



Anne Klibanski, M.D.  
*President & Chief Executive Officer*

Submitted Electronically via [HPC-Testimony@state.ma.us](mailto:HPC-Testimony@state.ma.us)

October 27, 2023

Dear Mr. David Seltz:

Enclosed you will find the pre-filed testimony for Mass General Brigham as requested for the upcoming Health Policy Commission Cost Trends Hearings.

By my signature below, I certify that I am legally authorized and empowered to represent Mass General Brigham for the purposes of this testimony, and acknowledge it is signed under the pains and penalties of perjury.

Please direct any follow-up questions to Chris Philbin, Vice President of Government Affairs for Mass General Brigham ([cphilbin@partners.org](mailto:cphilbin@partners.org); 857-282-5151).

Sincerely,

A handwritten signature in black ink, appearing to read "Anne Klibanski", written in a cursive style.

Anne Klibanski, M.D.  
President & Chief Executive Officer



**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, 8<sup>th</sup> Floor  
Boston, MA 02109

## INSTRUCTIONS FOR WRITTEN TESTIMONY

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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](mailto: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](mailto:HPC-Testimony@mass.gov) or  
[lois.johnson@mass.gov](mailto:lois.johnson@mass.gov).

### AGO CONTACT INFORMATION

For any inquiries regarding AGO  
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Assistant Attorney General Sandra  
Wolitzky at [sandra.wolitzky@mass.gov](mailto:sandra.wolitzky@mass.gov)  
or (617) 963-2021.

## INTRODUCTION

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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

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- 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.

Mass General Brigham is on track to achieve \$127.8 million in annual savings in its Performance Improvement Plan (PIP), which will total \$176.3 million over the full 18-month PIP reporting period (October 2022 through March 2024). We reported strong performance through March 2023 of \$45.3 million in savings. Savings are achieved through a robust suite of cost reduction strategies, including price reductions and utilization management techniques. See below:

- Expanding our Integrated Care Management Program, which is a high-risk care management program proven to reduce health care expenses by lowering hospitalizations and emergency room visits.
- Enhancing our skilled nursing facility utilization management program that has reduced healthcare expenses by coordinating post-acute care, managing utilization, and improving quality.
- Increasing utilization management for MRIs and CTs to reduce potentially unnecessary use of high-cost imaging.
- Expanding home-based acute care to more patients and negotiated lower rates for these services below in-hospital facility rates with local commercial payers.
- Negotiated rates for telehealth specialty visits that are lower than in-person specialty visits.
- Reduced rates through Mass General Brigham Health Plan ConnectorCare plan to address price variability and equity. This change directly translated to a reduction in premiums and out-of-pocket costs for consumers.

Mass General Brigham's expense reduction strategy aims to reduce expense growth trend by 1% each year, in perpetuity. As is the case for most health care institutions today, expenses are outpacing revenue. In order to maintain financial stability and continue to support our mission, it is critical that we find ways to reduce our expenses. Over the long term, reducing expenses will help to lower the overall costs of care and improve affordability for patients. This effort will require a fundamental change to how we work and a new infrastructure for continuous improvement and resource stewardship. The goal is to implement initiatives in FY2024 that will achieve \$125 million in savings in expenses across our health system. In doing so, this will allow us to continue to meet our commitment to affordability and fund critical parts of our mission.

Mass General Brigham's "For Every Patient" initiative seeks to deliver personalized, high-quality care rooted in equity to all our patients. Implemented this summer, this initiative is a comprehensive, systemwide quality strategy that incorporates equity directly into our quality framework. Hospitals and clinical care sites will share a single vision to provide high-quality care to all patients. Care is

safe, effective, rooted in equity, and personalized. We strive to meet our patients' health needs, no matter how big or small. Patients are supported and cared for compassionately at every point of contact with our health system. We are pursuing improvements across four key areas:

- Effective care for every patient, by ensuring patients receive recommended preventive services, reducing cardiovascular disease burden and optimizing management of depression and in-hospital survival;
- Safe care for every patient, by ensuring appropriate follow-up on key clinically significant results and referrals and reducing hospital-acquired infections and preventable adverse events;
- Equitable care for every patient, by achieving equity in blood pressure control, substance use overdose, C-sections for low-risk pregnancies, and colorectal cancer screening and treatment; and
- A personalized experience for every patient by optimizing communication between clinicians and patients, timely access to care, and improving integration of care.

Significant progress has been made to enable us to make a greater impact on improving patient outcomes.

- Our hospitals and physician groups have begun the work to implement a unified quality measurement under a single system team that is objective and externally benchmarked.
- Hospital leaders have worked across the system to develop and establish a unified patient experience strategy as well as a measurement system that will allow us to track patient reported experiences of care consistently throughout the system.
- Hospitals have come together to establish a single approach for governance and implementation of medical policy across the system.
- Mass General Brigham is adopting the Equity Informed High Reliability model among its patient safety teams to ensure consistency of patient safety for every patient who comes through our doors or is treated at home.
- Patient safety leaders at all our hospitals are working together under a unified structure to enable proactive information-sharing related to patient safety events and related improvements across Mass General Brigham.
- We have worked together to develop a comprehensive anti-racism initiative, Mass General Brigham's United Against Racism, to improve clinical quality, reducing racial disparities in health care, including patient experiences and outcomes. This initiative is making progress toward breaking down structural racism in healthcare.
- In collaboration with our hospital leadership and community leaders, we have created a new Mass General Brigham Community Health strategy with bold objectives to work together to improve the health of communities we serve.

- 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.

As the 2023 Cost Trends Report indicates, the Commonwealth has an opportunity to further advance health care cost containment, affordability, and health equity by shifting the delivery of services from higher-cost, hospital-based sites of care to lower-cost, non-hospital sites of care when clinically appropriate. We agree. The most recent RAND data shows that the price issue has been

addressed. Massachusetts has among the lowest unit hospital prices for both inpatient and outpatient in the country. Massachusetts is ranked 47<sup>th</sup> out of 50 states for commercial hospital prices and is ranked 48<sup>th</sup> out of 50 for the level of price variation within a state. ([RAND Corporation, 2022](#))

Therefore, we urge policy makers to address the core issue of site of service mix. As the 2023 Cost Trends Report also point out, Massachusetts is ranked 47<sup>th</sup> out of 50 states in Ambulatory Surgical Centers (ASCs) capacity. Therefore, it should not be surprising that almost all surgical care in Massachusetts is delivered in more expensive hospital outpatient departments instead of lower cost ASCs. Moving care out of the hospital to lower-cost settings such as ASCs, physician offices, post-acute facilities, and the home, when possible, is the most promising approach to achieving sustainable cost savings. It is this context that we offer our recommendations.

We encourage policymakers to examine the state's existing statutory and regulatory framework, with an eye towards eliminating barriers that inhibit the development of alternative sites of care and refrain from creating additional requirements and layers of review that would further impede access to care at such sites. Massachusetts has relatively few ASCs when compared to the rest of the nation due in large part to the moratorium on new ASC construction that was in effect from 1994 to 2017. While the moratorium has since been lifted, policymakers should consider providing additional regulatory relief to further incentivize the expansion of ASCs and other lower-cost sites of care as an alternative to hospital-based sites. This could include, for example, the establishment of a streamlined and expedited Determination of Need review processes by the Department of Public Health.

Similarly, we would encourage policymakers to support efforts to bring care directly to patients where they reside. Mass General Brigham is one of several health systems in the Commonwealth that has launched a "home hospital" program, which allows certain patients who would otherwise be treated in a traditional hospital setting to receive care from the comfort of their home. In addition to improved outcomes and patient satisfaction, studies have demonstrated that home hospital programs reduce the overall costs of care when compared to traditional inpatient stays, driven by reduced need for follow-up services and fewer hospital readmissions. As the 2023 Cost Trends Report notes, Massachusetts continues to rank among the highest in the nation with respect to readmission rates, particularly among Medicare beneficiaries.

However, in the wake of the pandemic, the federal waiver from the Center for Medicare and Medicaid Services that allows qualifying programs to receive Medicare and Medicaid reimbursement is set to expire at the end of calendar year 2024, absent further action by Congress. This could stifle the growth and innovation in a care model that has the potential to dramatically alter our delivery system going forward, and would represent a step backwards for patients. We would welcome the state's partnership in advocating with federal officials to ensure that reimbursement for these programs is made permanent. The state could also play a role in conducting and disseminating research in this area, in an effort to not only bolster the evidence base and underlying support for this model of care, but also as a way to help share best practices among providers. Finally, the state could assist with contingency planning should the Medicare waiver not be made permanent or further extended, by evaluating whether there are alternative state-based approaches or actions that could be taken (e.g., through the 1115 Medicaid Waiver or otherwise) to mitigate potential disruptions and ensure that home hospital programs remain viable in the Commonwealth.

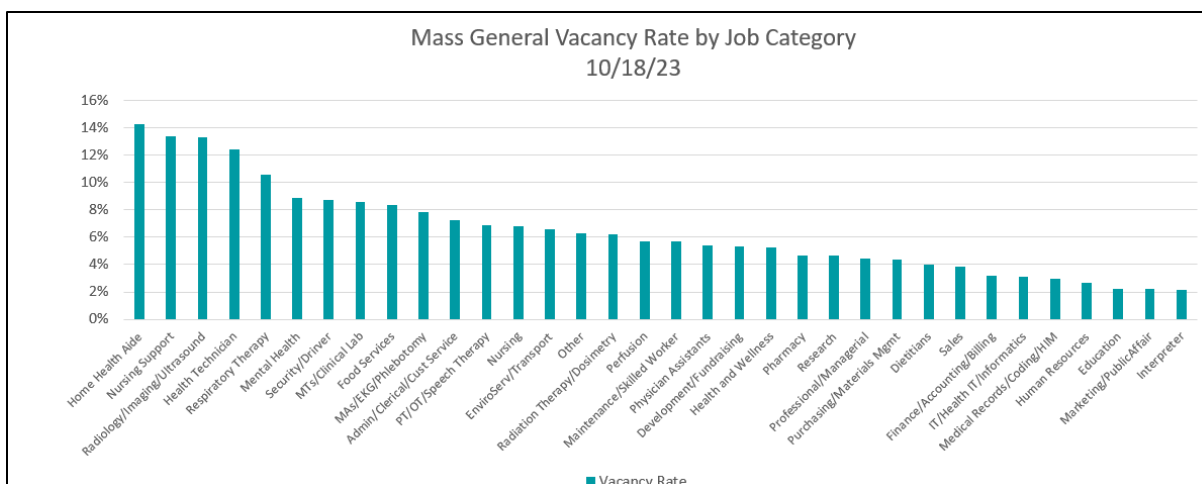
Finally, administrative costs represent 15-30% of total healthcare spending, of which approximately half is considered wasteful. (Health Affairs, 2022). While well intentioned, many regulatory and insurer requirements are not often re-evaluated over time or considered for standardization. Instead, more regulations are added each year with no recognition of the added cost to providers or benefit to patient care. The Health Policy Commission should convene a group of providers, payers and government agencies to identify areas to reduce administrative burden in payer policies and regulatory requirements. The group should prioritize those items that are likely to achieve the greatest saving or efficiencies to the system with little to no patient benefit. Areas of particular focus may include prior authorization, data reporting, and licensure/credentialing. State agencies should immediately embark on a review of state reporting requirements associated with the MassHealth program, Health Policy Commission, and the Center for Health Information and Analysis to identify duplicate information, unnecessary/outdated data, or data that could be collected electronically.

- 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?

Capacity constraints and workforce shortages remain the most pressing challenges facing our health care system. In FY2023, Mass General Brigham declined more than 7,500 inpatient transfers from the community due to capacity constraints. On average we have about 85 emergency department boarders per day at our two academic medical centers. The average waiting time for a medical/surgical inpatient bed is about 11 hours, and for a behavioral health inpatient bed it is 34 hours. Our two academic medical centers were at capacity disaster 88% of the time, up 17% from last year.

With regard to workforce, Mass General Brigham has 5,778 open positions across the system, resulting in a 7 percent overall vacancy rate. Certain job categories have an even greater vacancy rate, for example, the vacancy rate for Surg Tech is 32 percent, and 18 percent for Radiology Tech positions. (See chart page for vacancy rates by job category.) The number of job applications we receive has dropped by nearly 50 percent since the COVID-19 pandemic began. We have seen a slight rebound in Nursing and Nursing Support applicants in 2023, but Allied Health applicants still remains lower than in 2020. Our labor costs increased by 7.6 percent from FY2022 to FY2023 primarily due to continued use of and the higher cost associated with the use of temporary staffing agencies as well as providing market wage adjustments to existing employees for workforce retention.





Vacancies in clinical positions have suppressed bed capacity across the health care continuum, making it more difficult to find post-acute placements. As a result, patients spend more time in the hospital, incurring more costs, and incoming patients have to wait longer for a bed to become available. Staff too are under increased pressure often working longer hours, more shifts, and with heavier workloads.

Mass General Brigham is working to reduce the cost of workforce shortages through a variety of channels including building our own internal temporary labor pool, investing in workforce development programs for key patient care positions, and increasing retention of staff. These efforts will take some time before yielding cost savings.

Below are some of the steps Mass General Brigham has taken to address capacity.

- As we have already mentioned Home Hospital offers a care delivery model that can increase hospital bed availability by shifting less acute cases to the home with 24-hour hospital care and allowing high acuity care to remain in the hospital facility. It has also been shown to reduce readmissions, which can further help to reduce capacity issues. This fall we expanded our Home Hospital service to Newton-Wellesley Hospital, Brigham and Women's Faulkner Hospital and Salem Hospital.
- Mass General Brigham Ambulatory Care Transformation project will help to expand ambulatory access by creating a single point of entry for patients and enabling them to schedule an appointment with the right clinician, at the right location within an appropriate timeframe across the system. It involves redesigning our scheduling process, streamlining our internal referral process, creating a centralized call center, and utilizing technology to increase opportunities for patients to schedule appointments online. This multi-faceted, systemwide effort will be implemented across every specialty at Mass General Brigham. To date, the program has resulted in creating 250K additional patient appointment slots across cardiology and orthopedics over the last year.
- This October Mass General Brigham launched the Patient Transfer and Access Center to improve systemwide inpatient capacity management. The Center will create a simpler, more efficient inpatient transfer process, enable timely access to care, and better coordinate care for our patients. The Center will track all patients referred or transferred into our academic medical centers and coordinate their repatriations, ensuring that they return to their original referring lower-cost community hospitals when clinically appropriate. This will help to more

quickly free up beds in our academic medical centers for higher acuity patients waiting for beds. We will work closely with our bed and case management colleagues to coordinate transfers from outside and within our system. For the first time, we will use systemwide capacity data to help leverage all the resources of our system to expedite access to care and reduce the strain on our hospitals.

- Across Mass General Brigham, we have numerous strategies aimed at reducing the inpatient length of stay. Strategies on the inpatient side include tracking performance data, incorporating care progression nurses to troubleshoot issues in real time, creating departure lounges, and offering transport services. To address post-discharge challenges, we have identified dedicated short-term rehab partners, focused on community hospital repatriation, emphasized early screening for discharges, and prioritized consults for physical therapy needs post discharge. At the Brigham and Women's Hospital these efforts have been successful in reducing the average length of stay from 7.2 days in January 2023, to 6.7 days in July 2023 - a reduction of 0.5 days. This translates to about 40 bed days per day, assuming ~80 routine inpatient discharges per day at the Brigham.

Below we highlight examples of the investment Mass General Brigham has made in our employees and our communities to help address workforce shortages.

- For Mass General Brigham employees, we offer discounted tuition rates at local colleges and universities (options to attend online) in health-related fields for technical, undergraduate, and graduate levels, free college prep courses, and free U.S. citizenship classes.
- In partnership with Lasell University, Newton-Wellesley Hospital launched its innovative Surgical Technology Program in 2022 to train the next generation of surgical technologists. This one-year certificate program provides tuition-free grants for current employees who want to move into a surgical technology role by offering career advancement opportunities while addressing the current shortage of surgical technologists.
- Brigham and Women's Hospital and Mass General Brigham Workforce Development continue to invest in local youth through their successful Youth Summer Program (YSP). During the seven-week program, the YSP introduces high school students to the world of work and a variety of careers in healthcare. The program expands the system's teaching mission, enhances diversity, and supports local youth. The students gain self-awareness of their talents and career interests, develop positive work habits that will promote their success in the future, and learn skills that can be brought back to the classroom.
- In 2020, Mass General Brigham created the Foreign-Trained Health Care Professionals Program to assist foreign-trained health care professionals who are currently working outside of the medical field or are under/unemployed and who are interested in meaningful employment in a health care setting in the U.S. We provide resources and guidance, one-on-one career counseling, and support to help meet their short and long-term professional goals.
- This summer Mass General Brigham in partnership with the University of Massachusetts Boston increased its commitment to the Clinical Leadership Collaborative for Diversity in Nursing. Mass General Brigham committed \$10 million, and the University of Massachusetts of Boston also contributed \$10 million. These new funds will help to recruit an additional 400 new nurses from diverse and underrepresented communities into jobs primarily at Mass General Brigham. The program helps with expenses for books, rent and transportation to juniors and seniors in college. It also assigns student nursing mentors and provides professional development training as a way to create a pipeline from classrooms to careers.

- The Nora McDonough Nurse Residency Program at Brigham and Women's is a year-long transition-to-practice residency designed to effectively transition newly licensed nurses into the nursing practice environment during their first year and to become leaders at the point of care. The program's evidence-based curriculum contains classroom learning, hands-on skills days as well as peer support and mentorship. Approximately 500 new nurses have completed the program since its launch in July 2020.
- In 2021, Mass General Brigham invested \$15 million in the community to address the mental health crisis, in particular the workforce shortage by funding stipends, fellowships, scholarships, and salary supplements. Mass General Brigham is collaborating with eight universities to establish fellowships and loan repayment programs for students entering the mental health field.
- Mass General Brigham has partnered with UMass Global to train candidates to be patient care technicians, medical assistants, practice/administrative assistants, phlebotomists, pharmacy technicians, and EKG technicians. The program is supported by the Good Jobs Challenge grant program from the U.S. Dept of Commerce. This year the program offered free, 3 to 6 months training programs to become a medical assistant or patient care technician.

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?

While the main focus tends to be on commercial spending, more attention should be paid to the adequacy of public payers' rates, which comprise more than 50% of total health care spending in Massachusetts. While there may be few if any levers the state has over Medicare, the state does have considerable control over MassHealth. In recent years the state has made important investments in MassHealth. However, MassHealth rates continue to lag substantially behind Medicare and commercial payers and, most importantly, behind the overall cost of care. We urge the Health Policy Commission to evaluate the adequacy of Medicaid rates compared to actual provider costs, monitor the trend over time, and assess the impact Medicaid rates have on patient access and provider financial stability both in the fee-for-service program and the ACO program. We urge the state to continue to make needed investments in total MassHealth funding both in the fee-for-service program and in the ACO program to ensure all MassHealth members continue to have equitable access to care throughout the Commonwealth.

In addition, Mass General Brigham supports efforts to offer full MassHealth coverage to all eligible residents, regardless of immigration status. Though Massachusetts is a leader in access to healthcare, many immigrant families are still left behind while already facing health disparities and barriers to linguistically and culturally appropriate care. An April 2023 report from the Center for Health Information and Analysis found that U.S.-born citizens are much more likely to have continuous health insurance coverage (95.2%) compared to naturalized citizens (91.3%) and non-citizens (74.1%). This significant coverage gap can result in delayed care and emergency room visits that could otherwise have been avoided but for access to comprehensive health care services.

Nearly one in ten Massachusetts residents is limited English proficient. As the COVID-19 pandemic made especially clear, many of our state agencies provide essential services and information only in English – effectively denying hundreds of thousands of families access to urgently-needed resources

that can help them weather economic emergencies, care for their children, address health problems, stay housed, etc. Mass General Brigham supports state legislation that would standardize and enforce language access protocols and practices at public-facing state agencies, ensuring non-English speaking residents can meet their basic needs and fully participate in their communities.

Eighty percent of the influence on health is by factors outside the health system, known as the social determinants of health, such as access to food, housing, education, and transportation. Mass General Brigham recommends that state agencies focus on policies that address these upstream drivers of health. This could be accomplished through legislation, regulations, and funding for critical programs such as Supplemental Nutrition Assistance Program (SNAP), SNAP for Women Infant and Children, affordable and emergency housing, veteran services, MassHealth, and childcare vouchers.

## 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	N/A	2,293
	Q2	N/A	2,267
	Q3	N/A	2,441
	Q4	N/A	1,474
CY2022	Q1	N/A	12,616*
	Q2	N/A	16,586*
	Q3	N/A	27,137
	Q4	N/A	25,838
CY2023	Q1	N/A	37,034
	Q2	N/A	19,143
	TOTAL:	N/A	146,829

Updates made to 2022 data based on an analysis of cost estimate reporting. MGB attribute's the overall increase in estimates to the volume of self-pay estimates we were providing to patients with no coverage in Epic. We are now only providing GFE to patients with are confirmed self-pay. In addition, we now have a singular team supporting all entities for estimate processing. The team will utilize a system generated estimate, review it for accuracy and finalize it to send to the patient.