



October 31, 2025

Via Email (HPC-Testimony@mass.gov)

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

Re: 2025 Pre-Filed Significant Equity Investor Testimony – Kinderhook Industries, LLC

Dear Executive Director Seltz,

On October 7, 2025, the Massachusetts Health Policy Commission and the Attorney General's Office contacted Kinderhook Industries, LLC ("Kinderhook") to request that Kinderhook provide pre-filed testimony in advance of the upcoming annual Health Care Cost Trends Hearing to be held on November 12, 2025. Please find attached Kinderhook's pre-filed testimony that is responsive to such request.

I, Christian Michalik, am legally authorized and empowered to represent Kinderhook for the purposes of this testimony. I hereby submit this testimony on behalf of Kinderhook and, under the pains and penalties of perjury, affirm that the statements made herein are true and accurate to the best of my knowledge and belief.

Sincerely,

A handwritten signature in black ink, appearing to read "C. Michalik", written over a light blue horizontal line.

Christian Michalik
Managing Director
Kinderhook Industries, LLC

2025 Pre-Filed Testimony



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 [2025 Annual Health Care Cost Trends Hearing](#).

On or before the close of business on **Friday, October 31, 2025**, 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.

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. All submissions are public record and will be posted to the [HPC's website](#).

If you have any difficulty with the template or have any other questions regarding the pre-filed testimony process or the questions, please contact HPC General Counsel Lois Johnson at HPC-Testimony@mass.gov or Lois.Johnson@mass.gov.

THE 2025 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 2025 Health Care Cost Trends Hearing offers a critical opportunity to discuss the pressing issues challenging the stability and sustainability of the Commonwealth's health care system. These include mounting affordability issues, workforce constraints, financial volatility, increasing prescription drug costs, and threats to health care access and coverage – and the ongoing efforts to address them.

Recent federal action has created uncertainties about the health care landscape in Massachusetts. It will require a renewed commitment among stakeholders and policymakers to work together towards a health care system that is more affordable, accessible, and equitable for all residents. The 2025 Health Care Cost Trends Hearing will convene industry leaders, clinicians, and community members to reflect on recent policy actions and invite further collaborative action in Massachusetts, advancing the Commonwealth's health care goals and values.

Amid the federal activity, Massachusetts is still contending with existing affordability hardships facing the Commonwealth's residents. Massachusetts now has the highest family health insurance premiums in the country. In 2024, the average annual cost of health care for a family exceeded \$31,000 (including out-of-pocket spending). As health care spending grows as a portion of household income, more and more families incur medical debt and avoid using needed care. These rates become particularly dire when health care premiums and out-of-pocket spending reach 25% of total income – a reality that 41% of Hispanic families and 26% of black families in Massachusetts faced in 2023 compared to 9% of white families. Furthermore, the average annual cost sharing per person grew from \$849 in 2019 to \$1,049 in 2023 (a 29% increase), and residents paying \$5,000 or more annually in cost sharing doubled from 2019 (1.5%) to 2023 (3.1%).

This is the first hearing since the enactment of two significant health care laws earlier this year (Chapters 342 and 343 of the Acts of 2024), which strengthen the health care market, address rising prescription drug costs, and enhance the public transparency and accountability of the Commonwealth's health care system – including requiring additional health care market participants to provide public testimony. As the HPC, the AGO, and other state agency partners continue implementation of these new laws, the 2025 Health Care Cost Trends Hearing will focus on working together to safeguard the Commonwealth's commitment to health care affordability, access, and equity.

The pre-filed written testimony affords the HPC and the AGO, on behalf of the public, an opportunity to engage with a broad range of Massachusetts health care market participants. In addition to pre-filed written testimony, the 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](#) and the status of public and industry-led health care policy reform efforts.

QUESTIONS FROM THE HEALTH POLICY COMMISSION

1. The HPC's July 2024 policy brief, [*Private Equity Investments in Massachusetts Health Care*](#), described a growing body of research finding that private equity ownership of health care providers is associated with changes in health care spending, quality, and access, including increased utilization and higher prices. Please describe your organization's role in the Massachusetts health care system, and any actions your organization is undertaking to ensure that Massachusetts residents have equitable access to affordable, high-quality health care services.

Kinderhook Industries, LLC ("Kinderhook") is a private equity firm that advises funds invested in Brady Health Buyer, LLC ("Brady Health"), a management services organization ("MSO") that provides administrative services to the physician practices of Revere Medical of Massachusetts, P.C. ("Revere Medical").

Kinderhook recognizes the importance of responsible engagement by its portfolio companies with the communities they serve. A recent article in the *New England Journal of Medicine* noted that, despite potential pitfalls, corporate investment in primary care practices has the potential to result in significant benefits for both patients and physicians. Specifically, corporate investment in primary care "can provide access to capital for investing in information technology and supplemental services that that could improve patient care" and working for a corporate owned primary care practice can "relieve physicians of the administrative burden of managing a practice, reduce the size of their patient panels, compensate them well, and provide better work-life amenities, such as flexible scheduling or reduced work hours."

This is consistent with Kinderhook's experience and its goals for Revere Medical. As discussed in more detail below, Kinderhook's investments have provided capital to enable Revere Medical to recruit additional primary care providers; to adopt new technology and thus reduce administrative workloads, increase efficiency, and assist providers in flagging needed preventative care and other interventions; and to provide centralized management services, thus reducing overhead expenses and increasing productivity. These investments help to make health care services more accessible and affordable and also enable Revere Medical to better serve the MassHealth enrollees who participate in Revere Health Choice.

2. Massachusetts now has the highest family health insurance premiums in the United States. In 2024, the average annual cost of health care for a family exceeded \$31,000 (including out of pocket spending). This reflects the growth in underlying health care costs. As health care spending grows as a portion of household income, more and more families incur medical debt and avoid using

needed care. Collaborative, urgent action across market participants is needed to reverse these trends. How can your organization contribute to this effort?

Kinderhook shares the Commonwealth's concern about rising health insurance premiums and the growing financial strain these costs impose on Massachusetts residents. With our support, our affiliated companies, Brady Health and Revere Medical, are taking a variety of actions that we believe will help to constrain the growth in healthcare costs in Massachusetts and we look forward to continued collaboration with the Health Policy Commission and other stakeholders in the Commonwealth to achieve this goal.

Ensuring Continued Access to High Quality Primary Care

When patients are unable to conveniently access primary care services in a timely manner, medical problems can become more severe and issues that might have been resolved with an inexpensive doctor's visit can require more costly interventions. As the Health Policy Commission noted in a recent report, "[l]imited access to primary care can lead to potentially avoidable ED and inpatient hospital use and associated higher spending, as well as worse patient outcomes, especially for patients managing chronic conditions." Kinderhook supports Brady Health and Revere Medical in their commitment to maintaining and improving access to primary care services for Massachusetts residents which will, in turn, help reduce patient reliance on more costly interventions and limit the growth of healthcare costs.

Expanding Access through Primary Care Provider Recruitment

Capital investment from Kinderhook is enabling Revere Medical to recruit additional primary care clinicians to improve patient access to care within Massachusetts. Massachusetts faces a continuing primary care provider shortage. As the Health Policy Commission has reported, in 2023, 41% of Massachusetts residents reported difficulty accessing care, with the most cited reason being the inability to get an appointment at a doctor's office or clinic when needed. By working to increase Revere Medical's primary care capacity (and the primary care capacity in Massachusetts overall), we can help families access timely care and reduce reliance on higher cost settings of care (e.g., emergency departments and hospitalizations).

Implementing Technology to Improve Efficiency

Kinderhook's capital investments have also enabled Revere Medical to deploy technology-enabled clinical documentation and data integration tools to reduce administrative burden and improve workflow efficiency, which help reduce administrative costs and allow providers to focus their attention on patient care. Importantly, tools such as these have been shown to significantly reduce provider burnout, which is a factor identified by the Health Policy Commission as contributing to the Commonwealth's lack of an adequate supply of primary care providers. These tools can also enhance the quality of primary care services by helping providers identify potential diagnoses and necessary interventions, thus reducing avoidable subsequent expenses (e.g., emergency department visits and hospitalizations).

Centralizing Services to Reduce Administrative Burden

Kinderhook's portfolio company, Brady Health, provides MSO services to Revere Medical, thus centralizing management functions (including billing, credentialing, human resources, compliance, and population health analytics) which in turn creates economies of scale and eliminates duplicative overhead costs. This centralization allows providers to spend less time on non-clinical tasks, increases productivity, and reduces overall administrative costs, resulting in an overall decrease in health care costs.