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hcfama.org

April 3, 2026

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

Re: Health Care Cost Growth Benchmark for Calendar Year 2027

Dear Commissioners:

On behalf of Health Care For All (HCFA), thank you for the opportunity to submit testimony regarding the health care cost growth benchmark for calendar year 2027. HCFA is a consumer advocacy organization. We operate a HelpLine that takes over 20,000 calls a year, and we advocate for health justice in Massachusetts by working to promote health equity and ensure coverage and access for all. For years health care costs have been growing unsustainably and are squeezing individuals, families, businesses, and state and local budgets.

CHIA Report Findings & Cost Drivers

This year's Center for Health Information and Analysis (CHIA) report is consistent with what we have seen over the past several years—that at 5.7%, health care cost growth exceeded the state's benchmark for the 4th year in a row and resulted in insurance premiums and cost-sharing again growing faster than wages and salaries in the state.

The leading drivers of increasing health care costs have been as consistent as the overall trend in the CHIA data over the past several years – prescription drug and hospital outpatient spending. These categories contributed more than any other to total health care cost growth, as more patients received higher priced medications and were seen in higher cost settings and systems.

CHIA's report once again indicates that affordability issues reflect continuing inequities and remain most pervasive for Massachusetts' Black and Hispanic residents. All these challenges also exist in the context of upcoming federal funding cuts, and eligibility and enrollment changes that are likely to disrupt residents' access to affordable coverage, and worsen disparities.

Consumer Impact

As a consumer advocacy organization, we regularly hear from people wrestling with the impact of this cost growth on our HelpLine. Too often, people are choosing between getting the health care they need and paying for food, housing, and other basic expenses. As a result, many are being pushed into taking on medical debt just to access necessary care.

HCFA recently heard from a family whose 13-year-old daughter is receiving protein infusions to treat a condition caused by a bacterial infection. The treatment is starting to work, and they are feeling more hopeful each month. But then the bills started coming, and they didn't have the money to pay them—the high cost of care leaving them in a stressful situation with limited options.

Benchmark Policy Recommendations

We must address rising health care costs and cannot do that without addressing prescription drug and hospital costs. The effort must start with keeping the cost growth benchmark at its current level of 3.6 percent in 2027.

We are heartened to see the governor convene the new Health Care Affordability Working Group and are hopeful that it will result in meaningful policy changes that tackle rising costs. We encourage the working group, the legislature and other stakeholders to look to the policy levers that are being implemented in other states across the country to address prescription drug and hospital costs.

To tackle drug prices, states like Maryland and Colorado enacted upper payment limits on certain high-cost drugs when their prices don't align with their value. To address hospital and health system costs, states like California have enabled stronger accountability measures and more flexibility in their health care cost benchmark structure.

One of the most promising policies to address hospital costs and price variation is referenced-based pricing, which has been adopted in states like Oregon, Washington, and Indiana. We hope it can be considered here in Massachusetts for state programs and eventually commercial markets.

Affordability and Increasing Uninsurance

Additionally, the state is facing a dramatically increasing uninsured rate that it has not had to confront in years. This will require thinking about affordability in new ways as federal health policy changes lead hundreds of thousands to lose insurance coverage. Estimates suggest there will likely be a 50% increase in our uninsured rate without state intervention.

The impact of a growing uninsured population will be two-fold. First, the cost of care will be insurmountable for nearly all the newly uninsured – far exceeding the barriers that high-deductibles and co-pays present and leading most to forgo all but the most urgent services and treatments. Second, it will increase system costs as more people receive uncompensated care and put off treatment until they are so sick they have no choice but to seek services in the most expensive setting – the emergency room.

Confronting this new reality will require the state stepping in where it can to staunch coverage losses despite limited resources. It will also require all stakeholders to come together to uphold the principles of coverage and care that make Massachusetts the leader in health care that it is.

Thank you again for the opportunity to provide testimony on the health care cost growth benchmark and share our thoughts on how to most effectively tackle rising health care costs and barriers to care in the Commonwealth. Please don't hesitate to contact us with any questions at asheff@hcfama.org.

Sincerely,

A handwritten signature in cursive script, appearing to read "Alex Sheff".

Alex Sheff

Senior Director, Policy and Government Relations

Health Care For All