

# 1199SEIU

United Healthcare Workers East  
**Massachusetts Division**

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March 8, 2017

PRESIDENT  
George Gresham

Chairman Stuart Altman  
Health Policy Commission  
50 Mil Street, 8<sup>th</sup> Floor  
Boston, MA 02109

SECRETARY-TREASURER  
Maria Castaneda

EXECUTIVE VICE PRESIDENT  
Tyrek D. Lee, Sr.

Dear Chairman Altman:

ASSISTANT DIVISION  
DIRECTOR  
Tim Foley

Thank you for the opportunity to submit this written testimony for the Health Policy Commission's consideration regarding potential modification of the state's 2018 health care cost growth benchmark established under Chapter 224 of the Acts of 2012. We write today both to offer this public comment on the Health Policy Commission's central role in controlling health care cost growth and with regards to the establishment of a new benchmark.

VICE PRESIDENTS  
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Jerry Fishbein  
Rebecca Gutman  
Herbert Jean-Baptiste  
MaryEllen Leveille

The more than 50,000 health care workers of 1199SEIU - who work in hospitals, community health centers, nursing homes and in consumer's homes to provide quality care across the Commonwealth – have consistently advocated for a comprehensive state budget, legislative and policy reform agenda. We are also firmly committed to supporting a broad range of health care delivery and payment system reforms, including those that seek to control the growth of statewide health care costs. The reform and restructuring initiatives that are central to Chapter 224, including the establishment of a realistic and enforceable statewide cost growth benchmark, are central to furthering these 1199SEIU priorities.

POLITICAL DIRECTOR  
FayeRuth Fisher

As a general matter, we offer our strong support for those health care reforms which promote better, more integrated care at lower overall cost. We are committed to working with the state and all stakeholders in support of a restructured health care delivery and payment system that provides quality care to all consumers and helps reduce health care cost growth, while also ensuring that we maximize the contribution and value of the entire 1199SEIU health care workforce.

### **Workforce Engagement**

A top 1199SEIU priority is ensuring that health care reform does not, whether intentionally or otherwise, place the burden of reform on the backs of our already financially struggling community hospitals, on other community-based providers or on the state's health care workforce. Instead, with a firm commitment to appropriate re-training and to sufficient staffing, the health care workforce can and should be an indispensable partner for cost control efforts and in furthering related reform.

# **1199SEIU**

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**Massachusetts Division**

Such continued engagement is essential to maximize the effectiveness of the existing health care workforce, to reduce the expense of hiring new workers, to avoid the high cost of disruption to current employment relationships, and to ensure that the Commonwealth does not lose the skills, experience and commitment of the existing workforce. We have already demonstrated that carefully crafted joint labor-management projects - such as the care integration training partnership we have recently engaged in with the Lynn Community Health Center - can be a very effective model for both reducing the cost of care and improving care quality.

## **Fair Care Ballot Initiative**

In 2016, in furtherance of our overall reform objectives, we proposed the Fair Care Ballot Initiative. This reform proposal would have established fairer private health insurer hospital rates at the same time generating tens of millions of dollars in savings that would have been directed to reducing health insurance premiums and other consumer costs. With the May 2016 legislative compromise, the ballot initiative was withdrawn and we lost that immediate opportunity. However, an agreement was reached to re-establish the Special Commission to Review Variation in Prices among Providers, to boost MassHealth rates for community providers, and to create a new Trust Fund to bring immediate financial relief for community hospitals.

Most importantly, this settlement also established firm deliverables for comprehensive policy solutions to be developed by a broad range of stakeholders, clear timelines for reform, and immediate relief for community hospitals. We remain optimistic that the Special Commission's final report, expected to be issued in the coming days, will recommend additional reforms both to address price variation and to effectively control health care cost growth. We also expect prompt legislative action to implement the proposed reforms through statutory amendment and/or additional oversight regulations.

## **Hospital Spending**

In examining the HPC's 2016 Cost Trend Report, it is worth noting that annual spending growth for Massachusetts hospitals has been limited in recent years. There is always more that individual hospitals, health systems and other providers can do to reduce unnecessary utilization and otherwise control costs. We are especially interested in efforts to shift clinically appropriate inpatient care to high-value, lower-cost community and safety-net hospitals. However, with hospital spending growth already limited in recent years to well-under the cost growth benchmark, we do not believe that significantly further limiting hospital spending is a realistic solution to a much more extensive problem. Most importantly, it is vitally important that hospitals and other providers are allowed enough spending growth to provide good jobs at fair wages to their employees.

## **Long Term Care**

Regarding the growing costs of long term care, we share the Commission's commitments to ensuring that long term supports and services (LTSS) are delivered efficiently and that those with lower care needs can continue to live in their homes and communities. We fully recognize the HPC's findings that nursing facility care is typically more expensive than community-based services. And we will continue to be supportive of MassHealth efforts and those from other LTSS providers/stakeholders that seek both to promote this shift in care settings when appropriate and to strengthen program integrity in the Commonwealth's varied LTSS systems.

# 1199SEIU

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**Massachusetts Division**

However, we also note the importance of the HPC's further findings in this area that "the number of people with long-term care needs is expected to grow significantly", and that "by 2020, it has been estimated that Massachusetts will require 32 percent more direct care workers than were employed in 2010." Accordingly, we believe that the Health Policy Commission should fully account for this anticipated growth in demand/enrollment and focus primarily on controlling increases in per-person costs rather than overall spending growth in the LTSS arena.

## **Conclusion**


We greatly appreciate the work of the Health Policy Commission in analyzing, evaluating and educating all of us about health care cost drivers in the Commonwealth. We respectfully urge the HPC to continue to aggressively pursue all necessary reforms in this area and fully agree that (1) fostering a value-based market; (2) promoting an efficient delivery system; (3) advancing effective financial incentives and (4) enhancing data and measurement are the four key "areas of opportunity" that should continue to be emphasized by the HPC and other policymakers.

It is also worth emphasizing that setting the statewide cost benchmark is only a part of much broader health reform efforts. In setting or otherwise modifying the cost growth benchmark, the HPC must carefully consider the corresponding impact of federal health care "reform" (including the potential repeal of the Affordable Care Act). Significant state reforms are also already well underway around MassHealth restructuring, the formation of Accountable Care Organizations, and a range of "program integrity" reforms being implemented in the long-term services and supports area. Lastly, the final pending report of the Special Commission on Provider Price Variation will contain a broad range of recommendations intended to reduce provider price variation in the commercial marketplace while also curtailing cost growth that must be considered in setting the benchmark. It's especially important that the report's recommendations pertaining to indexing or creating provider-specific growth benchmarks are utilized to directly inform the HPC's cost benchmark deliberations.

That said, with this testimony, we do not take a formal position on whether the HPC should lower the existing 3.6% cost benchmark to 3.1% or otherwise adjust the ways in which the benchmark is used in 2018 to measure progress on controlling medical spending growth. Instead, we reiterate our strong support for the Health Policy Commission and its expert staff. We trust that, in consultation with the Center for Health Information and Analysis and other stakeholders, the HPC will continue to develop and implement the appropriate reforms needed to create a path forward that controls cost growth while ensuring affordable access to high quality health care for all Massachusetts residents.

Thank you for your time and attention. We appreciate the opportunity to offer these public comments and to otherwise participate in these processes. We look forward to continuing our work with the Health Policy Commission on these and other important reform efforts.

Sincerely,



Tyrek Lee  
Executive Vice President