



11 Beacon Street, Suite 710
Boston, MA 02108
Phone: 617-723-6100
Fax: 617-723-6111
www.cobth.org

March 18, 2022

Submitted electronically via email to HPC-Testimony@mass.gov.

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

RE: Health Care Cost Growth Benchmark for Calendar Year 2023

Dear Commissioners:

Thank you for the opportunity to offer comments as the Health Policy Commission (HPC) considers adjusting the health care cost growth benchmark for 2023. We are grateful for the HPC's consistent attention to this important issue, as well as for the critical role the HPC has played in helping the Commonwealth and our health care delivery system respond effectively to the challenges of the COVID-19 pandemic.

The Conference of Boston Teaching Hospitals (COBTH) is an organization of twelve Boston-area teaching hospitals that works to advance policies critical to the core mission of academic medical centers: providing high quality patient care to all, regardless of insurance status or ability to pay; training the next generation of physicians, nurses, and allied health professionals; advancing innovation and discovery through biomedical research; and improving the health of our surrounding neighborhoods and communities.

Over the years, COBTH has consistently expressed support for the cost growth benchmark, acknowledging the importance of controlling health care spending in the Commonwealth. COBTH has also, however, respectfully urged the HPC to be mindful of the many factors outside of the control of providers, payers, and the Commonwealth that may make meeting the health care cost growth benchmark target difficult. Never have those outside factors been more prevalent and impactful than during the course of the COVID-19 pandemic, when our hospitals have done everything they can to ensure continued access to high quality care for those suffering with COVID-19, patients at high risk of for severe illness, and those who need timely access to needed medical and behavioral health services. We have responded to each new challenge of this pandemic by harnessing the power of collaboration and shared learning, mobilizing our clinical, research and community health enterprises, and utilizing every tool and resource available across our academic medical centers. And we have redoubled these efforts in the face of new variants and surges. This has been especially challenging for our entire health care workforce, which is experiencing unprecedented levels of exhaustion and burnout, making preserving access to services even more challenging for our institutions.

We have done all of this while sustaining significant financial losses. While relief funds provided by the federal and state governments have helped enormously to alleviate some of the burden, it has fallen short of our needs. According to data released by the Center for Health Information and Analysis (CHIA) this week, statewide median acute hospital total margin decreased 0.9 percentage points compared to the prior fiscal year, even after accounting for COVID-19 relief funding.

Overall, CHIA's report found that Total Health Care Expenditures (THCE) declined by 2.4% from 2019 to 2020, an unprecedented shift in health care spending in the Commonwealth. The decline in health care services and spending in 2020 is a direct result of the COVID-19 pandemic, and is a clear anomaly. Unfortunately, as we look ahead, applying the cost growth benchmark to this low baseline is an unfair expectation. The benchmark, which has already been established for 2021 and 2022, does not reflect the realities that hospitals and other health care providers are facing as we continue to work diligently to recover from the worst impacts of the COVID-19 pandemic.

The health care cost growth benchmark as originally contemplated assumed continued, stable economic and health care cost growth. The benchmark simply does not account for such intense and overwhelming disruptions to health care delivery and the economy. We strongly urge the HPC to suspend the application of the health care cost growth benchmark in 2023, and instead work with the legislature to revise the benchmark setting and cost growth evaluation process to create a more appropriate measure for 2023. The COVID-19 pandemic has fundamentally altered the way health care services are provided, and we must ensure a full accounting of this new reality when creating spending targets going forward.

Additionally, when measuring performance against the already-established benchmark for 2021 and 2022, we urge the HPC to take into account the full impacts and realities of the COVID-19 pandemic and not unfairly penalize health care providers.

We look forward to working with the Commission to continue to address the issue of health care spending growth, quality, equity, and affordability for every resident of the Commonwealth, and to continuing to collaborate with our partners in government to achieve our shared goals.

Sincerely,



Patricia McMullin
Executive Director
Conference of Boston Teaching Hospitals