



**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  
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### AGO CONTACT INFORMATION

For any inquiries regarding AGO  
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Assistant Attorney General Sandra  
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## 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.

As we emerge from the pandemic, the cost of health care and its impact on equity continue to be significant issues in Massachusetts and across the nation. We view the following issues as requiring the greatest attention: 1) Workforce challenges, including the cost of labor, constitute a key portion of inflation facing health systems. Like many hospitals, MetroWest Medical Center has had to hire travel nurses to fill staffing vacancies. The high cost of such services makes it difficult for a smaller community hospital to continue the same level across the full scope of service line. The shortage is especially evident in behavioral health, where boarding of patients in acute care areas, especially emergency departments, places great pressure on hospital staffing and resources. Like hospitals across the state, MetroWest continues to house patients awaiting beds in behavioral health facilities when appropriate. As other facilities reduce beds, our affiliated institution, Leonard Morse Hospital in Natick, essentially functions as statewide mental health facility drawing patients from well beyond the MetroWest area of the Commonwealth, but not all of the licensed beds are available due to ongoing challenges with staffing shortages. MetroWest is working with schools, holding job fairs and recruitment events, and paying sign-on and referral bonuses to reduce the utilization of outside contract labor and hire permanent staff.

2) Insurer consolidation and practices, including excessive denials, delays in payment, and prior authorization requirements are significant barriers to efficient reimbursement and payment practices. Prior authorization requirements were waived during the Covid emergency, resulting in greater efficiency and reduced red tape. A permanent solution is necessary to bring about greater equity and consistency in authorization and payment practices.

3) Rate variability among hospitals in Massachusetts fosters continued inequity among providers. Community hospitals have continued to struggle due to this ongoing inequity in rates, with larger reimbursements going to teaching hospitals for identical procedures, though the procedures they provide are comparable in quality to community hospitals. The rate disparity poses individual financial stress on MetroWest, as the hospital pays several million dollars in property taxes annually.

4) MetroWest Medical Center recognizes that our mission is to care, support, and educate individuals and families affected by health conditions that diminish their quality of life. MetroWest has created a healthcare equity committee to pursue an environment of fairness and justice for all patients and team members. As a community hospital, MetroWest is proud to provide care to a diverse local population.

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.

1) Policies placing emphasis on strong networks for in-network care and national contracts for ongoing quality improvement. Stronger networks provide better access to care, more thoughtfully managed care and utilization, and better outcomes, based on numerous studies.

2) Continuing emphasis on addressing all cost pressures, including ancillary and other areas. Addressing rate reform could promote equity and positive health care outcomes to all patient populations. For example, improving reimbursement rates for behavioral health facilities, especially those with more than 50 beds, would help reverse the loss of capacity and reduce the number of boarders in acute care hospitals. The Massachusetts Health and Hospital Association estimates a weekly average of more than four hundred boarders in hospitals, which places an additional burden on facilities statewide, especially emergency departments. Additionally, future reimbursement measures passed by the Legislature should remove any restriction on investor-owned hospitals qualifying for the same relief provided to other facilities.

3) Labor shortages, especially in nursing, are a continuing issue. Unlike 41 other states, including the other five New England states, Massachusetts is not a member of the Nurse Licensure Compact, which allows qualified nurses licensed in one compact state to practice in other states that are part of the agreement without needing additional licensing. House Bill 1016/Senate Bill 2113, An Act Relative to Nurse Licensure Compact in Massachusetts, is currently before the Legislature and has the support of the Massachusetts Health and Hospital Association as well as the HPC and Boston Globe. Passage of such legislation would help address a serious nursing shortage, control rising costs, improve access through increased beds, and provide care in areas that would improve health equity. We also support the extension of the state's pandemic-era regulation allowing hospitals to employ recent or pending nursing school graduates under strict supervision while they wait out the lengthy exam and licensure processes. The authorization was extended through March 2024 but House bill 3613, An Act to improve healthcare development through graduate nursing practice, would erase the deadline and allow the new nurse flexibility to continue.

4) As health policy moves beyond the pandemic, the triple aim could be reconsidered. Under great challenges across the healthcare spectrum, there were lessons learned in improving patients' healthcare experiences, optimizing health outcomes among the patients served, and promoting cost efficient provision of care and services. For example, use of telehealth for some behavioral health services improved, but for many other patients, the in-person visit is still needed for the optimal healthcare experience and outcome. We have an opportunity to reconsider "right care at the right place" as we move forward.

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?

Labor issues are two-fold: (1) the cost of current labor and (2) the lack of sufficient available candidates. MetroWest Medical Center has seen an increase in labor costs as the mix of contract labor in both nursing and other professional positions have become an increasing portion of total utilized labor. Increase in labor costs have outpaced any increase in reimbursement. Labor constraints are impacting behavioral health as well, reducing the number of beds available in the Leonard Morse behavioral hospital for the community and across the Commonwealth and forcing hospitals around the state to hold patients in their emergency departments. We also support the legislation noted above that would add Massachusetts to the nurse licensure compact and continue to allow supervised senior nursing students to care for patients while they await licensing.

MetroWest has been offering incentives for sign-on and referrals to promote hiring and is also working with local schools to rotate students through the hospital to ensure educational opportunities for the future care-givers.

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- 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?

We applaud the HPC's focus on equitable and sustainable rates for community hospitals to ensure the continuation of affordable quality care, especially for underserved populations. We are optimistic that the Legislature will address rate variability and similar reforms that will promote greater equity in the health care system in Massachusetts.

Short-term and long-term solutions to staffing challenges are needed. We appreciate the Legislature's work on financial support to more fully staff hospitals and specific services, including behavioral health, where additional beds must be staffed to eliminate boarding. Additional short-term support is still needed, as labor cost pressures are continuing longer than anticipated. Additional funding for training is a longer term need, as many nursing schools are struggling to attract and retain educators. We also support passage of the nurse licensure compact bill and removing the sunset date on allowing recent nursing school graduates to work in hospitals under supervision, to allow Massachusetts to attract more nurses to work immediately and compete in a tight labor market in the future.

Legislative or regulatory changes that help provide more consistency with managed care organizations, including areas that assist hospitals with preauthorization, precertification for post-acute transfer and/or care, and other support would also be helpful.

## 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		
	Q2		
	Q3		
	Q4		
CY2022	Q1		
	Q2		
	Q3		
	Q4		
CY2023	Q1		
	Q2		
	TOTAL:		

MetroWest Medical Center complies with federal and state law requirements regarding making pricing information available to patients and prospective patients. MetroWest Medical Center does not track aggregate numbers of written, telephone, or in-person inquiries and focuses instead on providing each response in a way that is useful to the person making the inquiry and compliant with federal and state law.