



On **Wednesday, April 1, 2026**, the Massachusetts Health Policy Commission (HPC), in partnership with the Joint Committee on Health Care Financing, hosted the annual [Hearing to Determine the 2027 Health Care Cost Growth Benchmark](#) at the HPC’s office. The [hearing agenda](#) included presentations from the HPC on the benchmark modification process and the impact of health care spending trends on affordability, a presentation from the Center for Health Information and Analysis (CHIA) on the topline findings in CHIA’s [annual report](#), and testimony from stakeholders across the Massachusetts health care system on the 2027 health care cost growth benchmark.

Materials from the hearing, including the [agenda](#) and [presentation slides](#), as well as a [full recording](#) are available on the HPC’s [website](#).

Opening Remarks: Health Care Financing Co-Chairs

Senator Cindy Friedman, Senate Chair of the Joint Committee on Health Care Financing, provided opening remarks which stressed the affordability challenges facing residents of the Commonwealth. Chair Friedman highlighted the challenge that recent federal policy changes pose to the ongoing coverage of Massachusetts residents through MassHealth and Health Connector, and the fact that over 300,000 Massachusetts residents are expected to lose coverage in the coming year. She reflected on the financial strain that many providers across the Commonwealth face – particularly providers that treat the most marginalized communities. In discussing these challenges and ongoing access barriers for residents, despite tens of billions of dollars being spent on health care in the Commonwealth, Chair Friedman called on Massachusetts to ask, “where are our health care dollars really going?”

Chair Friedman’s remarks begin at **19:54** in the [recording](#).

Representative John Lawn, House Chair of the Joint Committee on Health Care Financing, provided opening remarks and expressed concern for affordability challenges across all sectors in Massachusetts, including health care. Chair Lawn stressed that all stakeholders must work together to address the persistent challenges of unsustainable health care spending growth in Massachusetts, including through the new Health Care Affordability Working Group, convened by the Healey-Driscoll Administration.

Chair Lawn’s remarks begin at **24:21** in the [recording](#).

Benchmark Modification Process

David Seltz, HPC Executive Director, provided an overview of the history and context of the health care cost growth benchmark, the HPC’s authority to modify the benchmark, the process of evaluating performance against the benchmark, and the potential repercussions for organizations found to have excessive growth.

“[The health care cost growth benchmark] is a tool to monitor and understand the growth of health care expenditures in our system. The benchmark alone was never intended to be the one thing that is going to hold down spending growth. It’s a way for us to understand what is driving health care spending growth and then to be able to motivate and catalyze public and private action necessary to drive down spending growth. It is a lens by which we can understand and have insights into those important areas where we can drive

savings,” said Director Seltz.

The [benchmark modification process presentation](#) begins at **29:41** in the [recording](#).

For more information on the benchmark modification process, [FAQs](#) and a video ([HPC Short: The Massachusetts Health Care Cost Growth Benchmark](#)) are available on the HPC’s [website](#).

Center for Health Information and Analysis (CHIA) Annual Report

Andrew Jackmauh, Acting Executive Director of CHIA, shared findings from CHIA’s [Annual Report on the Performance of the Massachusetts Health Care System](#), released March 12, 2026. The report includes a calculation of Total Health Care Expenditures (THCE), a measure of total statewide health care spending in the Commonwealth, for 2024 and presents trends across health care spending and costs, access and affordability, hospital utilization and financial performance, key quality metrics, and behavioral health utilization.

CHIA’s report findings outline concerning trends in health care spending. From 2023 to 2024, THCE per capita increased 5.7% to \$11,663, the fourth year in a row the state has exceeded the health care cost growth benchmark. Pharmacy and hospital outpatient spending drove THCE growth in 2024, increasing \$1.5 billion and \$1.1 billion, respectively.

"When we talk about rising health care costs, when we talk about affordability, we aren’t just talking about household issues. There is an opportunity cost for the Commonwealth, and it comes in the form of wages, public services, and long-term competitiveness," said Acting Director Jackmauh.

CHIA’s [presentation](#) begins at **46:54** in the [recording](#), and the full slide deck can be found on the HPC’s [website](#).

Massachusetts Spending Trends: Drivers and Implications for Affordability

Dr. David Auerbach, HPC Senior Director of Research and Cost Trends, presented data examining Massachusetts health care cost trends through 2024, and outlining affordability implications for residents of the Commonwealth.

Massachusetts Cost Drivers: Key Datapoints

- Total health care spending growth in Massachusetts averaged 3.5% from 2012 to 2019 and **5.3% from 2019 to 2024**.
- Commercial spending in Massachusetts grew by approximately **\$4.6 billion from 2022 to 2024**.
- The commercial health insurance sector accounts for almost 70% of spending over the benchmark since 2019.
- Hospital outpatient department (HOPD) spending comprises 89% of the spending in the HOPD, Emergency Department (ED), and Ambulatory Surgical Center (ASC) category in 2024.
 - The biggest drivers of hospital outpatient spending growth were **major surgeries, chemotherapy, and imaging**.
- Nearly half of prescription drug spending growth from 2020 to 2024 reflects increased use of prescriptions priced over \$1,000 per prescription.

- Insurers pay **between 2.7 and 4.5 times more for specialist procedures** than for regular physician office visits that take the same amount of clinician time.
- About [20% of claims are denied by insurers](#), with more than half for administrative reasons.

Affordability Impacts

- Growth in health insurance premiums has exceeded the growth in Massachusetts household income, state economic growth, and inflation.
- Family health insurance premiums in Massachusetts have grown from \$7,000 in 2000 to over \$28,000 per year in 2024 and were the highest in the U.S. in 2024.
- **Premiums grew 31% from 2019 to 2024** (vs 20% in the rest of the U.S.) and would reach \$50,000 by 2031 at recent rates of growth.
- Including out-of-pocket spending, **the average cost of health care for a Massachusetts family exceeded \$32,000 in 2024.**
- Massachusetts had higher premium growth combined with slower wage growth than the rest of the country from 2022 to 2024.
- At 7% annual growth in health care costs, a typical worker with family health coverage would see about 40% of their raise absorbed by health care.
- Private sector job growth in Massachusetts was -2.1% from 2019 to 2024, lowest among all 50 states.
- **Hospital outpatient spending** accounted for the **largest proportion of commercial spending growth (38.1%)** from 2022 to 2024, followed by pharmacy spending (24.5%).
- In 2025, 28.9% of Massachusetts residents with private insurance who are living below 400 percent of the federal poverty level are paying off medical bills over time, compared to 23.8% of residents in 2023.
- In 2025, the largest contributors to medical debt among commercially-insured Massachusetts residents were:
 - Medical test or surgical procedures (**56%**)
 - Emergency department visits (**52%**)
 - Treatment for chronic/long-term conditions (**40%**)
- Food insecurity in Massachusetts reached 11.5% (about 800,000 people) in 2023.

The slides for [Massachusetts Spending Trends: Drivers and Implications for Affordability](#) are available on the HPC’s website, and the presentation begins at **1:27:32** in the [recording](#).

Public Testimony

Members of the public were invited to provide oral or written testimony at this year’s hearing. Public testimony from the benchmark hearing begins at **2:31:09** in the [recording](#).

In-Person Testimony

The following parties delivered testimony in-person before the HPC Board and members of the Joint Committee on the 2027 health care cost growth benchmark:

1. **Liz Leahy**, Senior Vice President of Advocacy and Engagement and Chief of Staff, Massachusetts Association of Health Plans
2. **Alex Sheff**, Senior Director of Policy and Government Affairs, Health Care For All
3. **Eileen McAnneny**, President, Employer Coalition on Health
4. **Jon Hurst**, President and CEO, Retailers Association of Massachusetts
5. **Daniel McHale**, Senior Vice President, Healthcare Finance & Policy, Massachusetts Health & Hospital Association
6. **Christopher Carlozzi**, Senior State Director, National Federation of Independent Businesses

Written Testimony

In addition to the in-person testimony, two additional entities – Blue Cross Blue Shield of Massachusetts and Massachusetts Medical Society – submitted only written testimony. **All written testimony is available on the HPC’s [website](#).**

Benchmark Recommendations

| ORGANIZATION | RECOMMENDATION ON 2027 BENCHMARK RATE |
|---|--|
| Blue Cross Blue Shield of Massachusetts (written only) | 3.6% |
| Employer Coalition on Health | Below 3.6% |
| Health Care For All | 3.6% |
| Massachusetts Association of Health Plans | At or below 3.6% |
| Massachusetts Health and Hospital Association | No recommendation on benchmark rate for 2027 |
| Massachusetts Medical Society (written only) | No recommendation on benchmark rate for 2027 |
| National Federation of Independent Businesses (in-person only) | Below 3.6% |
| Retailers Association of Massachusetts | 3.1% |

Next Steps

The HPC Board of Commissioners will meet on **Thursday, April 16, 2026, at 12:00 PM** and vote to set the 2027 health care cost growth benchmark. Meeting materials will be available on the HPC’s [website](#).