MASSACHUSETTS
HEALTH POLICY COMMISSION

Emerging Challenges in Health Care Access, Affordability, and Workforce

Trends throughout Southeastern Massachusetts, Cape Cod, and The Islands

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April 2024

Agenda

OVERVIEW OF THE UNIQUE CAPACITY CHALLENGES IN SOUTHEASTERN MASSACHUSETTS

- Population Profile
- Health Care Access and Affordability Trends
- Health Care Workforce Trends

Stewardship/OptumCare Proposed Transaction

HPC Policy Recommendations

Southeastern Massachusetts has had a number of health care resource challenges in the last decade.

Southeastern Massachusetts has experienced a number of health care market and service disruptions since 2014:

- The **permanent closure of one community hospital** (Steward's Quincy Hospital) in late 2014;
- The temporary closure of one community hospital due to flooding (Steward's Norwood Hospital) in June 2020. **Norwood remains closed** as of April 2024;
- The temporary closure of one community hospital due to electrical fire (Signature Brockton) in February 2023. **Signature Brockton's emergency room remains closed** as of April 2024;
- The **closure of Quincy-based physician practice Compass Medical** in May 2023, displacing clinicians and their patients, who had to change practices and affiliate with different provider organizations;
- The **closure of New England Sinai Hospital and Rehabilitation Center** in April 2024; and
- In January 2024, it became public that **Steward Healthcare is facing a serious financial crisis**. Its Massachusetts hospitals had not been paying their rents in full for months, and also had not been paying some vendors and contract workers.
  - Steward's patients come primarily from Southeastern Massachusetts. Further disruptions of Steward Healthcare may further impact **access, affordability, health care workers, and patient continuity of care** in this region.
- The Southeastern MA Health and Medical Coordinating Coalition (HMCC) region is currently designated by EOHHS as Tier 3 under its hospital resurgence guidance, indicating **high risk for or active constraints on hospital capacity**.

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Overview of the Unique Capacity Challenges in Southeastern Massachusetts

POPULATION PROFILE

- Health Care Access and Affordability Trends
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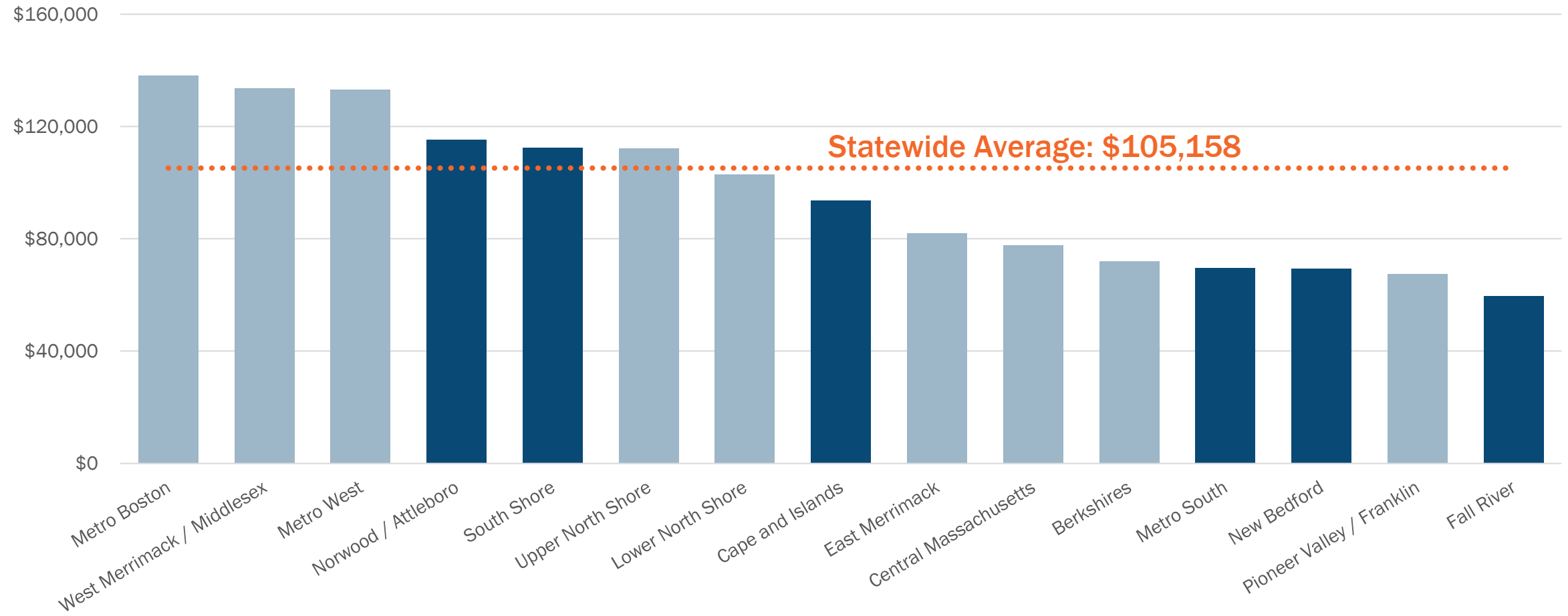
HPC Policy Recommendations

Most regions in Southeastern Massachusetts have average incomes lower than the statewide average.

Average Income by Region



Source: IRS Statistics of Income (SOI) Individual Tax Return Statistics, 2020.
Notes: Average income represents total adjusted gross income reported in a region divided by the number of tax filers in the region.

Many residents in Barnstable, Bristol, and Plymouth counties experience greater social vulnerability than the statewide average.

Topic	Measure	Barnstable	Bristol	Plymouth	MA Average
Social Context	% of population with a **disability**	13.0	14.4	11.3	**11.7**
	% of **limited English-speaking** households	1.5	5.3	2.7	**5.8**
	% of population **ages 65 and over**	30.5	17.0	18.1	**16.5**
	% of population **ages 80 and over**	8.0	4.5	4.1	**4.3**
	% **American Indian and Alaska Native** race alone (non-Hispanic)	0.5	0.1	0.1	**0.1**
	% **Asian** race alone (non-Hispanic)	1.4	2.3	1.5	**6.7**
	% **Black or African American** race alone (non-Hispanic)	2.8	3.9	9.1	**6.8**
	% **Hispanic** ethnicity	3.2	8.4	4.1	**12.0**
Physical Infrastructure	% of households **with broadband** of any type	89.8	84.0	89.6	**88.2**
	% of housing units with **no vehicle** available	4.6	10.1	6.1	**12.0**
Economic Context	% of civilian labor force that is **unemployed** (ages 16 and over)	4.1	5.4	5.1	**5.1**
	Per capita **income**	$ 47,315	$ 36,900	$ 45,378	**$ 45,555**
	% of households that received **food stamps/SNAP**, past 12 months	7.0	16.0	9.9	**11.6**
Healthcare Context	% of population with **no health insurance** (ages 64 and below)	4.4	3.4	2.9	**3.2**

BARNSTABLE COUNTY

- Higher rate of disability
- Older than average
- Higher rate of American Indian and Alaska Native residents
- Higher rate of population with no health insurance

BRISTOL COUNTY

- Higher rate of disability
- Older than average
- Lower rates of broadband access
- Higher rate of unemployment
- Lower per capita income
- Higher rate of households receiving SNAP benefits
- Slightly higher rate of population with no health insurance

PLYMOUTH COUNTY

- Older than average
- Higher rate of Black or African American residents
- Slightly higher rate of unemployment
- Slightly lower per capita income

Note: Red highlight indicates increased vulnerability compared to MA average Source: Agency for Health Research and Quality Social Determinants of Health Database by County, 2020

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- Population Profile

HEALTH CARE ACCESS AND AFFORDABILITY TRENDS

- Health Care Workforce Trends

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HPC Policy Recommendations

A greater share of people in Metro South, Southcoast, and Cape and Islands were uninsured at any time in the past 12 months compared to the total MA population and to every other region in the state.

Uninsured at any time in the past 12 months

Region	Percent
Western MA	1.5%
Central MA	2.1%
Northeast MA	2.4%
Metro West	2.2%
Metro Boston	1.9%
Metro South	**3.0%**
Southcoast	**4.9%**
Cape and Islands	**3.4%**
Total Population	**2.4%**

Source: HPC Analysis of 2021 Massachusetts Health Insurance Survey

A greater share of people in the Southcoast and the Cape and Islands reported problems paying medical bills in the past 12 months compared to the total MA population and every other region in the state.

Had problems paying medical bills in the past 12 months

Region	Percent
Western MA	18.8%
Central MA	11.0%
Northeast MA	10.5%
Metro West	10.1%
Metro Boston	11.5%
Metro South	12.4%
Southcoast	**19.6%**
Cape and Islands	13.7%
Total Population	**12.5%**

Source: HPC Analysis of 2021 Massachusetts Health Insurance Survey

A greater share of people in Metro South and the Southcoast regions reported problems paying for prescription drugs in the past 12 months compared to the total MA population.

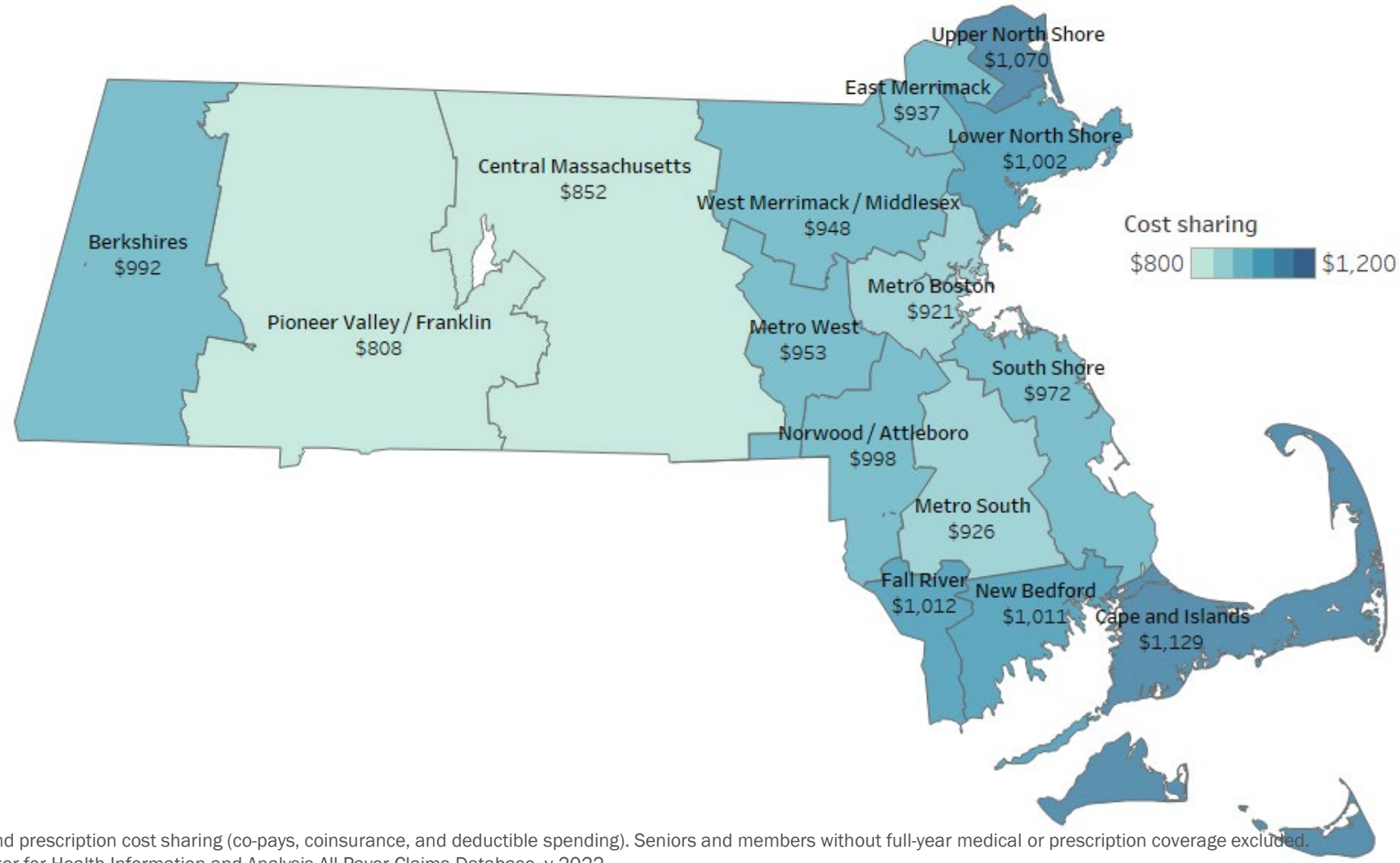
Have had problems paying for prescription drugs in the past 12 months

Region	Percent
Western MA	7.9%
Central MA	8.1%
Northeast MA	7.9%
Metro West	4.6%
Metro Boston	7.5%
Metro South	**10.9%**
Southcoast	**9.6%**
Cape and Islands	6.7%
Total Population	**7.9%**

Source: HPC Analysis of 2021 Massachusetts Health Insurance Survey

Residents in the Cape and Islands, Fall River, New Bedford, Norwood/Attleboro, and South Shore regions pay more per year on cost sharing than the statewide average.

Commercial per member, per year cost sharing by region, 2022



Notes: Includes all medical and prescription cost sharing (co-pays, coinsurance, and deductible spending). Seniors and members without full-year medical or prescription coverage excluded.
Sources: HPC analysis of Center for Health Information and Analysis All-Payer Claims Database, v.2022

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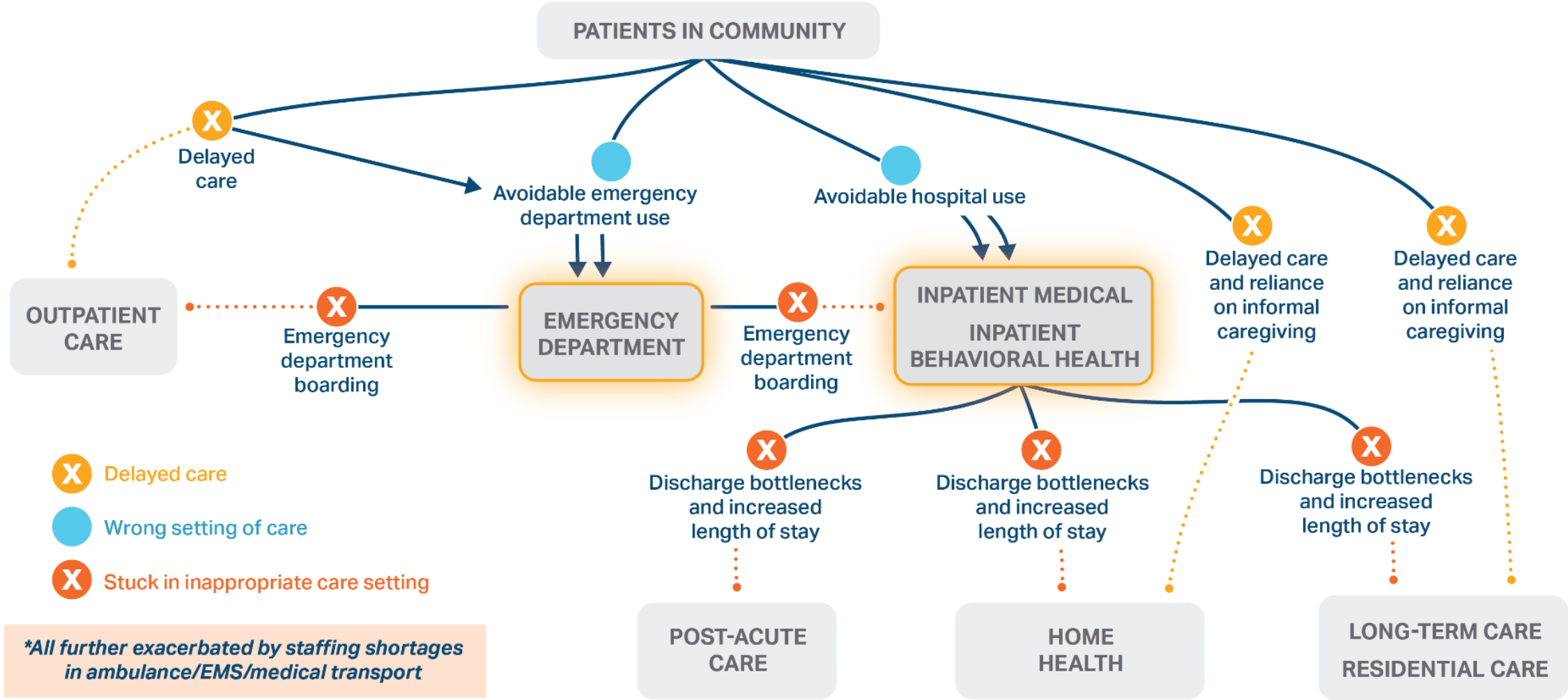
HEALTH CARE WORKFORCE TRENDS

Stewardship/OptumCare Proposed Transaction

HPC Policy Recommendations

Workforce shortages throughout the health care continuum care contribute to delays in patient access to needed care and bottlenecks to timely transitions across care settings.



1 Massachusetts Health and Hospital Association. An Acute Crisis: How Workforce Shortages are Affecting Access & Costs. October 2022.
2 Lazar K. There's a new cause for Boston's ambulance delays: Hospital overcrowding. The Boston Globe. January 30, 2023. Available at: https://www.bostonglobe.com/2023/01/30/metro/boston-ambulance-response-times-slow/

With few exceptions, counties in Southeastern Massachusetts have fewer clinicians per capita than the statewide average across all specialties examined.

BARNSTABLE COUNTY

- Below average supply on 7/11 supply measures examined
- Ranked in the bottom 5 counties statewide for 2 supply types (NPs, inpatient BH beds)

BRISTOL COUNTY

- Below average supply on 9/11 supply measures examined
- Ranked in the bottom 5 counties statewide for 6 supply types (total physicians, primary care physicians, emergency medicine physicians, psychiatrists, urgent care centers, FQHCs)

PLYMOUTH COUNTY

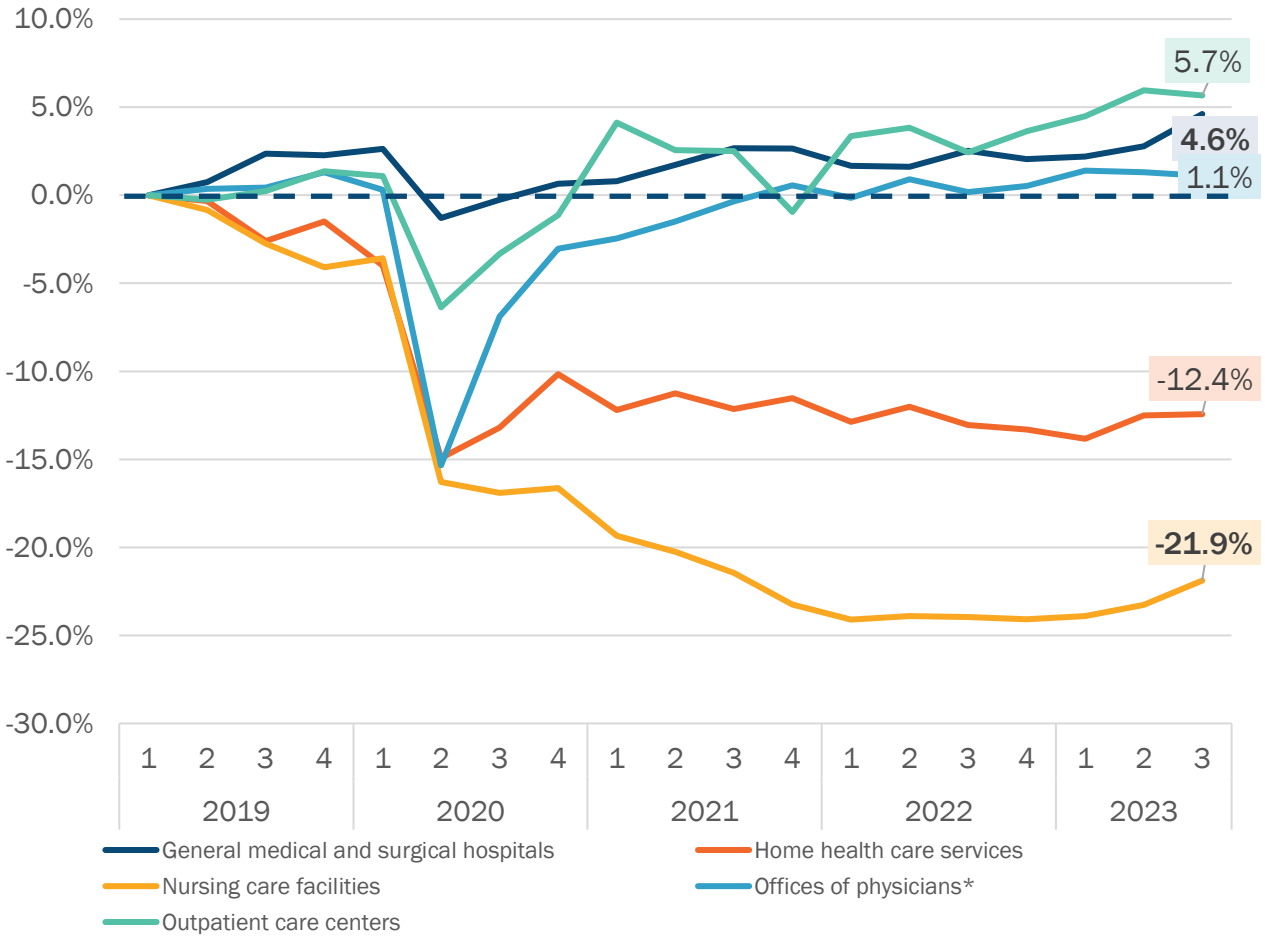
- Below average supply on 11/11 supply measures examined
- Ranked in the bottom 5 counties statewide for 7 supply types (total physicians, primary care physicians, emergency medicine physicians, psychiatrists, inpatient beds, HOPDs, FQHCs)

Per Capita Supply Levels by County and Statewide

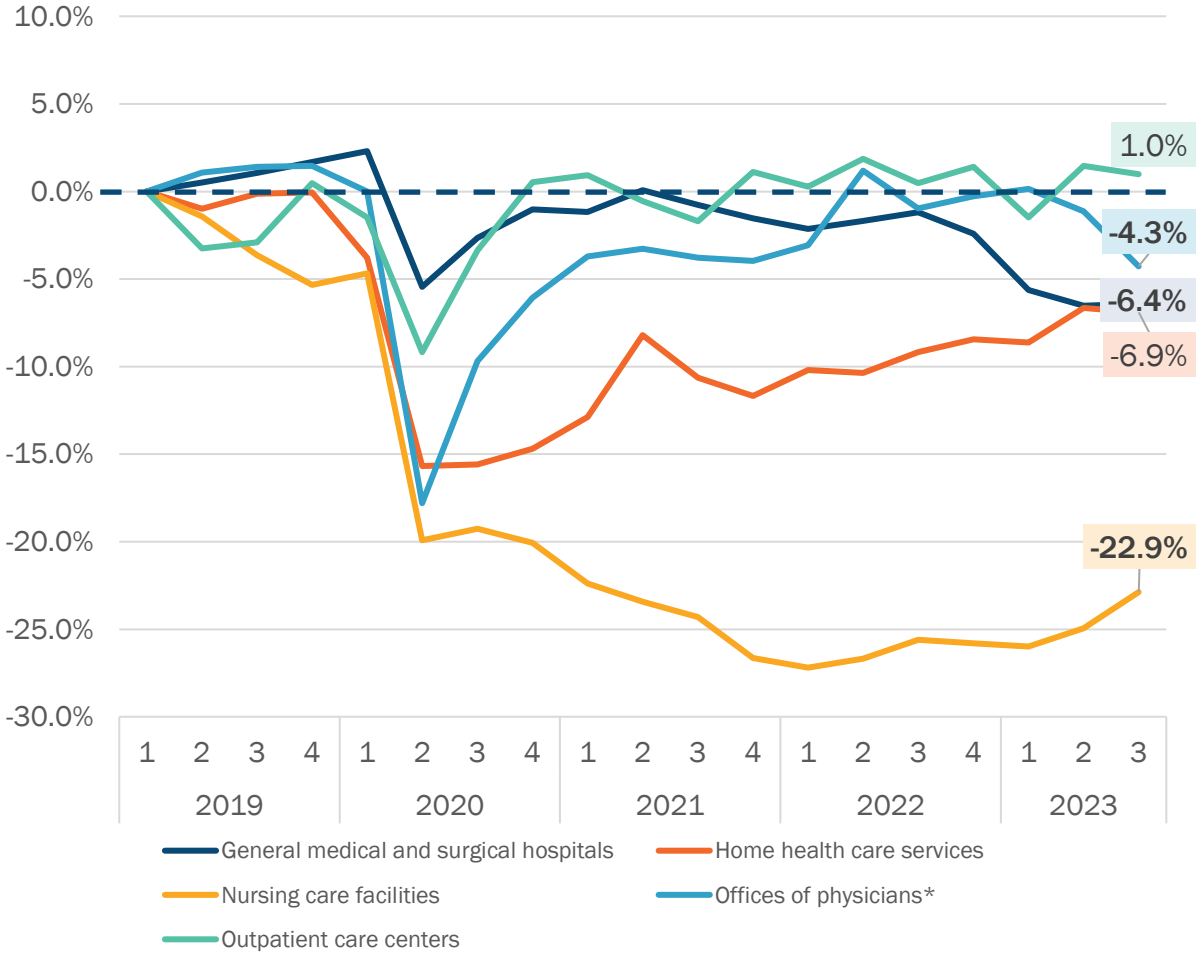
County	Total Direct Patient Care Physicians	Primary Care Physicians	Emergency Medicine Physicians	Psychiatrists	Nurse Practitioners	Beds at General Medical Surgical Hospitals	All ICU Beds	Licensed Behavioral Health Beds	Hospital Outpatient Depts.	Urgent Care Centers	Federally Qualified Health Centers
	AHRF 2021	AHRF 2021	AHRF 2021	AHRF 2021	AHRF 2021	AHA 2020	CMS 2022	DMH 2021	RPO 2022	HPC 2021	CMS 2023
Barnstable	267.6	89.9	21.1	11.6	101.1	159.5	14.6	8.6	7.8	3.9	4.3
Bristol	147.2	50.5	5.5	7.1	104.3	168.0	16.4	48.4	6.9	1.9	0.9
Plymouth	173.0	63.4	12.9	9.2	101.3	110.0	9.8	39.6	3.9	2.3	0.8
MA	**442.0**	**101.0**	**16.3**	**22.2**	**144.0**	**198.9**	**23.7**	**39.7**	**6.0**	**2.5**	**1.9**

Employment in physician offices and general medical hospitals in Plymouth and Bristol counties was 4-6% below pre-pandemic levels while the overall state saw slight increases. Employment in nursing facilities was similarly 22% below the pre-pandemic level.

Quarterly change in average monthly employment by selected industry, Massachusetts



Quarterly change in average monthly employment by selected industry, Plymouth and Bristol counties



Notes: Changes are relative to Q1 of 2019. Offices of physicians excludes offices of mental health specialists.
Sources: Bureau of Labor Statistics, Quarterly Census of Employment and Wages. Single use files 2019 – 2023.

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STEWARDSHIP/OPTUMCARE PROPOSED TRANSACTION

HPC POLICY RECOMMENDATIONS

Stewardship – OptumCare: Material Change Notice Currently Under Review by HPC

Stewardship – OptumCare

The proposed sale of Steward subsidiary **Stewardship Health**, the parent of Stewardship Health Medical Group, which employs primary care and other clinicians across nine states, and Steward Health Care Network, a provider contracting network, to **OptumCare**, a subsidiary of UnitedHealth Group.

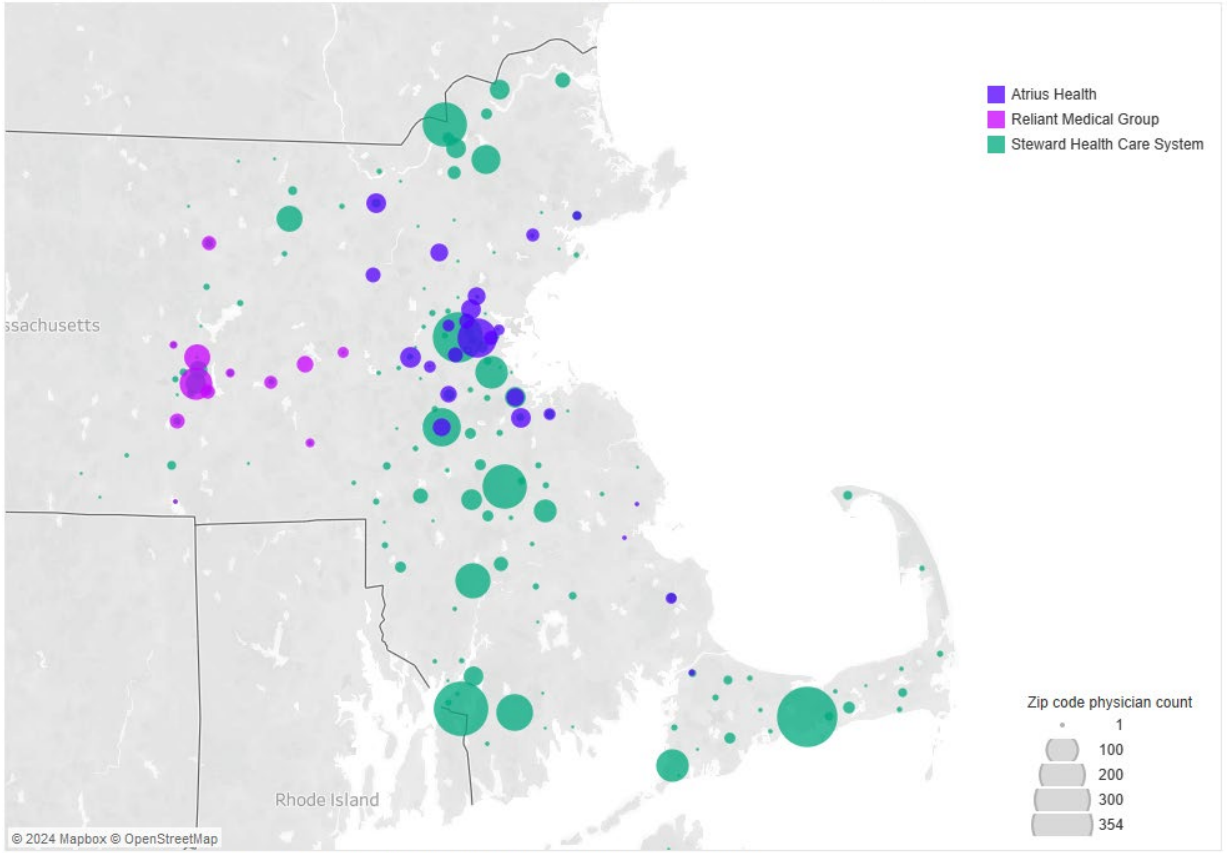
- The parties have submitted a Hart-Scott-Rodino filing with federal antitrust agencies.
- HPC staff have begun our initial review, but the notice is not yet complete, so the 30-day timeline for preliminary review has not yet begun.
- The HPC is working to understand which Steward physicians are involved in the transaction, and what the relationship will be between the physicians and Steward's hospitals.
- Steward is currently the third-largest physician contracting network in Massachusetts, behind Mass General Brigham and Beth Israel Lahey Health, with approximately 2,950 physicians (45% employed) reported into our Registration of Provider Organization (RPO) program.
- OptumCare's physician network includes Atrius, Reliant, and MedExpress, with approximately 975 physicians (86% employed) in Massachusetts combined in RPO.

Steward, Atrius, and Reliant Physician Locations

Stewardship – OptumCare

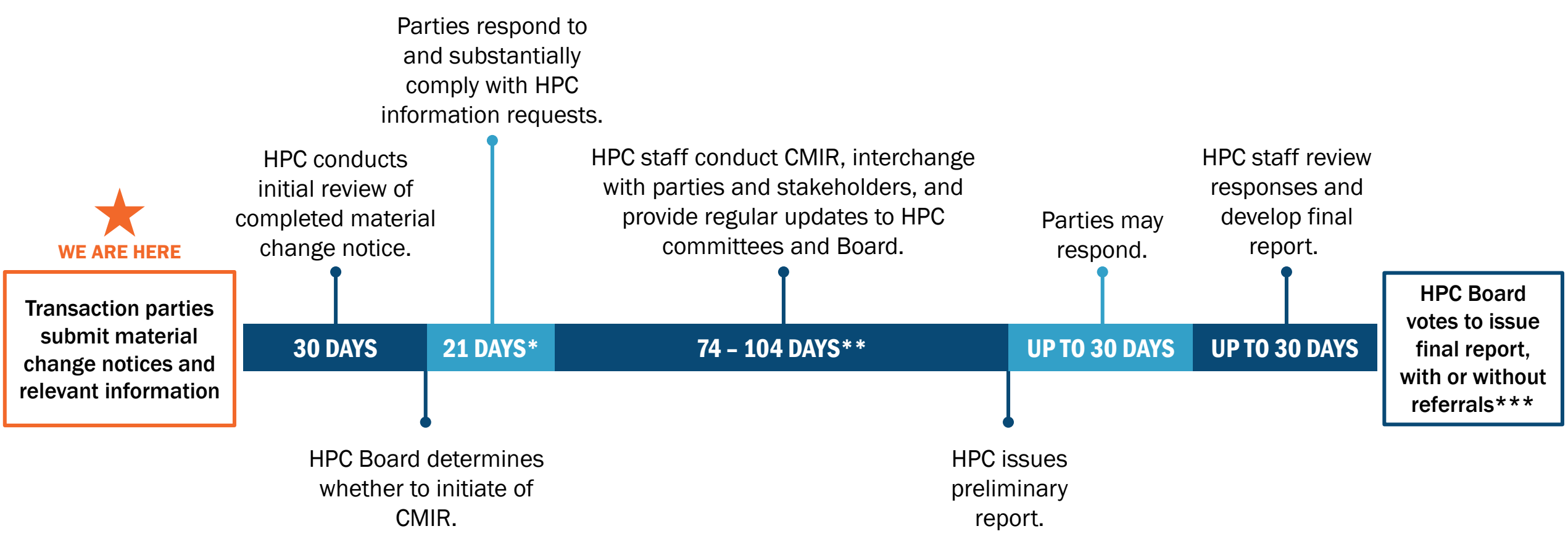
- Steward and Atrius physicians both operate in eastern Massachusetts, while Reliant physicians are primarily in central Massachusetts.

Steward, Atrius, and Reliant physician locations by zip code



Source: HPC analysis of 2022 Massachusetts Registration of Provider Organizations (MA-RPO) Physician Roster.
Locations indicate the zip code of each physician's primary site of practice
Physicians reported on more than one provider organization's roster are included in each organization's physician count in the above maps.
Includes physicians employed by and contracting through each provider network

Timelines for MCN/CMIR Review



The HPC may conduct a Cost and Market Impact Review (CMIR) for transactions anticipated to have "a significant impact on the commonwealth's ability to meet the health care cost growth benchmark, or on the competitive market."

* The parties may request extensions to this timeline which may likewise affect the timing of the report
** Plus any time granted to parties for responses to information requests
*** The parties must wait 30 days following the issuance of the final report to close the transaction

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HPC POLICY RECOMMENDATIONS

2023 Health Care Cost Trends Report Policy Recommendations

1. Modernize the Commonwealth's Benchmark Framework to Prioritize Health Care Affordability and Equity For All.
2. Constrain Excessive Provider Prices.
3. Enhance Oversight of Pharmaceutical Spending.
4. Make Health Plans Accountable For Affordability.
5. Advance Health Equity For All.
6. Reduce Administrative Complexity.
7. Strengthen Tools to Monitor the Provider Market and Align the Supply and Distribution of Services With Community Need.
8. Support and Invest in the Commonwealth's Health Care Workforce.
9. Strengthen Primary and Behavioral Health Care.

2023 Health Care Cost Trends Report Policy Recommendations

7 Strengthen Tools to Monitor the Provider Market and Align the Supply and Distribution of Services With Community Need.

The HPC recommends enhanced regulatory measures including focused, data-driven assessments of service supply and distribution based on identified needs and updates to the state's existing regulatory tools such as the Essential Services Closures process, the Determination of Need (DoN) program, and the HPC's material change notice (MCN) oversight authority.

- **Conduct Focused Assessments of Need, Supply, and Distribution**
- **Strengthen Tools to Monitor and Regulate Supply of Health Care Services**
- **Enhance the HPC's Market Oversight Authority of For-Profit Investment**

HPC Policy Recommendations

ENHANCE HEALTH CARE MARKET TRANSPARENCY AND OVERSIGHT THROUGH THE HPC'S CURRENT AUTHORITIES

Enhance **public transparency** and **oversight** by amending the HPC's Material Change Notice process to capture a broader range of transactions, reflecting emerging market trends, including:

- Substantial **changes in capacity;**
- Significant **investment by private equity or for-profit** in an existing health care provider;
- Substantial **sale of assets for an ownership share** or for the purposes of a lease-back arrangement.

Amend the HPC's **Registration of Provider Organization** (RPO) program to:

- Include public payer revenue in the reporting threshold. This change will expand the type of entities that must file with the RPO program to include sectors frequently targeted by PE firms and provide more **public insight** into the **structure and financial health** of provider organizations.
- Establish **enforceable penalties** for non-compliance to ensure all required information is provided in timely manner.

HPC Policy Recommendations

ALIGN STATE REGULATORY TOOLS AND ENHANCE MONITORING OF HEALTH CARE RESOURCES

Recent health care market activity, implicating both access and cost, have highlighted the opportunity to better align the range of state agency oversight processes and the need for a better understanding of the allocation of health care resources across the Commonwealth. The HPC recommends the Commonwealth should conduct **data-driven assessments of service supply and distribution based on identified needs**.

CONSIDER ADDITIONAL STATE AUTHORITY TO APPROVE OR DENY TRANSACTIONS, OR IMPOSE CONDITIONS, TO MITIGATE POTENTIAL HARMS

Similar to other states such as Oregon, further empower state oversight authorities (e.g., HPC, DPH, AGO) to ensure all proposed transactions are consistent with state goals on cost, quality, access, and equity (not limited to PE transactions). Potential conditions of approval could include:

- efforts to maintain or enhance **access to needed services**,
- **quality standards** and improvements,
- **ongoing financial and compliance monitoring** including on **staffing**, and,
- conditions on **exit** or **sale**.

2023 Health Care Cost Trends Report Policy Recommendations

8 Support and Invest in the Commonwealth's Health Care Workforce.

The state and health care organizations should build on recent state investments to stabilize and strengthen the health care workforce. The Commonwealth should offer initial financial assistance to ease the costs of education and training, minimize entry barriers, explore policy adjustments for improved wages in underserved sectors, and should adopt the Nurse Licensure Compact to simplify hiring from other states. Health care delivery organizations should invest in their workforces, improve working conditions, provide opportunities for advancement, improve compensation for non-clinical staff (e.g., community health workers, community navigators, and peer recovery coaches) and take collaborative steps to enhance workforce diversity.

- **Public Investments and Policy Change**
- **Health Care Delivery Organizations Should Invest in their Workforces**
- **Ensure Adequate Compensation for Non-Clinical Workforces**
- **Support Workforce Diversity**

Contact Us

Follow-up questions?

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