



Beth Israel Lahey Health

Submitted via email: HPC-Testimony@mass.gov

November 3, 2025

Mr. David Seltz
Executive Director
Massachusetts Health Policy Commission
50 Milk Street
Boston, MA 02109

RE: 2025 Pre-filed testimony Beth Israel Lahey Health

Dear Director Seltz:

Enclosed please find written testimony submitted on behalf of Beth Israel Lahey Health, Inc., in response to the questions of the Health Policy Commission and the Office of the Attorney General, as requested in your letter and accompanying request for pre-filed written testimony. I, Jamie Katz, am legally authorized and empowered to represent Beth Israel Lahey Health, Inc., for the purposes of this testimony, and this letter is signed under the pains and penalties of perjury.

Sincerely,

Jamie Katz, JD
General Counsel
Beth Israel Lahey Health, Inc.

2025 Pre-Filed Testimony PROVIDERS



**As part of the
*Annual Health Care
Cost Trends Hearing***

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.

We encourage you to refer to and build upon your organization's pre-filed testimony responses from 2013 to 2024, 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. All submissions are public record and will be posted to the HPC's website.

You may receive 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 relevant 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.

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 cost trends 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.

1. Recent and ongoing federal policy actions are changing health care in Massachusetts. What do you anticipate will be the most significant implications of these federal actions on your organization's strategies to address health care affordability, quality, access, and equity? How is your organization working to ensure stability and mitigate any negative impacts on health care workers, patients, and patient care? What specific actions should health care market participants, policymakers, and the public consider to safeguard the Massachusetts health care system against potential risks from federal policy shifts?

In the face of numerous years of unprecedented challenges, Beth Israel Lahey Health (BILH) has maintained a relentless focus on the commitments we made to the state and on our work each and every day to fulfill what we see is our underlying purpose as an organization: to create healthier communities — *one person at a time — through seamless care and ground-breaking science, driven by excellence, innovation and equity*. Recent federal policy changes will further challenge BILH and our entire healthcare ecosystem.

As a result of federal policy and reimbursement changes, patients who right now receive their coverage through the Connector and MassHealth will be left without options. From this, we can reasonably expect people to delay or forgo care. When they ultimately do reach the hospital, they will require more intensive, expensive treatment because of that delay. The already intense pressure on our Emergency Departments will only increase.

Tens of thousands of the patients losing coverage will end up on the state's Health Safety Net. The Health Safety Net is already experiencing record shortfalls, which hospitals alone must cover. The deficits were approaching close to \$300 million in FY25, with funding relief provided in the last days of the fiscal year. Demand within the fund is expected to grow by hundreds of millions of dollars as new federal policies are implemented in the next couple of years. This will place a severe financial burden on hospitals and challenge their ability to maintain services.

Additionally, the threats to federal funding of research will have a drastic impact that will be felt in the loss of generations of scientists and scientific advancements in medicine. Today, we have more than 13,000 patients actively engaged in clinical research trials. The impact to research is not simply felt within academic medical centers; we have

created access to the leading clinical trials being performed at Beth Israel Deaconess Medical Center and Lahey Hospital and Medical Center to sites and patients across the entire BILH network, bringing access to cutting edge, life-saving treatments to patients in our community hospitals.

BILH is continuing to focus on the work that we know will be critical in the wake of these drastic changes by continuing to focus on the following:

- Tightening core operations
- Growing access to primary and specialty care in our communities
- Expanding emergency departments to better handle an ever-increasing volume of patients
- Leaning into technology to enable better access to services
- Continuing to provide robust patient financial support to patients unable to bear the financial burden of care they need
- Enhancing patient financial counseling supports by adding counselors to support patients with health insurance enrollment and eligibility for critical programs

Our Commonwealth should remain focused on efforts that keep as many people on insurance coverage as possible, stabilize the Health Safety Net through creative funding solutions built between the state and hospital community, continue to invest in our leading MassHealth program and grow innovations like telehealth, hospital-at-home, and mobile integrated health. Collaborating, empowering and providing flexibility to providers to solve problems and care needs quickly and reducing existing, long-held burdens are a few ways the state can ensure providers remain viable and serve the critical needs of our residents.

2. Many Massachusetts health care providers continue to face significant workforce challenges. What strategies has your organization successfully implemented to improve recruitment and retention of clinical and/or non-clinical workers? What policy, payment, or health care system reforms does your organization recommend to better sustain, strengthen, and diversify the health care workforce more broadly in Massachusetts?

Jobs in healthcare, once highly sought after across any number of positions, are seeing struggles in recruiting, burnout and employees leaving at a record rate. Massachusetts has made great strides in strengthening the healthcare workforce, as evidenced by the

lower level of vacancies than we've seen over the past couple years. Due in large part to extensive investments, initiatives, and partnerships put in place by healthcare organizations and the state. Throughout BILH we have been focused on our workforce through a number of initiatives:

- Investing in retention initiatives
- Supporting leaders
- Supporting new workforce entrants
- Providing flexible scheduling options
- Supporting the adoption of technology to make the administrative work less cumbersome for patients and providers
- Expanding educational and skills development opportunities for career advancement for all staff

BILH is providing learning and career development opportunities for all staff:

- A 10-month English for Speakers of Other Languages program
- Free college courses through Bunker Hill and North Shore Community Colleges
- An MBA program through Bentley University
- Programs to train people without prior experience for Nursing Assistant/PCT roles

We are seeing some encouraging signs when it comes to retention:

- 2025 employee survey: engagement scores have increased in recent years
- Our overall turnover has decreased significantly
- Our overall nurse turnover (12.2%) is lower than our peers (15.8%), driven by highly intentional, systemwide investment in our nurses, including:
 - New nurse leader training programs
 - Experienced nurse leader training
 - Nursing advisory councils
 - Market increases

Importantly, the state has stepped up to invest in the behavioral health workforce pipeline, establish the MA Repay program, and pass critical reforms like the Nurse Licensure Compact. As a Commonwealth, there are several priorities we can address:

- Passing comprehensive workplace violence protections
- Easing the administrative burden so clinicians and care teams can focus on actual patient care.
- Passing legislation to streamline the prior authorization process.
- Focusing pipeline investments on high-need areas, such as behavioral health, LPNs, and advanced practice providers.

3. Administrative complexity in the health care system can burden clinicians and patients and contribute to burnout, reduce timely and equitable access to care, and add unnecessary costs to the system. What policies or strategies should policymakers and/or other market participants consider to reduce administrative complexity that provides little value in the Massachusetts health care system? How would such changes impact your organization's administrative costs of providing care?

Administrative responsibilities have become overwhelming for healthcare workers and patients. At any given time, as many as 2,000 patients are “stuck” in Massachusetts hospitals because they cannot access the next level of care they need. Insurance administrative barriers continue to be the top cause. According to the AMA, Physicians and their staff spend 13 hours each week completing prior authorizations (PAs) and 89% of them report that PA somewhat or significantly increases burnout. Physicians have shared that the top most impactful thing we can address to help support them better is reducing the burden of chasing down prior authorizations. Other administrative factors include the onerous tasks of facilitating eligibility and benefit verification, claims submissions and resubmissions, denials, audits, and navigating unilateral policy/contract changes. Research shows that administrative spending accounts for 15-30% of healthcare spending, at least half of which is considered wasteful. MHA estimates that excessive administrative requirements are adding \$1.75 billion in cost waste to the Massachusetts healthcare system each year.

BILH is focused on reducing administrative complexity for our patients and our staff. When we came together as a system, BILH made a commitment to pursue an integrated Electronic Medical Record system (EMR). As of this October, we have delivered on that promise. Across BILH, all of our entities are now on an integrated EMR which is enhancing access to care for patients throughout the entire BILH system, improving coordination of care across providers, making a patient's own healthcare information more accessible and removing points of friction while interacting with our system.

While we are constantly tackling administrative tasks within our control, much remains to be addressed by burdens imposed by third parties; particularly by payer practices. Our state can look to several areas to make a difference:

- o Passing legislation and creating regulations to streamline the prior authorization process
- o Standardizing prior authorization requirements among carriers, promoting electronic PA practices, reducing the number of services requiring PA, and providing greater transparency on denials

- o Addressing the unilateral contract and policy changes that add strains to provider operations, challenge patient access, and limit needed reimbursements.
- o Encouraging health plans to offer discharge authorizations over the weekend.
- o Minimizing reporting responsibilities or mandated administrative requirements for providers
- o Streamlining administrative requirements for innovative care that can increase access and keep people out of the hospital (telehealth, hospital-at-home, mobile integrated health, etc.)

4. High-quality, accessible primary care is foundational to an effective and efficient health care system. If your organization includes primary care providers, what activities or investments are you pursuing to enhance access to affordable, high-quality, person-centered primary care (including integrated behavioral health services) for your patients? How are you tracking the impact of these activities or investments? What policy, payment, or health care system reforms does your organization recommend to enhance equitable access to high-quality primary care services?

From the beginning, BILH has been strongly committed to investing in primary care as the foundation of healthcare delivery system. BILH has grown primary care by 30% in the past four years through practice support, recruitment, and strong retention of Advanced Practice Providers and Physicians. Ensuring primary care receives the intentional focus and resources critical to successful primary care delivery, BILH created a dedicated organizational and management structure, BILH Primary Care. BILH Primary Care is a critical part of the work we have done to create a single integrated network to foster collaboration across primary and specialty care. The team is focused on enhancing access to care through seamless referrals, improved scheduling, and service expansions. We are also supporting our care teams with resources, technology, leadership support and practice management. Across BILH we have grown primary care to 92 primary care practices that include family medicine, internal medicine, pediatrics, geriatric outreach, and urgent care, where more than 560 advanced practice providers and physicians have cared for over 500,000 patients per year.

BILH is constantly innovating to create more access and meet patient expectations for high-quality, convenient, and coordinated care. For example, we recently launched a virtual primary care program, which facilitates virtual visits for acute and chronic care with a team of dedicated “virtualist” PCPs. The program continues to grow and provides patients with more options to connect with a provider. BILH Primary Care is also leading in the area of chronic condition management for conditions like diabetes and cardiac disease. We are

leveraging technology to enhance patient monitoring of treatment adherence. Providers can get real-time updates on changes in a patient's conditions and rapid connection with a care team that can include specialists, educators, and pharmacists to respond to a patient's needs.

Our organization's ACO within the MassHealth program also supports primary care practices through numerous innovative programs. Partnering with MassHealth, our payer partner, WellSense, and our care providers we are delivering amazing care to patients with multiple complex diseases and social needs. Primary care practices in the MassHealth ACO program are now paid on a capitated basis for patients in their panels, with hospital health system ACOs supporting this move to value-based payment models. This payment model is intended to provide flexibility to practices, improve outcomes, and manage costs.

In addition to participating in the MassHealth ACO model, BILH has long been a participant in the Medicare ACO program, also known as the Medicare Shared Savings Program. This program has been challenging, often highlighting the difficulties of expecting clinicians to provide care in models with misaligned goals and incentives, the technical and operational demands of care management and the complexities of risk adjustment. However, BILH has maintained a steadfast commitment to populations health management and value-based care and proven in this model that with appropriate calibration of the model and deliberate focus, positive results can be seen for patients, provider practices and payers alike.

As a Commonwealth, we can address primary care by:

- Setting ambitious goals that are responsive to the operational and financial pressures hospitals face
- Ensuring fair insurance reimbursement that incentivizes caregivers to enter and stay within the primary care field
- Reducing administrative burdens that divert primary care clinicians from focusing on delivering care
- Investing in community-based care, innovative models closer to home, and technology that can make a difference
- Expanding scope of practice for professionals who can serve in primary care

5. 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?

BILH is proud of its commitment to advancing affordable healthcare for every patient who needs it. We recognize the strain of healthcare costs on many individuals and households. Those trends reflect how expensive it has become for healthcare providers to deliver and maintain care services in today's environment. This is an unsustainable path for everyone involved – providers, insurers, the state, and most importantly patients. Our state must remain focused on the fundamental cost drivers impacting hospitals and caregivers as our most powerful way of turning the tide (workforce shortages, administrative burdens, discharge delays, changing patient demographics, etc.).

As a Commonwealth and as a country, we need to address the increasing financial burden patients are facing when it comes to medications, co-pays and out of pocket costs. Those cost burdens disproportionately affect low-income communities and communities of color, and they often prevent patients from seeking preventive care, resulting in higher acuity and avoidable hospitalizations. BILH has been focused on efficiencies and synergies since its earliest days as a system, some of the work around this can be seen in:

Delivering high-quality and high value care: BILH made an early commitment to drive care to lower cost community settings. We have set an ambitious goal of delivering 70% of our care in community settings by 2030; closing out 2024 we are close to that goal with over 60% of care delivered in community settings throughout the system. Additionally, BILH's centralized referral management program focuses on redirecting patients who are seeking out-of-network specialty care to network specialty care when clinically appropriate. In 2024, BILH redirected more than 1,300 patient visits to providers within the BILH system. This resulted in enhanced care coordination at a lower cost of care.

Supply chain: We have established a single group purchasing organization to leverage BILH's scale and combined purchasing volume, consolidate purchasing and contracting functions and services, and implement a systemwide value-based value analysis process. The centralized supply chain team proved critical to the systems response to COVID-19 pandemic and continues to drive integration-related savings.

Laboratory: We established a system-wide laboratory infrastructure focused on strategies to reduce the cost per test and expand patient access. We have implemented a blood depot model to minimize blood product waste and mobile phlebotomy services for homebound patients. And last year, BILH centralized oversight of all laboratory draw sites, with a focus on quality service and active recruitment of phlebotomists. Eleven (11) new community-based lab draw sites

have been established to increase patient access to lab services and improve satisfaction of both patients and providers.

As the healthcare and social support ecosystems change, hospitals and health systems will be faced with more difficult decisions. We are committed to working with the state and stakeholders across the sector to shape our future together.

QUESTIONS 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) 2023-2025		
Year	Aggregate Number of Written Inquiries	Aggregate Number of Inquiries via Telephone or In-Person
CY2023	Q1	38
	Q2	58
	Q3	43
	Q4	49
CY2024	Q1	57
	Q2	93
	Q3	151
	Q4	195
CY2025	Q1	459
	Q2	336
TOTAL:	1,479	6,767