



2022 Pre-Filed Testimony PROVIDERS



**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 [2022 Annual Health Care Cost Trends Hearing](#).

On or before the close of business on **Monday, October 24, 2022**, please electronically submit testimony 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 2021, 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 Attorney General's Office (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.

HPC CONTACT INFORMATION

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INTRODUCTION

This year marks a milestone anniversary in the Commonwealth's ambitious journey of health care reform. Ten years ago, through the advocacy of a broad coalition of stakeholders, Massachusetts adopted an innovative approach to slowing the rate of health care cost growth by establishing an annual cost growth benchmark and providing oversight authority to the newly established HPC.

In the first several years of benchmark oversight, the Commonwealth made notable progress in driving down health care spending growth. In recent years, however, spending growth has exceeded the benchmark (with the exception of 2020) and appears likely to continue that upward trajectory.

This trend is driven largely by persistent challenges and market failures that have not been adequately addressed in the past ten years. These challenges, which have been consistently identified by the HPC and others, include:

- Excessive provider price growth and unwarranted variation,
- Increased market consolidation and expansion of high-cost sites of care,
- High, rising, and non-transparent pharmaceutical prices, which may not reflect value,
- Steadily increasing health insurance premiums, deductibles, and cost-sharing, resulting in increased costs to businesses and consumers,
- Stalled uptake of value-based payment models and innovative plan offerings, and
- Systemic and persistent disparities in health care access, affordability, and outcomes.

The ongoing impact of the COVID-19 pandemic has only exacerbated many of these dynamics, contributing to greater health disparities, while adding to inflationary headwinds in the form of increasing labor and supply costs.

These challenges are not unique to Massachusetts, and many other states are evolving their cost containment strategies accordingly to respond to them. In order for Massachusetts to continue to be the national leader on health care cost containment, it must similarly adapt. Unless the state's health care cost containment approach is strengthened and expanded by policymakers, the result will be a health care system that is increasingly unaffordable for Massachusetts residents and businesses with growing health inequities.

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

- a. Reflecting on the past ten years of the Massachusetts health care cost containment effort, and the additional context of ongoing COVID-19 impacts, please identify and briefly describe the top (2-3) concerns of your organization in reducing health care cost growth, promoting affordability, and advancing health equity in future years.

Labor and Workforce - The COVID-19 pandemic continues to stress the entire health care community, including Atrius Health. Like most health care organizations, we are having difficulties recruiting and retaining both clinical and non-clinical staff. The competition for qualified personnel has put pressure on organizations to increase salaries and wages while experiencing depressed revenue and competing priorities for resources. High turnover results in increased costs for training and other related expenses. The chronic shortage of primary care providers in particular continues to be an obstacle in providing access to care and also in meeting demands to control the total cost of care.

Overall Cost of Care – In addition to the impact of workforce issues on health care costs, ongoing supply chain issues and rising energy costs affect our ability to reduce health care cost growth. More recently, skilled nursing facility staffing shortages have resulted in longer – and more expensive – inpatient hospital stays as patient discharges are delayed. Finally, prescription drug costs remain a significant concern to Atrius Health; this issue was also highlighted in the 2022 Health Care Cost Trends Report as a key area of concern.

Trends in Payer and Product Mix – Atrius Health continues to be among a leader in the Massachusetts marketplace in the adoption of alternative payment models (APMs), with over 80% of our revenue associated with risk-based contracts. Yet as the Health Policy Commission (HPC) has pointed out, statewide efforts to increase APMs statewide have stalled for the past several years. We continue to believe in the positive impacts APMs can have on health outcomes and costs when they are designed to support delivery models focused on keeping communities healthy through the provision of high value, coordinated care. Shifts in payor mix toward public products under Medicare and Medicaid with lower reimbursement rates puts strain on providers and will continue to put upward pressure on the revenue and rates that providers seek from commercial payers.

Telehealth – The ongoing debate around the benefits and risks of telehealth and how to address payment, interstate practice, threaten the advances that have been made since the onset of the Public Health Emergency in harnessing telehealth to expand access to care. Telehealth holds considerable promise in reducing healthcare costs and providing patients with convenient, high quality care for many common conditions. We have seen utilization continue to decline since the pandemic began yet we believe that telehealth will continue to play a vital role in improving access and thus reduce health disparities for many of our patients that struggle with transportation, day care and mobility issues to name a few. Atrius Health remains committed to telehealth to ensure improved access and convenience for patients.

- b. Please identify and briefly describe the top strategies your organization is pursuing to address those concerns.

Addressing Labor and Workforce

Atrius Health has prioritized wellness as an integral part of workforce recruitment and retention efforts. Even prior to the pandemic, Atrius Health was focusing on physician burnout and turnover, factors which contribute to rising health care expenditures. A May 2019 article in the Annals of

Internal Medicine entitled “[Estimating the Attributable Cost of Physician Burnout in the United States](#)” noted that “[a]t an organizational level, the annual economic cost associated with burnout related to turnover and reduced clinical hours is approximately \$7600 per employed physician each year.” The AMA cites \$500,000 to \$1 million as the yearly cost of turnover. As an organization with nearly 700 employed physicians, the associated costs of burnout are significant. Since the pandemic, addressing burnout became even more critical and we have embarked on a variety of initiatives including virtual meditation sessions and the following:

- Efforts to manage and reduce the number of messages in clinician inboxes;
- Strengthening the physician’s team within Internal Medicine by providing ongoing additional training for nurses and medical assistants;
- Implementing enhancements to the electronic medical record that help reduce the number of “clicks” necessary to retrieve information (e.g., displaying a dashboard summarizing details from a patient’s recent hospital admission);
- Improving efficiency of scheduling and prescription refill processes;
- Focusing on personal resilience training/resources for physicians – designed to improve collegiality, connect PCPs with specialists, and build individual skills via three day retreats with an executive coach;
- Developing all of our clinical leadership through executive coaching and didactic sessions; and
- Offering one-on-one coaching sessions for clinicians as needed.

Atrius Health has also expanded efforts to retain and recruit non-clinician staff who are critical to our operations. These efforts include more frequent salary and wage review and adjustments to remain competitive, as well as redesigning the work for medical assistants to more fully integrate them into care teams for higher degrees of professional satisfaction and providing opportunities for some remote work.

Overall Cost of Care

Given our commitment to the Commonwealth’s goal of reducing healthcare costs, we continue to focus on total medical expense (TME) management in a variety of ways including the following:

- Reducing avoidable admissions and readmissions by creating and prioritizing access for targeted patients within our network;
- Broadly scaling use of our Mobile Integrated Health program known as “ED at Home”;
- Improving care coordination;
- Reducing pharmacy spending by increased use of point-of prescribing notification within our EMR where prescribers receive a pop up message when prescribing non-preferred drugs/high cost drugs with a suggested list of less expensive and clinically appropriate alternatives ; this has resulted in approximately \$2 million in savings per year;
- Reducing the use of academic medical centers by migrating selected Atrius Health obstetric and other specialty services, to community hospitals as clinically appropriate, and seeking lower-cost facility options for outpatient procedures, such as ambulatory surgical centers for total joint replacements; and
- Providing ongoing education for our clinicians about the health care market, impact of our performance on both price and TME with the expectation that clinicians will have a better understanding of how their clinical decisions may have an impact and where they can play a role in reducing health care costs where appropriate.

In addition to using preferred hospitals, including community hospitals, and other low cost settings we increasingly support care for patients in their homes when clinically appropriate. These non-hospital settings often offer the same or better quality of care at a lower cost with improved care coordination and convenience for our patients. Atrius Health was the first provider in Massachusetts to move Total Joint Replacement surgery for appropriate patients to an ASC with follow-up home care (a practice that has been done in other parts of the country for a decade). In addition, feedback from our patients has been extremely positive; patients often find this is also more convenient and lower out-of-pocket costs for them.

Telehealth

Atrius Health remains committed to providing telehealth services to our patients where appropriate as we view it as an integral part of our care. We believe that telehealth will serve to increase access, address health inequities, and saves patients time and money and reduces the total cost of care by reducing emergency department and urgent care visits and has a role in reducing burnout. We have also found that the use of telehealth often allows for clinicians to interact with family members and to have an opportunity to observe a patient's environment and other factors that may impact a patient's health.

Pharmaceutical Cost Management –Atrius Health has a robust clinical pharmacy department that focuses on helping our prescribers with clinically appropriate, evidence-based, cost-effective prescribing. A team of 14 clinical pharmacists and other health professionals works directly with our clinicians and patients to ensure prescribed medications contribute to the best possible health outcomes, are affordable, and are the most cost-effective option.

While we are not able to bill for these clinical pharmacy services, we believe it is essential to invest in them. Atrius Health's clinical pharmacy team continually monitors the availability of new generics, new therapies, and any changes in costs of medications which may have an impact on drug costs and clinical outcomes. As necessary and appropriate, the clinical pharmacy team develops initiatives to educate prescribers and staff about these changes, and provides reference material, assists in enhancements to EMR tools to guide prescribing, and provides targeted prescribing reports to clinicians- all of which lead to medication conversions, where clinically appropriate, thereby lowering costs.

Finally, Atrius Health's Pharmacy & Therapeutics Committee meets quarterly to monitor high volume and high cost medications and to make decisions on whether to include new or emerging medications on the Atrius Health Formulary based on efficacy, safety and cost. Of the medications prescribed at Atrius Health, 89% consist of generic medications.

- c. Please describe your progress in the past year on efforts to collect data to advance health equity (i.e., data capturing race, ethnicity, language, disability status, and sexual orientation/gender identity, see 2021 Cost Trends Testimony), including specific metrics and results. Please also describe other specific activities your organization has undertaken to advance health equity.

Atrius Health adopted a practice-wide framework for advancing health equity in 2020 with Diversity, Equity, and Inclusion cornerstones across four specific domains – Clinical Outcome Equity, Workforce Diversification, Workplace Inclusion and Community Engagement. Our practice has historically collected patient reported race and ethnicity data as well as sexual-orientation/gender identity data through routine primary care ambulatory workflows and documentation in dedicated fields captured in our electronic health record. In 2022, an assessment of the Atrius Health electronic medical record's (EMR) Sexual Orientation/Gender Identity (SOGI) and Race, Ethnicity, Language and Disability (RELD) capabilities was completed. Implementation of new, more granular level patient identification data is underway. The technical infrastructure/EMR build work will be completed in 2023 and manual and electronic efforts will be used to collect and update patient information. Updated SOGI and RELD options are designed to align with EOHHS Quality Measure Alignment Taskforce recommendations and will continue to focus a lens on equity for the patients we care for.

Additionally, in the past year Atrius Health has continued its efforts to expand patient screening for Health Related Social Needs (HRSN). Our pediatric departments have incorporated this as part of their standard workflows for many years and now it has been implemented in Adult and Family Medicine. Multiple tailored approaches have been designed to help patients when they disclose a need and request for assistance (e.g., food insecurity, lack of transportation, etc.). Patients completing the HRSN screener via the patient portal receive an immediate automated reply with a list of community, state, and federal resources to assist with the patient's identified need. In addition, Care Facilitators and Social Workers are available for patients needing more assistance. Lastly, we anticipate that [FindHelp.org](https://www.findhelp.org) which is a comprehensive database that

provides a listing by zip code of various social service supports that are available for our patients will be integrated into the EMR by the end of 2022 that will enable seamless referrals for assistance with patient identified social needs. Examples include information on food pantries, transportation, housing and other resources.

This year Atrius Health was awarded a \$2.2M grant from the Institute for Healthcare Improvement (IHI), funded by Blue Cross Blue Shield of Massachusetts (BCBSMA), to support a wide variety of equity improvement activities. This grant will build on important work Atrius Health began at the beginning of the pandemic when we took proactive steps in identifying and addressing disparities in COVID testing and vaccination rates, and formed a Health Equity Steering Committee which continues its important work to focus on health equity. The funding opportunity will propel our efforts on three domains: 1) building health equity awareness and professional development throughout the organization; 2) improve health equity IT infrastructure and systems to continually improve and track organizational data collection and 3) enhance clinical and non-clinical patient engagement activities such as improved translation and support for patient portal and video visits, all of which are designed to improve health outcomes.

d. Please identify and briefly describe the top state health policy changes your organization would recommend to support your efforts to address those concerns.

We agree with the vast majority of policy recommendations outlined in the 2022 Health Care Cost Trends Report. Below is a list of some of the specific state health policy changes we believe are key and should be implemented in the next year in order to reduce health care cost growth and promote affordable, high-quality care and advance equity:

1. **Address Excessive Pharmaceutical and Hospital Prices** - Pharmaceutical costs, including for specialty drugs, biologics and generics, continue to be a major concern for patients, payers and health care providers including Atrius Health where we continue to experience price increases each year. In addition to many of the recommendations outlined to address oversight of pharmaceutical spending outlined in the 2022 Annual Cost Trends Report, the HPC should examine the cost of oncology services by provider and setting as a cost driver related to pharmaceutical costs as some providers are paid twice what others are paid for certain oncology drugs as reported by the HPC.

In addition to addressing drug prices, we agree the Health Policy Commission should be granted additional authority to strengthen the Performance Improvement Plan (PIP) process and limit hospital facility fees, knowing this is an especially challenging time for many health care providers.

2. **Increase Health Insurance Products with Risk Arrangements** - Despite being a national leader in the implementation of alternative payment models (APMs), Massachusetts has seen a decline in the number of patients enrolled in products that lend themselves to risk-based arrangements (e.g., HMO products) that allow providers like Atrius Health to accept meaningful risk. The Center for Health Information and Analytics (CHIA), in its Annual Report on the Performance of the Massachusetts Health Care System issued in March of 2022 observed that adoption of APMs has remained flat for the past several years in the commercial market and has increased only in the MassHealth market. We believe these numbers are driven consumer/employer demand for flexible products and networks that offer “choice.”

Collectively, these market shifts have been disruptive to providers like Atrius Health that participate in meaningful risk arrangements and actively work to manage TME. Our ability to sustain the infrastructure, processes, and care management protocols that support the delivery of integrated, high-quality, cost-effective care depends on a reimbursement and incentive system that encourages coordination of care and rewards value and quality. The

apparent shift away from risk contracts is a troubling one, and we encourage the HPC and others to support initiatives to promote the use of robust APMs. One of the ways this can be accomplished is by embarking on an educational campaign for the employer community and large employers that adoption of APMs lowers their long term medical expenses. We believe the issue is a knowledge gap with employers and brokers.

3. **Adopt Policies that Support Primary Care** - Primary care clinicians are the core of the healthcare delivery system that are critical to keeping patient's health and reducing health care costs. Primary care providers play an important role in treating adult and pediatric patients suffering from behavioral health/substance abuse disorders at a time of acute need providing a crucial safety net, are vitally important to our future. While we recognize, support and appreciate the importance of hospitals and specialists to the Commonwealth, primary care practices and primary care providers, deserve to be recognized and prioritized by policymakers for ongoing investment, financial support and along with overall stabilization in any legislation or other state initiatives if we are to ensure the state's goals of reducing health care costs as well as improved equity are met.
4. **Enhance Laws and Regulations Promoting Telehealth** - Telehealth continues to hold considerable promise to improve availability of and access to care, particularly for individuals whose access may be limited due to work or family obligations, lack of transportation or because of limited mobility. While Chapter 260 of the Acts of 2020 resulted in a number of important changes, we believe further enhancements need to be made including addressing interstate licensure reciprocity, requiring prior authorization for services delivered via telehealth modality that would not necessitate prior authorization approval if delivered in-person, expansion of definitions of chronic disease management and primary care to name a few. We strongly believe integration of telehealth as a routine offering within established practices offers the best chance to coordinate care and avoid unnecessary ED use. The HPC's report on telehealth that is expected later this year likely will offer a helpful and critical roadmap for policymakers to consider moving forward.
5. **Expand the purview of the HPC to include review of Hospital-Based Urgent Care** - The use of urgent care centers affiliated with AMC's can have significant impact on health care costs to the extent the facilities refer patients to their affiliated higher cost hospitals when more advanced care is needed.
6. **Re-Establish the Health Planning Council under the HPC** - The Health Planning Council created under Chapter 224 of the Acts of 2012 has not met for several years. 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 and should be re-instituted.
7. **Enhance the Health Care Workforce** - The state should expand loan forgiveness for primary care and behavioral health clinicians as well as nurses who work at primary care practices, not solely community health centers and hospitals. Additional resources should be devoted to incentivize individuals to consider health care careers such as medical assistants, medical secretaries, pharmacy technicians and other roles critical to the functioning of any health care system.
8. **Site Neutrality** - Atrius Health supports the principle of "site neutrality" with respect to payment for certain outpatient health care services. Applicable state law should be amended to require notices of material change and a temporary restriction on AMC's building new outpatient centers in community settings that will add to facility fees or charge AMC rates in the suburbs.

QUESTION FROM THE OFFICE OF THE ATTORNEY GENERAL

Chapter 224 requires providers to make price information on admissions, procedures, and services available to patients and prospective patients upon request. In the table below, please provide available data regarding the number of individuals that sought this information.

Health Care Service Price Inquiries Calendar Years (CY) 2020-2022			
Year		Aggregate Number of Written Inquiries	Aggregate Number of Inquiries via Telephone or In-Person
CY2020	Q1		533
	Q2		228
	Q3		434
	Q4		450
CY2021	Q1		467
	Q2		472
	Q3		603
	Q4		508
CY2022	Q1		739
	Q2		590
	TOTAL:		13,799