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November 4, 2024

BY E-MAIL (HPC-Testimony@state.ma.us)

David Seltz
Executive Director
Health Policy Commission
50 Milk Street, 8th Floor
Boston, MA 02109

Dear Executive Director Seltz:

On behalf of Atrius Health, Inc., attached please find our response to respond to a request to submit pre-filed testimony by the Health Policy Commission and the Attorney General's Office in its correspondence dated October 3, 2024, in preparation for the upcoming public hearing on health care cost trends.

I, Christopher Andreoli, MD, MBA, depose and state under pains and penalties of perjury the following: I am Chief Executive Officer of Atrius Health, Inc. I sign the attached responses for and on behalf of Atrius Health, Inc., and am duly authorized to do so. I attest that the factual statements set forth in the foregoing responses are true and accurate to the best of my knowledge. The facts stated in these responses are not all within my personal knowledge, and those facts which are not within my personal knowledge have been assembled by authorized Atrius Health, Inc. employees and/or counsel, and I am informed and believe that they are true.

Please let me know if we can be of further assistance.

Sincerely,

Christopher Andreoli, MD, MBA
Chief Executive Officer



2024 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 [2024 Annual Health Care Cost Trends Hearing](#).

On or before the close of business on **Monday, November 4, 2024**, 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 2023, 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.

You are receiving 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 either HPC or AGO 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 2024 HEALTH CARE COST TRENDS HEARING: PRE-FILED TESTIMONY

The Massachusetts Health Policy Commission (HPC), along with 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 2024 Health Care Cost Trends Hearing will take place in a period of significant upheaval and reflection for the Commonwealth's health care system. The bankruptcy and dissolution of Steward Health Care, previously the third largest hospital system in Massachusetts, led to substantial disruptions to the state's health care market and has taken a significant toll on communities, patients, provider organizations, and health care workers across the region. This market instability is occurring while many providers across the health care continuum are still struggling to adapt to a post-pandemic "new normal" state, wrestling with capacity constraints, financial volatility, administrative burdens, and workforce recruitment and retention challenges.

At the same time, an increasing number of Massachusetts residents are struggling with health care affordability and medical debt. Massachusetts has the second highest family health insurance premiums in the country. The average annual cost of health care for a family exceeds \$29,000 (including out of pocket spending). Recently, more than half of residents surveyed cited the cost of health care as the most important health care issue, far surpassing those that identified access or quality. Due to high costs, 40 percent of survey respondents said they are putting off seeing a doctor or going to a hospital. These affordability challenges are disproportionately borne by populations of color, and those in Massachusetts with less resources, contributing to widening disparities in access to care and health outcomes. The annual cost of inequities experienced by populations of color in Massachusetts is estimated to exceed \$5.9 billion and is growing every year. These challenges require bold action to move the health care system from the status quo to a new trajectory.

This year, in the wake of the considerable harm caused by the bankruptcy of Steward Health Care and other recent market disruptions, the HPC is focusing the 2024 Cost Trends Hearing on moving forward, from crisis to stability, and building a health care system that is more affordable, accessible, and equitable for all residents of Massachusetts.

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 annual 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.

QUESTIONS FROM THE HEALTH POLICY COMMISSION

1. Reflecting on the health care market disruptions in Massachusetts in recent years, including the bankruptcy of Steward Health Care and related closures, what have been the most significant impacts of these disruptions on the patients and communities your organization serves, particularly with regard to equitable and affordable access to care? What have been the most significant implications for your organization and workforce?

At Atrius Health, we believe that robust access to primary care is vitally important to achieving equitable access and high-quality outcomes for the patients we serve. Unfortunately, long-term trends regarding the primary care workforce have limited the availability of primary care providers for decades, with the number of providers retiring or otherwise leaving practice each year far outstripping the number of new primary care physicians completing residency programs.

These trends were exacerbated by the COVID-19 pandemic, which prompted many late-career primary care providers to consider early retirement. Furthermore, the provider burnout that came from working under increasingly difficult conditions prompted other providers to seek lower-stress positions outside of primary care.

As a result of these circumstances, access to health care services is at a particularly difficult place as we begin to understand the impact of the Steward Health Care bankruptcy and other market disruptions. At Atrius Health, we have seen increasing demand for primary care services from new patients, even as it has become increasingly difficult to recruit and retain experienced primary care providers. Based on patient feedback, it is clear that these primary care access challenges are not unique to Atrius Health.

To address these access challenges, Atrius Health has maintained a strategic focus on recruiting and retaining primary care providers, both to provide for sufficient capacity to serve our existing patients, and to allow us to meet the demand in the community from prospective new patients. Our strategy has included a focus on prioritizing clinician wellness, and reducing provider burnout and turnover. Key tactics to help manage primary care workload have included the following:

- Concerted efforts to manage and reduce the number of messages in clinician in-boxes;
- Strengthening of primary care teams by providing ongoing additional training for nurses and medical assistants, and identifying novel ways for physicians and advanced practitioners to collaborate on patient care;
- Implementing enhancements to the electronic medical record that help reduce the number of “clicks” necessary to retrieve information (e.g., displaying a dashboard summarizing details from a patient’s recent hospital admission);
- Improving efficiency of appointment scheduling and prescription refill processes; and
- Focusing on personal resilience support and wellbeing resources for physicians to improve collegiality, connect primary care providers with specialist colleagues, and build individual skills.

While Atrius Health is committed to retaining existing clinicians, we also have worked diligently to improve our ability to recruit new clinicians. We maintain partnerships with residency programs locally and nationally to identify new physicians interested in working within our model of care,

and have developed mentoring programs to support these physicians as they begin their careers in our organization. We also have recognized the critical importance of advanced practitioners as part of the solution to addressing the shortage of primary care providers in Massachusetts. In addition to integrating increasing numbers of advanced practitioners into our practices, we have created a customized teaching program for newly-graduated advanced practitioners, akin to a residency program that allows these early career providers to quickly gain the confidence and experience needed to serve as primary care clinicians.

In addition to recruiting and onboarding new providers, Atrius Health has expanded efforts to retain and recruit non-clinician staff who are critical to our operations. These efforts include more frequent salary reviews and wage adjustments to remain competitive, as well as redesigning the work for medical assistants to more fully integrate them into care teams for higher degrees of professional satisfaction and growth. We also have leveraged the increased prevalence of telehealth to provide new opportunities for increased flexibility and remote work for some staff.

Taken together, Atrius Health believes that these efforts to stabilize and expand our primary care workforce will help address the significant constraints on primary care access in Massachusetts. Over the long term, these efforts can go a long way in helping to enhance clinical outcomes, reduce health care disparities, and manage costs, even as the Commonwealth experiences continuing disruptions to our historic systems of care.

2. Please identify and briefly describe any policy, payment, or health care market reforms your organization would recommend to better protect the Massachusetts health care system from predatory actors, strengthen market oversight and transparency, and ensure greater stability moving forward.

The market disruptions we have seen in Massachusetts in recent years underscore the value and benefits of having a strong state regulatory regime and robust oversight agencies already in place. The existing regulatory structure has created an unprecedented degree of transparency into health care system performance and infrastructure expansion that is unmatched in most other states. Future public policy solutions will emerge with the lessons learned from the Steward Health Care bankruptcy that will strengthen the regulatory environment in Massachusetts. These solutions will build off a well-constructed foundation.

Massachusetts has a long history of legislative and administration leadership bringing all stakeholders together to consider health care policy changes, and we encourage a similarly inclusive process as the Commonwealth considers policy changes to strengthen market oversight and stabilize our health care system.

Atrius Health applauds the Health Policy Commission for recommending that health equity be part of the criteria used to evaluate potential health care transactions and expansions. Atrius Health also recommends that policy makers adhere to a set of guiding principles as new regulatory frameworks are considered:

- Support Management Structures That Work for Physician Practices – Running a physician practice is difficult, requiring specialized expertise in clinical operations, human resources management, health care finance and billing, contract negotiation, regulatory compliance, facilities management, and many other areas. Many physician practices rely on management services organizations (MSOs) or similar structures to support these

administrative functions, allowing clinicians to focus their efforts around providing risk-based, value-based care. To the extent that future changes to the market oversight structure in Massachusetts hamper the ability of these management models to function, they could undermine physician access throughout the Commonwealth and moreover, even eliminate the capacity for physician practices like Atrius Health to assume accountability for patients' quality of care and enter into value-based care payment arrangements.

- Encourage Innovation in Care Delivery – Over time, we have seen innovations in care delivery that have helped reduce health care expenditures and improve patient satisfaction with care. At Atrius Health, we have been able to move a portion of outpatient surgical procedures from acute care hospitals to ambulatory surgical centers, producing significant cost savings and providing more convenient care to our patients. The expansion of walk-in and same day care services, and the advent of mobile integrated health, has allowed us to reduce unnecessary emergency room utilization. Finally, the availability of telehealth allowed us to continue to care for vulnerable patients during the pandemic, and telehealth continues to be the primary way that patients access behavioral health services. New policy interventions should continue to support care delivery innovations like these, and have the flexibility to enable future interventions that will promote quality, access, and efficiency.
- Avoid Creating New Administrative Burdens for Providers – As noted above, the administrative burden of running a health care practice is significant. While there is a necessary amount of reporting required to support a transparent, well regulated health care system, policymakers should take care not to unduly increase the administrative tasks required of provider organizations in Massachusetts, as doing so would increase costs to the health system as a whole. Atrius Health also encourages policymakers to consider changes to reduce duplicate reporting requirements, or combine existing efforts between state agencies to support greater efficiency in our health care system.
- Avoid Disrupting High-Quality Patient Care – Finally, we must recognize that the quality of health care in Massachusetts, though far from perfect, generally is high. At Atrius Health, our pride in how our quality performance compares with other provider organizations in Massachusetts is heightened by the fact that the vast majority of providers in Massachusetts have set the quality bar exceptionally high. As we consider new policy interventions to improve the functioning of the Massachusetts health care market, care should be taken to ensure that this standard of excellence is not compromised.

3. Reflecting on consistent HPC findings showing increasing health care affordability challenges, growing difficulties accessing needed care, and widening health disparities based on race, ethnicity, and income among Massachusetts residents, what are your organization's top two to three strategies for addressing these trends? What are the most significant challenges to implementing these strategies?

Atrius Health is undertaking a number of strategies to enhance affordability, access, and equity for our patients. These strategies include improving access to primary care services, expanding value-based care contracting arrangements, and accelerating care delivery innovations that allow patients to seek lower cost care in safe, convenient settings.

As noted in our response to question #1, we believe that robust access to primary care is vitally important to achieving equitable access and high-quality outcomes for the patients we serve. Primary care clinicians are the core of the healthcare delivery system, and are critical to keeping patients healthy and reducing health care costs. Primary care providers play a particularly important role in treating adult and pediatric patients suffering from chronic medical conditions and behavioral health/substance abuse disorders. Atrius Health has invested significant resources in primary care provider retention by finding ways to reduce burnout and administrative workload, assuring sufficient clinical staffing in all primary care sites, and focusing on clinician wellness. Similarly, we continue to recruit primary care physicians from a national pool of candidates, and we have leveraged innovative mentorship and training programs to help support new primary care providers as they build their careers at Atrius Health.

Atrius Health remains committed to expanding value-based payment arrangements as a critical part of our strategy to reduce costs, maintain access, and promote equity. Over the years, we have developed the infrastructure, processes, and care management protocols that support the delivery of integrated, high-quality, cost-effective care to all of our patients. However, our ability to sustain this model depends on a value-based incentive system that encourages coordination of care, rewards value and quality, and supports investments in advancing health equity. This is why the majority of Atrius Health's patients are part of contracting arrangements that are built on Alternative Payment Models (APMs). While Atrius Health continues to work with commercial and public payers to expand APMs that support quality, equity, and efficiency, it has become increasingly challenging to do so as commercial employer group purchasers demand flexible insurance products such as Preferred Provider Organizations (PPOs), and networks that promise greater patient choice. Some of these products may not be compatible with the adoption of APMs by payers, which compromises Atrius Health's ability to maintain the population health management infrastructure and health equity investments that are supported by these APMs. We continue to work with payers and other stakeholders to address this trend, and we encourage the Health Policy Commission to consider new initiatives to promote the use of robust APMs.

Finally, Atrius Health remains committed to helping our patients access the right care, at the right time, and in the right setting. We actively seek solutions to keep patients out of emergency rooms and higher-cost hospital settings. For example, the development of our proposed ambulatory surgery center in Waltham will provide a lower cost setting for many of our patients who need outpatient surgery, reducing total health care costs and reducing the patient cost-sharing that may be a barrier to lower-income patients seeking care. In addition, we have invested significant resources in providing virtual care options to our patients, which has created an easy-to-access alternative to emergency care for our patients outside of normal business hours. The availability of telehealth also has allowed Atrius Health to expand access to routine care services, enabling us to more easily reach working patients who have limited job flexibility or difficulty traveling to one of our clinical sites during working hours. We encourage the Commonwealth to create a regulatory framework that supports – and does not impede – the development and expansion of proven high quality and safe care alternatives like ambulatory surgery centers and virtual care that reduce health care costs and create more convenient, accessible options for patients.

4. Please identify and briefly describe any policy, payment, or health care system reforms your organization would recommend to achieve a health care system that is more affordable, accessible, and equitable in Massachusetts.

Atrius Health offers the following suggestions for consideration:

- Eliminate Practice Barriers for Non-Physician Practitioners – Atrius Health strongly supports the policies that would eliminate remaining practice barriers for physician assistants and nurse practitioners as well as other clinicians if we hope to improve access to care, reduce administrative burdens on physicians, and contain costs. In addition, the Commonwealth should consider policies that would allow pharmacists to provide services to patients to increase access and reach underserved communities. Finally, Atrius Health supports the removal of requirements for on-site physician supervision of clinical pharmacists practicing collaborative drug therapy management.
- Address Workforce Shortages by Joining the Nurse Compact – Atrius Health supports Massachusetts joining many states throughout the country in participating in the nurse compact. This would expand the ability of nurses to practice across state lines, increasing the Commonwealth’s ability to recruit and retain a diverse nursing workforce that better reflects the population of Massachusetts. We support similar efforts for other categories of licensed professionals, like physician assistants, to join various national compacts.
- Support Clinicians in Key Practice Areas Through Loan Forgiveness and Free Medical School – Additional consideration should be given to the role loan forgiveness programs could play in increasing the number of primary care and behavioral health providers in Massachusetts. In particular, graduates of in-state medical schools who agree to practice in Massachusetts for some number of years in primary care or behavioral health should be targeted for these programs. We believe that loan forgiveness should not be solely made to those agreeing to work in community health centers, but rather in all primary care practice settings. Further consideration should be given to providing tuition-free medical school or meaningful grants for anyone willing to serve at least ten years as a full-time practicing primary care physician in the Commonwealth.
- Provide Adequate Funding for Public Health Insurance Programs – It is well documented in data collected by the Center for Health Information and Analysis (CHIA) that provider payments for Medicaid services lag behind Medicare and commercial payer reimbursements. While Atrius Health participates fully in the Massachusetts Medicaid program, this patient population historically has generated financial losses for our organization. In our experience, there are many providers across the Commonwealth who do not accept Medicaid patients, particularly for behavioral health services, because of the payment disparities that exist in the Medicaid program. Increasing funding for services provided through public health insurance programs like Medicaid is critical to assuring equitable and affordable access to health care services for all residents of the Commonwealth.
- Other Areas for Consideration – We believe there are other areas where the state or federal government should consider incentives geared towards primary care and behavioral health providers, including reduced licensing fees, and subsidized medical malpractice premiums.

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) 2022-2024			
Year		Aggregate Number of Written Inquiries	Aggregate Number of Inquiries via Telephone or In-Person
CY2022	Q1	0	739
	Q2	0	590
	Q3	0	769
	Q4	0	772
CY2023	Q1	0	598
	Q2	0	702
	Q3	0	677
	Q4	0	703
CY2024	Q1	0	1,449
	Q2	0	1,289
	TOTAL:	0	8,288

- Please describe any steps your organization takes to assist patients who are unable to pay the patient portion of their bill in full.

Atrius Health offers a number of programs to assist patients who have difficulty paying their medical bills. First, we offer a discounted care policy for patients who demonstrate a need for financial assistance. We also work with patients to structure payment plans that allow them to pay outstanding balances on an installment basis, and we offer prompt-pay discounts. Finally, we

have staff available who can educate low-income patients about Medicaid, Medicare, and public insurance options for which they may qualify.

Patients can meet with a financial counselor to discuss all the above options and assist with completion of the financial assistance applications. Staff are available to assist patients Monday-Friday during normal business hours. As part of the financial counseling process, we review coding of all services to ensure that patient cost-sharing is calculated correctly, and we provide detailed information for patients to communicate with their insurance provider and appeal any inappropriate denials or out-of-pocket costs.

3. Do any of your commercial global risk arrangements adjust your final settlement for bad debt? Please provide details on any commercial arrangements that make accommodations for uncollectable patient payments.

No, none of Atrius Health's commercial global risk arrangements adjust the final settlement to account for bad debt.

4. For each year **2022 to present**,
 - a. For **HOSPITALS**: please submit a summary table for your hospital showing the hospital's operating margin for each of the following four categories, as well as revenue in each category expressed as both NPSR and GPSR): (a) commercial, (b) Medicare, (c) Medicaid, and (d) all other business. Include in your response a list of the carriers or programs included in each of these margins and explain whether and how your revenue and margins may be different for your HMO business, PPO business, and/or your business reimbursed through contracts that incorporate a per member per month budget against which claims costs are settled.

Not applicable.

- b. For **HOSPITAL SYSTEMS**: please submit a summary table for each hospital corporately affiliated with your organization showing the hospital's operating margin for each of the following four categories, as well as revenue in each category expressed as both NPSR and GPSR): (a) commercial, (b) Medicare, (c) Medicaid, and (d) all other business. Include in your response a list of the carriers or programs included in each of these margins and explain whether and how your revenue and margins may be different for your HMO business, PPO business, and/or your business reimbursed through contracts that incorporate a per member per month budget against which claims costs are settled.

Not applicable.