CHA Cambridge Health Alliance

HARVARD MEDICAL SCHOOL
TEACHING HOSPITAL

October 31, 2025

Mr. David Seltz
Executive Director
Health Policy Commission
50 Milk Street, 8th Floor
Boston, MA 02109
Via Electronic Submission HPC-Testimony@mass.gov

Re: 2025 Annual Health Care Cost Trends Testimony

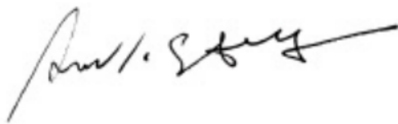
Dear Mr. Seltz:

This letter transmits Cambridge Health Alliance's written testimony in response to the questions from the Health Policy Commission and the Office of the Attorney General in a communication requesting our written testimony for the 2025 Annual Health Care Cost Trends Hearing.

I am legally authorized and empowered to represent Cambridge Health Alliance for the purposes of this testimony. I attest, to the best of knowledge, that the attached testimony is accurate and true, and sign this testimony under the pains and penalties of perjury.

Please feel free to contact me should any questions arise.

Sincerely,



Assaad Sayah, M.D.
Chief Executive Officer
Cambridge Health Alliance

Enclosure

2025 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 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?

Significant implications of federal policy changes particularly related to the federal reconciliation law (H.R.1) and other federal policies include disruptions to health care coverage for our patients both with Medicaid and Massachusetts Health Connector insurance, and the likelihood of a greater number of uninsured, fewer federal health care resources to states, and changes to important federal funding programs including those relied upon by Massachusetts providers, especially safety net hospitals and health centers.

Of great concern to us as a safety net hospital system are the profound policy restrictions and reductions for Medicaid: in eligibility/coverage, payments, and financing. These changes will affect the health care system for everyone and will adversely impact populations relying on Medicaid, Health Connector, and even

Medicare coverage. Accessible and affordable care for Massachusetts residents will be at risk.

We look forward to working closely with the Healey Administration, state agencies, the Health Policy Commission, the Office of Attorney General, state policymakers and other stakeholders on policies that will ensure our health system is stable and accessible, including for safety net systems and underserved communities they serve.

In the work ahead, the ongoing partnership between state policymakers and health care providers will be integral to assessing the pending federal regulations and to thoughtful design of the Massachusetts response to implement these changes. Continued partnership with the Congressional delegation will be important to address concerns at the federal level.

Our state in collaboration with stakeholders should remain focused on coverage and access to health care to the greatest extent possible, and to ensure that those patients who rely on Medicaid and providers who deliver concentrated health care services for Medicaid are given special consideration in solutions to support their ongoing care.

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?

Building and supporting the healthcare workforce is a united area of focus for CHA and providers in partnership with organizations such as the Massachusetts Health and Hospital Association (MHA), the Massachusetts League of Community Health Centers, in which we participate.

<u>What strategies has your organization successfully implemented to improve recruitment and retention of clinical and/or non-clinical workers?</u>

CHA has taken many steps to address the shortage of healthcare workers. These strategies include development of workforce pipeline partnerships such as with

universities, community colleges, area high schools, vocational services, organizations specializing in employer-driven train-to-hire and upskill pathways, online health care career training organizations, organizations focused on professional development solutions, as well as MassHire. We have focused these partnerships on medical assistants, certified nursing assistants, pharmacy technicians, registered nurses (RNs) (including our RN residency program), milieu counselors, radiology technologists, lab assistants among others.

For recruitment, we utilize a myriad of sourcing sites and programs and targeted advertising strategies, which tie CHA's mission and purpose to working here ("Believe in Where You Work campaign") and that highlight CHA's external recognition/awards. We carefully recruit from our residency programs in internal medicine, family medicine, psychology, psychiatry, and podiatry. We offer sign-on bonuses for hard to recruit positions and to incentivize our residents to stay with CHA after residency. We offer referral bonuses to our employees.

Our recruitment strategy morphs to a retention strategy, which is informed by employee engagement surveys. CHA offers leadership development opportunities for employees, wellbeing programs, and 360-degree feedback for senior leaders. We invested in becoming a High Reliability Organization with clear behavioral and leader expectations. We are revamping and improving our onboarding process. In this competitive healthcare market, we must stay competitive with pay and benefits in the Greater Boston area, although this is challenging as a safety net hospital system.

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?

We encourage the continued state policy focus and investment in developing the health care workforce and career pathways/financial incentives to encourage more people including those of diverse backgrounds to enter these fields in exchange for commitments to work in Massachusetts, particularly for organizations with high Medicaid and public payers.

Our state has made progress, and more can be achieved together.

We can build on promising initiatives Massachusetts has invested in such as the MA Repay program, passage of the Nurse Licensure Compact, and initiatives to cultivate the behavioral health workforce pipeline.

Several workforce policy priorities that can be addressed at the state level include:

1. Investment in loan repayment and scholarship programs: Of particular promise is further investment in loan repayment and scholarship initiatives in exchange for a commitment to work in Massachusetts, particularly in hospitals and health centers with a high proportion of Medicaid and public payer care.

2. Reimbursement for Health Care Team members: Several key health care professions that are focused on wellness - like primary care and behavioral health - are lower reimbursed professions. This is not commensurate with their integral role in patient care management and affordability. Greater reimbursement is urgent. We also support legislation to require coverage and payment for community health workers [H.359/S.251, An Act relative to health equity and community health workers] and legislation for physician assistants to work to the top of their license in the behavioral health setting [H.1131/ S.773, An Act Expanding Access to Mental Health Services].

3. Statewide Partnerships with Elementary and Secondary Schools to provide career information and internships to encourage school-age youth to enter health care fields.

4. Funding for Innovative Initiatives to Support Workforce: Recommend consideration for funding to health systems for innovative workforce development programs such as wellbeing programs, housing support so that employees can reside in our service area thereby reducing commute times, day care and commuting support for health care workers.

5. Expedited Massachusetts licensing for health care workers from other states and those trained abroad.

6. Healthcare Workplace Violence protections: Passing comprehensive workplace violence protections in *An Act Requiring Health Care Employers to Develop and Implement Programs to Prevent Workplace Violence* (H.2655/S.1718) with be a meaningful step forward. This legislation is supported by MHA, the Massachusetts Nurses Association, and 1199SEIU).

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?

Taking action now to remove unnecessary administrative complexity in the health care and health insurance systems would benefit patients and providers and reduce administrative costs.

MHA estimates that excessive administrative requirements are adding $1.75 billion in cost waste to the Massachusetts healthcare system each year.[1] National research has found that administrative spending accounts for 15-30% of healthcare spending, at least half of which is "likely ineffective, meaning that it does not contribute to health outcomes in any discernible way".[2]

Yet, at this time, insurers are expanding the use of administratively burdensome practices. This includes insurers' increasing use of denials of hospital care that require a second level of physician peer-to-peer review in addition to use of prior approval and other administrative practices.

<u>Our clinical and operations staff have identified several areas of administrative burdens that present opportunities for improvement. State policies can make a difference in the following areas.</u>

1. <u>Increasing Trend for Insurance Denials:</u> Insurances are routinely denying hospital admissions that are being elevated to a second level of physician peer-to-peer review. This takes clinical time away from physicians, who must devote

[1] Better Care, Lower Costs: How Massachusetts Can Lead on Sensible Insurance Reform, November 2023. https://www.mhalink.org/wp-content/uploads/2023/11/Better-Care-Lower-Costs-MHA-Insurance-Report-.pdf

[2] "The Role Of Administrative Waste In Excess US Health Spending, " Health Affairs Research Brief, October 6, 2022. https://www.healthaffairs.org/content/briefs/role-administrative-waste-excess-us-health-spending

time to reaching an insurance company doctor to convince them of the medical necessity and approve payment for the patient's hospital stay.

- We urge greater transparency on and reductions of these denial practices.

2. Insurance prior authorization for Skilled Nursing Facility/Rehabilitation Facility and Other Services: These processes often add a day plus to a patient's hospital stay.

- We support the work of a coalition (MHA, Massachusetts Medical Society, and Health Care for All) to advocate for passage of *An Act Improving the Health Insurance Prior Authorization Process* (H.1136, S.1403).
- Reducing the number of services that require PA, promoting electronic PA practices, and standardizing such requirements among insurers is needed.

3. Lack of post-acute access: A combination of insurance administrative practices and less post-acute capacity in post-acute nursing facilities and home health in our communities is straining the health care system. According to MHA, as many as 2,000 patients are "stuck" in Massachusetts hospitals because they cannot access the next level of care they need. This is especially the case for patients with complicated medical and/or behavioral health conditions.

Insurance administrative barriers are a significant factor. Hospital care managers must send referrals to multiple post-acute providers to find a provider that will accept the patient, which can lead to extra hospital days.

4. Non-Standardized Communication Processes with Payors: Each payor has its own preferred method of communication and obtaining authorization, often through customized insurance portals that are complex and time-intensive to navigate. Greater standardization is recommended.

5. Encouraging health plans to offer discharge authorizations over the weekend.

6. Minimizing new reporting responsibilities for providers.

Excessive administrative requirements result in significant costs, patient barriers to care, and health care provider and workforce stress/burnout.

Physicians and their staff spend 13 hours each week completing prior authorizations (PAs), according to the American Medical Association (AMA). 82% of surveyed physicians reported that PAs at least sometimes lead to patients abandoning treatment, and 89% of surveyed physicians reported that the PA workload somewhat or significantly increases burnout, according to the AMA survey. [3]

CHA focus on administrative efficiencies within our own organization

While we must respond to these external administrative requirements, our care management team is working to create efficiencies where possible.

Care management has focused on IT solutions such as use of Electronic Health Record (EHR) modules and optimizations to: track insurance secondary physician peer-to-peer review cases; reduce duplicative documentation and amount of narrative documentation via EHR flowsheets, and facilitate more efficient communication with hospital referral sources.

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?

CHA is a major primary care and ambulatory care system and is prioritizing access and improvements in its ambulatory care system. CHA operates 15 hospital-licensed health centers. This includes patient engagement, ambulatory service redesign and operational standardization to make it easier to deliver and

[3] https://www.ama-assn.org/system/files/prior-authorization-survey.pdf
https://www.ama-assn.org/practice-management/prior-authorization/when-prior-authorization-blocks-lifesaving-treatments

access care. Advancing population health and health equity are strategic priorities for our organization.

CHA's Primary Care Initiatives

In 2025, CHA opened a new primary care and specialty care center at One Cabot, Medford, which is accepting new patients and adding providers. In addition, CHA is working to expand primary care access across its primary care system.

- CHA is working on expedited primary care new patient appointments for patients with urgent clinical needs. Goals include facilitating access to a primary care appointment within one week if the patient is being discharged from the hospital, our emergency department, is a member of our MassHealth ACO or is intending to establish primary care with CHA, but has an earlier clinical need before their scheduled appointment. By addressing urgent clinical needs through expedited new patient visits, we aim to provide timely access to primary care services while preventing unnecessary emergency or hospital utilization.
- We are facilitating a more expedited process for patients re-establishing primary care at CHA to receive more timely primary care services.
- We are conducting active outreach to unengaged patients who have not had an appointment with us in 18 months or more to re-engage them in care.

CHA monitors our primary care new patient appointment availability, the number of requests for new primary care requested from the community, how many new and re-established patients we see as well as patient disengagement. Since January 2025, we have added 14,000 new patients to our primary care panel, and re-established over 4,000 patients back into primary care.

Recommendations for policy, payment or health care system reforms to enhance equitable access to high-quality primary care services

1. We ask that focused incremental new reimbursement occur for all payers in primary care reimbursement, particularly in models that incorporate funding for primary care integration with behavioral health, care management, and coordination to respond to health-related social needs.

2. Telehealth continues to be an important modality of care in CHA's primary care system, with approximately 20 - 25% of visits via telehealth. Importantly, this includes visits for chronic disease management including hypertension with patient-reported vitals and diabetes with home glucose monitoring, integrated behavioral health in primary care, weight management, sick visits for lower acuity needs that don't necessarily require an in-person visit among other visit types. We are concerned about telehealth restrictions and reimbursement reductions for primary care and ambulatory specialty care, for which reimbursement parity is necessary to sustain access and coordinate the patient's care needs post-telehealth visit.

3. We oppose site neutral policies, as they would potentially reduce resources for hospital-licensed health centers, ambulatory and primary care. Safety net health systems with hospital-licensed outpatient care already tend to be lower paid by commercial insurance, and site neutral policies risk reducing payer payments for services.

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?

CHA recognizes that addressing the cost of health care is a shared responsibility across the health care sector. While health and hospital delivery systems experience significant annual cost drivers from other market participants that impact our operations, we strive to do our part.

CHA is pursuing organizational and state policy strategies to advance high-value and affordable health care.

CHA continues to implement strategies to prioritize the sustainability of our hospital and health center system for our patients and communities and to improve financial performance. In tandem with ongoing financial performance improvement initiatives described below, CHA has achieved multiple strategic initiatives including: implementation of High Reliability Organization principles; improved patient, provider, and staff engagement; a CMS 4-Star Rating; and Lown Institute recognitions.[4]

Ongoing efforts at CHA toward high value care include:

CHA's Ongoing Financial Improvement Initiatives:

CHA continues on an ongoing multi-year effort to improve its financial performance and has made concerted progress. To date, CHA has implemented projects to improve patient access to services in ambulatory, surgery, and inpatient care environments, to increase its efficiency and effectiveness in collecting payments for the services it provides, and to carefully manage its staffing resources matched to volume and benchmarks. The cumulative value of these improvements is in excess of $50M to date.

Each year, wage and other expenses outpace the payer reimbursement increases. CHA is much lower paid than the hospital average by commercial payers, which compounds the challenge.[5] That means we must work each year to offset external inflationary costs while seeking to improve our operating margin and make necessary capital investments to maintain our facilities and technology. The improvements realized to date through our efforts have allowed CHA to move its margin from a structural deficit to closer to break even. The challenges of financial sustainability continue, however, and there are limited remaining opportunities to address them.

Retain a Greater Share of Care in CHA's Community Hospital Level of Care

[4] https://lownhospitalsindex.org/hospital/cha-cambridge-hospital/
https://www.challiance.org/about-cha/newsroom/cha-newsroom/2025/08/cha-earns-national-recognition-as-a-hospital-leader

[5] According to the Massachusetts Center for Health Information and Analysis most recent 2023 relative price data, Cambridge Health Alliance is the 7th lowest paid acute hospital in Massachusetts, with a cross-payer relative price of 0.80 compared to the statewide hospital average relative price by commercial insurers. https://www.chiamass.gov/relative-price-and-provider-price-variation/

We seek to provide a greater share of the health care for our patient populations for services we deliver within our community, safety net hospital system's level of care, including primary care, behavioral health care, and community-based care. This promotes equity for our patients and community; affordable, well-coordinated care for our patients; and sustainability.

Primary Care and Behavioral Health Focus on Wellness

Primary care and behavioral health care are integral to high value care that is affordable, equitable, and accessible. CHA is a major provider of primary care, ambulatory care and behavioral health services. A number of our initiatives are summarized in question 4 above.

CHA is operating two Community Behavioral Health Center sites, to provide urgent and ongoing behavioral health care in community settings. This complements CHA's full continuum of inpatient 156 inpatient psychiatry beds.

Screening for and referrals for patients with health-related social needs is integrated into CHA's hospital, primary care, and behavioral health care to support social factors that often impact health.

Care Management:

The focus of our inpatient and outpatient care management is to promote high value care efficiently. By coordinating care so that patients get the right care in the right setting at the right time, our focus is always on the best patient outcomes while reducing unnecessary/low value utilization. We do this in the hospital by managing length of stay and reducing readmissions and have recently expanded this work to our inpatient behavioral health settings.

Nurse Advice Line:

CHA implemented a centralized nurse advice line, an innovative approach to addressing patients' urgent and emergent needs by ensuring they receive timely clinical guidance and are directed to the most appropriate and effective care setting. This model enhances convenience for patients by providing quick access to professional nursing support, promotes safer care decisions, and reduces unnecessary emergency department utilization—resulting in both improved patient experience and overall cost efficiency.

QUESTIONS FROM THE OFFICE OF THE ATTORNEY GENERAL

1. 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	22	Phone/MyChart
	Q2	29	Phone/MyChart
	Q3	35	Phone/MyChart
	Q4	31	Phone/MyChart
CY2024	Q1	33	Phone/MyChart
	Q2	25	Phone/MyChart
	Q3	76	Phone/MyChart
	Q4	56	Phone/MyChart
CY2025	Q1	26	Phone/MyChart
	Q2	30	Phone/MyChart
TOTAL:		363	

- In CY 2023 forward, in accordance with the No Surprises Act effective in January 2023, we are automatically sending price estimates to self pay patients for a wide variety of visits in accordance with the regulations. Automated estimates are automatically sent to self pay patients and are not reflected in the patient-initiated requests in the table above.