

March 19, 2019

Mr. David Seltz, Executive Director
Health Policy Commission
50 Milk Street, 8th Floor
Boston, MA 02109

RE: Health Policy Commission's Modification Hearing on the 2020 Health Care Cost Growth Benchmark

Dear Director Seltz:

Thank you for the opportunity to comment on the proposed modification of the state's health care cost growth benchmark for the average growth in total health care expenditures for calendar year 2020. We appreciate the Health Policy Commission's (HPC) outreach to various stakeholders for input and the opportunity to provide feedback.

Atrius Health is an HPC-certified ACO and an innovative nonprofit healthcare leader delivering a system of effective connected care to more than 720,000 adult and pediatric patients in eastern Massachusetts at 32 clinical locations, with more than 50 specialties and 825 physicians working together with home health and hospice services using its VNA Care subsidiary, and in close collaboration with hospital partners, community specialists and skilled nursing facilities. Our vision is to transform care to improve lives. Atrius Health provides high-quality, patient-centered, coordinated, cost effective care to every patient we serve. By establishing a solid foundation of knowledge, understanding and trust with each of its patients, Atrius Health enriches their health and enhances their lives. Learn more about Atrius Health at www.atriushealth.org.

As the recent *2018 Annual Health Care Cost Trends* report noted, Massachusetts health care costs continue to grow although at a much slower pace than in previous years. The Massachusetts growth rate of 1.6 percent in 2017 was well below the national growth rate of 3.1 percent, continuing a consecutive eight year trend of spending growth below the U.S. rate. This is encouraging and we congratulate the Health Policy Commission on its role in this decreased trend.

Atrius Health is committed to the principles established under Chapter 224 that encourage providers to offer high-quality and cost-efficient care. Rising health care costs remain a significant challenge for our patients, employees and the Commonwealth and we believe it is essential for the health care system to continually focus on containing health care costs.

We support setting the 2020 health care cost growth benchmark at potential gross state product minus 0.5 percent (3.1 percent), although this may be an aggressive target given that the Centers for Medicare & Medicaid Services recently projected that national health care spending will grow at an average rate of 5.5 percent per year between 2018 and 2027. To that end, we encourage the Commission not to drop the 2020 Health Care Cost Growth Benchmark below 3.1 percent, in light of the variables outside of many healthcare providers' control – most notably prescription drug costs and hospital outpatient department spending that continue to outpace other healthcare increases.

While Massachusetts has much to be proud of in containing healthcare costs, achieving a benchmark of 3.1 percent will still require considerable effort by all healthcare stakeholders along with strong partnerships with policymakers if we are collectively to achieve this goal. Accordingly, we recommend that the HPC and the Legislature focus on the broader system issues that present barriers to, or opportunities for, decreasing healthcare costs in Massachusetts, including the following:

- **Pharmaceutical Costs/Pharmacy Benefit Managers (PBMs)**

Pharmaceutical costs, including specialty drugs, biologics and generic drugs continue to be a major concern for patients, payers and health care providers in the state. Prescription drug spending continued to be one of the highest growth areas in 2017, at 4.1 percent. While drug spending at Atrius Health has moderated, due in large part to efforts by our clinicians and clinical pharmacists, the arrival of new, expensive specialty drugs as well as increases in generic drug prices have made budgeting difficult; in addition, price increases impose significant hardships for our patients who have co-pays and deductibles. We believe the role of Pharmacy Benefit Managers (PBMs) should be subject to additional scrutiny by the HPC given their impact on healthcare costs. We believe this area warrants additional oversight by the HPC as well as the Legislature.

To that end, we support provisions contained in House Bill 1133 and Senate Bill 706 *An Act to Ensure Prescription Drug Cost Transparency and Affordability* as well as a number of similar bills filed this session, all of which seek to address transparency of pharmaceutical costs, and costs associated with PBMs. It is critical for the state to take decisive action to ensure that prescription drug price increases are warranted and that pharmaceutical manufacturers and PBM's, like health plans and providers, are actively engaged in the Commonwealth's effort to make health care more affordable.

In addition, the state should assess the impact that coupons have had on the cost of care in the Commonwealth. A number of publicly available reports suggest that even when less expensive generics exist, coupons encourage the utilization of more expensive brand name drugs, and boost retail sales of those drugs by 60 percent or more.

- **Expansion of Academic Medical Centers**

An area that warrants continued review by the HPC is the expansion of Academic Medical Centers (AMCs) and brand name oncology centers statewide into new outpatient facilities. While ostensibly less expensive than their downtown, tertiary counterparts, these entities are still able to charge facility fees and also refer patients to higher priced hospitals that increase

the overall cost of care and result in increased out of pocket expenses for patients in many cases. Atrius Health supports the principle of “site neutrality” with respect to payment for certain outpatient health care services.

- **Telehealth**

Telehealth holds considerable promise in reducing healthcare costs and providing patients with convenient, high quality care for many common conditions. Despite its many innovations in both technology and health system payment reform, Massachusetts remains behind other states in the use of telehealth as our statutory scheme has failed to keep pace with advancing technology. Additionally, reimbursement by payers continues to present a challenge. There is no consistency in which telehealth services will be covered, so many providers are reluctant to fully implement telehealth services when it isn’t clear there will be reimbursement to support the expensive telehealth service infrastructure. Atrius Health encourages enactment of House Bill 991 and Senate Bill 612 *An Act Advancing and Expanding Access to Telemedicine Services*.

- **Provider Status for Pharmacists**

We strongly encourage policymakers to support House Bill 1849 and Senate Bill 1297 *An Act Recognizing Pharmacists As Healthcare Providers*. Several states, including Connecticut, New Hampshire and Rhode Island, already recognize pharmacists as healthcare providers. Recognition of pharmacists as health care providers would pave the way for Atrius Health to enter into discussions with payers in order to potentially be reimbursed for comprehensive drug therapy management for complex patients, and is critical as we strive to improve access to care in the midst of a shortage of primary care providers and nurses.

- **Elimination of Practice Barriers for Nurse Practitioners**

Atrius Health strongly supports House Bill 1867 and Senate Bill 1330 *An Act to Support Access, Value and Equity in Health Care (SAVE Act)* that removes the requirement that Nurse Practitioners (NPs) have a supervising physician for prescriptive practice. Increasingly we, and other providers, rely on NPs as primary care providers with their own patient panels in order to improve access to care, reduce administrative burdens on physicians, and contain costs. We believe elimination of this antiquated requirement is long overdue in the Commonwealth and is a vital tool in order to meet the statewide benchmark.

Additional areas that we believe warrant HPC attention to help ensure that the state meets the established health care cost benchmark include the following:

1. Urgent care centers affiliated with AMC’s should be periodically reviewed by the HPC since these have the ability to refer patients to higher cost hospitals when more advanced care is needed.
2. The HPC should closely examine the cost of oncology services by provider and setting. Some providers are paid twice what others are paid for the same services because of their brand or special Medicare exemptions. It is difficult to move patients away from the higher cost facilities that have very strong brands.

3. The HPC should advocate for restored funding for the Health Planning Council. Atrius Health believes that the Health Planning Council created a unique opportunity to evaluate the availability of health resources statewide in order to ensure that healthcare services meet the needs of residents without duplicating or adding additional costs.
4. The state should require hospitals/skilled nursing facilities to consult with the patient's primary care provider for the preferred referral to home health agencies (while continuing to give patients the choices that Medicare requires). Atrius Health tries to use its home health agency, VNA Care, which is an integral partner in providing coordinated and more cost effective home health and hospice services to our patients; however we frequently find that hospitals/skilled nursing facilities push patients to their own or other home health care providers which fragments care.
5. Encourage MassHealth to adopt regulations to allow home health agencies to be reimbursed for remote patient monitoring which has been shown to improve outcomes and lower the need for emergency room visits.

Thank you again for the opportunity to provide input on this important and timely matter. We welcome the opportunity to discuss these issues in more detail with you or members of your staff. If you have any questions or require further information, please feel free to contact me at (617) 559-8042 or contact Kathy Keough, Director of Government Relations at (617) 559-8561.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven Strongwater". The signature is fluid and cursive, with the first name "Steven" and last name "Strongwater" clearly distinguishable.

Steven Strongwater, MD
President and CEO, Atrius Health