Attestation
Southcoast Hospitals Group, Inc.

I, David O. McCready, being the duly authorized President and CEO of Southcoast Health System and Southcoast Hospitals Group Inc. (the "Company"), having been duly sworn, do hereby attest that I am legally authorized and empowered to represent the Company for the purposes of the foregoing testimony, and that the foregoing testimony is provided under the pains and penalties of perjury and is true and accurate to the best of my knowledge and belief.

IN WITNESS WHEREOF, I have hereunto set my hand as President and CEO of the Company this 23rd of October 2026.

David O. McCready
President and CEO
Southcoast Health System and
Southcoast Hospital Group

COMMONWEALTH OF MASSACHUSETTS):ss New Bedford
COUNTY OF BRISTOL)

The foregoing attestation was acknowledged before me this 23rd day of October 2026 by David O. McCready, as President and CEO of Southcoast Health System and Southcoast Hospitals Group, Inc., as his free act and deed.

Kimberley M. Coon
NOTARY PUBLIC
My Commission Expires:

Kimberly M. Coon
NOTARY PUBLIC
Commonwealth of
Massachusetts
My Commission Expires
3/17/2028

MASSACHUSETTS
HEALTH POLICY COMMISSION

2026 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 2026 Annual Health Care Cost Trends Hearing.

On or before the close of business on **Wednesday, October 28, 2026**, please electronically submit testimony as a Word document to: HPC-Testimony@mass.gov. Please complete relevant responses to the questions posed in the template provided below. 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.

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 2026 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 care and affordability across the Commonwealth's health care system.

The Annual Health Care Cost Trends Hearing offers an important opportunity to examine current trends and challenges facing the health care system and residents in Massachusetts. This year's hearing will focus on the critical importance of advancing health care affordability in the Commonwealth in the face of rising health care costs and threats to access and coverage, as well as the need for collective action to ensure that Massachusetts remains a national leader in safeguarding health care affordability for its residents.

Recent polls have found that Americans rank health care costs as their number one affordability challenge, outranking housing, food, utilities, and gasoline. Health care spending has grown even faster in Massachusetts than in the rest of the country, and in 2024, the Commonwealth had the highest family health insurance premiums in the country. That same year, the average annual cost of health care for a family exceeded $32,000 (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 utilizing needed care.

Workforce constraints, financial volatility, high prescription drug costs, and health disparities amplify the Commonwealth's health care affordability challenges, compounded by recent federal policy changes that have created uncertainties and threaten access and coverage for many Massachusetts residents.

The 2026 Health Care Cost Trends Hearing, *The Affordability Imperative: Securing a Sustainable Health Care Future,* will bring together industry leaders, policymakers, clinicians, and community members to reflect on the policy reforms necessary to advance the Commonwealth's health care affordability, access, and equity goals, including the recommendations put forth by the Healey-Driscoll Administration's Health Care Affordability Working Group (HCAWG).

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.

QUESTIONS FROM THE HEALTH POLICY COMMISSION

1. In January 2026, the Healey-Driscoll Administration convened health care industry leaders and policymakers to establish the Health Care Affordability Working Group (HCAWG). The group was charged with developing concrete proposals to reduce health system costs with the goal to make health care more affordable for patients, families, employers, and the state. In August, HCAWG announced its first set of twelve policy recommendations that provide a roadmap to target some of the biggest drivers of health care costs in the Commonwealth.

   Of the HCAWG policy recommendations please identify and describe your organization's top priorities for action. Additionally, briefly describe how your organization is working to advance these priorities, what barriers or challenges does your organization foresee to implementation of these priority areas, and what further policies or reforms would be necessary to make meaningful progress?

About Southcoast Health

Southcoast Health is a not-for-profit, High Public Payer (HPP) community health system serving southeastern Massachusetts and Rhode Island. In addition to three acute care hospital campuses – Charlton Memorial Hospital (Fall River), St. Luke's Hospital (New Bedford) and Tobey Hospital (Wareham) – Southcoast provides an integrated care network with approximately 900 providers, 75 convenient regional care and service locations, two oncology centers, seven urgent care centers, Home Health services, and numerous ancillary facilities.

Our Patients

Traditionally, South Coast residents experience health challenges at a higher rate when compared to the rest of the Commonwealth. Unfortunately, our region has some of the highest rates of diabetes, heart disease, hypertension, obesity, and stroke. In fact, coupled with chronic conditions, Fall River, New Bedford and Wareham have the 5th, 12th & 26th highest Social Vulnerability Index (SVI) scores, out of 351 cities and towns in Massachusetts. Reliable access to high-quality, convenient, and affordable healthcare, supported by equitable payer reimbursement, is critical to improving health outcomes for patients across our region.

Southcoast is recognized by the Commonwealth as a Community High Public Payer (HPP) Hospital – **we have the 6th highest public payer mix in Massachusetts.** 76% of our patients throughout our system are insured by government health care programs.

Our Challenges

Hospitals are bracing for a historic confluence of financial challenges, which must be a central part of policy conversations surrounding access and cost.

Across Massachusetts hospitals, expenses (e.g., supplies, labor etc.) have grown by more than 50% since 2020 (source: MHA analysis of CHIA cost report data), while billions of dollars now hang in the balance as a result of state and federal policy changes and proposals. Meanwhile, commercial insurance rates are in part tied to the growing losses providers are experiencing given lower public insurance reimbursement, widespread Medicaid reductions, and historic demands on the Health Safety Net.

These pressures have direct consequences for affordability and access. When hospitals face persistent losses, workforce shortages, and rising input costs, it becomes exceedingly difficult to preserve essential services and invest in the changes that can lower costs over time.

The upcoming 1115 Medicaid Waiver is one of the commonwealth's most important opportunities to protect patients and stabilize the healthcare system through the challenges ahead. MHA continues to advocate with the state for a bold approach to the waiver that strengthens safety net support, sustains the discounted drug pricing programs hospitals and communities rely on, and invests in both essential services and care delivery innovation.

Massachusetts has solved difficult healthcare challenges before through partnership, investment, and a willingness to rethink the status quo. Affordability should be approached with that same commitment to collective action and practical, measurable progress.

A Community High Public Payer hospital like ours also has specific challenges like:

- High government payer reliance with future Medicaid eligibility restrictions that will further increase our number of uninsured and underinsured patients,
- Low commercial reimbursement rates,
- Threats to 340B,
- External forces driving up labor costs, which impact total medical expense, operating margin, and the ability to reinvest in new or needed services,
- Patients without adequate discharge options,
- Primary care access.

We are optimistic that the Health Care Affordability Working Group identified a series of priority areas to address some of these challenges.

While this testimony focuses on advancement of priorities, it is important to understand the challenging healthcare landscape for both patients and providers.

Together, in partnership, we can find solutions to these challenges. We believe the strongest solutions will be built around a holistic approach of **recovery, realignment, and reimagining care.**

First HCAWG Policy Priority:

Innovative Health Care Models

Open response:

Southcoast Health is committed to advancing innovative, community-based care models that support timely hospital discharge, reduce unnecessary skilled nursing facility (SNF) utilization, and ensure patients receive the right care in the most appropriate setting. This approach aligns with the Healey-Driscoll Administration's Health Care Affordability Working Group recommendations to expand innovative care delivery models and improve care transitions.

Southcoast Health Priorities

- Reduce length of stay (LOS): Address discharge barriers early and improve coordination across hospital and community-based teams to facilitate timely, safe transitions.
- Reduce avoidable SNF utilization: Assess patients individually to determine whether their needs can be safely met at home with appropriate clinical services and community supports.
- Expand hospital-to-home partnerships: Leverage PATHways funding and partnerships such as Coastline Elderly Services to strengthen access to home and community-based services.
- Support care in the home: Utilize Southcoast Health at Home, transitional care services, MIH, and remote patient monitoring to promote recovery, chronic disease management, and continuity of care.
- Measure outcomes and sustainability: Track length of stay, discharge destination, SNF utilization, and patient outcomes to evaluate program impact and guide continuous improvement.

HPC PATHways Program – Hospital to Home Initiative

To support these goals, Southcoast Health was awarded funding through the Massachusetts Health Policy Commission's (HPC) PATHways program for a hospital-to-home initiative in partnership with Coastline Elderly Services. Through this collaboration, a dedicated Hospital Liaison employed by Coastline will be integrated into Southcoast's discharge planning process to identify patients who can safely transition home with appropriate services and supports rather than requiring an SNF stay.

The initiative will strengthen coordination among hospital case management, community-based organizations, and post-acute providers by identifying discharge barriers earlier, facilitating access to home and community-based services, and helping patients and families navigate care options. The grant will also support evaluation of this collaborative model to improve hospital-to-home transitions while maintaining patient safety and quality of care.

"Home First" Care – Mobile Integrated Health

Beyond the PATHways initiative, Southcoast Health is advancing a broader "Home First" strategy through transitional care, home health, remote patient monitoring, and post-acute programs such as Mobile Integrated Health (MIH). Collectively, these programs aim to reduce avoidable hospital days, improve care coordination, support patients with complex and chronic conditions at home, and reserve SNF placement for patients whose clinical and functional needs require that level of care.

MIH is a cornerstone of this strategy. Launched as a pilot in 2025 and expanded to a full program in 2026, MIH operates in partnership with Fall River EMS, bringing community paramedics into patients' homes under the medical direction of advanced practice providers and in collaboration with patients' care teams. During home visits, MIH clinicians conduct assessments, monitor symptoms and vital signs, reconcile medications, perform laboratory and point-of-care testing, and administer treatments such as IV fluids, IV antibiotics, IV diuretics, and nebulizer therapy, often with real-time clinician consultation via telehealth. The program has completed more than 800 home visits in 2026 and has demonstrated significant reductions in emergency department visits and inpatient utilization.

Southcoast Health Care Navigation

Southcoast's Care Navigation program further supports patients attributed to its MassHealth and Medicare Accountable Care Organizations (ACOs). An interdisciplinary team of nurse care managers, community health workers, pharmacists, and social workers provides coordinated support, particularly during and after hospitalization. Team members address clinical follow-up, medication management, care planning, caregiver support, social needs, and access to community resources. By connecting patients to services such as Southcoast Health at Home, MIH, and community partners including Coastline Elderly Services, Care Navigation helps patients transition home safely, maintain follow-up care, and avoid preventable readmissions and SNF stays.

Community Wellness Program

Southcoast Health's commitment to community-based care extends beyond traditional care settings through its Community Wellness Program, which brings preventive services, care coordination, and essential resources directly into neighborhoods. Through its Community Wellness and Street Outreach teams, interdisciplinary staff provide health screenings, education, harm reduction services, basic clinical care, and connections to medical, behavioral

health, housing, food, and other community supports. By meeting individuals where they are, including those experiencing homelessness or other social and health-related challenges, the program helps address barriers to care, supports timely intervention and engagement, and strengthens Southcoast Health's broader efforts to improve population health, reduce avoidable utilization, and connect patients to the right care in the most appropriate setting.

Through these efforts, Southcoast Health seeks to improve patient experience and access, preserve hospital capacity, reduce reliance on higher-cost care settings when clinically appropriate, and advance a more coordinated, sustainable health care delivery system.

Second HCAWG Policy Priority:

Transitions of Care

Open response:

As Governor Healey's working group noted, more than 2,000 patients in Massachusetts acute care hospitals are awaiting discharge on any given day, and the number of long-term stay patients has been increasing overall. When patients remain stuck in acute care hospitals, they face added harm, hospitals lose capacity, and system costs rise.

Transitions of Care

Southcoast Health has placed a priority on:

- Reducing the number of severe outliers waiting for post-acute, custodial, specialized care or assignment of a guardian.
- Reducing the numbers of individuals waiting through a multidisciplinary taskforce of clinicians, operators, risk, legal and care management professionals.
- Applying the Institute of Healthcare Improvements strategy of lengthening the chain, building capacity in the post-acute setting, including home and rehabilitation-based hospice services, increasing primary care access and working with community providers.
- Collaboration and a standing weekly meeting with the EOHHS Complex Discharge Support Team.

These efforts have mitigated increases seen in other regions despite high social vulnerability and one of the lowest access points to primary care in the Commonwealth.

Simultaneously, Southcoast Health has increased home health services versus facilities and worked with skilled partners to drive down post-acute facility length of stay. As participants in the Commonwealth-wide campaign to enroll healthcare proxies, we support the Healey-Driscoll Administration's efforts to modernize surrogate decision-making and healthcare proxy laws.

Barriers

Spending Per Beneficiary

One of the key barriers we experience as a system is the spending per beneficiary in the post-acute setting, exacerbated by social isolation, social vulnerability, and lack of affordable assisted living housing and custodial care services.

For eligible patients with dementia-related dysfunction, we are one of the few systems to secure CMS GUIDE funding for respite care linked to a Southcoast memory clinic investment. However, one program is not enough.

Like many hospital-at-home programs, we have enhanced urgent care access and Mobile Integrated Health, to provide home-based alternatives to hospitalization where appropriate. Despite holding down hospital costs and increasing access to home and primary care services, we are still adversely penalized by CMS due to spending per beneficiary in the post-acute setting in a region with structural and social challenges.

Southcoast Health appreciates the efforts of the Commonwealth to reduce waits and delays due to approvals.

Uninsured and Underinsured Patient Population

Southcoast Health is a Community High Public Payer Hospital that is currently feeling financial pressure, with more to come in early 2027. As we navigate challenging times in healthcare, and looming Medicaid cuts in January 2027, we can project that the uninsured and underinsured patient population will adversely affect our emergency departments and inpatient settings. Despite year-over-year reductions in readmissions at Southcoast Health since 2000, we anticipate this trend to reverse in 2027, due to the funding changes.

Southcoast Health asks that you support our efforts on major health conditions.

One of the most important conditions across the country responsible for mortality, morbidity, and utilization is sepsis. Southcoast Health has worked diligently to hardwire care to reduce harm and improve efficiency and current performance outpaces the Commonwealth average. Focused support on this initiative can yield patient-centered harm reduction and efficiency gains.

In a time of fiscal constraint, we ask that health systems like ours are not penalized in the coming year for disproportionately carrying the burden of underinsured care as budgets tighten. We urge thoughtfulness on utilization-related measures in incentive programs, as we forecast utilization to increase, despite the efforts we describe above due to many in Massachusetts coming off MassHealth rolls. We encourage support for organizations that provide essential access, support Mobile Integrated Health programs, and deploy best-practices such as Inpatient and Ambulatory Addiction Consultation services, advanced sepsis care, and secure the transitions of long stay patients.

(OPTIONAL) Additional HCAWG Policy Priority:

Strengthening Primary Care

Open response:

Our Mission

To ensure that patients throughout the Southcoast communities have timely access to high-quality, comprehensive primary care by developing a more accessible, sustainable, and team-based model of care.

The Opportunity

Southcoast Health faces growing demand for primary care services, with a significant number of individuals seeking access to a primary care provider in our communities. Traditional physician-centric delivery models, increasing clinical complexity, and growing administrative demands have challenged our ability to expand access while maintaining continuity and quality.

We have an opportunity to fundamentally redesign how primary care is delivered, improving access for our communities while creating a more sustainable environment for our clinicians and care teams.

Despite the opportunities that exist for Southcoast Health, we also face primary care recruitment challenges in this region. In New Bedford specifically, one of our most prominent primary service areas, the area is officially designated as a Health Professional Shortage Area. We are supportive of any efforts and incentives created by the administration and legislature to ensure that communities like ours have access to quality primary care providers, close to home.

Massachusetts hospitals and health systems applaud the Healey-Driscoll administration, legislature, and EOHHS-HPC Task Force for giving our struggling primary care system the attention it deserves.

Massachusetts' success will depend on its ability to address the systemic obstacles surrounding primary care: reimbursement inequities, workforce shortages, and administrative burdens.

We look forward to engaging with policymakers to ensure those systemic barriers remain at the center of primary care reform debates, while urging serious caution around measures that would unintentionally weaken our local healthcare system even further – especially with the major disruptions of federal policy changes only beginning to be felt.

Our Strategic Priorities

1. Expand Primary Care Access and Capacity

- Increase primary care capacity across our communities, prioritizing areas with the greatest unmet needs.
- Develop opportunities for new, modern primary care facilities designed around efficient, team-based care.
- Optimize existing practice capacity through improved scheduling, workflows, and clinical resource utilization.
- Strengthen physician and advanced practice provider recruitment and retention.
- Empanel nurse practitioners and physician assistants.

2. Build High-Performing, Team-Based Primary Care

- Transition from traditional provider-centric care toward a collaborative, multidisciplinary model.
- Empower physicians, advanced practice providers, pharmacists, behavioral health specialists, nurses, medical assistants, and support staff to practice at the top of their training and capabilities.
- Redesign clinical and administrative workflows to reduce unnecessary clinician burden and improve patient access.
- Standardize and scale successful team-based care models across the Primary Care Division.
- Improve clinician engagement, professional fulfillment, and long-term workforce sustainability.

3. Leverage Advanced Primary Care Management (APCM)

- Implement and expand Medicare Advanced Primary Care Management services across eligible primary care populations.
- Improve continuity of care through proactive care coordination, chronic disease management, and enhanced patient engagement.
- Strengthen population health management, particularly for patients with complex medical and social needs.
- Establish a new sustainable recurring revenue stream to support care teams, clinical infrastructure, and continued investment in primary care access.

Measuring Our Success

We will evaluate progress through five key outcomes:

1. **Access:** Reduction in primary care waitlists and improved appointment availability.
2. **Capacity:** Growth in patients served and primary care panel capacity.
3. **Quality:** Improved continuity, preventive care, and chronic disease outcomes.
4. **Workforce:** Improved clinician engagement, recruitment, and retention.
5. **Financial Sustainability & Stewardship:** Leverage favorable primary care payment reform and new revenue opportunities to fund greater sustainable primary care access

Our Commitment

Southcoast Health is committed to building a stronger, more accessible, and financially sustainable primary care system for the communities we serve.

QUESTIONS FROM THE OFFICE OF THE ATTORNEY GENERAL

1. Chapter 224 of the Acts of 2012 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) 2024-2026

		Aggregate Number of Written Inquiries	Aggregate Number of Inquiries via Telephone or In-Person
CY2024	**Q1**		150
	Q2		150
	Q3		150
	Q4		150
CY2025	**Q1**		200

	Q2		200
	Q3		200
	Q4		200
CY2026	**Q1**		250
	Q2		250
	Total:		1900