



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
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Assistant Attorney General Sandra
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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.

South Shore Health is committed to providing high-quality, cost-effective care to individuals and families throughout our region. As an independent community health system, we aim to keep care local, with a focus on delivering the right care to individuals, in the right place, at the right time.

Our current healthcare environment is challenging and constantly evolving. In the aftermath of COVID-19 and the closure of Brockton Hospital, South Shore Health is treating record-breaking volumes of patients seeking care through the emergency department (ED), obstetrics and medical-surgical units. To address the demand for care, in combination with workforce shortages and financial challenges, South Shore Health has focused on having patients access the right care at the right time in the right setting, which ultimately promotes affordability and reductions in health care cost growth.

A key part of this approach is the use of innovative models of care to enhance care coordination and serve patients in settings other than the hospital. South Shore Health's Mobile Integrated Health (MIH) program has been an important component of this work as it is designed to provide care directly to individuals in their homes or other community settings with the goal of improving service delivery and care coordination and preventing unnecessary ED visits and hospitalizations.

MIH is also a critical resource to address inpatient hospital capacity and the demand for services in overburdened hospital emergency departments. In September 2023 alone, utilization of our MIH program was able to avoid over 100 patient visits to the ED and saved over 200 days in the hospital for our MIH patients. With MIH intervention, only 3.5% of referred patients have needed transfer to an ED for treatment beyond what MIH could provide in the home. South Shore Health's MIH program is an effective strategy for promoting accessibility and affordability by providing the right care at the right time in the right setting for the patient.

Another South Shore Health strategy is establishing innovative and collaborative clinical partnerships with providers and other organizations to maximize South Shore Health's ability to meet the health care needs of our patients.

South Shore Health offers a wide range of clinical services and has built close, sustainable partnerships with other high-quality providers that complement its portfolio to ensure that patients have pathways to care outside of South Shore Health's offerings. From our clinical affiliations with world-class providers to partnerships with local skilled nursing facilities and behavioral health agencies, these relationships have helped to enhance the coordination of care delivery and ensure that patients get the right care at the right time, even if that care is not provided directly by our organization.

Working with organizations that serve diverse populations is an effective strategy for addressing health equity and developing opportunities to collaborate in providing care to underserved communities. South Shore Health also recently entered into ACO REACH (Realizing Equity, Access and Community Health), the CMS ACO model that has a great focus on health equity and closing disparities in care. To be successful in ACO REACH, South Shore Health intends to partner with a wide-range of community organizations to ensure that our Medicare patients receive the right care at the right time, while working to reduce unnecessary health care spending and barriers to care for underserved beneficiaries.

This strategy has been effective for addressing health equity in response to the closure of Brockton Hospital. Understanding that over 20% of the population in the Brockton area speaks a language other than English, South Shore Health is experiencing an ongoing shift in the demographics of our patient population and the corresponding increasing need for interpreter services and other support services. We are collaborating with local organizations on our response and continue to invest in new resources for our patients, families and staff. We anticipate that this demand will continue to grow as South Shore Health serves more patients from the Brockton area.

- 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.

As acute care hospitals across the Commonwealth continue to face an increasing volume of patients seeking care, it is critical that there are timely pathways for acute care patient discharges to post-acute settings. On any given day, there are large

volumes of patients that are ready for discharge but there are often administrative barriers that delay admission into an appropriate post-acute care setting. These delays negatively impact the throughput of patients through the acute environment, ultimately resulting in longer acute care wait times for those in need; negative impacts to a patient's health outcomes; and patients staying in potentially more expensive care settings for longer than necessary.

To address this issue, South Shore Health supports the automation of the prior authorization process and more-timely decision-making. In an acute care hospital's 24/7 environment, every hour counts and delays by insurance companies on a patient's post-acute placement can have a domino effect throughout our whole system. The prior authorization process should reflect the 24/7 operation of hospitals as much as possible to promote patient flow and avoid unnecessary delays. Data-informed reforms to prior authorization should be implemented, prohibiting the use of prior authorization for services, medications and treatments that have historically low-denial rates. These state policy changes would help reduce the administrative barriers to timely discharges to the right setting of care and potentially reduce healthcare costs across the state.

Another area of opportunity to advance health care cost containment is the oversight of pharmaceutical spending. As detailed in the HPC's 2023 Cost Trends Report, "pharmacy spending was one of the only areas that did not experience a decline in spending in 2020, and spending continued to grow in 2021." The ever-rising pharmacy spending costs have been challenging to tackle within the acute care hospital environment, as there are limited opportunities for hospitals to control this area of spending. This is in addition to the tremendous negative impact on patients, who face significant out-of-pocket costs for important, life-saving treatments.

South Shore Health supports efforts to increase the transparency of drug price growth and spending and oversight of pharmaceutical stakeholders. Health care costs stem from all aspects of the system, including pharmacy, and to comprehensively address cost growth and cost containment efforts, pharmaceutical stakeholders must be held accountable and contribute in the same manner as other health care entities.

- 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?

South Shore Health continues to feel the impacts of the workforce shortages, capacity constraints and financial challenges that surfaced during the COVID-19 pandemic and have become exacerbated and unsustainable following the closure of Brockton Hospital.

South Shore Hospital is a 374-bed licensed hospital and in September 2023, the hospital's average daily census was 475, a 10% increase from September 2022. Most recently, the census has fluctuated above 500 patients. The majority of this volume has stemmed from South Shore Hospital's Emergency Department (ED), which averaged nearly 350 ED visits per day in June 2023 (as compared to approximately 300 per day in June 2022). During this same period, ambulance volume to our ED has increased by over 20%. It is common for the ED volume to spike to 400+ visits per day.

Our priority is to take care of the patients in the cities and towns across our region. This priority has become much more challenging with the loss of Brockton Hospital as a key access point. Our patient volume from the Brockton area has increased by 70% since February 2023, resulting in an additional 35 patients per day. Ambulance volume from the Brockton area has increased by over 250% since the fire (23 ambulances a day vs 9 ambulance a day prior to the closure) and in August 2023, Brockton Hospital deliveries equaled 15% of total South Shore Hospital deliveries (57 deliveries.) To manage the influx of patients, we have taken extensive measures to hire clinical and support staff to meet the excessive demand, including temporary staff directly in response to the surge in volume; maximize our current bed capacity and add temporary capacity; invest in more supplies and equipment to serve our increased need; and implement initiatives to improve the throughput of patients and bring more care outside of the acute care environment.

With high patient volumes and severe capacity pressures having significant negative financial impacts, we have had to make hard choices over the past year in order to take care of our patients. Additionally, our current environment has made it especially challenging to hire and retain our workforce. It has become increasingly important for every healthcare institution to stay competitive within the labor market, which has made it harder to reduce overall health care spending. However, it is critical for hospitals to do everything possible to reduce the use of temporary labor, which is even more costly and is not a long-term solution for our workforce shortages.

South Shore Health has taken a multi-layered approach to recruitment and retention as it is clear from our current staffing challenges that we need to do all that we can to build out our workforce. As part of that strategy, we have focused on streamlining

operations to reduce unnecessary administrative burdens, improving patient flow and allow our team to focus on what they do best—providing care to our patients.

Another part of our strategy is to enhance career development opportunities across the organization to support our colleagues. South Shore Health’s “Transition to Practice” programs train medical-surgical floor nurses for specialty practices. As highlighted in the HPC’s report titled, “Health Care Workforce Trends and Challenges in the Era of COVID-19: Current Outlook and Policy Considerations for Massachusetts”, our Transition to Practice programs have been critical to addressing staffing shortages in specialty nursing areas, and broader retention issues in nursing. We also continue to provide internal training programs for employees that are looking to transition into new careers, including our Nursing Assistant training program, and we are working with external partners on developing pipeline programs to health care roles, which is an important component to building out the healthcare workforce of the future.

- 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?

One of the most significant barriers to accessibility of health care resources is the ongoing workforce shortages across all health care settings in the Commonwealth. In October 2022, the Massachusetts Health and Hospital Association (MHA), estimated that “19,000 acute care hospital positions are unfilled” across nursing, clinical support, behavioral health and other key areas of hospital care. These workforce challenges, which have a direct connection to capacity constraints and financial losses, have resulted in care delays and reduced access to services. Adding in the factor that these thousands of healthcare positions are unfilled at the same time that patient volumes are increasing, wait times to see clinical care workers is increasing.

South Shore Health supports the significant federal and state investments made in addressing the healthcare workforce shortages, including loan repayment programs, training and educational advancement opportunities, and pipeline programs. While these investments have allowed the Commonwealth to target workforce shortages in important service areas such as behavioral health, there is opportunity for the state to expand these programs and continue to collaborate on creative and streamlined strategies to focus on the broader acute care workforce. There is also opportunity to add capacity in nursing schools across the Commonwealth to increase access for the next generation of the nursing workforce.

It is critical that Massachusetts move forward with joining the Nurse Licensure Compact (NLC), which will assist qualified nurses to begin practicing in the Commonwealth in a more timely manner. Nurses are the foundation to the delivery of high-quality care to our patients across the Commonwealth and participation in the NLC will make the nurse licensure process more standardized and efficient, without compromising the quality of the licensure process. This will enable nurses to more quickly fill vacancies at Massachusetts hospitals and other health care facilities. We understand that joining the NLC will not solve all of our staffing challenges but we believe it will make a positive impact.

South Shore Health also supports state policies to empower the advancement of new models of care. It is clear that the COVID-19 pandemic has forced us to rethink how we deliver care to our most vulnerable populations. As South Shore Health continues to enhance its care delivery to bring care right to patient's homes, using telehealth and other technology to improve our connection with patients, many of these innovative programs continue to have limited or no reimbursement. As we think about the "healthcare of tomorrow", the entire health care system needs to fully embrace these alternative care models and support reimbursement of these efforts.

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		376
	Q2		286
	Q3		331
	Q4		308
CY2022	Q1		304
	Q2		340
	Q3		385
	Q4		296
CY2023	Q1		330
	Q2		331
	TOTAL:		2660

South Shore Health's data represents all inquiries made by writing, in-person and telephone as our tracking system does not discern how the request was made.