



TESTIMONY OF EILEEN MCANNENY, EMPLOYER COALITION ON HEALTH  
PRESIDENT, SUBMITTED TO THE HEALTH POLICY COMMISSION AS PART OF THE  
RECORD FOR THE COST TREND HEARING ON NOVEMBER 12, 2025

I offer written commentary today as the President of the Employer Coalition on Health (ECOH), a group of concerned employers who are working to address the unsustainable growth in healthcare costs and make healthcare more affordable in Massachusetts

The mission of ECOH coincides with the statutory charge of the Health Policy Commission, which is “to examine health care provider, provider organization and private and public health care payer costs, prices and cost trends, with particular attention to factors that contribute to cost growth within the commonwealth’s health care system.”

I will not focus my remarks on an updated litany of healthcare cost trend statistics from last year’s testimony that document the acute health care affordability crisis in the Commonwealth, I will simply attach that testimony and incorporate it by reference, because while the numbers may be different, the fundamental problem remains. Instead, I will use this opportunity to urge the HPC to double down on its core mission of improving affordability by trying different tactics.

The healthcare system in our state is fundamentally broken in large part because the payment structure is opaque, doesn’t reward value and is increasingly out of reach for purchasers due to runaway prices. Since last year, this goal has taken on greater urgency as the strains on our health care system grow more acute.

The HPC has done extensive research on the cost trends over the past 13 years, along with a body of work that examines many other aspects of healthcare. But providing data has been insufficient to make a material difference in the health care cost trend, in part because the work you produce is mostly reviewed by policy experts, provider organizations, insurance companies and other vested stakeholders in the system. One needs only to look at the lineup of invited presenters at the most recent cost trend hearing to affirm that this is true. Conspicuously absent from the invitee list are small businesses and other employers who can speak to the very real and far-reaching impacts that increased healthcare costs have on their operations, hiring decisions and bottom line. To disseminate your data more broadly, ECOH suggests that the HPC hold forums across the state for employers and employer organizations to educate them on the cost drivers so that they can make more informed purchasing choices.

Another important function of the HPC is to set an annual health care cost benchmark. The purpose of the benchmark was to determine an annual rate of cost growth that providers were not to exceed to moderate the cost growth trend. This goal was not as aggressive as the purchaser community advocated for, or wanted, because it assumes the cost basis was optimal when there is sufficient evidence that indicates otherwise. Even with this more modest approach, the health care system has not met the benchmark in seven of the past eleven years without recourse.

ECOH advocates a more ambitious benchmark and more stringent adherence to signal that double-digit rates of price increases year after year will not be tolerated anymore. Healthcare costs cannot be addressed in isolation. They must be viewed in the broader context of the affordability crisis confronting Massachusetts. Health insurance is a major hiring cost for employers, and out-of-pocket expenses consume a growing portion of their employee's discretionary income. If we do not take action to tackle the affordability challenge confronting Massachusetts, the outmigration of young people to lower cost states will continue unabated and our economic challenges will worsen.

ECOH's final recommendation is that HPC use its authority to file legislation with recommendations for how to make the necessary systemic changes to lower costs. This is the critical next step to effectuating the change that has been missing. The HPC is best positioned to know what the cost drivers are and how best to address them. In fact, your research has consistently documented that the unit cost of care at hospitals, or hospital price increases, and the growing spending on pharmaceuticals are the primary cost drivers. In addition to filing legislation, the HPC should convene health care stakeholders, and build a coalition of supporters to help advocate for their proposed changes. ECOH stands ready to work with you to build a coalition of support and advocate for change in order to achieve meaningful and measurable cost reductions.

Thank you for the opportunity to offer written comments and I am happy to provide additional information or answer any questions you may have.