

Massachusetts Health Policy Commission
50 Milk Street, 8th Floor
Boston, MA 02109

Re: Fenway Community Health Center, Inc
Written Testimony for 2025 Health Care Cost Trends Hearing

Please accept the attached written testimony from Fenway Community Health Center, Inc. as requested by the Health Policy Commission.

Thank you for the opportunity to respond to the Thank you for the opportunity to submit written testimony to the HPC. We appreciate the commission's approach to examine health care cost trends.

As the Chief Financial Officer of the organization, I am authorized and empowered to represent the organization for the purposes of this testimony.

Signed under the pains and penalties of perjury,

Jason Levy

Jason Levy
Chief Financial Officer
Fenway Community Health Center, Inc.



MASSACHUSETTS
HEALTH POLICY COMMISSION

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
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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?

Fenway is closely tracking how federal actions around Medicaid redeterminations, Section 330 funding, and 340b will affect community health centers' financial sustainability and patients' access to care. As a safety-net provider serving a high proportion of Medicaid and public-coverage patients, the loss of Medicaid enrollment would disproportionately impact our operations.

- We are already preparing for additional uncompensated care and outreach demands through targeted investments in enrollment/navigation staffing, partnerships with community organizations, and telehealth extensions to reach disenrolled populations.
- Reductions in Medicaid eligibility will have a financial impact on our center since the PPS rates provide for higher reimbursement than some commercial payers and uninsured patients needing care.
- We encourage MassHealth to invest in outreach and enrollment resources and work to simplify systems to position those eligible to remain in the program.
- We also ask that EOHHS solicit feedback from key stakeholders and populations in need like homeless and those with language barriers.

Financially, Fenway has modeled potential impacts of the federal Rebate Pilot on 340b cash flow.

- The 340b program supports resources needed to provide care to the most vulnerable populations and enables CHC's to cross-subsidize the lower reimbursed integrated care we provide. Even a modest shift could reduce

resources for our sliding-fee services, outreach programs, and integrated behavioral health supports.

- Potential changes to the 340b program will have significant cash flow impacts, require added administrative burden, and reduce the value of programs established to support organizations that generally generate narrow (if any) surplus.
- Further, given Fenway's expansive contract pharmacy network across the state, which aligns with providing care to residents of the Commonwealth from every zip code, unchecked manufacturer restrictions on contract pharmacies have led to the loss of millions of dollars over the past several years. 340B margin is shrinking at a time when demand for care, especially for more under-insured people, is on the rise. The state has the opportunity to join other states across the country to stop these discriminatory practices. Therefore, we support advocacy for H.1107/S.819.
- Additionally, more than 70% of Fenway's patient population is privately insured. Commercial rates have fallen behind reimbursement by public payers for FQHC's, creating a significant revenue opportunity to be able to withstand financial pressures on the organization. Therefore, we support advocacy for H.1096/S.711 to provide a commercial rate floor to help offset some of the program changes and losses.

The uncertainties present challenges to funding for community-based public health programs. Our strategy has focused on maintaining access and continuity of care for all of our patients while diversifying revenue streams to reduce dependence on federal funding. We're working proactively to ensure service stability by expanding telehealth and same-day access options, strengthening integrated behavioral health, and investing in programs that re-engage patients living with HIV, diagnose and treat hepatitis C, and provide low-barrier access to treatment for substance use disorders. Policymakers should continue to safeguard funding for prevention and primary care while ensuring sustainable reimbursement for community health centers.

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?

The most significant challenge has been wage cost increases needed to keep pace with the high cost of living in Massachusetts and to remain competitive with the larger healthcare institutions in the competitive Boston market. Generally, we have concerns about provider burnout, staff morale, and retention.

Fenway Health has utilized the following strategies to improve recruitment and retention of clinical staff:

- Targeted recruitment efforts for hard-to-fill positions including the promotion of signing bonuses for some clinical roles
- Partnerships with local training programs to host interns and externs to create talent pipelines (BH, MA, Dental, Sterile Processing)
- Promotion of the availability of loan repayment or forgiveness programs
- Introduction of AI technology to assist with clinical documentation to reduce staff burden
- Offering more flexible schedules or remote work when possible and appropriate
- Offering pay differential for bilingual staff who demonstrate proficiency in medical interpretation skill, driven by the needs of patients we serve.

The following may be helpful for the state to consider:

- Faster, more predictable licensing timelines and expanded licensing reciprocity for clinicians coming from other U.S. states to shorten time-to-hire
- Expand state loan-repayment programs tied to service in high-need settings (community health centers, behavioral health, rural/outer-urban areas)
- Fund community health worker, peer-support, and other non-licensed roles with stable reimbursement mechanisms. Encourage team-based models that distribute tasks appropriately and reduce clinician burnout.
- State subsidies or tax incentives for childcare and targeted housing support in high-cost areas to remove barriers that disproportionately impact early-career and BIPOC staff.

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?

We are continually working to streamline administrative processes. Some of this has been through shared services—IT, credentialing, billing, and EHR-in-basket management—across our health center network. These efforts align with HPC's emphasis on reducing administrative burden. We encourage the Commonwealth to use the 1115 waiver renewal to drive multi-payer alignment on value-based care reporting and expand shared-services incentives statewide.

Administrative burden remains a major driver of clinician burnout and delayed patient care. We're addressing this through EHR optimization, AI scribes, focused initiatives to improve clinician wellness, and team-based care models that streamline documentation and reduce inefficiencies. Policymakers could support this by standardizing payer requirements, aligning quality metrics across programs, and promoting investments in interoperable health IT systems that reduce duplicative data entry.

A specific administrative challenge that the Commonwealth could support would be simplification and standardization around credentialing with commercial and public payers and consider rules to require reimbursement back to the original credentialing application date. This process can take several months and payers deny payments until the credentialing has been approved.

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?

Fenway's model integrates medical, behavioral health, dental, and enabling services (care coordination, case management, transportation, and translation). Our participation in MassHealth's ACO Sub-Capitation model has demonstrated measurable cost savings and improved outcomes among at-risk populations.

Expanded investment in primary care, including the proposed spending target for payers, would allow us to deepen this work.

We've made significant investments in expanding access through our *Fenway Without Walls* initiative — including open-access and same-day appointments, walk-in models for sexual health and contraception. We are also piloting walk-in access across additional departments, including behavioral health, dental, and optometry. We will soon be launching after-hours telehealth appts as well for those patients of ours who can't access us in person. Our approach centers on integrated, person-centered care, supported by strong partnerships between primary care, behavioral health, dental, optometry and public health. We track progress through access metrics (time to third next available appointment), patient experience data, and quality outcomes. Sustainable primary care payment reform and continued support for integrated care models are essential to maintaining this progress.

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?

By mission, we deliver care regardless of ability to pay, and Fenway's preventive, team-based approach reduces unnecessary ED utilization. Strengthening community-based primary care would further alleviate systemic cost pressures.

With access to federal and state funding, our organization can contribute by providing care for patients of all income levels and use established sliding fee discounts. In addition, we can continue work to reduce ED visits, unnecessary testing, manage chronic conditions, and strive for efficiency through telehealth and other means.

As a community health center, we contribute to affordability by focusing on prevention, early intervention, and equitable access. Our work in HIV re-engagement, hepatitis C treatment, sexual and reproductive health, and substance use treatment reduces costly downstream utilization and hospitalizations. Expanding investments in community-based, preventive, and value-based care will be key to reversing trends in health care spending and strengthening the overall system.

We are also initiating internal strategies to manage employee health insurance costs while preserving comprehensive coverage. Over the years, we have shifted to higher deductible plans with subsidized health reimbursement accounts. More recently, we have been exploring self-insurance or a captive structure to manage the rising cost of employee health insurance, however taking on the financial risk without adequate cash flow has been a barrier. The commercial insurance market has been charging annual double digit rate increases, even when our employee base has seen multi-year reductions to loss ratios for the carrier. Statewide considerations to moderate increases would help employers with one of the highest expense lines for our businesses.

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	
	Q2	
	Q3	
	Q4	
CY2024	Q1	
	Q2	
	Q3	
	Q4	
CY2025	Q1	
	Q2	
TOTAL:		

Data is not available at this time. Our patient services team have reported few requests over the years.