

October 27, 2023

**\*\* Via Email Submission \*\***

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

Re: Statement of Authority - 2023 HPC Written Testimony of Sturdy Health

Dear Colleagues:

Thank you for the opportunity of providing the attached written testimony for the 2023 Annual Health Care Cost Trends Hearings. As requested, this pre-filed testimony is being submitted to you via email [HPC-Testimony@mass.gov](mailto:HPC-Testimony@mass.gov), along with this statement of authority.

As President and Chief Executive Officer, I am legally authorized and empowered to represent Sturdy Health for the purposes of this testimony. This testimony is being provided under the pains and penalties of perjury, and I acknowledge this statement through my signature below.

Please feel free to contact me with any questions regarding this submission via email [ABrewer@SturdyHealth.org](mailto:ABrewer@SturdyHealth.org) or dialing (508) 236-8000.

Sincerely,



Aimee Brewer, MPH  
President and Chief Executive Officer

Attachment



**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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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.

- Expanding access to primary and urgent care through physician recruitment, along with team based care models, to avoid unnecessary use of the Emergency Department (ED). This supports wellness and prevention care delivery in a less expensive care pathway by reducing the negative impacts of deferred care, which can drive patients to seek services in acute, emergency department settings.
- Creating innovative, collaborative relationships with community partners such as Manet Community Health Center, the Attleboro-Norton YMCA (diagnosis driven exercise/wellness programming, as well as food insecurity programming) and Community Servings (an organization that provides meals to patients designed to support better health, such as for those with diabetes or expectant mothers) to better meet the unique care and support needs of our under provisioned community members. These relationships allow for each partner to channel their resources on what they do well, dramatically reducing redundancy and waste while expanding care access and support to a diverse community.
- Collaborating with the City of Attleboro and other community resources supporting Substance Use Disorder rescue, treatment and recovery. Opioid use disorders plague communities of color in larger proportion, and we are working collaborative to allocate the Opioid Abatement Funds earmarked for Attleboro for sustainable, community-based support to remove barriers to treatment and recovery.
- Established a nutrition support program for eligible patients with diabetes and food insecurity upon HRSN assessment. This program is being facilitated through the Attleboro-Norton YMCA food service program. This program is demonstrating improvement in HgA1c (~ decrease by 1 unit mg/dL), weight, and BMI in diabetic patients within the program, based on assessments conducted at month 6 and month 12 following program enrollment.

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.

- Reduce administrative complexities, such as the onerous insurance prior authorization processes required to meet the care needs of patients.
- Increase Medicaid funding to acknowledge the sustained increase in cost related to workforce, technology, supplies, pharmaceuticals, utilities etc.

- Strengthen funding, centralized support and scaling for health equity innovation incubation, such as a Food as Medicine “prescription” program covering the cost of healthy foods in support of specific health conditions, such as diabetes, hypertension and maternal health which disproportionately impact communities of color. The process to access funding to pilot programs should not be unnecessarily burdensome nor complex as to dissuade participation. Success pilots could then be quickly scaled across the Commonwealth, quickly and effectively benefiting targeted communities.
- Payment parity for telehealth visits for greater care access, including within the behavioral health space, and health equity. This would also reduce the cost of care in the long term by creating greater access to address concerns outside of the acute care, higher cost clinical doorway.

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?

- In line with other Massachusetts health systems, Sturdy is projecting an operating loss for the just-closed 2023 fiscal year. We also recognize that the financial headwinds will not let up in fiscal 2024. Sturdy Health, along with many hospitals in the Commonwealth, are still grappling with stunning fiscal pressures, sustained workforce shortages, rising inflation, refugee migration and a behavioral health crisis. It has been reported that hospitals spent \$1.52 billion on temporary labor in FY2022 - a 610% increase over the prior year. At Sturdy Health, we experienced contract labor costs of \$14.4 million in FY22. While we have seen our costs begin to decline in FY23 at \$7.7 million, this cost is significantly higher than pre-COVID FY19 at \$2 million. While we have made great strides in reducing our use of travelers post-pandemic, the workforce shortage and salary increases required to recruit and retain staff perpetuates the need to utilize a higher cost mode of staffing.
- Sturdy Health continues to focus on retention and must keep our salaries, particularly those in hard to recruit/retain areas, within market. Sturdy Health’s salary and benefit costs increased 24.4% from FY19 to FY 23. Keeping pace in an extraordinarily competitive market that is continually increasing salaries for core positions, such as nursing, proves a formidable challenge when considering the cost of care delivery.
- Sturdy Health continues to deepen and expand partnerships with local academic institutions, both at the high school and college level, to facilitate hospital-based learning environments for students pursuing nursing and other clinical careers. This includes Sturdy Health providing scholarships, clinical rotations and internships for students, as well as hosting career development sessions.

Please identify and briefly describe the policy changes your organization recommends to promote the stability and equitable accessibility of health care resources in Massachusetts?

- Payer reimbursement parity for service providers, such as Doula and Community Health Workers allowing expanded, equitable and community infused care to diverse population at a lower cost. Ensure Health Plans insurance reimbursement carved outs for services such as services provided by social workers, Behavioral Health workers, Substance Use Disorder treatment, and similar services and care providers.
- Expand higher education (free education and/or loan forgiveness) and workforce training programs, grants and scholarships to incentivize entering in to healthcare careers. Channeling resources to fill areas of high vacancy, such as nursing and respiratory therapy, should be considered.
- Extend loan forgiveness and/or tuition waiver to those who already hold a bachelor's degree or higher who wish to make a career pivot in to nursing or other workforce shortage areas. This has the potential to create an opportunity for greater workforce diversity while helping to build a pipeline toward bringing workforce needs back in to balance.

## 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	0	6
	Q2	0	7
	Q3	0	9
	Q4	0	11
CY2022	Q1	0	0
	Q2	1	23
	Q3	3	2
	Q4	2	9
CY2023	Q1	6	8
	Q2	13	4
TOTAL:		25	79