



March 15, 2024

Ms. Deborah Devaux, Chair  
Health Policy Commission  
50 Milk Street Boston, MA 02109

The Honorable Cindy Friedman, Senate Chair  
The Honorable John Lawn, House Chair  
Joint Committee on Health Care Financing  
State House Rooms 413-D and 445  
Boston, MA 02133

**Re: Associated Industries of Massachusetts Statement on the 2025 Cost Growth Benchmark**

Dear Chair Devaux, Chair Friedman, and Chair Lawn:

On behalf of the over 3,400 cross-industry business members of the Associated Industries of Massachusetts (AIM), I write to convey AIM's strong support for a state-level health care cost growth benchmark in the Commonwealth and to urge the Legislature and Health Policy Commission (HPC) to retain the current statutory benchmark of 3.6% in calendar year 2025.

As the largest business trade association in the state, AIM membership consists of small, medium, and large-sized employers from over 150 industries, employing over 650,000 residents across Massachusetts. As such, with respect to employers, AIM's members represent every sector of the commercial health insurance market, including self-insured and fully insured members.

According to the Center for Health Information and Analysis' (CHIA) [2024 Annual Report](#), premiums, cost-sharing, and claims paid by payers and employers increased faster than regional inflation, wages, and salaries between 2020-2022. Fully insured premiums increased by 5.8% during that time, with medium-sized employers (51-100 employees) reporting the highest premiums and fastest rate of growth at 5.6% - although small and large employers were not far behind with growth rates of 5.4% and 5.3% respectively. Further, CHIA's data shows commercial enrollment in High Deductible Health Plans (HDHP), primarily used to lower monthly premiums through higher deductibles, rose to 42.4% as compared to 19% only ten years ago. Plan designs including HDHPs are a clear attempt to lower immediate costs on employers and patients, but the offset costs reflected in increased cost-sharing often make care unaffordable and deter patients from seeking care, regardless. 41% of Massachusetts residents experienced issues affording care between 2020-2022, a trend that was more prevalent in communities of color.

These figures paint a stark picture of the growing burden of health care affordability on state residents and employers of all sizes. They further serve to underscore AIM's support for a continued benchmark mechanism to measure the state's health care system performance and affordability with patients and end-users in mind.

The rising costs of employer sponsored insurance has remained a priority concern for AIM members long before the COVID-19 pandemic. Continuously rising premiums undoubtedly raise red flags for companies seeking to retain business in the Commonwealth as well as emerging enterprises hoping for a secure foothold in the state. As such, AIM believes retaining the state's ability to analyze spending and

effectiveness in the health care system is necessary to maintain and enhance competitiveness of the overall Massachusetts economy.

Thank you for your time and consideration of AIM's comments on this matter, and for your continued dedication to strengthening access, affordability, and equity in the Massachusetts healthcare system. Should you have any further questions or concerns, please feel free to contact me directly at either (617)-262-1180 or [vsangar@aimnet.org](mailto:vsangar@aimnet.org).

Sincerely,

A handwritten signature in black ink, appearing to read 'V. Sangar', is positioned above the typed name.

Vasundhra Sangar  
*Vice President of Government Affairs*  
*Associated Industries of Massachusetts (AIM)*