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October 27, 2023

Massachusetts Health Policy Commission  
50 Milk Street, 8<sup>th</sup> Floor  
Boston, MA 02109


*Submitted Electronically via [HPC-Testimony@state.ma.us](mailto:HPC-Testimony@state.ma.us)*

To whom it may concern:

Pursuant to your request and in accordance with Massachusetts General Laws chapter 6D, §8, please find included herein Signature Healthcare Corporation's 2022 Pre-Filed Testimony response, along with the Health Care Service Price Inquiries data from CY2021 through CY2022 Quarter 2.

By my signature below, I certify that I am legally authorized and empowered to represent Signature Healthcare Corporation for the purposes of this testimony, and acknowledge that it is signed under the pains and penalties of perjury.

Sincerely,



Robert J. Haffey  
President/CEO



**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  
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 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.

Imposing limits on prices at some hospitals will not ensure that future price increases accrue to lower-paid hospitals (HPC Policy 2a). Access to health care for low-income communities is threatened and their access is diminishing. The accumulated annual difference between our rates and the average hospital rates already represents at least \$100 million in lost reimbursement since CHIA began publishing rates in 2014. Improve the financial outlook for providers like Brockton Hospital - Signature Healthcare by advancing policy that improves our chance of having resources to be competitive, maintain and replace our aging plants by requiring commercial insurers to pay us 100% of the average statewide relative price starting in 2024.

There is no health equity without rate equity. Low-income communities of color like ours that has the highest proportion of people who are African American outside of Boston is currently closed due to our main hospital building being "vintage" and therefore having its electrical room within the hospital building while code for new buildings if we had been able to afford one, would mean we would be open. The competing priorities for our scarce capital resources precludes us from affording to build new.

- 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.

Enhance commercial rates for longstanding low commercial relative price, high Medicaid hospitals so that the segregation of care that has resulted from the disparity between rates paid to urban safety net hospitals compared to suburban or major metropolitan city hospitals may be stemmed and remediated.

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- 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?

Brockton Hospital has been closed since the fire in February 2023. Prior to the fire our ability to recruit nurses and other specialized technical positions, such as Medical Technologist, Radiology Technologists and Operating Room Technologists continued to be a challenge due

to lack of qualified professionals in the area to fill all the available opening between multiple healthcare facilities. This lack of qualified candidates has led to a “price war” between hospitals and is pushing hospitals to increase starting wages well beyond normal progression. While wage growth is certainly good for employees, the current trajectory is not sustainable. This is especially challenging for a safety net hospital like Signature Healthcare who rely on governmental payers such as Medicare and Medicaid. .

During the time the hospital has been closed, we have maintained Brockton Hospital School of Nursing which provides nursing career opportunities in the region and reduced our reliance on agency staffing.

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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?

Rate equity. Eliminate rate disparities. It does not cost less to provide health care for a person who lives in Brockton. And we have seen first-hand the impact what results when poor communities and the hospitals that serve them don't have the resources to build new buildings.

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## 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	15	23
	Q2	4	8
	Q3	0	10
	Q4	0	11
CY2022	Q1	0	9
	Q2	0	3
	Q3	0	12
	Q4	0	12
CY2023	Q1	0	9
	Q2	0	9
	TOTAL:	19	106