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 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 or (617) 963-2021.

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.

The healthcare ecosystem in Massachusetts is facing significant challenges to meet the demand for accessible and affordable care. At this moment that's ripe for change, we believe our partners in government and within the broader healthcare market have an opportunity to act and accelerate our arrival at a healthcare future that advances quality, affordability, and equitability for all. Tufts Medicine is doing the work to achieve a healthcare future that offers a frictionless, equitable and affordable patient care experience. We are leaning into scaling our population health enterprise that is focused on driving value in our market and advancing outstanding health outcomes for the diverse populations we serve.

We provide the most complex care to some of the most underserved patients with the most complex needs, and the quality of our care is comparable to other health systems with far greater resources that serve far less patients in need. Our public payer mix is approximately 66% across our system. We have two Disproportionate Share Hospitals (DSH) – Tufts Medical Center and Lowell General Hospital – where our commercial payer rates are below the median for academic medical centers and community hospitals, respectively. Providers that serve a disproportionate amount of low-income, medically underserved individuals face significant challenges and increased burdens in providing care. Not only are the institutions they work for often chronically underfunded, but increased costs around efforts to address social drivers of health, provide linguistically and culturally competent care and other efforts to address health equity increase complexity as well as costs. But we at Tufts Medicine remain committed to serving high-need communities and caring for significant numbers of Medicaid and Medicare patients. This year, we published our first ever health equity report, which describes all the ways Tufts Medicine is creating a more equitable healthcare experience. In continuing this work, we applaud the Health Policy Commission (HPC) for its latest policy recommendations, including those to enhance oversight beyond provider spending. We look forward to discussing the many ways our mission and vision as a health system align with the HPC's priorities.

Investing in Behavioral Health and Primary Care

One of the ways we are working to reimagine health care delivery for patients and doctors is by investing in primary care and behavioral health. We believe redesigning care models for and expanding access to these services will help people live longer, better lives while better-controlling costs by reducing unnecessary emergency room visits, admissions, and readmissions.

Central to our primary care strategy is the Tufts Medicine Integrated Network (TMIN). TMIN was founded as a population health enterprise in 2021 to unify our two previously existing clinically integrated networks. It was designed by primary care physicians to be different than any other network in the market. It is the only network that still brings private practice and employed physicians, community- and academic-based providers together to transform primary care into a system of population health.

We believe that local primary care teams are best positioned to understand and meet community needs. TMIN is committed to local care organizations as a platform to organize and manage care. To better equip local primary care teams, we have:

- Deployed 10 trained practice optimization managers to improve workflow and efficiency in TMIN primary care practices.

- Hired, trained, and deployed four (soon to be seven) Care Coordination Specialists to identify gaps in care for patients with complex, co-morbid conditions to deliver more care in the community and reduce avoidable hospitalizations.

- Deployed technology and people to engage our at-risk patients and schedule critical preventive care services including mammograms.

We believe primary care encompasses behavioral healthcare. Our view is that behavioral health is primary care. Mild to moderate depressive and anxiety disorders commonly present in our primary care practices. By some estimates more than half of all patients in our panels are facing behavioral health challenges, which adversely impact quality of life, health care utilization and cost.

In response, and in collaboration with the Tufts Medical Center Department of Psychiatry, our TMIN primary care practices organized an Innovation Boot Camp for an accelerated 12-week sprint to find new ways to meet unmet behavioral health needs. Out of that work we deployed Synchronous, a virtual, AI-assisted behavioral health platform that has transformed our ability to meet unmet mild to moderate behavioral health needs in the

community. With Synchronous, we have deployed more than 40 trained therapists in the community, completed over 13,000 sessions as of the end of September, and now complete intake within seven days and largely eliminated waits times for therapist sessions. Critically, for the population engaged through Synchronous, we have reduced depression and anxiety scores on standardized measures by over 20%. That reduction translates into better life quality and wellbeing, improved care outcomes, and lower total cost of care.

Advancing Population Health

Our commitment to improving health equity has led us to embrace population health. While this approach to improving public health has many dimensions, one way we are advancing it is by providing community benefits in addition to the high quality and high touch care that we provide for our patients. These programs include, among many others, our smoking cessation program to serve one of the biggest community health issues impacting our patients in Boston's Chinatown neighborhood; mail order pharmacy program for patients that need specialty medication and can't afford or don't have access to appropriate transportation; wellness and preventative programs that impact our communities such as weight loss management and vaccinations; substance use disorder assistance (i.e. offering Medication-Assisted Treatment in our outpatient clinics); bedside delivery of prescriptions service, offered prior to discharge to ensure patients have access to and can afford their medications; home infusion pharmacy program to support patients being cared for at the right site of care; and coverage of copays and subsidization to provide free care for our patients who can't afford it. These and other programs underscore our commitment to improving equity and access to care and are more reasons why we are recognized as a safety-net health system across the Commonwealth.

In addition, we are partnering with like-minded organizations to advance population health by leveraging our respective strengths. For example, we are a proud supporter and partner of the Health Equity Compact, a group over 80 leaders of color across Massachusetts hospitals, health centers, payers, and academic institutions, who are committed to eliminating health disparities as the next chapter in health reform. Together, we are advocating for an improved health system where everyone will benefit.

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.

Accelerating the Transition to Value Based Care

Tufts Medicine supports policies that are aligned with value-based care and that provide the flexibility required to help the healthcare ecosystem evolve from the traditional fee-for-service delivery model. We continue to pursue a value-based care strategy to improve quality of care, affordability, and equity. We are proponents of moving towards value across all payers and patients, but it requires commitment and resources from our government and private payer partners to implement. Models must empower providers to deliver the "right care in the right place", free of regulatory constraints that run the risk of wasteful spending.

While we deliver most of our care through value-based agreements, fee-for-service payments are our primary, almost exclusive, cash flow. As a result, certain clinical innovations designed to improve the efficiency and quality of patient care are not reimbursed, which makes it challenging to launch such services. For instance, adding on-demand telehealth behavioral health services to a practice requires credentialing and billing analysis across a multitude of payers. In cases in which payers outsource behavioral health to separate vendors, those requests often get ignored. The situation highlights the challenges of a fee-for-service system that only compensates for specific medical services when many of the health issues experienced by patients, particularly Medicaid beneficiaries, are connected to social determinants of health. We face the choice of delaying clinically beneficial improvements in care or funding them at a loss while the issues are resolved. The latter reduces our health system's margins and our ability to invest in core needs.

Activities and services offered to effectively address social determinants of health, not typically compensated under the fee-for-service system, are made possible under risk-based value methodologies. Advanced Payment Methodologies are less restrictive in their use since they are focused on outcomes, not procedures. For example, social determinants of health are a big driver of unnecessary and more costly use of the emergency department and pressure already constrained resources. These costs are often greater than the payment we receive from government payers on their health plan contracts.

Our Tufts Medicine Medicare ACO has many innovative value-based programs and in 2022 we had a shared savings of $28.1M, the best performing in New England. One of the programs is our Lowell General Mobile Integrated Health (MIH) program, where we utilize mobile resources to deliver care and services to patients in coordination with healthcare providers, via scheduled in-home or community visits. MIH has performed thousands of visits, avoided hundreds of Emergency Department visits and admissions, and contributed millions of dollars in savings. It has high patient and caregiver satisfaction and meets the needs of our diverse community, many of whom prefer to

receive care in their homes and address various social determinants of health often faced by complex elders. We also provide a series of clinics through our Care Connect Hub (CCH) in Lowell; CCH Transition clinic, CCH Heart Failure Clinic, CCH Palliative Care Clinic and Lowell General Bridge Clinic. Though we are not reimbursed at a level that reflects the true cost of these programs, we are committed to funding them because they help patients manage their care and prevent avoidable hospitalization.

Making Telehealth Flexibilities and Parity Permanent

The use of telehealth (both audio-only and audio-visual), which grew exponentially during the public health emergency, has enabled our patients to obtain medically necessary treatment without being exposed to COVID-19 and allowed our hospitals and primary care providers to focus in-person services for individuals who need physical assessment and treatment. Providing care via electronic formats has improved access to care by helping patients safely overcome many of the traditional barriers to obtaining care.

Without telemedicine availability, patients who still are apprehensive about coming for in-person visits due to COVID or who have social determinants of health that impact access to in-person care (e.g., work hours, lack of transportation) will not be seen. Many of our immigrant patients, for whom English is not their primary language, have significant barriers to setting up an optimal telemedicine visit (e.g. lack of video capability). The same is true for our elderly patients who might not be as tech-savvy. The availability of audio only and our language services is critical for our patients. For many patients, staff coordinate the telehealth encounter by assisting patients with the necessary visit components (e.g., coordinating language services and guiding patients on the check-in and visit logistics). Efforts to expand these services and appropriately reimburse them are important for the health of our community to manage patients' care and prevent avoidable hospitalization.

Continued reimbursement for telehealth services at the same rate as in office visits for primary care services and chronic disease management is crucial to allow us to continue to provide the broadest access to telehealth services for our patients. Along with payment parity, facility fees are crucial to our health system to support the services provided to our patients through telehealth.

Protecting and Preserving the 340B Drug Pricing Program

Without the 340B drug pricing program, our ability to care for our most vulnerable patients would be at risk. We are therefore concerned that drug manufacturers continue to violate the 340B program by restricting statutorily required discounts for 340B drugs

dispensed at pharmacies that contract with hospitals to service medically underserved communities. Despite years of petitions from covered entities like Tufts Medicine to hold manufacturers accountable for their statutory obligations under the 340B program, the federal government has refused to act.

Absent federal action, some states have taken matters into their own hands, with Louisiana and Arkansas recently enacting laws prohibiting health insurers and pharmacy benefit managers (PBMs) from reimbursing covered entities at a lower rate than non-covered entities for the same drug. The laws also bar PBMs from disallowing pharmacies from contracting with covered entities and denying contract pharmacies access to drugs purchased under the 340B program. We strongly support similar policies, aligned with the HPC's policy recommendation, to enhance oversight of pharmaceutical spending, which would restore access to affordable medications for patients in Massachusetts.

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?

Challenges: The Workforce Shortage Harms Patients and Caregivers

Tufts Medicine invests in frontline healthcare workers and clinicians across our system and acknowledges their many contributions to advancing our mission. Our approaches have resulted in a cohesive workplace and satisfied employees who deliver high quality and safe patient care. Our nurses, for example, have a significantly lower turnover rate than the regional and national average.

Despite our best efforts though, medical staff within our system and in healthcare institutions across the country continue to shoulder heavy burdens professionally and personally. They experienced enormous strain during the surges of COVID-19 and continue to suffer from emotional and physical burnout, resulting in rising numbers of staff leaving the healthcare workforce. The burnout, combined with the lingering effects of COVID-19 crisis and other existing workforce pressures, have left us with a critical staffing shortage.

Staffing shortages existed before COVID-19 based on an ageing workforce and a population that has driven up the demand for healthcare. The pandemic created a domino effect in the medical community, prompting older workers to leave their jobs sooner and creating a boom in the travel medical professional industry that lured people away from their jobs to make significantly higher wages. We are now left with many vacancies that we must fill urgently to maintain patient care services, particularly in areas that require

experienced, specialized clinicians such as the emergency department, intensive care units, and operating rooms.

As of October 2023, Tufts Medicine had more than 1,200 open positions, with our total headcount of employees at nearly 14,000. Tufts Medicine's year-to-date (YTD) average fill-to-open ratio was 75.33% and the YTD Average Time to Fill was 87.2 days. Our rolling turnover rate was 22.7%, based on the continued increasing pressures on our workforce.

The current staffing crisis affects patients' experiences, resulting in longer waiting times in emergency rooms, hospitals, ambulatory clinics, and post-acute venues of care. Tufts Medical Center alone was forced to turn away 1,505 patient transfers from other hospitals just this fiscal year (FY23), because of an inability to staff more beds and our discharge requests to move patients onto the next stage of care are often wrongly denied. A recent report by the Inspector General's Office of the U.S. Department of Health and Human Services confirmed that Medicare Advantage Organizations (MAO) denied 13% of prior authorization requests that met Medicare coverage rules. When MAOs deny appropriate claims, patients experience increased lengths of stay, medical staff face more stressors, and health systems must absorb the costs. Addressing the workforce shortage is one way to allow the healthcare system to see more patients in need of complex tertiary care. Like many other health systems though, we have had to hire an unprecedented number of contract nurses, technicians, and call center staff, to ensure our patients have safe access to care.

Solutions: Improving Recruitment and Retention

Tufts Medicine has launched a series of strategies to address retention, resiliency, and wellness for our workforce. We are making progress on these goals. This year, our hiring rate has outpaced our number of open positions, resulting in a job vacancy rate of 7.5% that exceeds our goal of 11.5%. We have launched retention initiatives expanding certification reimbursement, and reimagined ways to improve onboarding programs, employee recognition, and flexible work policies. We have created more professional development opportunities for employees and are offering well-being and resilience-building program benefits to all Tufts Medicine employees. We have also continued to offer initiatives to foster an inclusive work environment where everyone can thrive and have exceeded our goals for hiring leaders for diversity, equity, and inclusion (DEI) positions. All these strategies increase retention and grow resiliency across our teams.

Tufts Medicine continues to promote a robust and diverse recruitment strategy. Our system has worked to renegotiate contracts with some contract labor companies to reduce its spending and has aggressively worked to hire more staff to reduce its temporary labor expenses. We have hired more than 2,600 people since last October,

decreasing spending on contract labor during that time. We have also developed a comprehensive nursing workforce dashboard that allows us to create targeted retention strategies for nurses with the highest turnover risk. Our Positive Nurse Retention progress of 12.8% in FY23 is better than the industry benchmark of 18% and has almost returned to pre-COVID levels.

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?

Tufts Medicine believes that the most vital healthcare resource in the state is people. We believe that a strong, stable, and satisfied workforce is the foundation on which we can contain healthcare costs and advance health equity. Recognizing the challenges facing healthcare workers noted above, we see opportunity for the state to act on numerous policies.

Building capabilities to access additional frontline staff will allow the Commonwealth to adapt more quickly to meet the challenges of an evolving health delivery landscape. It is important to build a robust healthcare workforce pipeline that partners with community colleges, feeder schools, adjacent industries, and prioritizes diverse candidates. The Lawrence Memorial/Regis College School of Nursing is part of Tufts Medicine. We welcome programs and funding opportunities that would bolster a pipeline of nurses, medical assistants, and more within our system, and throughout Massachusetts.

We strongly support the mutual recognition model enabled by the Nurse Licensure Compact. Time to hire is important during this shortage. Being a Compact state could decrease the wait time as nurses transition to new roles. By joining the Compact, Massachusetts would increase access to experienced nurses and improve the Commonwealth's response to an evolving healthcare delivery landscape that has been strained by recent public health emergencies.

In addition to building our workforce pipeline, we support policies to improve workplace safety and violence prevention, as we are seeing a higher level of acuity patients daily. In a poll conducted by the American College of Emergency Physicians (ACEP) and Marketing General Incorporated (MGI), more than eight in 10 emergency physicians reported that the rate of violence in their workplaces has increased, with 45% noting a spike in incidents in the past five years. Violence against healthcare workers is rising and we support policies that protect our healthcare workforce. Policies include evaluating and addressing security risks at healthcare facilities and increasing penalties on patients who knowingly commit acts of violence against healthcare workers. By providing added protections for healthcare workers, the state will actually improve retention rates and attract more workers of the

next generation to enter the healthcare field – a generation that will be responsible for carrying forward the work of fostering a healthier, more equitable future for all.

Finally, reducing the administrative burden on the healthcare workforce is another attainable and necessary goal. In recent years, prior authorization has been responsible for diverting an increasing amount of our physicians' time and energy toward administrative responsibilities. What began as a tool to monitor and control spending on costly or novel treatments, prior authorization now encompasses many common services, treatments, and medications. As a result, our physicians and staff, like those across the Commonwealth, spend an average of 14 hours each week submitting paperwork, calling insurers, and appealing denials to try to secure, maintain, or resume medically necessary care. The effort that medical staff must dedicate to prior authorization has led to a burnout crisis. Over half of physicians are experiencing symptoms of burnout and cite prior authorization as a top stressor. Many of them plan to leave the workforce as a result. The Massachusetts healthcare system cannot afford such an exodus, and we therefore support policies that will reduce and streamline the prior authorization process.

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	10,221	11,339
	Q2	10,238	11,357
	Q3	10,258	11,379
	Q4	10,275	11,398
CY2022	Q1	10,283	11,407
	Q2	13,313	14,769
	Q3*	82	0
	Q4	63	0
CY2023	Q1	172	26
	Q2	102	90
	TOTAL:	65,007	71,765

* Until Q3 of 22, estimate inquiries were all manual. As of Q322, Tufts Medicine's Self-Service tool was fully functioning, so that number of separate requests reduced significantly. Tufts Medicine's new Epic instance went live during Q2 2022.