

2018 Pre-Filed Testimony Hospitals and Provider Organizations



**As part of the
*Annual Health Care
Cost Trends Hearing***

Notice of Public Hearing

Pursuant to M.G.L. c. 6D, § 8, the Massachusetts Health Policy Commission (HPC), in collaboration with the Office of the Attorney General and the Center for Health Information and Analysis, will hold a public hearing on health care cost trends. The hearing will examine health care provider, provider organization, and private and public health care payer costs, prices, and cost trends, with particular attention to factors that contribute to cost growth within the Commonwealth's health care system.

Scheduled hearing dates and location:

Tuesday, October 16, 2018, 9:00 AM
Wednesday, October 17, 2018, 9:00 AM
Suffolk University Law School
First Floor Function Room
120 Tremont Street, Boston, MA 02108

The HPC will call for oral testimony from witnesses, including health care executives, industry leaders, and government officials. Time-permitting, the HPC will accept oral testimony from members of the public beginning at approximately 3:30 PM on Tuesday, October 16. Any person who wishes to testify may sign up on a first-come, first-served basis when the hearing commences on October 16.

Members of the public may also submit written testimony. Written comments will be accepted until October 19, 2018, and should be submitted electronically to HPC-Testimony@mass.gov, or, if comments cannot be submitted electronically, sent by mail, post-marked no later than October 19, 2018, to the Massachusetts Health Policy Commission, 50 Milk Street, 8th Floor, Boston, MA 02109, attention Lois H. Johnson, General Counsel.

Please note that all written and oral testimony provided by witnesses or the public may be posted on the HPC's website: www.mass.gov/hpc.

The HPC encourages all interested parties to attend the hearing. For driving and public transportation directions, please visit: <http://www.suffolk.edu/law/explore/6629.php>. Suffolk University Law School is located diagonally across from the Park Street MBTA station (Red and Green lines). Parking is not available at Suffolk, but information about nearby garages is listed at the link provided. The event will also be livestreamed on the [HPC's homepage](#) and available on the [HPC's YouTube Channel](#) following the hearing.

If you require disability-related accommodations for this hearing, please contact HPC staff at (617) 979-1400 or by email at HPC-Info@mass.gov a minimum of two (2) weeks prior to the hearing so that we can accommodate your request.

For more information, including details about the agenda, expert and market participant witnesses, testimony, and presentations, please check the [Annual Cost Trends Hearing section](#) of the HPC's website. Materials will be posted regularly as the hearing dates approach.

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 2018 Annual Cost Trends Hearing. On or before the close of business on **September 14, 2018**, please electronically submit written testimony to: HPC-Testimony@mass.gov. Please complete relevant responses 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 2013, 2014, 2015, 2016, and/or 2017 pre-filed testimony responses, if applicable. Additionally, if there is a point that is relevant to more than one question, please state it only once and make an internal reference. **If a question is not applicable to your organization, please indicate so in your response.**

The testimony 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.

If you have any difficulty with the templates, did not receive the email, or have any other questions regarding the pre-filed testimony process or the questions, please contact HPC staff at HPC-Testimony@mass.gov or (617) 979-1400.

HPC Contact Information

For any inquiries regarding HPC questions, please contact HPC-Testimony@mass.gov or (617) 979-1400.

AGO Contact Information

For any inquiries regarding AGO questions, please contact Assistant Attorney General Sandra Wolitzky at Sandra.Wolitzky@mass.gov or (617) 963-2030.

HPC Pre-Filed Testimony Questions

1) STRATEGIES TO ADDRESS HEALTH CARE SPENDING GROWTH

To address excessive health care costs that crowd out spending on other needs of government, households, and businesses alike, the Massachusetts Health Policy Commission (HPC) annually sets a statewide target for sustainable growth of total health care spending. From 2013 to 2017, the benchmark rate was set at 3.6% growth. For the first time for 2018 and again for 2019, the HPC exercised its authority to lower this target to a more ambitious growth rate of 3.1%, the lowest level allowed by state law. Achieving this reduced growth rate in the future will require renewed efforts by all actors in the health care system, supported by necessary policy reforms, to achieve savings without compromising quality or access.

- a) What are your organization's top areas of concern for the state's ability to meet the 3.1% benchmark? Please limit your answer to no more than three areas of concern.
Remove the referral restriction to see Masshealth Patients in an urgent care. 130 CMR 450.118(J)– Referral needed to see a MassHealth Patient in an Urgent Care Center.
If patients cannot see their PCP or don't have one, they will be forced to go to the ER for non-emergency visits.
- b) What are the top changes in policy, market behavior, payment, regulation, or statute your organization would recommend to address these concerns?
Oppose the House Bill that would tax all Urgent Care centers in the state at a rate of 8.75% on gross billables. This money would be used to help subsidize the Community Hospital Trust. This tax would decimate the Urgent Care Centers industry and force the majority to close their doors for good. Not only would the state kill the industry but patients would be forced to utilize the emergency room rather than the more appropriate urgent care setting. This would increase health care costs, not decrease cost.
- c) What are your organization's top strategic priorities to reduce health care expenditures? Please limit your answer to no more than three strategic priorities.
Required Answer: [Click here to enter text.](#)

2) INFORMATION ABOUT ALTERNATIVE CARE SITES

The HPC recently released a [new policy brief](#) examining the significant growth in hospital and non-hospital based urgent care centers as well as retail clinic sites in Massachusetts from 2010 to 2018. Such alternative, convenient points of access to health care have the potential to reduce avoidable and costlier emergency department (ED) visits.

Question Instructions: *If your organization does not own or operate any alternative care sites such as urgent care centers, please only answer questions (e) and (f) below. For purposes of this question, an urgent care center serves all adult patients (i.e., not just patients with a pre-existing clinical relationship with the center or its providers) on a walk-in (non-appointment) basis and has hours of service beyond normal weekday business hours. Information requested in question (a) below may be provided in the form of a link to an online directory or as an appended directory.*

- a) Using the most recent information, please list the names and locations of any alternative care sites your organization owns or operates in Massachusetts. Indicate whether the site is corporately owned and operated, owned and operating through a joint venture, or a non-owned affiliate clinical affiliate.
See Exhibit I.

- b) Please provide the following aggregate information for calendar year 2017 about the alternative care sites your organization owns or operates in Massachusetts, including those operated through a joint venture with another organization (information from non-owned affiliates should not be included):

Number of unique patient visits	
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Total Patient Visits	262,734
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Commercial	66%
Other	11%
Medicaid	10%
Medicare	9%
Self Pay	3%
Mass Health	1%

Proportion of gross patient service revenue that was received from commercial payers, Medicare, MassHealth, Self-Pay, and Other	
Percentage of patient visits where the patient is referred to a more intensive setting of care	

- c) For the alternative care sites your organization owns or operates in Massachusetts, briefly describe the clinical staffing model, including the type of clinicians (e.g., physicians, nurse practitioners, physician assistants, paramedics, nurses). If different models are used, describe the predominant model.

Provider (Doctor, Nurse Practitioner, Physician Assistant)

Nurses

Medical Assistants

X-ray Technician

Receptionist

Center Administrator

Business development Manager

- d) For the alternative care sites your organization owns or operates in Massachusetts, briefly describe the method and timeliness of how the medical record of a patient's visit to an alternative care site is shared with that patient's primary care provider (e.g., interoperable electronic health record, secure email transfer, fax). What barriers has your organization faced in sharing real-time information about patient visits to your alternative care sites with primary care providers or other health care providers?

d. With patient consent, visit records are efaxed to the patients PCP at the end of every day for patients seen that day.

- e) Besides establishing alternative care sites, what other strategies is your organization pursuing to expand timely access to care with the goal of reducing unnecessary hospital utilization (e.g., after-hours primary care, on-demand telemedicine/virtual visits).

e. We consider our clinics to be new access points to providing appropriate health care in a timely manner at times and locations convenient to the patient. Patients are receiving appropriate care at our clinics or, as necessary, referred to the appropriate setting for additional care. We offer extended hours seven days a week and are testing an on-demand telemedicine product.

- f) Please comment on the growth of alternative care sites in Massachusetts, including implications for your organization as well as impacts on health care costs, quality, and access in Massachusetts.

f. Like all states, competition in the Urgent Care space has risen dramatically. Eight or nine years ago we had about 35 Urgent care centers in the state, now we have more than 170. While saturation has happened, we've also seen overlap in certain communities (Springfield for example). It's going to be difficult for the single unit operators to survive.

3) STRATEGIES TO SUPPORT PROVIDERS TO ADDRESS HEALTH-RELATED SOCIAL NEEDS

Earlier this year, the HPC held a special event entitled, [*Partnering to Address Social Determinants of Health: What Works?*](#), where many policymakers, experts, and market participants all highlighted the need for health care systems to partner with community-based organizations to address patients' and

families' health-related social needs (e.g., housing stability, nutrition, transportation) in order to improve health outcomes and slow the growth in health care costs.

- a) What are the primary barriers your organization faces in creating partnerships with community-based organizations and public health agencies in the community/communities in which you provide care? [check all that apply]
- ☐ Legal barriers related to data-sharing
 - ☐ Structural/technological barriers to data-sharing
 - ☐ Lack of resources or capacity of your organization or community organizations
 - ☐ Organizational/cultural barriers
 - ☒ Other: a. I believe we have the ability to partner with any Healthcare system as long as partnership is beneficial to both parties involved. We seek these partnerships wherever we go.
- b) What policies and resources, including technical assistance or investments, would your organization recommend to the state to address these challenges?

AGO Pre-Filed Testimony Questions

1. For provider organizations: please submit a summary table showing for each year 2014 to 2017 your total revenue under pay for performance arrangements, risk contracts, and other fee for service arrangements according to the format and parameters reflected in the attached **AGO Provider Exhibit 1**, with all applicable fields completed. To the extent you are unable to provide complete answers for any category of revenue, please explain the reasons why. Include in your response any portion of your physicians for whom you were not able to report a category (or categories) of revenue.
2. Chapter 224 requires providers to make price information on admissions, procedures, and services available to patients and prospective patients upon request.

N/A

- a) Please use the following table to provide available information on the number of individuals that seek this information.

Health Care Service Price Inquiries CY2016-2018			
Year		Aggregate Number of Written Inquiries	Aggregate Number of Inquiries via Telephone or In-Person
CY2016	Q1		
	Q2		
	Q3		
	Q4		
CY2017	Q1		
	Q2		

	Q3		
	Q4		
CY2018	Q1		
	Q2		
	TOTAL:		

- b) Please describe any monitoring or analysis you conduct concerning the accuracy and/or timeliness of your responses to consumer requests for price information, and the results of any such monitoring or analysis.

Required Question: [Click here to enter text.](#)

- c) What barriers do you encounter in accurately/timely responding to consumer inquiries for price information? How have you sought to address each of these barriers?

Required Question: [Click here to enter text.](#)

3. For hospitals and provider organizations corporately affiliated with hospitals:

N/A

- a) For each year 2015 to present, please submit a summary table for your hospital or for the two largest hospitals (by Net Patient Service Revenue) corporately affiliated with your organization showing the hospital's operating margin for each of the following four categories, and the percentage each category represents of your total business: (a) commercial, (b) Medicare, (c) Medicaid, and (d) all other business. Include in your response a list of the carriers or programs included in each of these margins, and explain whether and how your revenue and margins may be different for your HMO business, PPO business, and/or your business reimbursed through contracts that incorporate a per member per month budget against which claims costs are settled.

Required Question: [Click here to enter text.](#)

- b) For 2017 only, please submit a summary table for your hospital or for the two largest hospitals (by Net Patient Service Revenue) corporately affiliated with your organization showing for each line of business (commercial, Medicare, Medicaid, other, total) the hospital's inpatient and outpatient revenue and margin for each major service category according to the format and parameters provided and attached as **AGO Provider Exhibit 2** with all applicable fields completed. Please submit separate sheets for pediatric and adult populations, if necessary. If you are unable to provide complete answers, please provide the greatest level of detail possible and explain why your answers are not complete.

Required Question: [Click here to enter text.](#)

2017	P4P Contracts				Risk Contracts						FFS		Other		
	Claims Based Revenue		Incentive Based Revenue		Claims Based Revenue		Budget Surplus/Revenue		Quality Incentive Revenue		Incentive Based Revenue		Incentive Based Revenue		
	HMO	PPO	HMO	PPO	HMO	PPO	HMO	PPO	HMO	PPO	HMO	PPO	HMO	PPO	Both
Commercial Aetna												824,344			
Commercial BCBS												10,053,728			
Commercial Carelink												383,871			
Commercial CIGNA												923,167			
Commercial Fallon												551,241			
Commercial Harvard Pilgrim												2,997,428			
Commercial Tricare												129,049			
Commercial Tufts												2,242,235			
Commercial United Healthcare												1,071,646			
Other Commercial												2,471,490			
Other Commercial HMO											305,968				
Total Commercial											305,968	21,648,200			
Managed Medicaid BMC Health Net												119,178			
Managed Medicaid Celticare Medicaid												27,546			
Managed Medicaid Fallon Community Health Plan												-			
Managed Medicaid Health New England												814,300			
Managed Medicaid Neighborhood Health Plan												1,300,779			
Managed Medicaid Network Health												824,714			
Other Managed Medicaid												-			
Medicaid												91,644			
Total Medicaid												3,178,161			
Mass Health												232731.92			
Managed Medicare Tufts Medicare Preferred												216,845			
Commercial Medicare AARP												75,542			
Commercial Medicare Complete												1,481			
Commercial Medicare UHC												255,957			
Other Commercial Medicare												36,234			
Medicare												1,795,393			
Total Medicare												2,381,452			
Other												5,027,514			
Self Pay												2,053,625			
Grand Total											305,968	34,521,684			

2016	P4P Contracts				Risk Contracts						FFS		Other		
	Claims Based Revenue		Incentive Based Revenue		Claims Based Revenue		Budget Surplus/Revenue		Quality Incentive Revenue		Incentive Based Revenue		Incentive Based Revenue		
	HMO	PPO	HMO	PPO	HMO	PPO	HMO	PPO	HMO	PPO	HMO	PPO	HMO	PPO	Both
Commercial Aetna												681,651			
Commercial BCBS												8,765,966			
Commercial Carelink												551,332			
Commercial CIGNA												580,131			
Commercial Fallon												430,938			
Commercial Harvard Pilgrim												2,891,310			
Commercial Tricare												97,552			
Commercial Tufts												1,847,429			
Commercial United Healthcare												942,264			
Other Commercial												2,151,904			
Other Commercial HMO											321,684				
Total Commercial											321,684	18,940,477			
Managed Medicaid BMC Health Net												1,284			
Managed Medicaid Celticare Medicaid												27,721			
Managed Medicaid Fallon Community Health Plan												30,569			
Managed Medicaid Health New England												879,139			
Managed Medicaid Neighborhood Health Plan												1,253,237			
Managed Medicaid Network Health												606,920			
Other Managed Medicaid												-			
Medicaid												43,229			
Total Medicaid												2,842,098			
Mass Health												47920.84			
Managed Medicare Tufts Medicare Preferred												162,604			
Commercial Medicare AARP												56,909			
Commercial Medicare Complete												2,835			
Commercial Medicare UHC												215,991			
Other Commercial Medicare												38,359			
Medicare												1,521,493			
Total Medicare												1,998,190			
Other												4,542,762			
Self Pay												1,973,112			
Grand Total											321,684	30,344,560			

2015	P4P Contracts				Risk Contracts				FFS				Other		
	Claims Based Revenue		Incentive Based Revenue		Claims Based Revenue		Budget Surplus/Revenue		Quality Incentive Revenue		Incentive Based Revenue		Incentive Based Revenue		
	HMO	PPO	HMO	PPO	HMO	PPO	HMO	PPO	HMO	PPO	HMO	PPO	HMO	PPO	Both
Commercial Aetna												676,225			
Commercial BCBS												7,398,018			
Commercial Carelink												505,923			
Commercial CIGNA												544,418			
Commercial Fallon												166,719			
Commercial Harvard Pilgrim												2,315,554			
Commercial Tricare												82,702			
Commercial Tufts												1,346,796			
Commercial United Healthcare												837,243			
Other Commercial												1,852,402			
Other Commercial HMO											254,227				
Total Commercial											254,227	15,726,002			
Managed Medicaid BMC Health Net												1,621			
Managed Medicaid Celticare Medicaid												14,463			
Managed Medicaid Fallon Community Health Plan												163,684			
Managed Medicaid Health New England												982,193			
Managed Medicaid Neighborhood Health Plan												703,595			
Managed Medicaid Network Health												410,671			
Other Managed Medicaid												-			
Medicaid												146			
Total Medicaid												2,276,374			
Mass Health												21836.29			
Managed Medicare Tufts Medicare Preferred												120,024			
Commercial Medicare AARP												38,554			
Commercial Medicare Complete												1,919			
Commercial Medicare UHC												206,382			
Other Commercial Medicare												25,400			
Medicare												1,323,783			
Total Medicare												1,716,063			
Other												3,587,783			
Self Pay												1,705,201			
Grand Total											254,227	25,033,259			

2014	P4P Contracts				Risk Contracts						FFS		Other		
	Claims Based Revenue		Incentive Based Revenue		Claims Based Revenue		Budget Surplus/Revenue		Quality Incentive Revenue		Incentive Based Revenue		Incentive Based Revenue		
	HMO	PPO	HMO	PPO	HMO	PPO	HMO	PPO	HMO	PPO	HMO	PPO	HMO	PPO	Both
Commercial Aetna												570,274			
Commercial BCBS												5,772,605			
Commercial Carelink												330,156			
Commercial CIGNA												480,245			
Commercial Fallon												90,582			
Commercial Harvard Pilgrim												1,599,711			
Commercial Tricare												74,254			
Commercial Tufts												1,037,708			
Commercial United Healthcare												657,188			
Other Commercial												1,324,653			
Other Commercial HMO											185,393				
Total Commercial											185,393	11,937,374			
Managed Medicaid BMC Health Net												100			
Managed Medicaid Celticare Medicaid												2,944			
Managed Medicaid Fallon Community Health Plan												222,267			
Managed Medicaid Health New England												886,936			
Managed Medicaid Neighborhood Health Plan												92,405			
Managed Medicaid Network Health												105,372			
Other Managed Medicaid												-			
Medicaid												236			
Total Medicaid												1,310,260			
Mass Health												6063.37			
Managed Medicare Tufts Medicare Preferred												87,011			
Commercial Medicare AARP												24,224			
Commercial Medicare Complete												1,158			
Commercial Medicare UHC												161,527			
Other Commercial Medicare												12,344			
Medicare												1,047,483			
Total Medicare												1,333,747			
Other												2,438,230			
Self Pay												1,337,336			
Grand Total											185,393	18,363,011			

Segment Code / License #	Clinic Name	Address 1	Address 2	City	State	Zip	Owner
0114	Arlington	1398 Massachusetts Avenue	Unit #31	Arlington	MA	02474	Moushmi Soleja
0121	Bedford	160 Great Road		Bedford	MA	01730	Dave Adams
0119	Beverly	50 Dodge Street		Beverly	MA	01915	Zaka Shafiq
0103	Braintree	485 Granite St.		Braintree	MA	02184	Kevin Moehlenkamp (Lee)
0112	Burlington	90 Middlesex Turnpike		Burlington	MA	01803	Dave Adams
0122	Chelmsford	45 Drum Hill Road		Chelmsford	MA	01863	Petter Etholm
0105	Dedham	370 Providence Highway		Dedham	MA	02026	Jim Brennan Rick Crews
0111	Malden	219 Centre St.		Malden	MA	02148	Bill Poulakis Scott Sheridan
0113	Marlborough	38 Boston Post Road West		Marlborough	MA	01752	Bing Yeo (Winnie)
0117	Methuen	381 Merrimack St.		Methuen	MA	01844	Tom Delacey Greg Santini
0107	Natick	945 Worcester Street		Natick	MA	01760	Bing Yeo (Winnie)
0115	New Bedford	119 Coggeshall Street		New Bedford	MA	02746	Jim Brennan Rick Crews
0110	North Andover	129 Turnpike St.		North Andover	MA	01845	Tom Delacey
0106	Saugus	358 Broadway	Ste E-F	Saugus	MA	01906	Jim Brennan Rick Crews
0101	Springfield	415 Cooley St.	Unit #3	Springfield	MA	01128	Jim Brennan Rick Crews
0118	Stoneham	16 Main Street		Stoneham	MA	02180	Dave Adams
0123	Swampscott	450 Paradise Road		Swampscott	MA	01970	Zaka Shafiq
0109	Waltham	1030 Main St.		Waltham	MA	02451	Dave Adams
0108	Watertown	376 Arsenal St.		Watertown	MA	02472	Moushmi Soleja
0104	West Springfield	18 Union St.		West Springfield	MA	01089	Jim Brennan Rick Crews
0116	Worcester	117a Stafford Street		Worcester	MA	01603	Jim Brennan Rick Crews