



November 4, 2024

**** Via Email Submission ****

Massachusetts Health Policy Commission
50 Milk Street, 8th Floor
Boston, MA 02109

Re: Statement of Authority - 2024 HPC Written Testimony of Sturdy Health

Dear Health Policy Commission:

Thank you for the opportunity of providing the attached written testimony for the 2024 Annual Health Care Cost Trends Hearings. As requested, this pre-filed testimony is being submitted to you via email HPC-Testimony@mass.gov, along with this statement of authority.

As President and Chief Executive Officer, I am legally authorized and empowered to represent Sturdy Health – Sturdy Memorial Hospital for the purposes of this testimony. This testimony is being provided under the pains and penalties of perjury, and I acknowledge this statement through my signature below.

Please feel free to contact me with any questions regarding this submission via email ABrewer@SturdyHealth.org or dialing (508) 236-8000.

Sincerely,

A handwritten signature in blue ink that reads 'Aimee Brewer'.

Aimee B. Brewer, MPH
President and Chief Executive Officer

Attachment



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?

Sturdy Health continues to be impacted by the influx of patients left insecure in and, in many cases, without primary, specialty, and acute care access following the Steward Health Care system collapse. Prior to the Steward Health crisis, Sturdy Health had already been caring for the emergent and acute care needs of patients displaced by the Norwood Hospital closure in 2020, the abrupt closure of Compass Medical in 2023 followed by the fire related closure of Brockton Hospital for a significant portion of 2024. In this timeframe alone, Sturdy Health experienced a 14% increase in emergency department volumes. From FY23 to FY24, we experienced a 36% increase in medical boarding directly attributable to the emergency department volume crush. In the first 10 months of this year, we have spent 65% of 2024 in inpatient surge status. To illustrate the impact on our system's ambulatory care, Sturdy Health experienced an 18% increase in demand for primary and specialty care outpatient services since FY2021, with care demand continuing to outpace care access. The instability felt by Steward Health patients was also felt by Steward's physicians and staff who experienced service line disruptions, deterioration and closures. Several surgeons temporarily transitioned to Sturdy Health to perform their procedures due to the lack of supplies and staffing at Good Samaritan and Morton Hospitals, while also seeing cancer patients formerly of Steward's Foxborough facility left to find care elsewhere. Sturdy Health also played a key role in partnership with Manet Community Health Centers in caring for the unanticipated arrival of large numbers of refugees and migrants into Massachusetts from various countries, many of whom were pregnant and in need of immediate and intensive services. All of these situations placed extraordinary pressures on our primary and specialty care access, as well as on our acute care and emergency services. Our physicians, nurses and care teams continue to stretch as far as possible to create care access and a safe environment for patients. From an equitability perspective, we are seeing access to and the cost of transportation becoming a more pronounced barrier to care for many patients who now need to travel further to receive their primary care. With this as a barrier, we anticipate continuing to see a rise in emergency department utilization and increasing care complexity which leads to avoidable health decline and increased costs for the patient and the entire system of care. We continue to support the work of our

elected officials in creating greater access to affordable housing and in support of recruiting more primary care physicians into our state. Add to this the aggressive recruitment tactics of new market entrants to the Massachusetts care delivery system, and we will continue to see access to care remain anemic and the cost of care continually rise. Patient mental and behavioral health needs continue to increase annually, and Sturdy Health has had to make significant investments to address needs. Delays in preventative care, such as colonoscopies and mammograms, can be traced to a higher incidence of later stage disease diagnosis and a higher patient acuity when seeking care. This ties back to the lack of timely access to primary care and is important to note. From a health equity perspective, the care delivery closures have placed the financial burden upon vulnerable communities, many of whom already face financial insecurity, by increasing their transportation costs as they seek care further from home. When having to travel further and for longer, this can also create the need for child or elder care, additional time off from work, and other financial pressures that may cause a person to defer the care they need until it become emergent. This challenge is exacerbated in those with behavioral health concerns in which deferred care leads to decompensated mental illness and drives increased emergency department volumes, acute behavioral health access demand, and increased cost of care. Sturdy Health continues to try and eliminate this barrier to care by paying for a patient's transportation costs to and from appointments. On behalf of our leaders and clinicians, Sturdy Health invites the commission to visit our hospital and learn more about the short- and long-term impacts the Steward Health upheaval and entry of a new health care provider into the region are creating, along with accompanying pressures (financial, competitive forces, community needs) facing Sturdy Health as a community based, independent health care delivery system. The patients entering our health system are sicker, requiring a higher complexity of care and longer stays. This unsettling trifecta continues to amplify the unyielding capacity constraints, mounting cost pressures, and overall turbulence within the healthcare space. As we have for the past 111-years, our teams at Sturdy Health remain dedicated to those we have the privilege of serving and are working to adjust daily to this new reality and to keep care accessible, affordable and local.

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.

In light of the past several months, we can all agree that work needs to be done to protect the people of the Commonwealth and its health care delivery system from the debilitating effects of bad actors hoping to operate within the health care space. While there is a

need for regulatory oversight and a robust approval process prior to for-profit and/or private equity backed organizations acquiring health care facilities and physician groups, it is equally important that we apply that same rigor and critical eye to any health system entering into or expanding within the Commonwealth, regardless of profit status. Enforcement of the existing provisions surrounding financial reporting requirements and various other disclosures to the state to ensure appropriate management of these organizations can reinforce a necessary level of scrutiny to various transactions. The importance of ensuring that there is an open, collaborative process to address community health needs, the position and capability of existing health care system within a given market to provide care and meet those needs, cannot be overstated nor eroded. With new entrants in the marketplace, particularly in Southeastern Massachusetts, the cost of not having a clear, regulated and collaborative process will likely lead to a potentially avoidable increase in the cost of care and unnecessarily duplicative services, both for its delivery and utilization. It could also tip the scales of sustainability for health systems such as Sturdy Health in the future. With more than half of the hospitals in Massachusetts operating in the negative, creating an unnecessarily competitive health care landscape does not serve those who are entrusting us with their health and wellbeing.

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?

Sturdy Health have been successful in addressing these trends by screening all patients for social determinants of health to better understand the specific needs of the communities we serve. When a positive screen is identified, a member of our population health team reaches out personally to the patient to connect them with an array of local resources. Based on our last community health needs assessment, data trends within our patient populations served by Sturdy Health, and through patient feedback, we identified the top three (3) conditions – diabetes, maternal health and high blood pressure - and have begun stratifying outcomes based on race, ethnicity, language, and income data. To address care gaps, we provide medical technology and remote patient screening to patients otherwise unable to afford such care. We also instituted, at our expense, Health Educators who provide the extra time often needed to discuss medical conditions specific to the patient in a culturally engaging way. We also leverage a clinical pharmacist embedded within primary care to support medication management with a focus on uncontrolled diabetes and have seen significant improvement in that pilot cohort, not only reducing A1C to an appropriate clinical level, but sustaining it. Implementing various technologies to assist with providing care and remote monitoring for continuous glucose monitoring, blood pressure and weight management has helped eliminate the challenges of transportation and financial insecurities. The most significant challenges faced for such programing is payer reimbursement scarcity, program funding and resources. Collecting data to better identify areas of disparities and exploring specific clinical conditions to see

if disparities exist (ex: postpartum hemorrhage, uncontrolled diabetes, etc.) can be challenging and would benefit from payer reimbursement and/or support for implementing effective technology and reporting capabilities. Our ability to address health disparities is profoundly anchored in reporting and data analytics. We were encouraged to see that the state's Quality Measure Alignment Taskforce (QMAT) is seeking members to serve on its Technical Advisory Group (TAG) focusing on health equity data standards, and Sturdy Health is hopeful that a nominee from the Sturdy Health team will be selected to participate in this vital work as part of the taskforce.

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.

From the payment perspective, there are a few substantive changes we envision in support of our collective achievement of a robust, more affordable, accessible and equitable health care system in Massachusetts. In addition to billable reimbursement for their services, funding support for the training of community health workers (CHW) for hospitals and health systems to leverage to provide direct services, such as informal counseling, social support, care coordination, and conducting social determinant of health needs screenings would greatly improve access, equity and affordability of care within the Commonwealth. In addition to access improvement through community centered care, CHW can help improve health outcomes and engagement with the health care delivery system by helping close the communication, cultural, and trust margins between patients and physicians and clinicians. The expansion of MassHealth limited coverage to allow for the inclusion of services beyond the emergency care would greatly improve health outcomes and reduce costly readmissions and severe impacts on the overarching health of patients and their communities, particularly those communities of color and/or economically disenfranchised. Reimbursement for the provision of interpreter services by all payers would help to ease the cost burden to health systems and support improved health outcomes and health care equity. Sturdy Health experienced an almost 50% increase in the cost of language access services from \$256,014 in FY23 to \$514,335 in FY24 systemwide. Instituting improved payment models that align with equity goals and would allow funding or reimbursement for transportation, food, medications for patients would demonstrate a commitment to creating and sustaining health within all communities by removing what we know to be significant barriers to wellness for many. The expansion of remote patient monitoring coverage by payers would ensure critical technology has a broader reach and is offered to all patients in managing episodic and chronic conditions. Simplification of prescription payer drug formularies would dramatically reduce administrative burden and eliminate unnecessary hurdles, workforce hours, and delays in care while navigating an arduous authorization process for prescription drug coverage. Often, patients are continued on less optimal pharmacotherapy due to significant administrative delays and fragmented processes related to prior authorizations. From the policy perspective, Sturdy Health encourages the Massachusetts Health Policy Commission, legislative officials, and the Healey Administration, to center policy priorities in the areas of creating absolute transparency and accountability for every part of the healthcare system, including new market entrants.

The aggressive posture taken by new systems entering Massachusetts is on a trajectory to increase the cost of care delivery by institutions that have been caring for the communities within which they are the bedrock of care, as well as an overall economic engine. The creation of a competitive versus collaborative posture in determining the care needs for the communities they are entering will serve only to further overburden a weary consumer and healthcare system with unnecessary expenses for health care receipt and delivery. This same philosophy should be weighed on the industries behind some of the highest rates of cost growth. This includes pharmacy benefit managers and pharmaceutical manufacturers.

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	1	26
	Q2	1	23
	Q3	3	2
	Q4	2	9
CY2023	Q1	6	8
	Q2	5	13
	Q3	0	0
	Q4	4	0
CY2024	Q1	0	17
	Q2	1	15
TOTAL:		24	113

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

Patients unable to pay their bill in full are offered the following options: 1) 20% prompt pay discount; 2) Interest-free payment plan up to 24 months, depending on the balance owed; 3) Consultation with a Sturdy Health Financial Counselor to see if the patient qualifies for financial assistance (hospital or state assistance) as defined in Sturdy Health – Sturdy Memorial Hospital’s Financial Assistance Policy.

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.

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.

Please see graph below.

Sturdy Memorial Hospital						
Gross and Net Patient Service Revenue						
	FY 2022		FY 2023		FY 2024	
	GPSR	NPSR	GPSR	NPSR	GPSR	NPSR
Commercial	\$103,551,946	\$72,752,625	\$112,644,547	\$76,457,791	\$119,516,030	\$80,049,256
Medicare	\$227,454,399	\$93,766,782	\$256,842,306	\$99,495,445	\$272,481,792	\$107,181,448
Medicaid	\$87,596,463	\$30,499,578	\$96,553,669	\$30,052,248	\$95,518,347	\$31,369,893
All Other	\$44,997,402	\$29,517,343	\$53,182,195	\$35,583,380	\$62,031,992	\$40,785,610
Total	\$463,600,210	\$226,536,327	\$519,222,717	\$241,588,864	\$549,548,162	\$259,386,208
Excludes bad debt						

- 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.