

## Bonny Gilbert Testimony on Behalf of GBIO re Setting 2020 Cost Growth Benchmark

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My name is Bonny Gilbert, I am a member of the Strategy Team of the Greater Boston Interfaith Organization, or GBIO, and Co-Chair of the GBIO Health Care Team. GBIO is a community organizing organization comprised of over 45 religious congregations and other institutions, who come together to advance social justice, including issues related to health care costs, access and quality of care.

As many of you know, GBIO was a strong advocate for the creation of the benchmark, right from the beginning, at the negotiations for its inception under the 2012 Cost Containment Law. And we thank you, HPC, for the opportunity to testify here today on the question of whether the state's health care cost growth benchmark should be raised beyond the current rate of 3.1%.

Our simple answer – NO!

There is simply no basis for allowing a larger pot of funds for the market to fight over. The only result will be higher costs, not higher quality care.

We fought for the creation of the benchmark, and we laud the excellent work done by the Health Policy Commission in monitoring, reporting, and creating policy recommendations impacting both the benchmark, and the factors measured by the benchmark. However we believe that the lawmakers of Massachusetts fell slightly short of their duty when they created only this measure as a marker to help combat the continuing rising costs of health care as incurred and experienced by the citizens of Massachusetts.

As part of the discussion of the Benchmark, we would like to take a moment to focus on one particular component of the Benchmark formula:

Which is: *All patient cost-sharing amounts (for example, deductibles and co-payments)*

The purpose behind the creation of the benchmark and of the 2012 Cost Containment Law generally, was to slow the growth of the cost of quality medical care for the residents of our Commonwealth. However, as noted in the Performance of the Mass. Health Care System Annual Report, by CHIA, while total health care costs only increased by 1.6% in 2017, which was well below the benchmark, the out-of-pocket care costs for the patients & insureds increased by 5.7%.

And yes, we understand that this is, at least in part, a reflection of insureds moving to higher deductible plans, and that this growth number will eventually slow as the share of the population purchasing these plans stabilize. But this response does not address the problem. It only highlights the two significant underlying problems: 1) that the patients/ consumers/ insureds, will still, in absolute dollars, be paying dramatically more out of pocket; 2) insureds are moving to these, in essence, catastrophic care plans because more comprehensive and financially protected insurance coverage costs even more; and 3) From

data you have noted in your cost trends report, the burden of all of this falls most on those people who earn just above the Medicaid level of eligibility.

We also know that the primary reason for this number not commanding more attention is because its impact on the benchmark is so small. But the impact on Massachusetts citizens is not small. It is becoming devastating.

The drivers behind this ever increasing expense are:

- Price variation – unjustifiably high commercial prices paid to some providers or vendors;
- Inequitable policies for out-of-network billing, balance billing & surprise billing - such as the short-fall in coverage for mental health care services, which is resulting in patients having to pay hundreds of additional dollars out of pocket in order to see mental health care providers;
- Cost shifting; and
- Dramatic increases in the prices of pharmaceuticals.

GBIO and the citizens of Massachusetts hold the HPC in high regard, and consider it to be a greatly respected institution. For example, the work done last year, in bringing the facts to the table regarding the BI/Lahey merger was of critical importance. It brought public attention to the real and significant problems expected by the merger; and, by making the referral to the Attorney General's office, it enabled, for the first time, some significant, if only limited, enforceable conditions around costs and prices.

Therefore, We would like to respectfully suggest that the HPC find ways through whatever means available to them as an agency, and under the law, to bring more attention and more policy recommendations to the forefront to address the impact of these factors on those carrying the brunt of the burden of increasing health care costs in MA., namely the consumer/patients, and especially for those with commercial insurance in the lowest wage and income quartiles.

Thank you for the opportunity to testify on behalf of GBIO.