

January 25, 2022

VIA EMAIL DPH.DON@State.MA.US

Lara Szent-Gyorgyi
Director, Determination of Need Program
Massachusetts Department of Public Health
67 Forest Street
Marlborough, MA 01752

RE: Project #21012113-AS, Mass General Brigham Ambulatory Proposal, ICA Comment Letter by SHARE Ten Taxpayer Group

Dear Director Szent-Gyorgyi:

We are filing this comment letter on behalf of the Ten Taxpayer Group consisting of members of the SHARE Union, AFSCME Local 3900. We urge the DPH to reject MGB's proposal to build ambulatory care centers in Westborough, Westwood and Woburn. As SHARE members, the cost of our healthcare and our jobs are at stake.

SHARE Members at UMass Memorial

The SHARE union is the largest union at the largest employer in Central Massachusetts, representing over 3000 hourly employees of UMass Memorial Health at multiple sites, including Marlborough Hospital in Marlborough and UMass Memorial Medical Center in Worcester. Our members include patient care roles (Patient Care Assistants, LPNs and Mental Health Associates), technical jobs (Radiology Technologists and Respiratory Therapists), administrative employees (secretaries, schedulers and billers), and more. We work with inpatients, in clinics, and in community settings.

SHARE members care deeply about our patients and our hospitals. These are our hospitals – our children are born here, we work our whole careers here, and we plan to retire from here. We strive to improve our hospitals so our kids can get good jobs here. We are proud to take good care of our friends and neighbors here.

We Are Doing Our Part to Keep Healthcare Costs Down

The SHARE Union takes seriously our responsibility for our hospitals' financial future. We have negotiated a labor-management partnership with UMass Memorial because in part, as our contract says, "workers and their union must understand the whole enterprise, and be as committed to its success as a business as they are committed to its mission to provide quality patient care."

Though our partnership, we have created unit-based teams to give employees a voice in department level process improvement. SHARE members strive to improve the efficiency of their work, both because it makes their work more rewarding, and because it improves quality and keep the costs down for patients.

SHARE members' work contributes to making UMass Memorial hospitals cost-effective. Our hospitals are the lowest cost among their statewide peers. According to the *2021 Hospitals Profile Report* published by the Center for Health Information & Analysis, UMass Memorial Medical Center has the lowest inpatient rates among all academic medical centers. Marlborough Hospital has the lowest rates among all community hospitals. In fact, Marlborough's rates are lowest among *all* hospitals statewide.

The Proposed MGB Expansion is a Threat to SHARE Members

SHARE's goal is good jobs for SHARE members, so that these 3000 healthcare workers have good healthcare for their families, can afford to buy a house and send their kids to college, and have decent pensions to retire with dignity – all while without having work more than one job.

We understand that money doesn't grow on trees, at least not for a safety net hospital. In order to negotiate decent raises and hold onto a good benefits package, we need to help make our hospital financially viable. We need to ask you, the Mass DPH, to help us keep our hospitals viable, providing good stable union jobs.

We are deeply concerned that MGB's proposed ambulatory clinics would increase the cost of healthcare for SHARE members and their families, and cause job loss for SHARE members, particularly at Marlborough Hospital. We requested an Independent Cost Analysis (ICA) on this application because we believed it was critical that MGB's proposal be thoroughly analyzed to determine its likely impact on the cost of health care and on the stability of our safety net hospitals.

MGB Expansion's Threat to the Cost of Healthcare: The ICA Doesn't Answer the Real Question

The Department of Public Health is charged with reviewing the MGB proposal to "ensure that resources will be made reasonably and equitably available to every person within the Commonwealth at the lowest reasonable aggregate cost." The ICA is supposed to assist DPH in this review. We were quite surprised that the scope of the ICA was extremely narrow and that it failed to analyze the largest and most obvious cost drivers of healthcare. The author not only ignored testimony on the public record about these cost drivers, but he also ignored an unprecedented and very public recommendation by the Massachusetts Attorney General. Further, the Health Policy Commission (HPC) concluded that the MGB expansion proposals would yield higher spending on healthcare in the state, and has gone so far as to place MGB under a performance improvement plan for its excessive spending.

MGB Expansion Will Drive Up Health Care Costs

Like workers in every industry, SHARE members are deeply concerned about rising health insurance costs. Our members live paycheck to paycheck, and work second jobs to make ends meet. When health insurance premiums increase, our members have less money for rent, mortgage, utilities, and food. Saving for college and retirement gets further and further out of reach.

When we sit down with UMass Memorial to negotiate a contract for SHARE members, we want both affordable health insurance and good raises. Health insurance is already expensive, with the average premium for a family costing \$21,000 every year. The more that UMass Memorial must pay for health benefits for its employees, the less money there is for raises. UMass Memorial already gets paid substantially less for each hospital stay and procedure than Mass General Brigham receives for delivering the same patient care. MGB will further cut into the pot of money available if they are allowed to move into our neighborhood, because our cost of care will go up. SHARE members don't want MGB to make it harder for us to get affordable health insurance and decent raises.

Further, SHARE members certainly do not want health insurance premium increases caused by MGB profits. We were amazed when the Attorney General's Office issued a report that MGB calculated its ambulatory expansion plan would "contribute direct margins to the MGB system of approximately **\$385 million per year**". Why did the ICA not talk about the impact of that profit on the cost of healthcare in the MetroWest region? DPH should not ignore it, just because the ICA did.

The MGB Expansion's Threat to Jobs: The ICA Doesn't Answer the Real Question

In addition to SHARE's concerns with the impact of MGB's proposal on healthcare costs, we fear the impact it could have on SHARE members' job security.

The ICA contains no analysis whatsoever of MGB's proposal's impact on the stability of local hospitals, including the UMass Memorial safety net hospitals where SHARE members work. Common sense tells us that if MGB, the state's largest and highest cost health system, builds a huge clinic near Marlborough Hospital, the state's lowest cost hospital, there would be some impact on jobs at Marlborough Hospital. The ICA is silent on this question. Common sense also tells us that when high acuity patient referrals which Marlborough Hospital currently sends to UMass Memorial Medical Center, the state's lowest cost academic medical center, are referred instead from MGB's new clinic to MGB's high-cost hospitals, there would be some impact on both jobs at UMass Memorial and the cost of care. One would think that an "Independent Cost Analysis" would look at how costs will increase when patients move from the lowest cost providers to the highest cost providers, but no.

Good Union Jobs Are at Stake

SHARE members talk about the massive aggressive advertising campaign they see from MGB. Clearly MGB is trying to lure commercial patients from other providers to its proposed clinics. If the focus of the expansion were only current MGB patients who live near the proposed ambulatory centers, why would they all that need advertising?

Testimony submitted to the public hearing on MGB's application last spring revealed that in January 2020, MGB's chief executive officer and chief financial officer made a presentation to investors at the JP Morgan Healthcare Conference touting that MGB's proposed clinics would "increase network lives and secondary and tertiary commercial referral volume." The additional \$385 million annual profit margin to MGB from its ambulatory expansion would be due largely to increases in secondary and tertiary referrals to the Commonwealth's two most expensive hospitals. This money will come from other health systems, says the Attorney General's office. The HPC says the expansion proposal could cause other providers to lose \$153 million to \$261 million in commercial revenue **each year** as patients shift to MGB.

While we cannot predict the exact proportion of MGB's profit margin that will come from Marlborough Hospital and UMass Memorial Medical Center, this is the region where MGB has the most room for growth. MGB's application shows that its patient panel in Westborough is its smallest by far among the three proposed clinics. While it proposes to build a clinic in Westborough that is identical in size to the other two, MGB projects that Westborough's patient visits will be only 30.5% the volume of Woburn. That makes no financial sense. The conclusion is obvious: MGB intends to fill that space with commercial patients who are currently served by other providers, such as Marlborough Hospital. It will then refer those who need highly specialized care to the two most expensive hospitals in the state, Mass General Hospital and Brigham & Women's Hospital.

The lost volume will destabilize our two safety net hospitals. Safety net hospitals subsidize the large financial losses they incur from caring for MassHealth and uninsured patients with revenue from treating commercially insured patients. When (not if) Marlborough Hospital loses commercial volume to MGB, and when (not if) MGB refers those patients to Mass General Hospital and Brigham & Women's Hospital for high acuity care, the state's lowest cost hospital and its lowest cost academic medical center will lose a significant portion of the revenue that subsidizes our losses from MassHealth and the uninsured. How will UMass Memorial Medical Center and Marlborough Hospital continue to carry out their public missions to serve the underserved?

If our safety net hospitals become financially unstable, that will mean cutting services to some of the Commonwealth's most vulnerable residents, and cutting jobs for SHARE members. Although MGB's \$385 million annual profit margin may be valuable to the bond investors it persuaded with its JP Morgan presentation, it will come at a high price to middle class SHARE

members whose jobs could be lost, and to the low-income patients whose medical care will be impacted.

DPH: We Are Depending on You

In conclusion, the Independent Cost Analysis provided by MGB is so narrow in scope that it is useless. DPH should not ignore this overwhelming evidence simply because the ICA did so.

- Plenty of evidence in the public record makes it abundantly clear that MGB's expansion project will increase healthcare costs.
- The evidence that MGB's proposal is a strategy to expand its commercial market and increase its profits at the expense of lower cost health systems is overwhelming.

SHARE members, their families, and working people across MetroWest and Central Massachusetts are depending on DPH to do the right thing. This is not about fixing healthcare in Massachusetts. This is about not letting it get worse. We ask you to reject the MGB proposal, to prevent the cost of care from rising unnecessarily. We ask you to reject the MGB proposal and protect good union jobs. We ask you show you value our safety net hospitals and the care we provide for all.