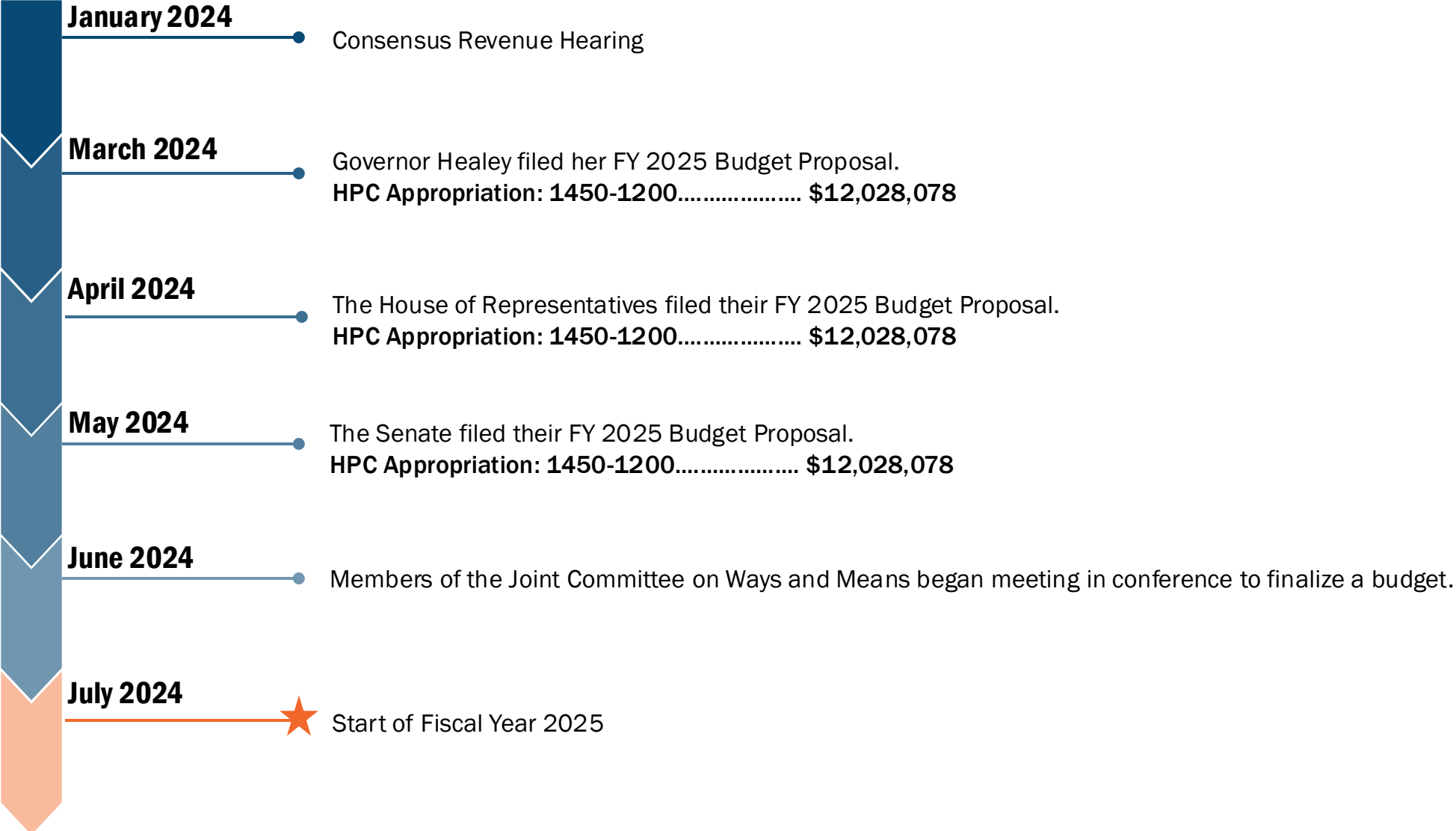


FY 2025 Budget Request



- The operating budget for the HPC is set in the annual state budget through an assessed account, 1450-1200.
- The total amount is split among an assessment on acute care hospitals, ambulatory surgical centers, and health insurance companies. Accordingly, the General Fund is “**held harmless**” for that amount as it is sourced from a dedicated revenue stream.
- For FY24, the HPC’s total budget was **\$11,806,606**.
- For FY25, the HPC respectfully requested that the Administration and the Legislature fund this account at **\$12,028,078**, as included in Governor Healey’s House 2 budget proposal. This represented a **1.86% increase from the HPC FY24 total budget**. This request assumes funding for the annualized cost of maintenance operations.

While the Commonwealth's FY 2025 budget proposal is still being negotiated by the Conference Committee, all branches funded HPC at \$12,028,078.



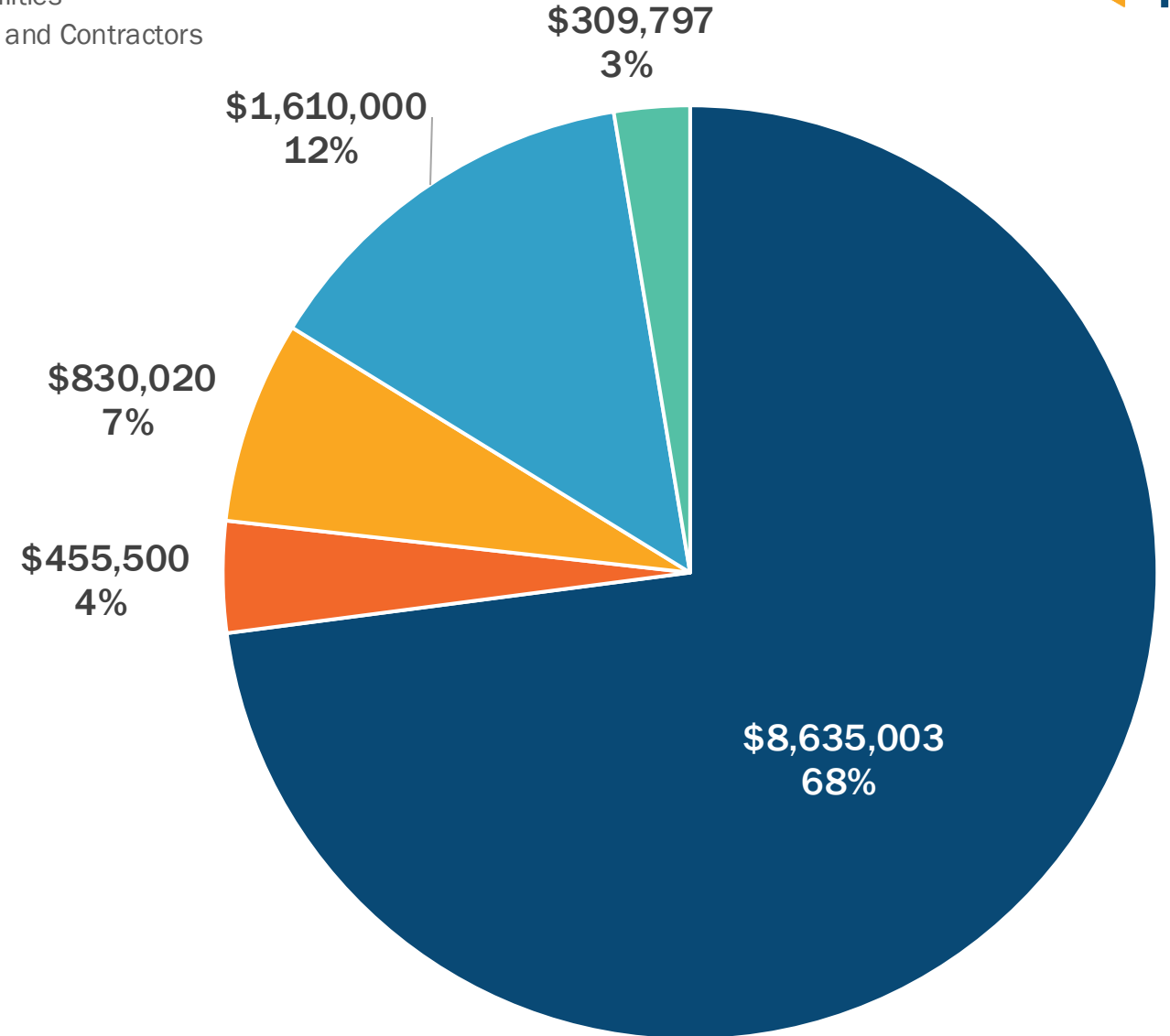
FY 2025 Budget: Key Assumptions

- The request assumes annualized funding for staff and professional services to support the HPC's statutory obligations for FY25. In addition to core programs and activities, for FY25 these obligations also include a final evaluation of the MGB performance improvement plan (PIP) and the five-year retrospective of the Beth Israel – Lahey (BILH) merger.
- **The budget request is a conservative estimate**, as there are significant unknowns in any given year (e.g., the number of market transactions, drugs that will be referred to the HPC, potential new PIPs, etc.).
 - Notably, the FY 2025 budget request did not account for the significant and unprecedented hospital and physician market changes that will be forthcoming through the Steward Health Care bankruptcy process. In addition to the HPC's important oversight role in these changes (which may be numerous), the HPC has also provided in-kind data analysis and consulting support to other state agencies to support the Commonwealth's response.
- Additionally, this request **does not include** additional resources and staff that will be needed to implement any new responsibilities and programs resulting from legislation passed this session.

FY 2025 Budget by Category

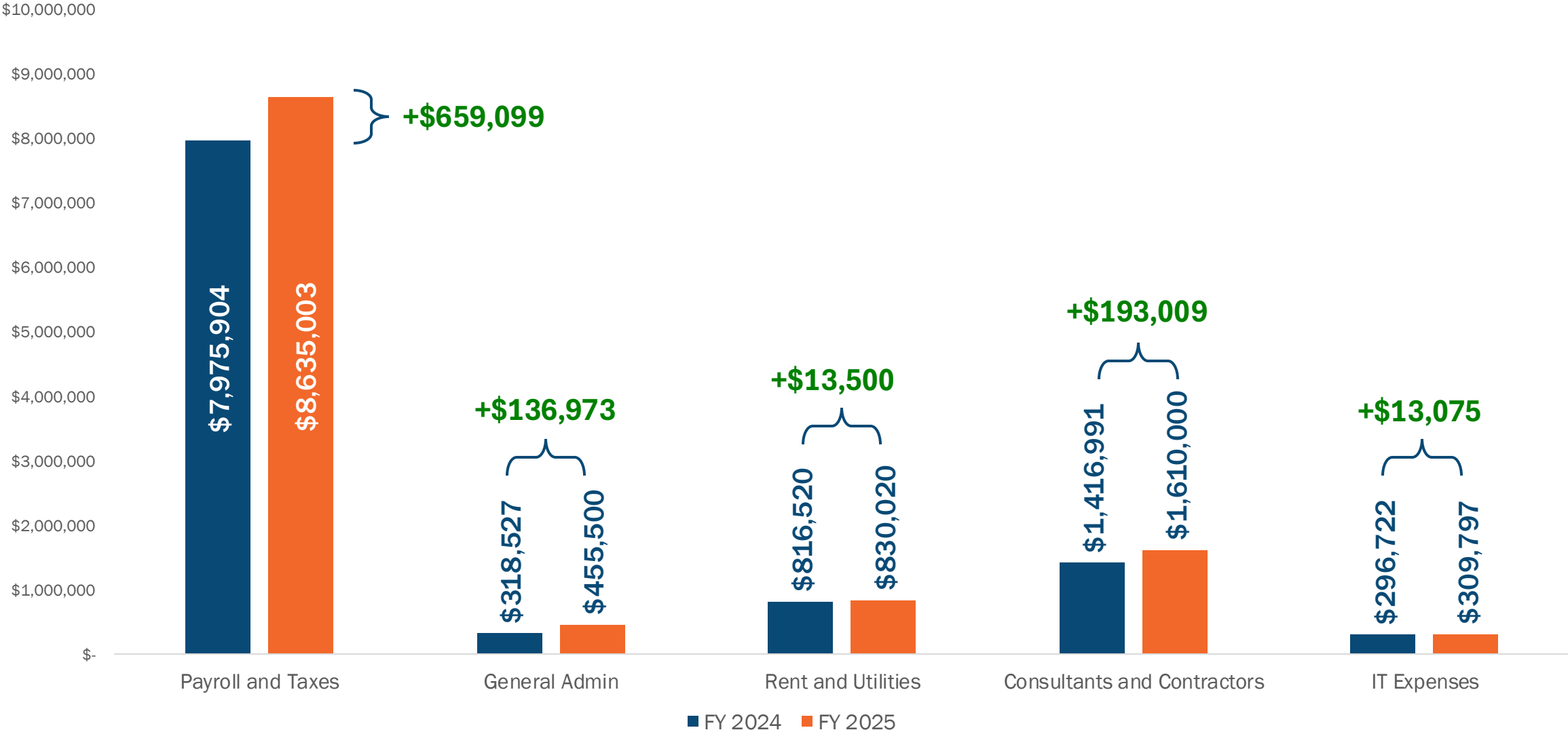


- Payroll and Taxes
- General Admin
- Rent and Utilities
- Consultants and Contractors
- IT Expenses



Note: \$167,000 was built into budget assumptions for the ongoing operation of the HPC's two investment programs.

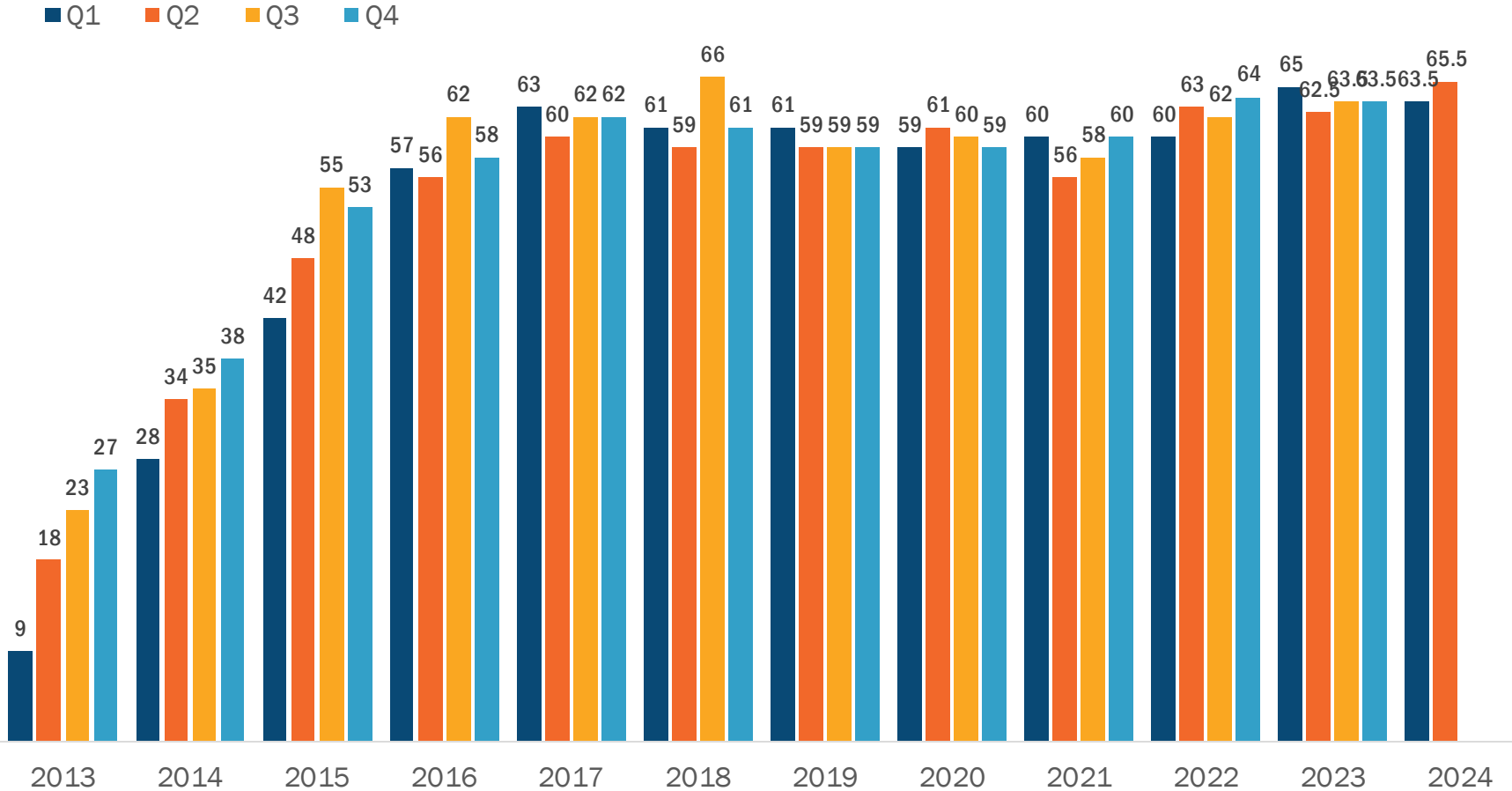
The primary difference between the HPC's FY 2024 and FY 2025 budgets is an increase in payroll expenses and consultants/contractor services.



The number of employees has been stable at 60-65 for the past eight years; the HPC will add approximately 2-3 positions in FY25 to staff new mandates and support agency work.



HPC Employee Count: 2013-2023*



FTE by Department
July 1, 2024

Health Care Transformation and Innovation	14
Office of the Chief of Staff (Internal/External Relations)	14.5
Office of the General Counsel/Office of Patient Protection	7
Market Oversight and Transparency	18
Research and Cost Trends	12
Total FTE	65.5

*This graph includes a count of both full time and part time paid employees, including temporary contract employees but excluding seasonal fellows. The table is an adjusted count based on 37.5-hour work week (FTE).

VOTE

Approval of the HPC's FY 2025 Operating Budget

Motion: That the Commission hereby accepts and approves the Commission's total operating budget for fiscal year 2025, as reviewed by the Administration and Finance Committee and as presented and attached hereto and authorizes the Executive Director to expend these budgeted funds.