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October 27, 2023

BY E-MAIL (HPC-Testimony@state.ma.us)

David Seltz, Executive Director
Health Policy Commission
50 Milk Street, 8th Floor
Boston, MA 02109

Dear Executive Director Seltz:

On behalf of Reliant Medical Group, Inc., attached please find our response to a request dated September 29, 2023 to submit pre-filed testimony by the Health Policy Commission and the Attorney General's Office, in preparation for the upcoming public hearing on health care cost trends.

I, Thad Schilling, MD, depose and state under pains and penalties of perjury the following: I am Chief Medical Officer and Interim President of Reliant Medical Group, Inc. I sign the attached responses for and on behalf of Reliant Medical Group, Inc. and am duly authorized to do so. I attest that the factual statements set forth in the foregoing responses are true and accurate to the best of my knowledge. The facts stated in these responses are not all within my personal knowledge, and those facts which are not within my personal knowledge have been assembled by authorized employees and/or counsel, and I am informed and believe that they are true.

Please let me know if we can be of further assistance.

Sincerely,

Thad Schilling MD
Thad Schilling MD (Oct 20, 2023 16:30 EDT)

Thad Schilling, MD
Chief Medical Officer and Interim President



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.

As an organization with substantial risk tied to total medical expense (TME) management and quality of care, Reliant Medical Group continues to focus on reducing health care costs, improving quality, and expanding health equity for our patients in a variety of ways. Our cost containment and affordability efforts are focused in three main areas:

1. **Prescription Drug Spending** – Reliant seeks to reduce the growth in prescription drug spending, particularly for high-cost specialty drugs. We have tools embedded in our electronic medical record that provide prescribers with clinical protocols, guidelines, and formularies for drugs. We also have initiatives underway to provide education and information to prescribers on the cost effectiveness of clinically appropriate and therapeutically equivalent treatment alternatives and sites of service, as well as initiatives to monitor prescribing practices among our clinicians so that we can design interventions as appropriate. Reliant's Office of Population Health works closely with our patients to assure appropriate medication adherence and compliance, particularly for highly complex individuals. Finally, we have clinical pharmacists that provide consultation and medication reconciliation for complex patients, perform prior authorization reviews for high-cost drugs, and conduct academic detailing on appropriate prescribing, particularly for opioids and other pain medications.
2. **Behavioral Health and Substance Use** – Reliant is focused on improving treatment for patients with substance use disorders and other behavioral health conditions. In recent years, we have implemented a new model of behavioral health care, which includes standardized screening protocols to help us better identify and track patient needs. We have employed embedded behavioral health clinicians in all our primary care practices so that we can arrange for care for our patients as soon as a need is identified. Reliant also has engaged with targeted behavioral health providers and substance use treatment facilities in the community so that we can provide coordinated referrals for evidence-based treatments for specialized conditions that Reliant may not have the capacity or expertise to appropriately manage. Finally, we have developed a medication-assisted treatment program that allows us to provide chronic care management to substance use disorder patients in recovery.

Behavioral health and substance use treatment continues to be an area of innovation at Reliant. We are piloting a Precision Behavioral Health program, where we are leveraging a suite of digital tools to help connect patients to behavioral health care at a time when access to services across the Commonwealth is limited. We also have launched the first Dialectical Behavioral Therapy (DBT) Center in Central Massachusetts, providing evidence-based treatment to patients with complex personality disorders.

3. **Acute Care Hospital Expenses** – Reliant is increasingly concerned about rising acute care hospital unit costs for inpatient and outpatient services. We have found that the hospitals that care for Reliant's patients have sharply increased the use of higher-complexity Diagnosis-Reliant Group (DRG) codes in recent years. Reliant is working with the payers in Massachusetts to encourage more comprehensive auditing of inpatient claims to assure that hospital billing is appropriate and supported by the clinical documentation. We also continue

to find opportunities to divert patients from hospital settings to lower-cost sites of care. Key initiatives in this area include the implementation and expansion of mobile integrated health services to provide home-based emergency care to Reliant patients, and the redirecting of outpatient surgical care away from acute care hospitals to lower-cost ambulatory surgical centers.

In addition to our long-standing strategies to reduce health care expenditures for our patients, Reliant has redoubled its efforts to advance health equity and reduce health care disparities. Current initiatives include a comprehensive effort to reduce racial disparities in outcomes for patients with hypertension, including targeted distribution of no-cost blood pressure monitors to patients and community-based screening events. We are making similar efforts to improve diabetic retinopathy screening for targeted communities, as this is another area where our data suggest that there are significant racial disparities. Recognizing the disparities in outcomes experienced by many individuals from the LGBTQ+ community, we are evaluating the feasibility of a differentiated primary care practice model designed to address the unique needs of these patients. Finally, we continue to improve the workflows and data prompts in place in our electronic medical record to better capture patient data around race, ethnicity, language, sexual orientation, and gender identity.

- 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.

Reliant Medical Group agrees with many of the policy recommendations outlined in the 2023 Health Care Cost Trends Report. Below is a list of some of the specific state health policy changes that should be implemented in the next year to reduce health care cost growth, promote affordability, and advance equity. We look forward to working with the Health Policy Commission and others on these important initiatives in the coming year.

1. **Address Excessive Pharmaceutical and Hospital Prices** – Pharmaceutical costs, including specialty drugs, biologics, and newer generics, continue to be a major concern for patients and health care providers. In addition to the recommendations outlined in the 2023 Annual Cost Trends Report to address oversight of pharmaceutical spending, the HPC should examine the cost of oncology services by clinical setting as a cost driver related to pharmaceutical costs, as there is considerable variation in what providers are paid for certain oncology drugs as reported by the HPC.

In addition to addressing drug prices, we agree the Health Policy Commission should be granted additional authority to strengthen the Performance Improvement Plan (PIP) process and limit hospital facility fees.

2. **Increase Health Insurance Products with Risk Arrangements** – Despite being a national leader in the implementation of alternative payment models (APMs), Massachusetts has seen a decline in the number of patients enrolled in HMO-like products that lend themselves to risk-based arrangements that allow providers like Reliant to accept meaningful risk. The Center for Health Information and Analytics (CHIA), in its Annual Report on the Performance of the Massachusetts Health Care System issued in March of 2023 observed that adoption of APMs has continued to remain flat for the past several years in the commercial market, and has increased only in the MassHealth market. We believe these numbers are driven by employer demand for flexible products and networks that promise greater patient choice.

Collectively, these market shifts have been disruptive to providers like Reliant that participate in meaningful risk arrangements and actively work to manage the total cost of care. Our ability to sustain the infrastructure, processes, and care management protocols that support the delivery

of integrated, high-quality, cost-effective care depends on an incentive system that encourages coordination of care and rewards value and quality. This shift away from insurance products that support APMs is a troubling one, and we encourage the HPC and others to consider initiatives to promote the use of robust APMs. One of the ways this can be accomplished is by embarking on an educational campaign for the broker community and large employers that the adoption of APMs – and the purchase of health insurance products that support APMs – lowers their long-term medical expenses. We believe the issue is a knowledge gap with employers and brokers.

3. **Adopt Policies that Support Primary Care** – Primary care clinicians are the core of the healthcare delivery system, and are critical to keeping patient's healthy and reducing health care costs. Primary care providers play a particularly important role in treating adult and pediatric patients suffering from chronic medical conditions and behavioral health/substance abuse disorders. While we support and appreciate the importance of hospitals and specialists, primary care practices and primary care providers deserve to be recognized and prioritized by policymakers for ongoing investment and increased financial support from state health programs to assure that the Commonwealth's goals of reducing health care costs as well as improved equity are met.
4. **Enhance Laws and Regulations Promoting Telehealth** – Telehealth continues to hold considerable promise to improve availability of and access to care, particularly for individuals whose access may be limited due to work or family obligations, lack of transportation or limited mobility. While Chapter 260 of the Acts of 2020 resulted in a number of important changes, we believe further enhancements need to be made including addressing interstate licensure reciprocity, parity in prior authorization practices for services that can be delivered via telehealth or in-person care, and expansion of definitions of chronic disease management and primary care services to assure that successful telehealth services can be deployed as broadly as possible. We strongly believe integration of telehealth as a routine offering within established practices offers the best chance to coordinate care and avoid unnecessary emergency department use. The HPC's report on telehealth that is expected later this year likely will offer a helpful and critical roadmap for policymakers to consider moving forward.
5. **Re-Establish the Health Planning Council under the HPC** – The Health Planning Council created under Chapter 224 of the Acts of 2012 has not met for several years. Reliant believes that the Health Planning Council created a unique opportunity to evaluate the availability of health resources statewide in order to ensure that healthcare services meet the needs of residents without duplicating or adding additional costs, and it should be re-instituted.
6. **Enhance the Health Care Workforce** – The state should expand loan forgiveness for primary care and behavioral health clinicians. Loan forgiveness also should be expanded for nurses who work at primary care practices, so that they have access to the same programs targeted to nurses working in community health centers and hospitals. Additional resources should be devoted to incentivizing individuals to consider health care careers such as medical assistants, medical secretaries, pharmacy technicians, and other roles critical to the functioning of any health care system.
7. **Site Neutrality** – Reliant supports the principle of "site neutrality" with respect to payment for certain outpatient health care services. Applicable state law should be amended to require notices of material change and a temporary restriction on academic medical centers building new outpatient centers in community settings that are currently served by lower cost physician practices.

- 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 most providers in the Commonwealth, Reliant Medical Group is facing issues with our workforce, which has only been heightened since the COVID-19 pandemic. We are having difficulties recruiting and retaining both clinical and non-clinical staff. The competition for qualified personnel has put pressure on organizations to increase salaries and wages while experiencing depressed revenue and competing priorities for resources. High turnover results in increased costs for training and other related expenses. The chronic shortage of primary care providers as well as behavioral health clinicians continues to be an obstacle in providing access to care and meeting demands to control the total cost of care.

We have prioritized wellness as an integral part of workforce recruitment and retention efforts. Even prior to the pandemic, Reliant was focusing on physician burnout and turnover, factors which contribute to rising health care expenditures. As an organization with hundreds of employed physicians, the associated costs of burnout are significant. Since the pandemic, addressing burnout became even more critical and we have embarked on a variety of initiatives including virtual meditation sessions and the following:

- Efforts to manage and reduce the number of messages in clinician in-boxes.
- Strengthening primary care teams by providing ongoing additional training for nurses and medical assistants, and identifying novel ways for physicians and advanced practitioners to collaborate on patient care.
- Implementing enhancements to the electronic medical record that help reduce the number of “clicks” necessary to retrieve information (e.g., displaying a dashboard summarizing details from a patient’s recent hospital admission).
- Improving efficiency of scheduling and prescription refill processes.
- Focusing on personal resilience training/resources for physicians to improve collegiality, connect PCPs with specialists, and build individual skills.

While we are committed to retaining existing clinicians, we have worked diligently to improve our ability to recruit new clinicians. We maintain partnerships with residency programs locally and nationally to identify new physicians interested in working within our model of care, and we have developed mentoring programs to support these physicians as they begin their careers in our organization. We also have recognized the growing importance of advanced practitioners as part of the solution to addressing the shortage of primary care providers in Massachusetts. In addition to integrating increasing numbers of advanced practitioners into our practices, we also have created a teaching pod for newly-graduated advanced practitioners, akin to a residency program that allows these early career providers to quickly gain the confidence and experience needed to serve as a primary care provider.

While recruiting and onboarding new providers is essential, Reliant has also expanded efforts to retain and recruit non-clinician staff who are critical to our operations. These efforts include more frequent salary and wage review and adjustments to remain competitive, as well as redesigning the work for medical assistants to more fully integrate them into care teams for higher degrees of professional satisfaction and growth. We also have leveraged the increased prevalence of telehealth to provide new opportunities for increased flexibility and remote work for some staff.

- 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?

Reliant Medical Group offers the following suggestions for consideration, many of which may require legislative solutions. These include the following:

- **Eliminate Practice Barriers** – Reliant strongly supports the enactment of legislation to eliminate remaining practice barriers for physician assistants as well as other clinicians if we hope to improve access to care, reduce administrative burdens on physicians, and contain costs. In addition, there are various bills pending in the legislature that will allow pharmacists to provide services to patients to increase access and reach underserved communities. Finally, we support the removal of requirements for on-site physician supervision of clinical pharmacists practicing collaborative drug therapy management.
- **Nurse Compact** – Pending legislation would require Massachusetts to join many states throughout the country in joining the nurse compact. This would expand the ability of nurses to practice across state lines, increasing the Commonwealth's ability to recruit/retain a diverse nursing workforce that better reflects the population of Massachusetts. We support similar efforts for other categories of licensed professionals to join various national compacts.
- **Loan Forgiveness** – Additional consideration should be given to the role loan forgiveness programs could play in increasing the number of primary care and behavioral health providers in Massachusetts. In particular graduates of in-state medical schools who agree to practice in Massachusetts for some number of years should be targeted for these programs. We believe that loan forgiveness should not be solely made to those agreeing to work in community health centers, but rather in all primary care practice settings.
- **Tuition-Free Medical School** – Consideration should be given to providing tuition-free medical school or meaningful grants for anyone willing to serve at least ten years as a full-time practicing primary care physician in the Commonwealth.
- **Other Areas for Consideration** – We believe there are other areas where the state or federal government should consider incentives geared towards primary care and behavioral health providers, including reduced licensing fees, reduced income taxes for providers who establish practices in underserved areas, and subsidized medical malpractice premiums.

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	0	23
	Q2	0	24
	Q3	0	20
	Q4	0	19
CY2022	Q1	0	13
	Q2	0	17
	Q3	0	6
	Q4	0	10
CY2023	Q1	0	10
	Q2	0	1
TOTAL:		0	143