



**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  
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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.

Milford Regional Medical Center, Inc. (MRMC) prides itself on being a low-cost, high-quality healthcare organization. MRMC remains a top Massachusetts hospital with ten consecutive "A" Leapfrog Hospital Safety Grades and its recent 5-star rating from CMS. Only 16% of hospitals, nationwide, received a 5-star rating. MRMC's top strategies for reducing health care cost growth, promoting affordability, and advancing health equity include:

- Collaborating with Tri-Valley Elder Services on a grant funded program called Hospital to Home. Tri-Valley has placed a Hospital to Home Options Counselor onsite at MRMC 5 days a week to assist with maximizing services in the home beyond visiting nursing. The goal is to support individuals over the age of 65 and their families in managing safely at home, minimize Emergency Department utilization, prevent readmissions, and overall reduce healthcare costs.
- MRMC is collaborating with local skilled nursing facilities through the Cross Continuum Team (Committee) to strengthen relationships, improve communication regarding care transitions, and working on return to SNF processes to prevent unnecessary admissions to the hospital. The end result is to reduce healthcare costs and readmission/rehospitalizations for both impacted entities.
- MRMC and its affiliated physician group, Milford Regional Physician Group have combined to develop four urgent care sites (with a fifth on the way) throughout the communities we serve. We are providing lower cost care for services that were previously seen in, a more costly, emergency room setting. During the recent year we have distributed various communications communication and social media posts educating our community on the appropriate time to seek care in an urgent care setting, and when it is important to get treatment at the emergency department.

- 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.

- Reducing the administrative complexities currently embedded in the healthcare system - MRMC, and its related physician group, spend countless hours securing prior authorizations for our patients' medical procedures. In addition, numerous claims are denied because burdensome authorization processes or documentation was not completed correctly. Some claim audits occur more than a year after the service has been provided. These standards change frequently and are often different by insurance company. These complex

requirements require more and more staff and software to ensure compliance and payment to MRMC for the services provided to the members of our community.

- Support for industry-wide healthcare workforce development programs – In addition to the well documented cost of temporary labor incurred by acute care hospitals over the last two years to fill vacant positions, there have been additional financial strains placed on hospital resources caused by staffing shortages at nursing homes, long-term care facilities, visiting-nurse agencies, and behavioral health providers. Discharges from acute care hospitals are frequently delayed due to limited capacity at these subacute providers. This means that patients that no longer require an acute level of care are held in hospital beds until an appropriate bed or service at a subacute provider is available.
- Behavioral Health, Substance Use Disorder, & Alcohol Dependence - Evaluate the utility and usefulness of the Community Behavioral Health Centers from the policy and cost perspectives. There needs to be transparent metrics shared with the healthcare industry regarding where they are in their process of providing the entire cadre of proposed services. The CBHCs have a budget impact at the Commonwealth level and a clear strategy to ensure they are meeting all targets to decrease Emergency Department visits and prevent long-term holding. Redesign the CBHC model to include a value-based care component made up of both pay-for-reporting/pay-for-performance in which the forfeited dollars are made available as behavioral health, substance use disorder and/or alcohol dependence care focused grant.
- Massachusetts Emergency Management Services (EMS) - Consider EMS an essential service. Develop policy to govern EMS contractual arrangements to include both fiscal and quality components. Fiscally, negotiated payment caps and from the quality perspective – a value-based care model with a budget neutral bonus structure.
- Health Policy focused on Elder Care & Services - Expand the Hospital to Home grant programs with the Elder Services groups to ensure all hospitals have a Home Options Counselor onsite to assist with maximizing services in the home to prevent unnecessary readmission and decrease Emergency Department utilization.

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?

Like many others in the hospital industry, Milford Regional Medical Center has experienced large expense increases which have resulted in significant operating losses over the past four years. Continued losses are unsustainable. Milford Regional Medical Center, Inc., and UMass Memorial Health recently announced the signing of a non-binding Letter of Intent that will allow the organizations to explore a potential corporate affiliation. We expect this affiliation to provide stability to allow MRMC to continue to operate and expand to serve the healthcare needs of our community. We also expect that this affiliation will provide our staff with enhanced clinical resources, as well as providing improved technology resources.

- MRMC continues to work on reducing temporary agency help while continuing to provide safe, high-quality care to the community. This work included the recruiting and hiring of a larger than expected number of newly-licensed nurses, paying sign on and referral bonuses

for hard to fill shifts, and a detailed review of each position filled by temporary help. The effort to reduce agency help has resulted in a >55% drop in our costs from a high of \$1.8M per month to current expenditures of \$783K per month.

- MRMC has developed innovative in-house training programs in our operating room, CT scan and mammography departments. In each case we were experiencing significant vacancies in departments that are critical to the mission of a community hospital. Filling these vacancies with temporary labor was extremely costly. In the operating room, registered nurses from within the hospital, who are interested in working in the operating room are enrolled in a “perioperative 101” class which trains and prepares them to work as OR nurses. This program has been extremely successful and has allowed us to recruit and retain staff and reduce contract labor. A similar program was started in CT and mammography which offers MRMC employees and new candidates the ability to train on-the-job while preparing to take the CT/MAMMO registry exam.

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?

- Promote and support short-term (2-3 year) grants for smaller urban & rural healthcare organizations to develop hospital at home programs in which advanced practice providers are utilized to mitigate Emergency Department utilization, readmissions, and ensure the right care at the right time in the right location. The goal would be for the healthcare organization to build the programmatic costs into the operational budget.
- Given the influx of undocumented, refugee, asylees, and migrants into the Commonwealth, consider providing grants to develop smaller urban or rural primary care hubs or centers focused on health equity for these populations to improve access to care, minimize resource utilization, and promote the well-being of the Commonwealth overall.

[Click or tap here to enter text.](#)

## 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	Data is not available	Data is not available
	Q2		
	Q3		
	Q4		
CY2022	Q1		
	Q2		
	Q3		
	Q4		
CY2023	Q1		
	Q2		
	TOTAL:		