



April 1, 2026

David Seltz, Executive Director  
Massachusetts Health Policy Commission  
50 Milk Street, 8<sup>th</sup> Floor  
Boston, MA 02109

RE: Massachusetts' Health Care Cost Growth Benchmark

Dear Executive Director Seltz and Commissioners:

On behalf of the Employer Coalition on Health, I am writing to express our strong support for the Commonwealth's health care cost growth benchmark and to urge a renewed, system-wide recommitment to its underlying purpose: protecting the affordability of health care for Massachusetts residents, employers and taxpayers.

When the Legislature enacted Chapter 224 of the Acts of 2012, now codified in M.G.L. c. 6D, it did so in recognition of an urgent truth: health care costs were too high, growing at an unsustainable pace, and threatening the economic security of families and employers while crowding out investments in other public priorities. More specifically, the Health Policy Commission was created to improve the affordability of health care for all residents of the Commonwealth through data-driven analysis, actionable policy insights, public accountability, and innovative investment. The HPC's role is not just to document cost growth, but to lead a structural shift toward accountability and across the state's health care system by improving health care delivery, lowering costs, and reducing health disparities.

More than a decade later, these challenges have only intensified. Patients continue to face higher premiums and cost sharing. Employers, particularly small businesses purchasing coverage in the merged market, are struggling to absorb annual health care cost increases that far outpace wages and overall economic growth. These pressures are being driven by well-documented and sustained growth in hospital and provider prices, as well as rapidly rising pharmaceutical spending, particularly for high-cost drugs and therapies. In this environment, adherence to the cost growth benchmark is more important than ever. In a state where everyone is required to have health insurance or face tax penalties, we have an obligation to our citizens and businesses to address the affordability challenges head on and ensure that health care costs are not rising faster than potential gross state product.

The HPC must signal its deep and ongoing commitment to having the Massachusetts health care system operate within the benchmark by partnering with state agencies and providers to ensure adherence to the benchmark by all stakeholders. In fact, the only way the benchmark can only succeed is if all sectors of the health care system share responsibility for meeting it. Unfortunately, hospitals and provider organizations, whose prices remain the dominant driver of health care spending growth in the Commonwealth accounting for nearly half of total health care spending in 2024 continue to demand rates well beyond the benchmark. New drugs coming to market have price points that are unsustainable and existing pharmaceutical drugs on the market continue to rise year after year with no accountability.

Against this backdrop, ECOH respectfully urges the HPC Board to send a clear, signal to providers, provider organizations, and pharmaceutical companies reaffirming the importance of the cost growth benchmark and the expectation that market participants adhere to it. This message would serve as an important reminder of the HPC's statutory charge, reinforce shared accountability across the system, and

signal the urgency of cost containment at a moment when affordability pressures on patients and employers are reaching a breaking point. Importantly, the cost growth benchmark is not a guaranteed or presumptive rate increase for providers, but a cap on total health care spending growth, requiring that negotiated payment increases be calibrated to keep system-wide spending growth at or below 3.6 percent.

The cost growth benchmark has long served as a national model for rigorous, data-driven oversight, grounded in clear expectations. At a time of continued provider price growth and accelerating pharmaceutical spending, the benchmark must also be a model for meaningful accountability by ensuring that it is a standard that everyone must meet or face a meaningful consequence for not doing so. Doing so would refocus the health care market on affordability and reinforce Massachusetts' leadership in advancing sustainable health care for patients and employers.

If we are ever to meet the Commonwealth's goal of accessible and affordable health care, adherence to and enforcement of the health care cost benchmark must be a cornerstone of that effort.

ECOH' and its members are ready to support the Commission in this work and appreciate your continued leadership on behalf of Massachusetts residents.

Sincerely,

A handwritten signature in cursive script that reads "Eileen McAnney". The signature is written in black ink and is positioned to the left of the typed name and title.

Eileen McAnney  
President