

Massachusetts Health Policy Commission

50 Milk Street, 8th Floor

Boston, MA 02109

2024 Pre-Filed Testimony

PAYERS

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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 [2024 Annual Health Care Cost Trends Hearing](https://masshpc.gov/meetings/annual-cost-trends-hearing/november-14-2024).

On or before the close of business on **Monday, November 4, 2024**, please electronically submit testimony as a Word document to: [HPC-Testimony@mass.gov](mailto: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 2023, 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.

AGO CONTACT INFORMATION

For any inquiries regarding AGO questions, please contact:

Assistant Attorney General Sandra Wolitzky at [sandra.wolitzky@mass.gov](mailto:sandra.wolitzky@mass.gov) or (617) 963-2021.

HPC CONTACT INFORMATION

For any inquiries regarding HPC questions, please contact:

General Counsel Lois Johnson at

[HPC-Testimony@mass.gov](mailto:HPC-Testimony@mass.gov) or [lois.johnson@mass.gov](mailto:lois.johnson@mass.gov).

# THE 2024 HEALTH CARE COST TRENDS HEARING: PRE-FILED TESTIMONY

The Massachusetts Health Policy Commission (HPC), along with the Office of the Attorney General (AGO), holds the Health Care Cost Trends Hearing each year to examine the drivers of health care costs and consider the challenges and opportunities for improving the Massachusetts health care system.

The 2024 Health Care Cost Trends Hearing will take place in a period of significant upheaval and reflection for the Commonwealth’s health care system. The bankruptcy and dissolution of Steward Health Care, previously the third largest hospital system in Massachusetts, led to substantial disruptions to the state’s health care market and has taken a significant toll on communities, patients, provider organizations, and health care workers across the region. This market instability is occurring while many providers across the health care continuum are still struggling to adapt to a post-pandemic “new normal” state, wrestling with capacity constraints, financial volatility, administrative burdens, and workforce recruitment and retention challenges.

At the same time, an increasing number of Massachusetts residents are struggling with health care affordability and medical debt. Massachusetts has the second highest family health insurance premiums in the country. The average annual cost of health care for a family exceeds $29,000 (including out of pocket spending). Recently, more than half of residents surveyed cited the cost of health care as the most important health care issue, far surpassing those that identified access or quality. Due to high costs, 40 percent of survey respondents said they are putting off seeing a doctor or going to a hospital. These affordability challenges are disproportionally borne by populations of color, and those in Massachusetts with less resources, contributing to widening disparities in access to care and health outcomes. The annual cost of inequities experienced by populations of color in Massachusetts is estimated to exceed $5.9 billion and is growing every year. These challenges require bold action to move the health care system from the status quo to a new trajectory.

This year, in the wake of the considerable harm caused by the bankruptcy of Steward Health Care and other recent market disruptions, the HPC is focusing the 2024 Cost Trends Hearing on moving forward, from crisis to stability, and building a health care system that is more affordable, accessible, and equitable for all residents of Massachusetts.

Since 2012, pre-filed written testimony has afforded the HPC an opportunity to engage more deeply with Massachusetts health care market participants. In addition to pre-filed written testimony, the annual public hearing features in-person testimony from leading health care industry executives, stakeholders, and consumers, with questions posed by the HPC’s Board of Commissioners about the state’s performance under the [Health Care Cost Growth Benchmark](https://masshpc.gov/cost-containment/benchmark)and the status of public and industry-led health care policy reform efforts.

# QUESTIONS FROM THE HEALTH POLICY COMMISSION

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| 1. Reflecting on the health care market disruptions in Massachusetts in recent years, including the bankruptcy of Steward Health Care and related closures, what have been the most significant impacts of these disruptions on your members, your network(s), and your organization? |
| Click or tap here to enter text. |
| 1. Please identify and briefly describe any policy, payment, or health care market reforms your organization would recommend to better protect the Massachusetts health care system from predatory actors, strengthen market oversight and transparency, and ensure greater stability moving forward. |
| Click or tap here to enter text. |
| 1. Reflecting on consistent HPC findings showing increasing health care affordability challenges, growing difficulties accessing needed care, and widening health disparities based on race, ethnicity, and income among Massachusetts residents, what are your organization’s top two to three strategies for addressing these trends? What are the most significant challenges to implementing these strategies? |
| Click or tap here to enter text. |
| 1. Please identify and briefly describe any policy, payment, or health care system reforms your organization would recommend to achieve a health care system that is more affordable, accessible, and equitable in Massachusetts. |
| Click or tap here to enter text. TRENDS IN MEDICAL EXPENDITURES  |  | | --- | | * 1. Please complete a summary table showing actual observed allowed medical expenditure trends in Massachusetts for calendar years 2020 to 2023 according to the format and parameters provided and attached as HPC Payer Exhibit 1 with all applicable fields completed. Please explain for each year 2020 to 2023, the portion of actual observed allowed claims trends that is due to (a) changing demographics of your population; (b) benefit buy down; (c) and/or change in health status/risk scores of your population. Please note where any such trends would be reflected (e.g., unit cost, utilization, provider mix, service mix trend). To the extent that you have observed worsening health status or increased risk scores for your population, please describe the factors you understand to be driving those trends. | | Click or tap here to enter text. | | * 1. Reflecting on current medical expenditure trends your organization is observing in 2024 to date, which trend or contributing factor is most concerning or challenging? | | Click or tap here to enter text. | |

# QUESTIONS FROM THE OFFICE OF THE ATTORNEY GENERAL

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| 1. Chapter 224 of the Acts of 2012 requires payers to provide members with requested estimated or maximum allowed amount or charge price for proposed admissions, procedures, and services through a readily available “price transparency tool.” 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) 2022-2024 | | | | | Year | | Aggregate Number of Written Inquiries | Aggregate Number of Inquiries via Telephone or In-Person | | CY2022 | Q1 |  |  | | Q2 |  |  | | Q3 |  |  | | Q4 |  |  | | CY2023 | Q1 |  |  | | Q2 |  |  | | Q3 |  |  | | Q4 |  |  | | CY2024 | Q1 |  |  | | Q2 |  |  | |  | TOTAL: |  |  | |
| 1. When developing benefit plan options for employer groups, do you consider point-of-service cost-sharing affordability separately from premium affordability? If so, how do you do this and what metrics and data sources do you use? |
| Click or tap here to enter text. |
| 1. Are there any accommodations you offer to providers in consideration of point-of service cost sharing bad debt under your global risk arrangements? For instance, is the full allowable amount (i.e., both the insurer and the member portions) charged against the global budget even if the provider was never able to collect the member portion? Please provide details. |
| Click or tap here to enter text. |