



Massachusetts Taxpayers Foundation

July 12, 2018

Hon. Ronald Mariano, Majority Leader
House of Representatives
State House, Room 343
Boston, MA 02133

Hon. James T. Welch, Chair
Committee on Health Care Financing
State House, Room 413-B
Boston, MA 02133

Dear Leader Mariano and Chairman Welch:

I write to you concerning the Massachusetts Taxpayers Foundation's priorities for the health care reform legislation now pending in conference committee. The Foundation has long advocated for reforms to our healthcare system in order to reduce costs for the Commonwealth, its employers employees, and taxpayers. This is important for the Commonwealth's fiscal well-being and economic competitive standing.

The Foundation was integral to the successful passage of Massachusetts' landmark health reform law in 2006 and the subsequent cost containment reform in 2012. We support bills that will introduce more efficiency into our health care system and reduce cost while retaining access and quality. Both the Senate and House health care bills contain innovative approaches pertaining to health care quality and affordability and we support those provisions. However, we cannot support major provisions that would significantly increase costs for residents, employers and the state by implementing more than \$300 million in new assessments or a rate floor for providers.

The Foundation supports Senate language to expand the scope of practice for optometrists, nurse practitioners, nurse anesthetists, dental therapists and psychiatric mental health clinicians as a way to provide certain services at lower cost. A framework for assessing the merits of future scope of practice changes, as proposed in the House legislation, is unnecessary given the widespread adoption of these practices in other states. The changes proposed by the Senate have been well-vetted making further delays in this area unnecessary or ill-advisable.

Given the growth of pharmaceutical costs in recent years, we support House and Senate proposals to include them within the scope of the Health Policy Commission's annual cost benchmark trend process and to allow the Center for Health Information and Analysis to analyze ongoing trends. The Foundation also supports better coordination and notification between the state and pharmaceutical companies regarding pipeline and other drugs in development that are likely to have large cost impacts in the state.

Both bills include provisions that would provide patients with better access to information about likely charges. This type of cost transparency will help to avoid surprise billing and enable more informed patients to make better health care choices. In the case of facility fees, we think the House's approach to information transparency is preferable to the Senate's, as it is important to assess the impact of those costs prior to further proscribing their use.

Controlling cost in MassHealth is essential to the state's long-term fiscal stability as the Foundation has clearly demonstrated. This will require the Legislature to pursue new ways of providing care and paying for services. The Foundation supports innovative tactics that restrain MassHealth costs without imperiling health care access for low-income families. Given the strain that MassHealth cost growth already puts on the budget and the commercial health insurance market, we oppose the Senate language enabling the state to expand MassHealth to non-income eligible individuals as well as employers.

The Foundation asks that the price variation proposals in both bills (the Health Alignment and Review Council in the Senate bill and the recapitalization of the Community Hospital Reinvestment Trust Fund through a new round of assessments in the House bill) be held in conference. We applaud these attempts to combat price variation among health care providers, but to properly address the difference in prices they must be reviewed more comprehensively and systematically in light of health care delivery consolidation. Price variation among providers was identified as a real problem that requires action because of the significant cost it adds to commercial and public insurance. Therefore, any action to address this problem must not compound the underlying problem by adding cost through new assessments or new rate floors. The House and Senate approaches, in these regards, will significantly increase health care costs and create unintended care delivery consequences without providing an accountable or sustainable solution to price variation.

The Legislature has the opportunity to put forward a more narrowly tailored proposal to reduce costs, increase transparency and modernize elements of our health care system. We ask that you focus on those areas of reforms that will reduce cost while maintaining quality and omit those provisions, such as the assessments, that will undercut them.

Thank you for your consideration of these issues. Please feel free to contact the Foundation if we can be of assistance in any way.

Sincerely,

A handwritten signature in cursive script that reads "Eileen McAnney".

Eileen McAnney
President, Massachusetts Taxpayers Foundation

cc: Hon. Jeffrey Roy, Vice Chair Joint Committee on Health Care Financing
Hon. Randy Hunt, Ranking Minority Member Joint Committee on Health Care Financing
Hon. Jason M. Lewis, Chair Joint Committee on Public Health
Hon. Bruce E. Tarr, Senate Minority Leader