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October 27, 2023

David Seltz
Executive Director
Health Policy Commission
50 Milk Street, 8th Floor
Boston, MA 02109

Dear Mr. Seltz,

Below, please find the testimony of Boston Children's Hospital, signed under pains and penalties of perjury, in response to questions provided by the Health Policy Commission and the Office of the Attorney General.

As the President and Chief Executive Officer of Boston Children's Hospital, I am legally authorized and empowered to represent the organization for the purposes of this testimony.
If you have any questions, please contact Joshua Greenberg, Vice President of Government Relations, at (617) 919-3055.

Warmest Regards,

Kevin B. Churchwell, M.D.
President and Chief Executive Officer

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.

Introduction: As we have testified in previous years, Boston Children's Hospital (BCH) continues to navigate ongoing strain on our systems and people, including the availability and experience of staff and the economics of inflation that we also see in our daily lives. Last fall and winter, we additionally faced a "tripledemic" of RSV, flu and COVID, and continue to see patients in acute behavioral health crises. We believe these stressors are accelerating a pre-existing trend towards increased regionalization of pediatric care, as well-described in the Health Policy Commission's recent report. This trend has resulted from several clinical drivers. Our ability to serve increasingly complex patients who are living longer due to medical and technological innovations has resulted in a small, high-utilization pool of pediatric patients requiring multi-specialty care generally unavailable in the community. Simultaneously, our ability to prevent or treat lower acuity conditions via vaccination and improved medications has reduced the need for lower-acuity inpatient care. In rendering care, the pediatric delivery system has been constrained by the dearth of pediatric subspecialists across numerous subspecialties.

As a result, we are both working to enhance our own capacity and better support the care needs of community providers, including primary care practices and community hospitals, through improved integration, high quality staffing arrangements, and the development of innovative care models. In the face of these challenges, we remain dedicated to providing transformative care to our patients and stand strong in our commitment to promoting health equity for our families, employees, and the communities we serve. As a pediatric provider, we recognize that much of what we do has the ability to reduce costs in the long-term by altering a child or adolescents' overall functional capabilities, quality of life, and mortality.

Advancing Health Equity: As a hospital, providing healthcare equitably is one of our highest priorities – giving all our patients a fair and just opportunity to be as healthy as possible is a responsibility we hold sacred. Driving this work is the Fenwick Institute for Pediatric Health Equity and Inclusion, a center for research, education, and public policy for the advancement of health equity at BCH and beyond. Through our Equity, Diversity, and Inclusion (EDI) programs, we seek to reduce and eliminate disparities in health care access, delivery and outcomes that adversely affect medically underserved, under-resourced, and marginalized groups. We have integrated throughout our organization staff focused on health equity through the Office of Health Equity and Inclusion (OHEI) and we prioritize the alignment of EDI work across our hospital at the department- and division-level with our enterprise Declaration on EDI. An example of EDI efforts in action can be seen through our Institutional Review Board (IRB) research approval process. Before a research project is submitted to the IRB, an internal group at BCH now reviews the research project proposal through an EDI lens to ensure that the research is as inclusive as possible, reviewing the application for outdated or incorrect terminology, looking for biased assumptions in the research questions, and ensuring that vulnerable

populations are accurately represented in the study. This novel approach will improve our findings and better represent our patient populations.

Medicaid ACO: BCH remains committed to uplifting the health and well-being of the patient-families served through the Medicaid ACO program, a model which enables us to think comprehensively about the needs of the whole child and the whole family and to achieve more equitable outcomes. At present, the BCH ACO has 135,000 members across the state served by our affiliated primary care providers and all MassHealth members, including from other ACOs, can receive care at BCH. As of December 2022, nearly one third of the BCH ACO membership was non-Hispanic white (32%), nearly one quarter was Hispanic (24%), and 10% were non-Hispanic black. Nearly one quarter reported another race/ethnicity (23%). Most BCH ACO members speak English (83%); nearly ten percent are Spanish speaking and another six percent speak another language.

In order to use data to capture the gaps we are trying to close, we are currently in the process of setting up systems to refine the collection of self-reported Race, Ethnicity, Primary Language, and Disability (RELD) data and sexual orientation and gender identity (SOGI) data in order to identify areas where patients may be experiencing inequity in healthcare ranging from access to outcomes. For pediatric patients, there are significant challenges with obtaining self-reported SOGI data due to confidentiality issues, and there are no standards for self-reported disability by age, so it will take time to identify and operationalize improvements across all these categories. Additionally, there are substantial efforts ongoing to bridge racial, ethnic and language differences in our services, including training and broad use of interpreter services throughout the hospital and community and the use of multilingual communications.

When considering the social needs of the family unit, the ACO can support all members of the family and in turn, bridge gaps in the equitable delivery of services. For example, the implementation of the MassHealth ACO Flexible Services program in primary care offices at both the hospital and in the community give us new tools to help families manage some of their most pressing needs. When caregivers share that they are experiencing housing or food insecurity, primary care can leverage resources through community-based partnerships such as assistance with landlord-dispute resolution through FamilyAid Boston or assist with enrollment in the Farm to Family community supported agriculture program through Just Roots in Greenfield, established specifically for ACO households. Innovations and long-term commitment to programs such as these will create healthier families and close health equity gaps for the families we serve.

Affiliation with Franciscan Children's Hospital: On July 1st, Franciscan Children's Hospital (FCH) formally became a member of the Children's Medical Center (CMCC) corporate family and a sister corporation to BCH. The work ahead of FCH and BCH is to create a new, more effective, and equitable system of fully integrated behavioral health and rehabilitative care, research, and teaching, that has the potential to significantly improve the lives of children and families in Massachusetts and beyond. This investment is an opportunity to envision a new system of behavioral health and rehabilitative care that address the currents gaps in care and transform our understanding of pediatric behavioral and mental health needs. Franciscan is the only pediatric-specific rehabilitation hospital in New England. As a result, families have limited options for rehabilitative care and at times patients are being treated at facilities a great distance from New England, often at great cost. CMCC and FCH have filed a Determination of Need, which if approved, will increase both pediatric rehabilitative and behavioral health capacity in a new facility on the FCH campus. By investing additional resources, we hope to create a more accessible, equitable, and family-centered option here in Massachusetts.

More specifically, the combination of BCH and FCH resources will also enable our ability to create an expanded continuum of care for the behavioral health patients we are seeing transitioning between levels of acuity. As the HPC has recognized, the delivery system has underinvested in behavioral health for many years, resulting in significant disparities, higher acuity children in mental health crises, and workforce and staffing shortages at the provider level. Our goal is to reverse these trends. In addition to expanded inpatient services, we intend to develop a much more robust set of partial hospitalization programs as well as outpatient and community-based programming for children and adolescents. By creating a smooth process by which patients can be transferred to the appropriate levels of care throughout the BCH/FCH systems of care, we hope to maximize staffing resources and system time, improve patient access to care, and achieve better outcomes for all.

Community Partnerships: One of the many ways BCH continues working to close equity gaps is by investing in the places where families spend the most of their time – the community. We have programmatic partnerships with 10 community health centers to address childhood obesity, a home visiting and environmental remediation program for children with high-risk asthma, and a strong partnership with the Boston public schools to provide mental and behavioral health services, training, and consultation. As part of the Boston Children's Route 128 Community Health Initiative, we are investing $15.1 million toward programs in the community that focus on Mental Health and Well-being, and Flourishing Families over the next 7 years. Through direct grants to organizations selected by an allocation committee with representatives from the communities, an initial $7.7 has been released for groups who support families in a variety of ways. For example, the programs supported range from music therapy initiatives in Brockton and access to culturally appropriate behavioral health services for the Asian community in Quincy, to fresh food access in Brockton and Taunton or first-time homebuyer assistance in the service region.

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.

Behavioral Health Investments: The state has been a strong partner in its commitment to behavioral health investments in the state budget and forward thinking in how to strategically center services in the community through the Roadmap for Behavioral Health Reform. But it is clear from the number of patients we continue to triage through the emergency department that there is plenty of work left to do. Behavioral health emergency department diversion programs are key to better health outcomes for children and health care cost savings. Through partnerships with Youth Villages and the Justice Resource Institute, significant per diem cost reductions (up to 96.4% reductions) were found when patients planning to seek care in the ED were treated in the community or at home with supports.

As the HPC is aware, the patients who do get "stuck" in our ED face long waitlists for inpatient beds or may have complex medical or developmental needs. For children who are in the care of the Department of Children and Families and other state agencies, the wait for discharge is even longer, and we urge the state to work toward a better system of interagency coordination and case prioritization for agency-involved children. Investments in diverse and culturally appropriate workforce training and program supports must be bolstered to meet the growing need. Prevention and building resiliency in children is also key. Behavioral health investments must continue to grow in the places where children spend their time, such as school and childcare, and focus on upstream prevention and integration in the places children learn and play.

Telehealth Access: The state should support policies enabling telehealth and other innovative care models to thrive as a method of cost-savings not just for providers, but also for patients. Telehealth access reduces the time and monetary burden on patients, some of whom travel long distances for care, and reduces carbon emissions by reducing the number of trips in the car. A recent multi-department study published by BCH clinical staff found that during one year of the pandemic, virtual medicine services resulted in a total reduction of 620,231 gallons of fossil fuel use and $1,620,002 avoided expenditure as well as 5,492.9 metric tons of carbon dioxide and 186.3 kg of fine particulate matter emitted.[1] As the Health Policy Commission noted in its 2023 report on telehealth[2], telehealth is not additive to overall cost in the health care system, but substitutive, and a proven modality that can reduce no-show rates and improve treatment adherence for many of the state's most vulnerable patients. We urge the state to adopt the recommendations of the report to extend payment parity for high-value services and to standardize telehealth coding and documentation practices across payers to reduce unnecessary billing and administrative complexity. The state should also continue to expand upon closing the "digital gap" for families and patients, both through the continued expansion of reliable, high-speed internet, access to appropriate technology and devices and digital literacy resources. Lastly, interstate access policies should be adopted to benefit patients travelling or temporarily living out-of-state for college or camp to maintain continuity of care.

Address Social Determinants of Health: At the core of many of the preventable or persistent health care conditions we see and treat at BCH is the lack of access or underinvestment in the very programs and infrastructure we know keep people healthy over the long-term. We applaud the recent tax credit package signed into law that will generate savings and assist with economic mobility for families across the state as well as the permanent funding of universal school meals in the state's budget. Our clinicians are committed to enrolling families in the resources available for benefits and income maximization, as well as advocating for policies to improve access to health promoting initiatives, and the hospital proudly collaborates as an anchor institution. However, there are major access issues in this state, including the lack of availability of safe, affordable housing at all levels of income and challenges accessing childcare, which means that more families will continue to struggle with providing all basic needs to the adults and children in their household. We must all work together to bridge the gaps that transcend the traditional health care system but have real impacts on public health.

Prior Authorization Updates: The top policy change we recommend to promote cost containment is a critical review and update to the use of prior authorization requirements. As noted at several recent Health Policy Commission meetings and in the 2023 Cost Trends Report, prior authorization is a time-consuming, burdensome process consuming significant energy and resources across systems in Massachusetts. At BCH, prior authorization requirements are wearing down the provider community and adding substantial cost burden. At worst, prior authorization delays access to care for patients, hitting hardest the families who are already burdened with other access needs, and creating further inequities in care.

There are many scenarios in which prior authorization requirements do not make sense. Prior authorization is often required for common acute therapies for paroxysmal disorders such as asthma and epilepsy or for chronic diseases commonly seen in children, which are almost always approved. Multiple prior authorizations may be needed when a medication needs to be compounded for a child – when the pediatric products need to be compounded from an adult form, such as a tablet, and if the medication is falls under chemotherapy or other specialty medications which already need a prior authorization. It is very common that BCH needs to supply mediations for free or that patients have

[1] https://www.academicpedsjnl.net/article/S1876-2859(23)00276-0/fulltext#%20

[2] https://www.mass.gov/doc/telehealth-use-in-the-commonwealth-and-policy-recommendations/download

delays in treatment due to complexities of the process, even though they are almost universally approved.

These issues are exacerbated by requirements to renew authorizations annually or when patients change insurance or ACOs. We appreciate the recommendation that prior authorization be automated at the systems level but ask the state to ensure that any automation does not result in widespread denials for needed services, perpetuating the issue at hand. We also ask that automation explicitly accounts for pediatric use cases where the rationale for the clinical service/intervention may be different.

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?

Workforce Challenges: Across the health care sector, we continue to see changing trends as we adjust to post-COVID workforce needs. While the reliance on travelling clinicians has slowed in some positions, the expenses of these workers has taken a toll on the hospital budget and training or uptraining workers to fill these roles is a challenge. Community colleges and other professional schools that we work with saw a decrease in their student enrollment and graduation rates, which are beginning to rebound especially with the announcement of state assistance for nursing and other community college training programs. Long-term employees who have often guided and mentored newer employees, are retiring or pursuing other opportunities. While BCH offers free English language learning classes for our employees, there are gaps in the availability of such classes for potential employees seeking to grow their opportunities in the workforce, especially where the need exceeds capacity. There are many opportunities for health care providers to work with educational institutions and the state to address some of these issues.

Workforce Development and Diversity: We are proud of our dedicated and talented workforce, all of whom go above and beyond every day for our patients and their families. We are committed to ensuring that our workforce reflects the diverse demographics of the children that we serve through our workforce diversity initiatives and development programs. We aspire to attract and retain a workforce that represents different backgrounds. Our employee-led groups are a vital place where our employees find a place of belonging and affinity, while providing mentoring opportunities for our employees and connections to the community. Also, our partnerships with local organizations provide opportunities for development through leadership programs tailored for employees who identify as part of historically underrepresented populations. Lastly, our Equity, Diversity, and Inclusion Council is a multi-disciplinary team that advises and builds awareness of all the diversity and inclusion work across the organization. We are always rethinking how to better support our diverse staff, including reimagining workflows, flexibilities, and training opportunities at all levels to create pathways for our employees and promote stability in the workforce.

Addressing Challenges Through Innovation: There are several ways we are utilizing technology and innovation to adjust to the changing workforce and needs of our patients.

- Analytics – Our team has built real time models that we use on a daily basis to better manage capacity and bed utilization. We are extending this review how patients flow through the hospital seeking to better coordinate patient placement, financial clearances, and housekeeping turnarounds for example, to better encourage throughput and shorten length of stay where appropriate to better meet the needs of patients.

- Increasing automation – Automating services where appropriate to help reduce the cost of care and the burden on people, reconciling efficiencies with the automation of medication inventories, all while ensuring that people and technologies are fitting together to ensuring these processes flow, especially in the new Hale building where technology differs from the previous space.
- Enhanced interoperability – We are moving to a unified Epic EHR platform across all sites by June 2024 to increase interoperability across the network and to drive greater efficiencies across the hospital system. Efficiency targets include patient self-scheduling within the system, reducing costs previously incurred through redundant imaging and testing, and retiring fax machine utilization, for example.
- Updating safety trainings – To reduce the number of behavioral health escalations and better prepare staff, we added a complementary program to our existing de-escalation trainings to reduce the risk of aggressive actions in patients by leading interactions through trauma informed lens, to better build relationships with patients in distress and reduce the risk of activating aggression in youth and adolescents in a proactive manner.
- Virtual nursing – We are piloting the use of virtual nurses for the intake of patient history, discharge education, helping with the internal process of moving patients between units, and otherwise being available as a more experienced staff member who can remotely answer the questions of newer nurses on staff.
- Coordinated education platform and learning system through our newly established Education Institute which is enabling us to coordinate and efficiently utilize educational tools across the organization.

Supporting Nursing – Between 2022 and 2023, BCH hired almost 1,000 registered nurses, the highest volume we can remember in recent history. However, most of these hires are new to practice or new to pediatrics. As a result, we have needed to heavily invest in the preceptor workforce, keeping our experienced workforce, and supporting mentoring and clinical coaching. We have also doubled the nurse practitioner workforce, a critical staffing component that provides continuity of care, value in safety and meet our quality-of-care standards. We have also had several hundred graduates participate in the RN nurse staff residency program, for which we use the ANCC nurses credentialing, and we plan to launch a similar fellowship program for our novice APRN workforce with the goal of certification in the summer of 2024.

Pediatric Inpatient Closures – As the HPC studied in its 2023 report on the Massachusetts pediatric provider market[3], there have been notable changes to the pediatric inpatient services landscape. When we established a collaboration with Tufts Medicine to support pediatric services at Tufts Medical Center and Tufts Medicine community hospitals. As of January 2023, BCH employed former Tufts pediatric specialists through the BCH affiliate, Boston Children's Network Specialty Physician Foundation (BCNSP). These BCNSP physicians will continue working at both the Boston campus and within the Tufts system locally, providing pediatric care at community hospitals in Brockton, Lawrence, and Lowell so patients can continue to access care closer to home. We remain steadfast in our commitment to collaborating with the community hospital system across the state, spanning from pediatric emergency staffing in the Emergency Department on Cape Cod to specialty services in Milford.

[3] https://www.mass.gov/doc/consolidation-and-closures-in-the-massachusetts-pediatric-health-care-market/download

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?

Investing in Primary Care and Behavioral Health Care – We concur with the HPC recommendation to strengthen and invest in the primary care and behavioral health systems in our state. At BCH, one of our strengths lies in our network of primary care offices situated throughout the state, integrated with behavioral health models of education and consultation. BCH would gladly partner with the state to discuss ways to better invest and put thought into the sustainability of primary care and behavioral health in the community. There also needs to be a differentiation between systems of care children and young adults and the adult health care system.

Future Planning – We appreciate the HPC's 2023 report on the current state of the pediatric market and recommendations for care in the community. Building upon this work must be a systematic review of regional gaps in care, the workforce, and financial challenges driving regionalization, and a comprehensive assessment of what health care services children need. We know through our own primary care practice network that local practices are closing, children are coming to primary care with more severe needs, and there is an increased need for language and culturally appropriate services. A system review should also consider the rates of reimbursement for services in comparison to the cost of care, especially for the complex needs of children with multiple chronic conditions. The state could assist in looking at the needs of all children to better help health systems plan for or support local community efforts in standing up pediatric practices where they are needed most. We are in the planning phase to strengthen our affiliation with Tufts Medicine Pediatrics so that we can make sure all children under our joint care have access to care that is timely, equitable and within local communities. To do this, we are working together to share care pathways and management practices between our networks and track very closely important metrics about transfers to Boston.

Workforce Investments – As noted, we applaud the state's investments in job training and community college level-coursework, especially pertaining to nursing and the health care workforce. A future planning document would further enable the state to target investments where they are needed most, including in technical roles or specialty pediatric providers. We have seen some success in partnerships to train technical workers locally, but more could be done to strategically plan for and scale around these jobs, which include roles in phlebotomy, respiratory therapy, pharmacy technicians, and dietary technicians for example. Our workforce is our greatest asset, and we look forward to working with you on this and the other issues stated above.

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	323	68
	Q2	398	98
	Q3	364	107
	Q4	422	87
CY2022	Q1	379	79
	Q2	360	77
	Q3	286	90
	Q4	316	79
CY2023	Q1	498	106
	Q2	404	103
	TOTAL:	3750	894