COMMUNITY CARE COOPERATIVE

Chair Deborah Devaux
Massachusetts Health Policy Commission

Chair Cindy Friedman
Senate Chair, Joint Committee on Health Care Financing

Chair John Lawn, Jr.
House Chair, Joint Committee on Health Care Financing

Re: Testimony for Health Policy Commission Cost Growth Hearing March 15, 2024

Dear Health Policy Commission Board Members, Honorable Chairs and Members of the Joint Committee on Health Care Financing:

My name is Christina Severin, and I am President & CEO of Community Care Cooperative, a Federally Qualified Health Center (FQHC)-owned Accountable Care Organization (ACO) with 23 health center members serving more than 200,000 patients across Massachusetts. We work to unite FQHCs at scale to strengthen primary care, improve financial performance, and advance racial justice, with a vision to transform the health of underserved communities. To accomplish that vision, we recognize the importance of working to build a healthcare system that prioritizes health equity, access to primary care, and investments in efforts that address root causes of health inequities.

We applaud the efforts of the Health Policy Commission to guide a transparent, innovative, and equitable healthcare system that is accountable for producing better health and better care at a lower cost for all the people of the Commonwealth. Foundational to those goals is investment in primary care, to assure a strong and diverse workforce that can provide culturally appropriate care that improves health equity. However, decades of underinvestment in primary care have brought us to this moment of rising healthcare costs, reliance on hospitals and emergency departments, with a 5.8% increase in overall healthcare spending from 2021-2022, **while payments for physician services and primary care were essentially flat**[i]**.**

Primary care spending is just 4.7% of all healthcare expenditures nationally and was just 4.6% of spending across all insurers in Massachusetts in 2019. [ii] With so little of the health care dollar spent on primary care, FQHCs are unable to attract the workforce talent, invest in IT and physical plant infrastructure, invest in programs to assure behavioral health improvements and address social drivers or health, or support other innovations that will be necessary to truly improve health outcomes and achieve health equity.

Today is Medical Residency Match Day in the United States, a day when more than 40,000 students will begin their journey to become physicians. However, just 20%, or only 1 in 5 of those physicians will be

practicing primary care at the end of their training[iii]. With a shrinking primary care workforce and underinvestment in primary care, it should come as no surprise that lack of access to provider appointments drives patients to rely on hospitals and emergency rooms. This costly performance of our Massachusetts Health Care System leads to poor health outcomes. We can do better.

The Commonwealth needs to change financial incentives in ways that align with goals to increase primary care access. Reimbursement rates to FQHCs that pay for care equitably to those in other settings will assure that community-based care is funded in ways that cover the costs of providing that care, supporting not only providers but also the care team members who assure patients have access to culturally and linguistically appropriate services for quality outcomes and health equity.

One key opportunity is to ensure that Prospective Payment System (PPS) rates equitably support safety net providers. We encourage policy change to assure that primary care investments include targets for FQHCs and safety net providers. This can be accomplished by requiring commercial carriers to pay FQHCs at rates no less than the rates mandated by for Medicare and Medicaid. By assuring these rate "floors", increasing investments in primary care will be equitably distributed to FQHCs in communities where increased financial resources can be reinvested in programs to improve culturally and linguistically appropriate services and address social needs to improve health care inequities.

Because FQHC commercial payments are a very small proportion of primary care services rendered and primary care services are a very small percent of the healthcare dollar, these increases will not materially impact healthcare costs in the short term. However, in the long-term, this approach will decrease costs by assuring primary care access such that patients can receive care in a more appropriate and less expensive setting.

Thank you for the opportunity to submit testimony as you consider ways to improve costs and expand access to primary care and we look forward to partnering with you in these endeavors.

Sincerely,

Christina Severin

President & CEO

Community Care Cooperative

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[i] Center for Health Information and Analysis, *Annual Report on the Performance of the Massachusetts Health Care System,* March 2024.

[ii] Milbank, *The Health of US Primary Care: 2024 Scorecard Report – No One Can See You Now,* February 2024.

[iii] Data Source: *Analyses of Accredited Council of Graduate Medical Education data in American Medical Association Masterfile, 2020.* Accessed on Milbank.org, March 13, 2024.