

2023 Pre-Filed Testimony

PAYERS



As part of the

*Annual Health Care*

*Cost Trends Hearing*

Massachusetts Health Policy Commission

50 Milk Street, 8th Floor

Boston, MA 02109

# INSTRUCTIONS FOR WRITTEN TESTIMONY

If you are receiving this, you are hereby required under M.G.L. c. 6D, § 8 to submit written pre-filed testimony for the [2023 Annual Health Care Cost Trends Hearing](https://www.mass.gov/service-details/annual-health-care-cost-trends-hearing).

On or before the close of business on **Friday, October 27, 2023**, please electronically submit testimony as a Word document to: HPC-Testimony@mass.gov. Please complete relevant responses to the questions posed in the provided template. If necessary, you may include additional supporting testimony or documentation in an appendix. Please submit any data tables included in your response in Microsoft Excel or Access format.

We encourage you to refer to and build upon your organization’s pre-filed testimony responses from 2013 to 2022, if applicable. If a question is not applicable to your organization, please indicate that in your response.

Your submission must contain a statement from a signatory that is legally authorized and empowered to represent the named organization for the purposes of this testimony. The statement must note that the testimony is signed under the pains and penalties of perjury. An electronic signature will be sufficient for this submission.

You are receiving questions from both the HPC and the Office of the Attorney General (AGO). If you have any difficulty with the templates or have any other questions regarding the pre-filed testimony process or the questions, please contact either HPC or AGO staff at the information below.

AGO CONTACT INFORMATION

For any inquiries regarding AGO questions, please contact:

Assistant Attorney General Sandra Wolitzky at sandra.wolitzky@mass.gov or (617) 963-2021.

HPC CONTACT INFORMATION

For any inquiries regarding HPC questions, please contact:

General Counsel Lois Johnson at

HPC-Testimony@mass.gov or lois.johnson@mass.gov.

# INTRODUCTION

This year marks a critical inflection point in the Commonwealth’s nation-leading journey of health care reform. As documented in the [Health Policy Commission’s 10th annual Cost Trends Report](https://www.mass.gov/info-details/annual-cost-trends-report), there are many alarming trends which, if unaddressed, will result in a health care system that is unaffordable for Massachusetts residents and businesses, including:

* Massachusetts residents have high health care costs that are consistently increasing faster than wages, exacerbating existing affordability challenges that can lead to avoidance of necessary care and medical debt, and widening disparities in health outcomes based on race, ethnicity, income, and other factors. These high and increasing costs are primarily driven by high and increasing prices for some health care providers and for pharmaceuticals, with administrative spending and use of high-cost settings of care also contributing to the trend.
* Massachusetts employers of all sizes, but particularly small businesses, are responding to ever-rising premiums by shifting costs to employees through high deductible health plans. As a result, many employees are increasingly at risk of medical debt, relying on state Medicaid coverage, or are becoming uninsured, an alarming signal of the challenges facing a core sector of the state’s economy.
* Many Massachusetts health care providers across the care continuum continue to confront serious workforce challenges and financial instability, with some providers deciding to reduce services, close units (notably pediatric and maternity hospital care) or consolidate with larger systems. The financial pressures faced by some providers are driven, in part, by persistent, wide variation in prices among providers for the same types of services (with lower commercial prices paid to providers with higher public payer mix) without commensurate differences in quality or other measures of value.

The HPC report also contains [nine policy recommendations](https://www.mass.gov/doc/2023-health-care-cost-trends-report-policy-recommendations/download) that reflect a comprehensive approach to reduce health care cost growth, promote affordability, and advance equity. The HPC further recommends that legislative action in 2023 and 2024 prioritize modernizing and evolving the state’s policy framework, necessary to chart a path for the next decade.

This year’s Cost Trends Hearing will focus these policy recommendations and on the efforts of all stakeholders to enhance our high-quality health care system in Massachusetts to ensure that it is also affordable, accessible, and equitable.

# ASSESSING EFFORTS TO REDUCE HEALTH CARE COST GROWTH, PROMOTE AFFORDABLE, HIGH-QUALITY CARE, AND ADVANCE EQUITY

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| --- |
| 1. Reflecting on the findings of the HPC’s 2023 Cost Trends Report showing concerning trends of high and increasing health care costs and widening health disparities based on race, ethnicity, and income, please identify and briefly describe your organization’s top 2-3 strategies for reducing health care cost growth, promoting affordability, and advancing health equity for residents of the Commonwealth.
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| Click or tap here to enter text.Click or tap here to enter text.Click or tap here to enter text. |
| 1. Please identify and briefly describe the top state health policy changes your organization would recommend to support efforts to advance health care cost containment, affordability, and health equity.
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| Click or tap here to enter text.Click or tap here to enter text.Click or tap here to enter text. |
| 1. Many Massachusetts health care providers continue to face serious workforce and financial challenges, resulting in the closure and reorganization of care across the Commonwealth. How are these challenges impacting your organization today? What steps is your organization taking to address these challenges?
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| Click or tap here to enter text.Click or tap here to enter text.Click or tap here to enter text. |
| 1. Please identify and briefly describe the policy changes your organization recommends to promote the stability and equitable accessibility of health care resources in Massachusetts?
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| Click or tap here to enter text.Click or tap here to enter text.Click or tap here to enter text. |

# UNDERSTANDING TRENDS IN MEDICAL EXPENDITURES

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| --- |
| * 1. Please complete a summary table showing actual observed allowed medical expenditure trends in Massachusetts for calendar years 2019 to 2022 according to the format and parameters provided and attached as **HPC Payer Exhibit 1** with all applicable fields completed. Please explain for each year 2019 to 2022, the portion of actual observed allowed claims trends that is due to (a) changing demographics of your population; (b) benefit buy down; (c) and/or change in health status/risk scores of your population. Please note where any such trends would be reflected (e.g., unit cost, utilization, provider mix, service mix trend). To the extent that you have observed worsening health status or increased risk scores for your population, please describe the factors you understand to be driving those trends.
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| Click or tap here to enter text. |
| * 1. Reflecting on current medical expenditure trends your organization is observing in 2023 to date, which trend or contributing factor is most concerning or challenging?
 |
| Click or tap here to enter text. |

# QUESTION FROM THE OFFICE OF THE ATTORNEY GENERAL

Chapter 224 of the Acts of 2012 requires payers to provide members with requested estimated or maximum allowed amount or charge price for proposed admissions, procedures, and services through a readily available “price transparency tool.” In the table below, please provide available data regarding the number of individuals that sought this information.

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| --- |
| **Health Care Service Price Inquiries** **Calendar Years (CY) 2021-2023** |
| Year | Aggregate Number of Inquiries via Website | Aggregate Number of Inquiries via Telephone or In- Person |
| **CY2021** | **Q1** |         |        |
| **Q2** |        |        |
| **Q3** |        |       |
| **Q4** |        |       |
| **CY2022** | **Q1** |         |        |
| **Q2** |        |        |
| **Q3** |        |       |
| **Q4** |        |       |
| **CY2023** | **Q1** |        |        |
| **Q2** |        |        |
|   | **TOTAL:** |  |  |