



MASSACHUSETTS
HEALTH POLICY COMMISSION

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?

MassHealth redetermination has resulted in thousands of residents throughout the Merrimack Valley (including Lawrence, Methuen, and Haverhill, losing insurance coverage. This has resulted in a significant increase in the number of uninsured patients seeking care in our three Eds, longer lengths of stay as we are unable to find available community based services for individuals without coverage for non-acute level care, and increasing the burden of unpaid medical debt on community members, providers, and hospitals. Low-income communities of color have been especially impacted by loss of insurance coverage, decreasing access to and affordability of care which inevitably results in higher rates of unmanaged chronic illness and the need for more intensive healthcare services. Due to the Steward bankruptcy, the uncertainty about the fate of Holy Family Hospital resulted in a 12% increase in patient volume at Lawrence General Hospital, causing longer ED wait times and larger numbers of patients holding in our ED awaiting an inpatient bed, putting undue strain on providers, staff, and limited resources.

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.

Greater transparency in reporting and holding all hospitals (non-profit and for-profit) to the same standards. In addition, non-profit community based hospitals have leaner budgets and fewer resources. As a result, there should be additional resources available to assist with providing greater access to community based services for medical and mental health services. The lack of state chronic care beds for mental health and long term care patients are also causing significant strain on community based providers and hospitals.

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?

Our top three strategies to address care access and health disparities are: 1. Improve population health programming and partnerships to address social needs and drivers of health, 2. Implement a multiyear Diversity, Equity and Inclusion (DEI) roadmap to better serve our employees, patients, and community, and 3. Increase the capacity and competence of the state programs (including the DPH and DMH hospital facilities) to support the coverage for long-term patient needs to reduce boarding of patients who have exhausted insurance coverage options. The challenge to implementing these strategies has been the inability to allocate adequate financial resources to support these activities in the setting of low/lack of reimbursement for community hospitals and community based providers, the unavailability of critical workforce to meet the needs of patients resulting in larger need for contract labor, and increasing regulatory and reporting requirements.

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.

Equitable payor reimbursements across all hospitals would support equitable access to high quality care. Currently, large, well-resourced hospital systems are able to negotiate higher reimbursement rates than community based disproportionate share hospitals who often care for the most vulnerable, underserved populations in the state. Delivering care to a predominantly low-income, Medicaid population is more resource intensive than delivering care to a more affluent, predominantly commercially insured population, but reimbursement rates are not commensurate. Many of the additional services needed including Social Work, Medical Interpretation, Community Health Workers, and Health Navigation services add significant cost to care delivery but are not reimbursed by most payors. Policy to address this would support hospitals and health systems in effectively resourcing clinical teams to provide equitable, whole person care to all residents.

QUESTIONS FROM THE OFFICE OF THE ATTORNEY GENERAL

1. 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	10	0
	Q2	4	0
	Q3		
	Q4		
CY2023	Q1		
	Q2		
	Q3		
	Q4	5	0
CY2024	Q1	10	0
	Q2	8	0
	TOTAL:		

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

Lawrence General Hospital has a dedicated group of patient financial counselors who work with all patients who are seeking assistance if they are unable to pay for their portion of the healthcare services provided in our hospital. At the time of appointments patients are asked about available coverage options that are reviewed to determine if the services will be covered by their insurance. If it is not, LGH will then screen the patients for state funded assistance. If they meet the guidelines our staff would assist the patient with filling out the applicable paperwork for the coverage options that they would qualify. If the patient is approved, depending on the type of financial assistance (e.g., Connector, MassHealth, HSN) patient billing is held for processing based on the type of coverage and the rules related to coverage for current and prior bills. If a patient does not qualify for assistance and is true self pay, LGH will apply its self-pay policy regarding the applicable self-pay discount and if unable to pay in full, the patient is then offered a payment plan. Those patients who do not qualify and have balances they are unable to pay after insurance are also offered a payment plan.

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.

At this time, there are no arrangements in place.

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.

See attached for LGH

- 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.

See attached for LG Newcorp, Inc (d/b/a Holy Family Hospital)

Lawrene General Hospital

	FY2022	FY2023	FY2024
GPSR	\$665,080,315	\$679,588,384	\$755,451,637
NPSR	\$288,607,261	\$309,537,453	\$310,090,704
Operating Margin	-3.0%	-1.6%	-1.8%

Holy Family Hospital

	FY2022	FY2023	FY2024
	\$522,312,695	\$500,976,751	\$434,801,127
	\$275,469,596	\$244,879,489	\$194,098,092
	-1.0%	-9.9%	-34.2%

COMMERCIAL		FY2022	FY2023	FY2024
<i>Carriers</i>	GPSR % of total	32.9%	27.9%	23.5%
ALLWAYS				
AUTO LIAB				
BLUE CROSS				
COMMERCIAL				
CONNECTOR CARE				
HARVARD				
UNITED				

	FY2022	FY2023	FY2024
	23.6%	22.9%	20.8%

MEDICARE		FY2022	FY2023	FY2024
<i>Carriers</i>	GPSR % of total	38.9%	41.3%	40.8%
Medicare				

	FY2022	FY2023	FY2024
	47.1%	46.6%	47.4%

MEDICAID		FY2022	FY2023	FY2024
<i>Carriers</i>	GPSR % of total	15.0%	23.0%	28.5%
Medicaid				

	FY2022	FY2023	FY2024
	26.3%	27.0%	27.7%

ALL OTHER		FY2022	FY2023	FY2024
<i>Carriers</i>	GPSR % of total	13.1%	7.8%	7.1%
AMBULANCE				
COVID-19				
DPH				
HSN				
NHP ACO				
OTHER GOVERNMENT				
UNCLASSIFIED REVENUE				
WORKERS COMP				

	FY2022	FY2023	FY2024
	3.0%	3.5%	4.0%