



TESTIMONY OF JON HURST, PRESIDENT
BEFORE THE MASSACHUSETTS HEALTH POLICY COMMISSION
RE: THE 2023 HEALTH CARE COST GROWTH BENCHMARK
MARCH 16, 2022

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 2022 RAM member average increase of 10.96% is a dramatic increase vs the last 3 years, yet incredibly is right at the 17-year average of our surveys. The 2022 results are 3.5X the HPC Benchmark, more than double the abnormally high rate of inflation seen in 2021, and double 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 17 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 an equity and transparency issue which must be addressed in the Commonwealth of Massachusetts. And now is the time to seek real reforms and fairness. We believe that with Governor Baker's legislation, and with DOI regulatory reforms we have an important opportunity to make a difference.

For small businesses, the benchmark is arguably too high to fix their cost problems, and we urge the HPC to at least retain the current level.

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

