Testimony of Deborah J. Wilson, President & CEO of Lawrence General Hospital
Before the HPC Cost Growth Benchmark Hearing March 16, 2022

Chairman Altman, Senate Chair Friedman, and House Chairman Lawn, members of the legislature, Executive Director David Seltz and other distinguished members of the committee. My name is Deb Wilson, and I serve as President and Chief Executive Officer of Lawrence General Hospital.

Lawrence General is a 186-bed community hospital located in the City of Lawrence. We currently provide the full array of community-based inpatient and outpatient services including trauma, maternity, pediatrics, special care nursery, cardiac, surgical and emergency care, with over 65,000 emergency visits a year.

While your focus today is on understanding where prices and spending are growing, I want to share with you where ***they need to grow*** but have ***not been growing*** – at hospitals like Lawrence General. For every year that CHIA has published price data Lawrence General has been among the lowest paid.

Our rates from commercial insurers are 25-30% lower than the average hospital's rates. And Medicaid rates, which we depend on, do not even cover the cost of care. This leaves us barely sustainable.

Lawrence General is located in the largest community of color in Massachusetts – 80% of the city residents are of color. And we have had the single highest rate of covid in the Commonwealth. 42,000 per 100,000 residents. If ever, there was a question, about whether a hospital is needed in Lawrence, the pandemic answered it.

We cannot talk about health equity when a hospital like Lawrence General is paid barely enough to sustain our services.

Disparities in rates contributes to health inequity.

To sustain services in cities like Lawrence we require improved rates, improved payments - NOT grants, not incentive payments, not short term initiatives. We require structural improvements in our rates for everyday health care services that saves lives.

While your focus today is on growth in costs, ***some*** providers have been ***starved for resources***. And that those providers are in cities like Lawrence that serve the most vulnerable pockets in the country, is not acceptable.

I am very hopeful that the stark differences in COVID rates, the crucial role hospitals in low income, urban cities play, and their threatened financial viability will inspire some to say …. IT –

IS – TIME – TO – ADDRESS - …….***AND-LIFT*** – THE - SAFETY NET HOSPITALS - BEFORE – WE – LOSE – THEM.

We are a becoming an endangered species, threatened. We were challenged by having among the lowest commercial rates, but Medicaid rates have also been cut. And now the pandemic has taken a tremendous bite out of our modest financial reserves.

We require legislation, policy intervention and structural fixes to inadequate growth in our rates to survive long term.

It's not enough to focus on where cost growth is beyond ideal. You must also focus on where nominal cost growth is unsupported.

There is no health equity without a structural remedy to our longtime structural underfunding.

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