



# **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.

1. Rate variation – Cost growth for labor and competition for labor has been an issue for many years. Inflation in labor costs, supplies, energy, and drugs are growing at a rate substantially higher than our modest commercial rate growth, and much higher than the HPC Cost Growth benchmark further eroding our very thin operating margins.

2. Remedying health inequities – After we successfully collect race, ethnicity, language, disability, and SOGI data; we will identify health equity disparities and we will ultimately seek to identify where opportunities to remedy disparities exist and how to address them. We are hopeful but concerned about whether at that time Massachusetts will advance policymaking that supports providers who already care for populations with much higher numbers of people of color through enhanced rates paid by commercial and public payers.

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

1. Signature was an early and successful adopter of managing patients and populations, taking risk under a global budget, and we will endeavor to continue to be successful.

2. Limit our own cost growth and capture new funding through quality improvement and surpluses in risk contracting.

- 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.

We are capturing some race, ethnicity, language, (REL) data but still have an “unknown” field in our EMR, but do not require the collection at registration, and do not yet have a method to capture this in advance of an appointment at pre-registration. We need to build fields in our medical record to capture patient data regarding sexual orientation/gender identity (SOGI) for analysis and improvement efforts. We have active Diversity & Inclusion Steering and Gender Identity Committees, as well as a dedicated Regulatory Compliance Manager to help meet the new health equity standards set forth by The Joint Commission.

Senior Leadership is in the process of approving a director position for Diversity, Equity, and Inclusion (DEI), and we are working with consultants to develop a system-wide DEI educational program and a detailed strategic organizational DEI plan. FY23 goals include educating at least 50% of our workforce on principles of DEI and meeting all P4P metrics outlined in our MassHealth Incentive Program contract. Our barriers to this work include the need to build out the medical record to capture discrete data; allowing for additional patient registration time and patient engagement; agreement on workflows for collecting robust and accurate data and the education of staff and providers to these workflows and technology changes.

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

1. Rate floor of 100% of average for commercial insurers to pay the handful of independent community safety net hospitals serving higher proportions of Medicaid populations in urban communities where large numbers of people of color live
2. Enhanced structural rather than grant or one-time funding from all payers to remedy health inequities and disparities.

## 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	13	15
	Q2	5	13
	Q3	16	23
	Q4	14	18
CY2021	Q1	15	23
	Q2	4	8
	Q3	0	10
	Q4	0	11
CY2022	Q1	0	9
	Q2	0	3
	<b>TOTAL:</b>	<b>67</b>	<b>133</b>