



MASSACHUSETTS MEDICAL SOCIETY

Every physician matters, each patient counts.

COMMENTS ON THE 2022 HEALTH CARE COST GROWTH BENCHMARK BEFORE THE HEALTH POLICY COMMISSION MARCH 25, 2021

The Massachusetts Medical Society is a professional association of over 25,000 physicians, physicians-in-training, and medical students across all clinical disciplines, organizations, and practice settings. The Medical Society is committed to advocating on behalf of patients, for a health care system that will best suit their needs, and on behalf of physicians, to help them provide care of the highest quality and greatest value. The Medical Society appreciates this opportunity to provide comment to the Health Policy Commission and the Joint Committee on Health Care Financing as they deliberate a potential modification of the state's health care cost growth benchmark. The Medical Society joins HPC in the commitment to a high value health care system that is accessible and affordable to all patients in the Commonwealth.

The HPC's benchmark serves as a useful target against which to evaluate spending of the overall Massachusetts health care system and of health care entities; however, a single year-over-year benchmark alone does not always capture the true dynamics of an ever-evolving health care system. The year-over evaluations of rates of growth from 2019 to 2020 to 2021 will likely illustrate these challenges as health care expenditures fluctuate greatly from COVID-19-related utilization decreases and a potential bounce back to more normal expenditures. This could lead to rates of growth that are not reflective of an entity's value, but are substantially influenced by external factors outside the control of the entity. While MMS strongly supports HPC's commitment to striving for a high-value care system, we urge broad-based approach to health care cost evaluation rather than a usual strong reliance on the benchmark and year-over growth.

The HPC benchmark maintains an aggressive goal of intentional cost containment below even prevailing rates of health care inflation. In attempting to satisfy the cost growth benchmark, the Medical Society hopes that our state will continue to emphasize the importance of eliminating waste and promoting high-value care. Additionally, we believe it important that relative cost savings are ultimately appreciated by our patients. In years past, the health care system has seen cost growth under the benchmark accompanied by rising out-of-pocket expenditures. This disconnect epitomizes the struggle of measuring cost growth success by a single metric. Moreover, the comparison of cost growth in a single year-over-year fashion further limits the implications of the benchmark. Health care trends are best evaluated over longer periods of time, as the markets take time to adapt to change, whether that be change in regulation, legislation, or the needs of patients. This past year was a prime example of the volatility of the system on a macro level; however, many health care professionals and entities experience similar variability as a component of their smaller or growing practices. The Medical Society believes it best to evaluate cost growth from a more long-term perspective, comparing year-over-year cost growth averages that accommodate changes in the health care system and marketplace.

While we recognize that the health care landscape has shifted dramatically over the past year, and we remain devoted to providing the best care possible to all our patients, we find it critical to the success of health care in the Commonwealth that cost growth metrics remain at reasonable rates so as to appreciate the externalities that so significantly affect year over rates of growth of health care costs. As patients return for normal in-office visits or continue to seek care through telehealth, and deferred care is once again sought out, we will inevitably see increases in cost growth over the past year that saw patient volume plummet as

a result of the COVID-19 pandemic. It is necessary that growth associated with returns to normal utilization are not considered solely within the confines of the benchmark. Reducing cost is only value added if the quality of health and health care are not negatively impacted by economic measures to satisfy a benchmark. In our collective endeavor towards a health care system that is accessible and affordable to patients in Massachusetts, we urge HPC to utilize even greater discretion in evaluating costs during this period of unprecedented challenge and volatility.

The Medical Society appreciates this opportunity to offer comment and looks forward to continuing to work with the Health Policy Commission and the Joint Committee on Health Care Financing toward advancing equity in the delivery of accessible, high-value health care to all patients in Massachusetts.