



# **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

---

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

---

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

---

- 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.

Southcoast Health is an independent, not-for-profit, high-public-pay community health system that proudly delivers exceptional care and service to Fall River, New Bedford, Wareham and the surrounding towns of southeastern Massachusetts and Rhode Island.

In addition to our three acute care hospitals and a network of more than 650 providers, Southcoast has more than 55 service locations, more than 40 physician practices, seven urgent care centers, a Visiting Nurse Association, the Southcoast Health Cancer Centers, outpatient surgery centers, and numerous ancillary facilities.

More than 74% of our inpatient revenue is generated from government-sponsored programs, while our statewide relative price is 0.86.

Throughout the pandemic, the communities we serve experienced the lowest per capita vaccination rates in the Commonwealth, and prior to the pandemic, overall community health in Bristol County ranked second lowest.

The pandemic highlighted and exacerbated many of the disparities in the delivery of equitable health care. Access for patients in socially vulnerable communities became even more challenging. Structural funding gaps that existed prior to the pandemic were intensified and left community health systems with unprecedented financial losses.

### **Increased Labor Costs**

During the past two years, Southcoast Health experienced a significant increase in labor costs, initially brought on by the COVID-19 pandemic.

A substantial portion of our increased labor costs are expensed among our clinical teams' premium pay, which includes agency/contracted staff (traveling nurses), overtime, and increased hourly incentives.

Premium pay, in prior years, would typically cost the health system \$5 million to \$15 million annually. In FY22, our current premium pay costs averaged \$6 million per month or close to \$70 million for the year. These increases have now been sustained as part of the national staffing crisis.

In order to attract new applicants, retain skilled staff, keep pace with market pay increases and facing competition from the metro Boston area market, Southcoast increased our 2022 employment costs per FTE by more than 12% compared to 2021.

### **Length of Stay**

Another significant increase in healthcare costs is directly attributed to an increase in the length of stay for our acute care patients.

Beginning in January 2021, the percentage of patients ready for discharge that experienced a delay in appropriate placement to the next level of care (long-term care, nursing home, inpatient behavioral health) rose from a monthly average of 2.5% up to 5.4% by the end of 2021 and has remained at 5.4% throughout 2022.

The increase in delays translates to more than 100 patients per month waiting an average of five days longer to discharge compared to delays prior to 2021. Adding to increased costs for more expensive resources, patients are now spending 6,000 unnecessary days in the acute care setting awaiting discharge to a more appropriate care setting.

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

#### **Labor Relief**

With no immediate solution to significantly improve clinical staffing shortages, we continue to focus on recruitment and retention with a prioritization of skilled clinical staff. We are committed to retaining our most important resource, the employees and providers working in the health system today. We remain focused on employee engagement and well-being, providing internal market adjustments in pay rates when appropriate, and offering additional training opportunities and process improvement initiatives.

Our efforts center around keeping pace with market changes in pay rates, sign-on bonuses, and competitive benefit offerings. We continue to host job fairs, utilize referral bonuses, convene internal focus groups, employ external recruiting resources to supplement our own talent acquisition team, and utilize various communication strategies, including social media outlets, to promote the health system and attract candidates to apply for the hundreds of vacant positions that are currently posted.

We are working aggressively with regional colleges, universities and secondary schools to create a direct workforce pipeline from school to Southcoast employment. Through internships, mentorships and clinical rotations, students acquire real life experience in nursing, biology, IT, social work, communications, marketing, accounting, finance and more.

#### **Length of Stay Relief**

Some of our most important improvement initiatives are focused on appropriately and safely reducing the acute length of stay, while providing clinical excellence and a uniquely caring experience to every life we touch.

We are working thoughtfully to cohort Observation status patients and patients who are in our facilities that are ready to step down to the next level of non-acute care.

Cohorting patients in similar statuses allows us to deliver the right level of patient care and experience while paying close attention to the length of stay and/or discharge plan, which can be very different from the patient who qualifies for acute inpatient care. We are focused on providing specialized resources (e.g., access to our internal Acute Rehabilitation beds and hospice services) whenever needed, as well as partnering with our community resources and Visiting Nurse services to expedite care and create a timelier discharge.

We are focused on our internal processes through Progression of Care rounds which occur daily in each inpatient unit with the entire care team (providers, nursing, case management,

social work, rehab services, pharmacy) to review the plan of care and discharge plan for every inpatient. In addition, we are piloting a discharge lounge in one of our hospitals to streamline and enhance the patient discharge process. All care teams are also focused on moving our discharge times from early afternoon to late morning whenever possible.

- 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.

During the past year, Southcoast Health has worked to build on our existing foundation to improve data collection for health equity. We have a multi-disciplinary team taking inventory of our current data collection fields and practices to inform needed improvements, including a “maintenance” of our current categories to reflect industry standards (e.g., Office of Management and Budget “2+5” for race and ethnicity categories).

Additionally, we are developing a training pathway for all leaders and key role types across the organization to ensure an understanding of health equity concepts (including implicit bias), health disparities in our local context, and best practices for RELD data collection. We are continuing to look at our population health data with a health equity lens.

For example, to understand disparities among our population with diabetes better, we analyzed hemoglobin A1c control for patients with diabetes, disaggregated by race and ethnicity. We then identified disparities not only in A1c control for our Black and Hispanic populations compared to their white counterparts but also in A1c testing: our Black and Hispanic patients with diabetes had worse A1c control compared to their white counterparts and were less likely to have had an A1c test during the year.

While sobering, this informative analysis has allowed us to develop a program with interventions across the care continuum to reduce disparities in care among this population. This will be a “test case” for how we take action to improve health equity based on our own data. We hope to integrate this method of RELD disaggregation across internal dashboards for continuous improvement over time.

Health systems are being challenged by the lack of universal RELD data standards and unknowns in terms of future reporting requirements on health equity-related data from payers, state, and federal agencies. Alignment of data standards will be critically important as new related reporting requirements are presented.

Working with our Diversity, Equity & Inclusion Council, in August 2022, Southcoast Health completed a multi-disciplinary effort to launch sexual orientation/gender identity (SOGI) fields in Epic, our electronic medical record. The goals for this initiative (called “LGBTQIA+ Welcoming and Knowledgeable”) included:

- Creating a better patient experience
- Providing enhanced patient care by asking key questions
- Storing the answers
- Addressing health care disparities as the data is gathered and analyzed

The added fields are Preferred Name, Pronouns, Sexual Orientation, Gender Identity, Sex Assigned at Birth, Gender Affirming Steps, Future Steps, and Organ Inventory.

The Steering Committee directed that Epic's foundation guidelines be followed to allow for consistent reporting. We have a team devoted to creating a patient registry and a Tableau dashboard for reporting that should be finalized by mid-November 2022. In addition, an Education Committee is working simultaneously on a training pathway to increase knowledge and understanding for clinicians and data collectors alike.

Earlier in 2022, in anticipation of the SOGI Epic launch, a required introduction to LGBTQIA+ concepts and terms was provided to all staff enterprise wide. Multiple education efforts have followed and continue as we work toward health equity in the SOGI space.

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

Southcoast remains committed to developing and advancing opportunities to achieve true transformational change in the long-term health status and economic opportunity for all residents of our region. We have established strong and trusted relationships with our community partners that enhance our reach and impact.

It is critical that the Commonwealth not only recognize, but invest in the significance of the work being done every day by nonprofit community-based hospitals and health systems, especially those serving socially vulnerable communities like Southcoast Health. And, in turn, provide equivalent resources and policies that will enable us to continue to deliver exceptional care and service, while advancing vital population and equity health initiatives. As a true community health system, we will continue our commitment to work with the Commonwealth and our government partners to ensure that our mission for treating our patients and our communities outside of our walls is given the same support and attention that larger health systems receive for their academic and research initiatives. All are vitally important to the health and wellbeing of those that we collectively serve.

We ask that the Commonwealth continue the use of pandemic related relief including telehealth services, permissible licensure exemptions, scope of practice changes, and regulations and procedures, such as extending the availability of payers on nights and weekends to confirm authorizations for the discharge of patients to their most appropriate level of care. Requiring payers to maintain 24/7/365 authorization operation so that providers can discharge patients when they are clinically ready will lead to better care and reduce cost.

In an effort to support the workforce shortage, it is critical that Massachusetts join the thirty-nine states that make up the Nurse Licensure Compact and allow one multistate nursing license to better serve our patients.

We would like to thank the Health Policy Commission for the opportunity to submit our 2022 Pre-Filed Costs Trends Testimony.

## 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.

Southcoast Health no longer uses a written form for completion.

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		167
	Q2		8
	Q3		4
	Q4		181
CY2021	Q1		252
	Q2		332
	Q3		218
	Q4		206
CY2022	Q1		279
	Q2		427
	TOTAL:		2,074