



# **2022 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 [2022 Annual Health Care Cost Trends Hearing](#).

On or before the close of business on **Monday, October 24, 2022**, please electronically submit testimony 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 2021, 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 Attorney General's Office (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 questions, please contact:  
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 milestone anniversary in the Commonwealth's ambitious journey of health care reform. Ten years ago, through the advocacy of a broad coalition of stakeholders, Massachusetts adopted an innovative approach to slowing the rate of health care cost growth by establishing an annual cost growth benchmark and providing oversight authority to the newly established HPC.

In the first several years of benchmark oversight, the Commonwealth made notable progress in driving down health care spending growth. In recent years, however, spending growth has exceeded the benchmark (with the exception of 2020) and appears likely to continue that upward trajectory.

This trend is driven largely by persistent challenges and market failures that have not been adequately addressed in the past ten years. These challenges, which have been consistently identified by the HPC and others, include:

- Excessive provider price growth and unwarranted variation,
- Increased market consolidation and expansion of high-cost sites of care,
- High, rising, and non-transparent pharmaceutical prices, which may not reflect value,
- Steadily increasing health insurance premiums, deductibles, and cost-sharing, resulting in increased costs to businesses and consumers,
- Stalled uptake of value-based payment models and innovative plan offerings, and
- Systemic and persistent disparities in health care access, affordability, and outcomes.

The ongoing impact of the COVID-19 pandemic has only exacerbated many of these dynamics, contributing to greater health disparities, while adding to inflationary headwinds in the form of increasing labor and supply costs.

These challenges are not unique to Massachusetts, and many other states are evolving their cost containment strategies accordingly to respond to them. In order for Massachusetts to continue to be the national leader on health care cost containment, it must similarly adapt. Unless the state's health care cost containment approach is strengthened and expanded by policymakers, the result will be a health care system that is increasingly unaffordable for Massachusetts residents and businesses with growing health inequities.

## ASSESSING EFFORTS TO REDUCE HEALTH CARE COST GROWTH, PROMOTE AFFORDABLE, HIGH-QUALITY CARE, AND ADVANCE EQUITY

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- a. Reflecting on the past ten years of the Massachusetts health care cost containment effort, and the additional context of ongoing COVID-19 impacts, please identify and briefly describe the top (2-3) concerns of your organization in reducing health care cost growth, promoting affordability, and advancing health equity in future years.

The COVID-19 pandemic highlighted disparities of access and the pressures on providers in the face of an unprecedented national health emergency. As we emerge from the pandemic, the cost of health care and its impact on equity continue to be the major issues in Massachusetts and indeed the entire 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, Saint Vincent has had to hire travel nurses to fill staffing vacancies. The high cost of such services makes it difficult to continue the same level of service. The shortage is also evident in behavioral health, where boarding of patients in acute care areas, especially emergency departments, place great pressure on hospital staffing and resources. Like hospitals across the state, Saint Vincent continues to house patients awaiting beds in behavioral health facilities. Our affiliated institution, Leonard Morse Hospital in Natick, essentially functions as statewide mental health facility, but only about 60 of its licensed beds are usually available due to staffing shortages.

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. With disruption of healthcare through the Public Health Emergency, community hospitals have continued to struggle due to this ongoing inequity in rates. Some providers charge higher rates because of their designation as teaching hospitals, though the procedures they provide are comparable in quality to community hospitals. The rate disparity poses individual financial stress on Saint Vincent, which as a for-profit pays several million dollars in property taxes annually and is the third-highest taxpayer in Worcester. 4) Review of hospital expansion applications through the Determination of Need (DoN) process should better address cost impacts by requiring that applicants for major projects conduct an Independent Cost Analysis. Such a requirement would help the state more thoroughly review impact on costs in the region in which a project is proposed and help ensure cost containment.

b. Please identify and briefly describe the top strategies your organization is pursuing to address those concerns.

1) Operational focus on the triple aim to improve patients' healthcare experiences, optimize health outcomes among the patients served, and promote cost efficient provision of care and services.

2) Emphasize strong networks for in-network care and national contracts for ongoing quality improvement.

3) Continuing emphasis on addressing all cost pressures, including ancillary and other areas, especially as we emerge from the Public Health Emergency. Advocacy for rate reform legislation that promotes equity and positive health care outcomes to all patient populations.

c. Please describe your progress in the past year on efforts to collect data to advance health equity (i.e., data capturing race, ethnicity, language, disability status, and sexual orientation/gender identity, see 2021 Cost Trends Testimony), including specific metrics and results. Please also describe other specific activities your organization has undertaken to advance health equity.

SVH continues to work toward practices that better track care as it pertains to various groups, with the goal of providing greater equity and better serving particular patient sectors according to their individual needs. We are looking forward to the launch of our new Electronic Health Records system in 2023, after the original go-live was delayed by the pandemic. The new EHR will allow for more effective tracking of this data and greater responsiveness to equity needs. We therefore expect to have a more complete answer to this question after the launch.

d. Please identify and briefly describe the top state health policy changes your organization would recommend to support your efforts to address those concerns.

We applaud the Health Policy Commission'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. Another long term need is passage a nurse licensure compact bill, which would permit qualified nurses who are licensed in their home state to practice in any other state that is a member of the compact, The passage of

the nurse compact legislation will allow Massachusetts to attract more nurses to work immediately, allowing us to 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) 2020-2022			
Year		Aggregate Number of Written Inquiries	Aggregate Number of Inquiries via Telephone or In-Person
CY2020	Q1		
	Q2		
	Q3		
	Q4		
CY2021	Q1		
	Q2		
	Q3		
	Q4		
CY2022	Q1		
	Q2		
	TOTAL:		

Saint Vincent Hospital complies with federal and state law requirements regarding making pricing information available to patients and prospective patients. Saint Vincent 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.