



TESTIMONY OF JON HURST, PRESIDENT
BEFORE THE MASSACHUSETTS HEALTH POLICY COMMISSION
RE: THE 2022 HEALTH CARE COST GROWTH BENCHMARK
MARCH 25, 2021

The Retailers Association of Massachusetts is a statewide trade association organized in 1918, with 4000 member employers, including all types and sizes of stores, restaurants, and various consumer service providers. The typical RAM member operates out of one location and has 10 employees. The retail sector operates out of 70,000 locations across the Commonwealth, and employs over half a million people.

Every March since 2006, we have surveyed our members on what they are seeing in premium renewals. The results are troubling each year; but over the course of a decade and a half, the results show a definitive pattern of discrimination, a lack of equity, and perhaps unfair cross subsidies.

The 2021 RAM member average increase of 7.6% is in line with DOI reported averages for the Merged Market. Even so, that is more than double the HPC Benchmark, 3 times the rate of inflation, and 20% higher than the GIC's increase. If this were one-year results, it would be troubling. What makes it a border line scandal is it that these results are typical and occur year after year over the last 16 years.

Every year these small businesses see increases which are 2 to 3 times the benchmark. And every year I come here to report those results. And every year I ask the same questions, of whether the employees are really 2-3 times less healthy or less educated consumers of health care services than those at the average? And since small businesses and their employees are always far above the benchmark, that would seem to indicate that other classes of consumers are always at, or far below the benchmark.

Who are those consumers? Who are those payers? Do certain risk pools and groups of consumers have certain advantages on provider negotiations, on choices, on cost and claims tools, which do not exist for small businesses? Are the margins of providers unfairly being put on the backs of Main Street so that others with certain marketplace or government created advantages can pay less? Are small businesses somehow deemed not equal enough or smart enough under the law or in the markets, to do as well as those that always meet or beat the benchmark?

This is the equity and transparency issue which must be addressed in the Commonwealth of Massachusetts. And whether it is the HPC, CHIA, DOI, or all of the above, let's finally get on with it.

For small businesses, the benchmark is clearly too high, and the law needs to change to lower it. Another option would be to keep the current benchmark, but to exclude government payers, and then see how that reset could affect commercial payers going forward, particularly small businesses and their employees.

Thank you for your consideration.

Jon Hurst, President

Retailers Association of Massachusetts

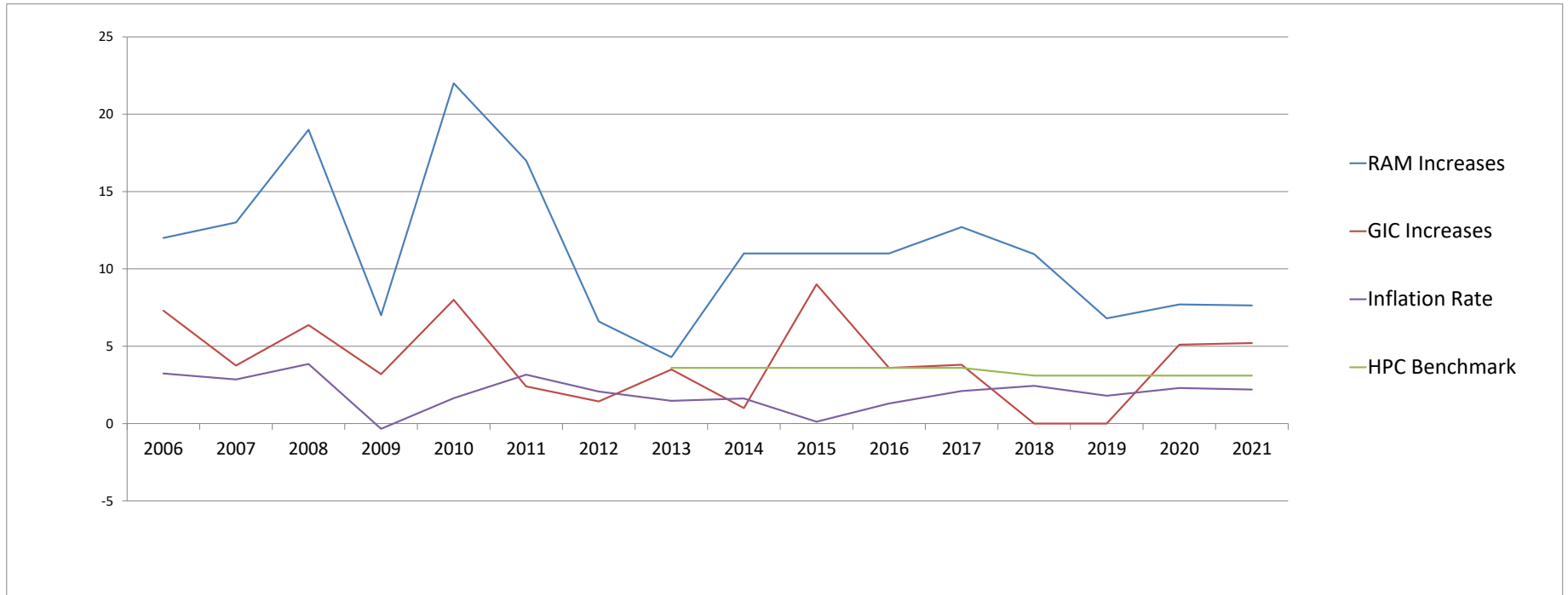
18 Tremont St., Suite 810

Boston, MA 02108

671-523-1900

jhurst@retailersma.org

Retailers Association of Massachusetts Annual Health Insurance Increases



	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	AVG
RAM Increases	12	13	19	7	22	17	6.6	4.29	11	11	11	12.7	10.95	6.8	7.7	7.64	11.23%
GIC Increases	7.3	3.75	6.37	3.19	8	2.4	1.43	3.5	1	9	3.6	3.8	0	0	5.1	5.2	3.97%
Inflation Rate	3.24	2.85	3.85	-0.34	1.64	3.16	2.07	1.47	1.62	0.12	1.3	2.1	2.44	1.8	2.3	2.2	2.89%
Benchmark								3.6	3.6	3.6	3.6	3.6	3.1	3.1	3.1	3.1	3.37%