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March 11, 2020

Mr. Stuart Altman, Chair
Health Policy Commission
50 Milk Street, 8th Floor
Boston, MA 02109

Senator Cindy Friedman
Chair, Joint Committee on Health Care Financing
State House, Room 413-D
Boston, MA 02133

Representative Daniel Cullinane
Vice Chair, Joint Committee on Health Care Financing
State House, Room 236
Boston, MA 02133

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

Dear Chairman Altman, Senator Friedman and Representative Cullinane:

Thank you for the opportunity to offer comments as you consider potential modification of the state's health care cost growth benchmark for the average growth in total health care expenditures for calendar year 2021. We appreciate the Health Policy Commission's (HPC) outreach to various stakeholders for input and the opportunity to provide feedback.

Atrius Health, an innovative nonprofit healthcare leader, delivers an effective system of connected care for more than 730,000 adult and pediatric patients at 30 medical practice locations in eastern Massachusetts. Atrius Health's 675 physicians and primary care providers, along with 425 additional clinicians, work together with the home health and hospice services of our VNA Care subsidiary and in close collaboration with hospital partners, community specialists and skilled nursing. 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 shared decision making, understanding and trust with each of its patients, Atrius Health enhances their health and enriches their lives. Atrius Health is the sole Allied Member of The Permanente Federation. Learn more at www.atriushealth.org.

As the recent *2019 Annual Health Care Cost Trends* report noted, Massachusetts health care costs have moderated since the enactment of Chapter 224. The Massachusetts growth rate of 3.1% percent in 2018 matched the benchmark set by the HPC, continuing a consecutive ninth year trend of spending growth below the national rate. While this latest data is encouraging and we congratulate the HPC on its role in this decreased trend, affordability still remains a critical issue 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 2021 health care cost growth benchmark at potential gross state product minus 0.5 percent (3.1 percent), and urge the HPC not to decrease the 2021 Health Care Cost Growth Benchmark below 3.1 percent, primarily in light of the variables outside of many healthcare providers' control – most notably prescription drug costs and hospital inpatient and outpatient department spending that continue to outpace other healthcare increases.

While Massachusetts has much to be proud of in containing healthcare costs, continuing to meet 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 but not limited to 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 2018. 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 strongly agree with the recommendation in the annual Cost Trends Report of enhanced transparency and oversight by the HPC of manufacturers as well as Pharmacy Benefit Managers (PBMs).

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 and we support pending legislation (specifically House Bill 991 and Senate Bill 612 *An Act Advancing and Expanding Access to Telemedicine Services*.) Additionally we would support the inclusion of additional language that would address another key barrier to the participation of local providers in telemedicine. Large national telemedicine companies have gained a market advantage over local providers because, as solely a provider of telemedicine, they are able to contract with a plan just for a telehealth rate or else establish a single set of self-pay rates and tell the patients to apply for reimbursement from their health plan if they have coverage. Local providers are typically required to bill the health plan if a service is a covered benefit, and charge patients only the amount for which the patient has an out-of-pocket responsibility. This requires real-time access to a description of each patient's telemedicine which is not currently available uniformly through NEHEN/Change Healthcare and the other exchanges used for other types of care. This issue must be addressed if local providers are to engage in telehealth as an important part of coordinated care in the 2020s. It might be possible to legislate that the Division of Insurance establish the requirement for this information to be sent to the exchanges.

Provider Status for Pharmacists

Adopt language to include pharmacists in the list of healthcare providers (see S1297/H1849 – “An Act Recognizing Pharmacists as Healthcare Providers” pending in the legislature). Currently Atrius Health and many other providers, including community health centers and safety net hospitals utilize clinical pharmacists in Collaborative Drug Therapy Management (CDTM) protocols that improve patient outcomes; however, pharmacists are unable to bill for these services currently. Adoption of the language will pave the way for providers and pharmacists to negotiate with health plans in order to be reimbursed for these services. Notably, CDTM can also be used to support behavioral health prescribers who are in short supply.

Elimination of Practice Barriers for Nurse Practitioners

Atrius Health strongly supports the independent practice of Advanced Practice Registered Nurses (APRNs) and the elimination of the requirement of physician supervision for prescriptive practice. We believe removing this requirement will help reduce physician burnout and healthcare costs and can improve access to care for consumers seeking primary care or behavioral health services. Increasingly we, and other providers, rely on APRNs 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 attention by both the HPC and the Legislature to help ensure the state meets the established health care cost benchmark in the future include the following:

- 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.
- Amend the definition of “material change” requiring notice to and review by the HPC to include the establishment of new outpatient centers in community by Academic Medical Centers (AMC's) and cancer centers. As noted in recent HPC reports, some outpatient

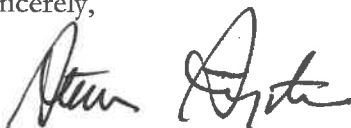
facilities are more expensive than community-hospital based services, which is misleading to the consumer and will drive up the cost of care. Fees in these new outpatient facilities should be limited to community hospital rates, or the facility fees should be dropped as they have been with Medicare. Similarly, establishing new freestanding urgent care centers should be under the purview of the HPC.

- Require the GIC to offer products which differentially promote the use of high value providers as measured by HPC on the basis of cost of care and quality. This would grow market share for high value providers and lower the total cost of care while maintaining quality.
- Change criteria for CHIA's evaluation of providers and plans relative to Performance Improvement Plans to include not only trends above benchmark but also market share growth that increases total expense. This would recognize that prices can rise by virtue of high-priced providers taking additional market share, and not only by direct price increases.
- Cap providers' pricing on expensive oncology drugs relative to market averages. A recent report by the Health Policy Commission identified two large oncology providers which were pricing drugs at twice the cost of other providers. 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.
- Encourage the Division of Insurance to allow health plans to create tiered products with patient co-pays that have more meaningful differences between tiers to provide better incentives for moving patients to more efficient providers.
- Require the Department of Public Health to mandate that hospitals notify the patient's primary care provider upon the patient's admission to a hospital. Currently there is considerable variation among hospitals in providing this information. Lack of information results in poor coordination of care - and thus increased risk and reduced quality of care - both during the hospital stay and upon discharge.
- Require that hospitals allow care/case managers from referring primary care provider's onsite access to EDs in order that the care/case managers may redirect care when appropriate to lower cost settings. Without this requirement, primary care providers are unable to ensure that their patients are receiving care in the lowest acuity safe setting. This requirement would enable primary care providers to better manage cost and quality.
- 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.
- Permit the Community Hospital and Health Center Investment Trust Fund to be used to help stabilize independent, non-profit medical groups in addition to distressed hospitals and community health centers.
- 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.

- Promote and Create a Public Awareness Campaign of High-Value Providers. The Commonwealth should invest resources to showcase leading providers that demonstrate high quality and low total medical expense via a public awareness campaign aimed at both employers and consumers, something that is currently lacking due to brand name recognition against which many providers are unable to compete. If consumers select their providers on the basis of who has the largest marketing budget, we will continue to drive up costs.
- Eliminate cost-sharing for certain preventative/maintenance medications that are required to manage common chronic conditions (e.g. diabetes medications).
- Encourage health plans to adopt “value-based design” and introduce products with cost-sharing structures that drive higher quality and lower cost care (e.g., no co-pay for a video visit, waived or reduced copays for preventive care medications.)
- Restore funding for the Health Planning Council originally established under Chapter 224. 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. We support the expansion and funding of a Health Planning Council or shifting those responsibilities with adequate funding to another entity.
- Require hospitals to provide the interoperability that would allow community providers to view the medical records of their own patients, regardless of electronic medical record. Ensure that the Mass Hi-way is used more consistently.
- Require standard reporting practices for hospitals and health systems. As noted in a 2019 report on the financial health of hospitals commissioned by the Massachusetts Association of Health Plans, there is inconsistent data reporting by hospitals/systems that affects the ability to assess the financial health of hospitals, particularly community hospitals. Reliable data is critical to identifying which community hospitals need additional funding in order to remain viable.

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,



Steven Strongwater, MD
President and CEO, Atrius Health