



700 Congress St., Suite #204
Quincy, MA 02169

www.shields.com

October 31, 2025

HPC-testimony@mass.gov

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

RE: Statement of Authority - 2025 Pre-filed Cost Trends Testimony

Dear Health Policy Commission:

Thank you for the opportunity to submit pre-field testimony for the Health Policy Commission's 2025 Cost Trends Hearing. As requested, this pre-filed testimony is submitted to you via email at HPC-testimony@mass.gov, along with this statement of authority.

As President of Shields Health (Shields), I am legally authorized and empowered to represent Shields for the purposes of this testimony. The testimony is signed under the pains and penalties of perjury and I acknowledge this statement with my signature below.

Sincerely,

A handwritten signature in black ink, appearing to read "Peter Ferrari", with a long horizontal line extending to the right.

Peter Ferrari, President
Shields Health



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
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?

The Affordable Care Act's (ACA) enhanced premium tax credits are a vital lifeline that lowers the cost of health care for many Massachusetts residents. Without an extension of the tax credits, roughly 336,000 Massachusetts residents will see an increase in their health care premiums. Premiums for ACA enrollees are estimated to increase by approximately 75% should the tax credits expire. Without access to affordable health insurance, residents will be forced to abandon medically necessary care or take on financially devastating medical debt. The expiration of the ACA tax credits coupled with the Medicaid cuts envisioned in the One Big Beautiful Bill Act (OBBA) will have dire consequences for the Commonwealth. A recent report issued by the Massachusetts Tax Foundation (MTF) estimates that by 2034, the negative impact of federal healthcare cuts will be more than \$4 billion. These health care cuts will only exacerbate the record-breaking budget deficit of the Commonwealth's Health Safety Net program, a program that provides financial relief to hospitals and community health centers that care for patients that are uninsured or underinsured. The program's estimated shortfall for FY26 is \$290 million. The expiration of the ACA tax credits, and Medicaid cuts included in the OBBA, will cause this deficit to balloon and fundamentally threaten the financial viability of hospitals and health centers across the Commonwealth.

The shortage of healthcare workers is also of major concern. The shortage of skilled healthcare workers is a global trend that the World Health Organization estimates will reach 10 million by 2030 (Bonilio, 2022). Consequently, the United States and by extension, Massachusetts, is competing with countries around the world to attract and retain qualified healthcare workers. Without a properly resourced healthcare

industry, patients wait longer for medically necessary care, have longer lengths of stay and experience worsening health care outcomes. Any changes to federal immigration policies that impede Massachusetts' ability to attract and retain skilled workers will have a detrimental impact on the state's ability to provide access to high quality affordable health care services and exacerbate existing health care inequities.

In order to mitigate these challenges, Shields, continues to be laser focused on increasing access to high value health care services and finding creative solutions to attract and train qualified healthcare staff. Through our freestanding joint venture partnership model, we work with our partners to transition from hospital outpatient department rates to freestanding rates, which according to the HPCs own research can lower the cost of services by up to 50%. This is true in both medical imaging and ambulatory surgical services, as evidenced in HPCs DataPoint Series: Issue 7: Variation in Imaging Spending and HPC's DataPoint Series: Issue 26: Trends in Ambulatory Surgical Centers in Massachusetts. By partnering with Massachusetts community hospitals, we keep care local by leveraging existing community assets, enhancing access to capital and improving health care outcomes through shared governance.

As the state continues to grapple with the impacts of an ever-changing federal policy landscape, we encourage policy makers to convene all health care stakeholders to identify ways to protect and improve our health care system. Communication and collaboration are critical to finding solutions to respond to internal and external threats to our health care system. Every aspect of the health care delivery system is interrelated, and it is paramount that all voices are represented.

Shields applauds the Healey Administration, the Massachusetts Congressional delegation and state elected officials for their efforts to advocate for an extension of the ACA tax credits and encourage commonsense immigration policies that do not inhibit America's ability to attract a skilled workforce. We also appreciate the continued support and commitment to funding the Commonwealth's Health Safety Net program.

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?

Shields, like many providers, continues to face significant challenges in attracting and retaining qualified healthcare workers. This trend is expected to worsen as the population ages, increasing the demand for health care services accompanied by a diminishing supply of skilled healthcare workers.

Our organization has successfully implemented several strategies to improve the recruitment and retention of both clinical and non-clinical workers. A key initiative was the deployment of a new technology infrastructure designed to streamline the application process, enabling candidates to apply more easily and allowing us to respond more quickly. This system also integrates with a CRM to drive targeted recruitment campaigns. Additionally, we enhanced our Careers Site to better communicate our value proposition, which has already resulted in an increase in applications for certain roles. To further improve our hiring process, we are defining service level agreements (SLAs) with our managers to ensure timely responses to candidates, reducing the risk of losing top talent

due to delays. Beyond recruitment, we are investing in our organizational culture to attract and retain talent. This includes new initiatives for employee recognition and celebrations, both at the company-wide and department levels, fostering a more engaging and supportive work environment. We have also increased our presence at campus recruitment events to build a stronger pipeline of early-career talent, ensuring a steady flow of skilled professionals into our workforce.

As policy makers look for solutions to sustain, strengthen, and diversify the healthcare workforce in Massachusetts, we share the following areas of concern and proposed policy recommendations.

Industry Challenges & Policy Recommendations:

Radiologist Shortage:

A workforce supply study conducted by the Harvey L. Neiman Health Policy Institute, revealed that radiologists have left the workforce at a 50% higher rate starting in 2020 with the COVID pandemic. The pipeline to train new radiologists is also constrained by limited growth in radiologist residency capacity. The 2025 National Resident Matching Program illustrates that the number of radiology applicants vastly exceeds the number of available residency positions available. For example, approximately 87% of diagnostic radiology applicants and 83% of interventional applicants were not matched to Post Graduate Year positions.

Embracing Virtual & Remote Technology:

The Commonwealth should support all efforts to increase access to virtual and remote technology. As evidenced during the COVID pandemic, remote technology increases patient access, enhances workflows and helps to attract and retain qualified staff. Teleradiology, including remote interpretation and remote scanning are both tools that increase access to healthcare services without any diminution in quality.

Adoption of Artificial Intelligence in Medical Imaging

Among other benefits, Artificial intelligence in medical imaging increases efficiency and speed, improves diagnostic accuracy, reduces human error and allows for more personalized care based on a patient's unique medical needs. The Commonwealth should make all efforts to embrace artificial intelligence in medical imaging.

Surgical Technologist Shortage:

Massachusetts is facing a shortage in Surgical Technologists. This has resulted in an increased demand for these roles and forced providers to compete against each other.

Surgical Technologist Reciprocity

Similar to the Nursing Licensure Compact, the Commonwealth should allow out-of-state surgical technologists, who meet certain criteria, to work in Massachusetts. Massachusetts is one of only ten states in the nation that require surgical technologist be certified to work in the state.

Funding for Workforce Training:

Healthcare is a fundamental driver of the Massachusetts economy. As the healthcare industry continues to face a multitude of challenges, it is imperative that the state invest in solutions that support this industry and its impact on the economy.

Workforce Training Grants

As providers continue to struggle to attract and retain a qualified workforce, investments in workforce training grants will dramatically increase provider's ability to train and educate new workers.

Workforce Burnout

Health care workers face a multitude of realities that contribute to workforce burnout such as, excessive workloads, administrative burdens and demanding physical and emotional activities.

Stakeholder Groups to Reduce Workforce Burnout

We recommend policy makers convene a robust group of health care stakeholders to identify risk factors and solutions that improve wellness and enhance the patient-provider relationship.

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?

Prior Authorization:

As a provider of medical imaging and ambulatory surgery, Shields, is uniquely positioned to speak to the impacts that excessive, costly, and time-consuming administrative tasks like prior authorization has on the healthcare system. Because most medical imaging requires some level of prior authorization, we see first-hand the impact that excessive prior authorization requirements has on patients and providers alike. Though we support the need to ensure medical necessity and protect against overutilization, the current system is being used as a tool to exhaust patients and deny medically necessary care.

In 2022, the U.S. Department of Health and Human Services Office of the Inspector General conducted a review to address concerns that the capitated payment model used in Medicare Advantage creates a potential incentive Medicare Advantage Organizations (MAO) to deny care by way of prior authorization to increase profits. That report found, that MAOs delayed or denied beneficiaries' access to services that met both Medicare billing rules, used clinical criteria that are not contained in Medicare coverage rules and requested unnecessary documentation. Furthermore, a 2024 prior authorization physician survey conducted by the American Medical Association shows that 93% of physicians report care delays, 82% report care abandonment and 29% report adverse events related to prior authorization. The survey also explored the impact that prior authorization has on physician burnout with 89% agreeing prior authorization contributes to physician burnout.

As the health care system continues to struggle under a national shortage of health care workers, rising acuity of patients, and increased labor costs, it is all the more important to ensure that prior authorization is not being used as a tool to deny or discourage medically necessary care. We encourage state leaders to adopt commonsense reforms that reduce administrative burden and do not lead to any appreciable increase in utilization of unnecessary medical care.

Policy Recommendations:

Commonsense Prior Auth Reform:

When used correctly, prior authorization ensures that patients receive only medically necessary care. To ensure that prior authorization is being used correctly. Shields joins a robust group of stakeholders representing patients, physicians and providers in supporting S. 1403 and H. 1136, *An Act Relative to Reducing Administrative Burden*. These bills, among other things, require:

- Prior authorization be valid for the duration of treatment
- Establishes a 24-hour response time by insurers
- Prohibits insurers from retrospectively denying claims once prior authorization is granted
- Honoring a patient's PA when they switch insurers for at least 90 days

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?

N/A.

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?

At Shields, collaboration is the foundation of our joint venture business model. We work with our community hospital partners to understand their unique patient and community needs, while leveraging operational efficiencies and best in class protocols to deliver high quality affordable health care services.

By working with our partners to transition from hospital outpatient department rates to freestanding rates, we lower the cost of services for patients and enhance quality outcomes. Our medical imaging and ambulatory surgical partnerships can lower the cost of care by up to 50%. This model not only lowers the cost of care, but it also keeps care local by strengthening the community hospital framework.

We encourage state policy makers and regulators to adopt strategies that continue to shift appropriate care to the appropriate clinical setting. Numerous studies show that the right care in the right place not only reduces total medical expense, but also improves patient care and outcomes. Likewise, these policies ease hospital capacity by improving throughput and allowing hospitals to focus on acute care.

We look forward to working with regulators and policy makers to encourage high value health care models focused on driving efficiencies and improving health care outcomes.

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	937	
	Q2	882	
	Q3	951	
	Q4	762	
CY2024	Q1	477	
	Q2	560	
	Q3	447	
	Q4	509	
CY2025	Q1	501	
	Q2	493	
	TOTAL:	6519	

*All patient price inquiries are directed to our online price estimator tool available on the Shields website. Historically, inquiries have not been tracked as written vs telephone/in person. This breakdown will be measured moving forward.