



MASSACHUSETTS
HEALTH POLICY COMMISSION

2023 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 [2023 Annual Health Care Cost Trends Hearing](#).

On or before the close of business on **Friday, October 27, 2023**, please electronically submit testimony as a Word document 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 2022, 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 Office of the Attorney General (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

For any inquiries regarding HPC questions,
please contact:

General Counsel Lois Johnson at
HPC-Testimony@mass.gov or
lois.johnson@mass.gov.

AGO CONTACT INFORMATION

For any inquiries regarding AGO
questions, please contact:
Assistant Attorney General Sandra
Wolitzky at sandra.wolitzky@mass.gov
or (617) 963-2021.

INTRODUCTION

This year marks a critical inflection point in the Commonwealth's nation-leading journey of health care reform. As documented in the [Health Policy Commission's 10th annual Cost Trends Report](#), there are many alarming trends which, if unaddressed, will result in a health care system that is unaffordable for Massachusetts residents and businesses, including:

- Massachusetts residents have high health care costs that are consistently increasing faster than wages, exacerbating existing affordability challenges that can lead to avoidance of necessary care and medical debt, and widening disparities in health outcomes based on race, ethnicity, income, and other factors. These high and increasing costs are primarily driven by high and increasing prices for some health care providers and for pharmaceuticals, with administrative spending and use of high-cost settings of care also contributing to the trend.
- Massachusetts employers of all sizes, but particularly small businesses, are responding to ever-rising premiums by shifting costs to employees through high deductible health plans. As a result, many employees are increasingly at risk of medical debt, relying on state Medicaid coverage, or are becoming uninsured, an alarming signal of the challenges facing a core sector of the state's economy.
- Many Massachusetts health care providers across the care continuum continue to confront serious workforce challenges and financial instability, with some providers deciding to reduce services, close units (notably pediatric and maternity hospital care) or consolidate with larger systems. The financial pressures faced by some providers are driven, in part, by persistent, wide variation in prices among providers for the same types of services (with lower commercial prices paid to providers with higher public payer mix) without commensurate differences in quality or other measures of value.

The HPC report also contains [nine policy recommendations](#) that reflect a comprehensive approach to reduce health care cost growth, promote affordability, and advance equity. The HPC further recommends that legislative action in 2023 and 2024 prioritize modernizing and evolving the state's policy framework, necessary to chart a path for the next decade.

This year's Cost Trends Hearing will focus these policy recommendations and on the efforts of all stakeholders to enhance our high-quality health care system in Massachusetts to ensure that it is also affordable, accessible, and equitable.

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

- a. Reflecting on the findings of the HPC's 2023 Cost Trends Report showing concerning trends of high and increasing health care costs and widening health disparities based on race, ethnicity, and income, please identify and briefly describe your organization's top 2-3 strategies for reducing health care cost growth, promoting affordability, and advancing health equity for residents of the Commonwealth.

While Holyoke Medical Center appreciates the opportunity to provide testimony again this year, the answers to many of the questions will be the same as the ones provided last year. Not only have the questions essentially remained the same, but nothing has changed from last year in terms of the issues facing safety net hospitals. Safety net hospitals, like Holyoke Medical Center, are asked about strategies to reduce costs when in fact these hospitals are possibly the only ones not contributing to rising healthcare costs. As in years past, we continue to draw the attention of the HPC and the legislature to the ongoing issue of unfair private insurer payments to select hospitals operating in diverse and underserved areas, in what the Commonwealth has for years called "*unwarranted price variance*". And, as we did last year, we ask for policy changes to address this inequity. The one new development this year is that the lowest paid hospital on the list of provider price variance, Heywood Hospital, has now filed for bankruptcy protection. If this comes as a surprise to any stakeholders, we fail to understand why. For years Holyoke Medical Center has advocated for a solution to this inequity alongside with hospitals like Heywood and others, but to no avail. As an institution we are very fortunate to have the support of EOHSS and MassHealth without which Holyoke Medical Center would be in extreme financial difficulty.

As to the issue of advancing health equity for residents of the Commonwealth, our answer remains the same as last year. Holyoke Medical Center serves one of the most diverse regions of the Commonwealth. Because of that, we are subjected to pervasive institutional racism by private insurers. While in years past we shied away from calling it by its name, we no longer need to call this practice "the free market" but can call it for what it is: institutional racism robbing underprivileged and diverse communities of valuable resources and shifting those resources to less diverse and more affluent communities. In a recent report by the UMass Donahue Institute the annual amount of investment lost to the Holyoke and greater community is \$35 Million in 2022 dollars. The cost of this to our diverse community over decades is astronomical. Report attached.

- b. Please identify and briefly describe the top state health policy changes your organization would recommend to support efforts to advance health care cost containment, affordability, and health equity.

Just as last year, we strongly advocate for health policy that will address the institutional racism inflicted upon Holyoke Medical Center by private insurers who for years have paid

our hospital 20-30% less than hospitals in more affluent and less diverse communities for the exact same services. This unwarranted disparity can be corrected by policy, establishing a statewide reimbursement floor for private insurers.

- c. Many Massachusetts health care providers continue to face serious workforce and financial challenges, resulting in the closure and reorganization of care across the Commonwealth. How are these challenges impacting your organization today? What steps is your organization taking to address these challenges?

Holyoke Medical Center addressed the workforce challenge early, decisively and with a novel approach. Instead of getting caught in the vicious cycle of more and more agency staffing, Holyoke Medical Center invested federal and state assistance funds in retention and recruitment utilizing innovative tools. Our sign-up and retention bonuses span multiple years, ranging from 3 to 5 years to be fully earned. Early in the workforce crisis, many organizations limited the number of new graduates they were hiring because of a lack of qualified preceptors. Holyoke Medical Center embraced new hires. We hired additional nurse educators and created a 4-month nurse residency program that helped new graduates gain confidence and experience before taking patient assignments. Most importantly, we gave nurses what they valued the most: a predictable workload. This was accomplished by agreeing with our staff on patient to nurse ratios and by changing the nurse assistance staffing model. Instead of the customary one nurse assistant to two registered nurses, we staff with teams of one-to-one assistant to nurse ratios. This allows the registered nurses to practice at the top of their license. Lastly, another innovation is that we have passed some of the financial benefit the organization receives from accomplishing specific quality goals to front line staff by creating a robust pay-for-performance system. Traditionally these pay-for-performance initiatives do not extend to the people most likely to be the key in achieving them; front line staff. Goals include patients left-without-being-seen in the ED, incidents of catheter associated urinary tract infections and hospital cleanliness to name a few. Staff is given specific indicators and team goals and receive financial benefits for achieving these goals. This program has put approximately \$500,000 in achievement payments into the paychecks of our front-line staff over the course of about 10 months. The result for Holyoke Medical Center has been a much better performance than average in quality metrics, as well as staff recruitment and retention. The hospital experienced a much lower than average reliance in very expensive agency staffing. As of this writing Holyoke Medical Center is fully staffed and has zero agency staff working in the facility.

- d. Please identify and briefly describe the policy changes your organization recommends to promote the stability and equitable accessibility of health care resources in Massachusetts?

Please see our answer for item (b). Equitable pay by private insurers is the single most important policy change that will promote stability and equitable accessibility of healthcare resources in the community we serve.

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) 2021-2023			
Year		Aggregate Number of Written Inquiries	Aggregate Number of Inquiries via Telephone or In-Person
CY2021	Q1	1	19
	Q2	0	9
	Q3	1	8
	Q4	0	8
CY2022	Q1	0	13
	Q2	1	22
	Q3	3	19
	Q4	4	31
CY2023	Q1	2	55
	Q2	4	15
TOTAL:		16	199