Driving Affordability and Equity

Purpose: The first panel convened health insurance CEOs and the executive director of the Commonwealth’s insurance exchange to discuss the role and responsibility of health insurance plans to advance affordability and equity in Massachusetts. The panel focused on the need for policy action to make health insurance more affordable for residents and employers, particularly for small businesses and their employees.

When asked by Commissioner Tim Foley what should be included in the HPC recommended affordability and equity benchmarks, panelists suggested measuring total cost of care, burden on consumers, and creating targets around concerning areas such as maternal health.

“Although it is a challenging rate negotiation environment, we have to stick to our conviction around increases that are as close to the benchmark as possible,” said Cain Hayes, President and CEO of Point32Health.

On the topic of the role health plans play in health equity and addressing social determinants of health, Cain Hayes said he looked forward to **“Identifying areas where we can work together across government and private [industry] to address areas that are concerns for all of us. [...] We can’t do it alone.”**

Participants:

- **Tim Archer**, CEO, UnitedHealthcare of New England
- **Audrey Morse Gasteier**, Executive Director, Massachusetts Health Connector; HPC Advisory Council Member

- **Cain Hayes**, President and CEO, Point32Health; Member, Health Equity Compact
- **Sarah Iselin**, President and CEO, Blue Cross Blue Shield of Massachusetts

Key Themes:

- The need for action on policy solutions to address known challenges in affordability and health inequities
- Affordability challenges for small businesses due to premium growth
- The underlying drivers of health care spending (e.g., excessive provider and pharmaceutical pricing), health plan strategies to mitigate these trends, and future outlook absent policy action
- The impact of provider upcoding on spending trends and health plan strategies to mitigate unwarranted risk score growth
- How health plans ensure accessibility to needed services for its members and how differential reimbursement rates may be contributing to closures and consolidation
- The opportunity to reduce administrative complexity by automating prior authorization for commercial plans (consistent with a pending federal requirement on public plans) and to further reduce administrative burden by standardizing or eliminating other utilization management tools

Witness Panel #2 – Navigating the Changing Provider Landscape in Massachusetts

Purpose: The second witness panel convened leaders from health care provider organizations to discuss the impact of recent, significant changes to the provider market. Topics included the consolidation and closures of provider organizations and hospitals, including the role of independent community hospitals and the challenges they face in a consolidating provider marketplace; disruptions in essential service lines such as pediatric and maternity care; and the contributing role of differential payer reimbursements and policy inaction in market changes; and the future of primary care and the growth in for-profit primary care and alternative care sites (e.g., MinuteClinics and urgent care).

Vice Chair Martin Cohen asked panelists about solutions to the lack of primary care services.

“[The] biggest risk, threat, issue – to our company, but more broadly to health care across the Commonwealth – is the lack of enough primary care,” said Dr. Christopher Andreoli, President of Atrius Health.

Panelists discussed investments in team-based approaches to care, opportunities to expand the use of nurse practitioners and other allied health professionals and expanding the scope of practice for certain provider types.

Participants:

- **Dr. Christopher Andreoli**, President, Atrius Health; HPC Advisory Council Member
- **Aimee Brewer**, President and CEO, Sturdy Health; HPC Advisory Council Member
- **Douglas Brown**, President, UMass Memorial Community Hospitals; Chief Administrative Officer, UMass Memorial Health
- **Dr. Sree Chaguturu**, Executive Vice President and Chief Medical Officer, CVS Health

Key Themes:

- The impact of a rapidly changing health care provider market on cost, quality, access, health equity, and the health care workforce
- The factors provider organizations consider when evaluating potential market changes (e.g., closure, consolidation, expansion, joint venture, etc.) and the root causes driving such changes (e.g., financial instability, lack of volume, inadequate payer reimbursement)

- The growing presence of for-profit primary care and how these models intersect with the traditional primary care system; further the panel’s perspective on the growing role of private equity financing
- The need to further integrate behavioral health care into primary care and the policy changes needed to advance this goal
- Reflection on the HPC’s recommendation for greater state oversight of the health care market, including focused assessments of need and supply, and greater scrutiny of for-profit and private equity investments in health care in the Commonwealth
- The high use of hospital care in Massachusetts and opportunities for innovative care models and policy solutions that would support keeping appropriate care in primary care or other community settings

Witness Panel #3 – Charting a Path Forward on Affordability and Equity: The Perspective of Health System Leaders

Purpose: The final panel convened leaders of health systems to discuss their organizations’ role in driving affordability and equity as the Commonwealth considers key policy updates. The discussion primarily focused on panelists’ perspectives on the HPC’s recommendations to update the benchmark framework to incorporate affordability and equity and other policy recommendations to address drivers of health care spending. Panelists also discussed the challenges facing providers as well as the implications of significant provider market changes.

Chair Devaux asked panelists about HPC’s policy recommendations in the Cost Trends Report, and panelists voiced support for affordability and equity benchmarks, reducing system complexity and admin burden, and focusing on issues and actions that matter most.

In response to Commissioner Tim Foley’s question on what needs to be changed in health care financing to produce better and more equitable outcomes, **Michael Curry, President and CEO of the Massachusetts League of CHCs and Co-Founder of the Health Equity Compact** said, **“In order to fix something that was intentionally made that way, you’ve got to be disruptive.”**

“There are people dying unnecessarily right now. For us to accept that is disturbing as a Commonwealth,” Curry said. He added we must ask, “Are we willing to do something disruptive and change the system [...] and do it with a sense of urgency?”

Participants:

- **Michael Curry**, President and CEO, Massachusetts League of CHCs; Co-Founder, Health Equity Compact; HPC Advisory Council Member
- **Michael Dandorph**, President and CEO, Tufts Medicine
- **Christine Schuster**, President and CEO, Emerson Health; Chair, Massachusetts Health & Hospital Association Board of Trustees; HPC Advisory Council Member
- **Dr. Kevin Tabb**, President and CEO, Beth Israel Lahey Health

Key Themes:

- The need for action on policy solutions to address known challenges in affordability and health inequities
- The need to incentivize spending on primary and preventive care and behavioral health rather than emergency department and hospital care
- The future of the provider landscape in Massachusetts
- Ongoing workforce shortages, inflationary headwinds, and increasingly complex patient needs