



Statement of Michael J. Widmer
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on House Health Care Finance Committee Legislation

Chairman Walsh has worked extremely hard over the past year to master the intricacies of the state's health care system. He has been willing to listen to all parties, and his proposed legislation seeks to strike a balance among the many competing interests and viewpoints.

The legislation includes a long list of positive elements in areas such as health information technology, medical malpractice, prevention and wellness, administrative simplification, consumer education, and alternative payment methods.

Nevertheless, although the bill does not embrace some of the more sweeping forms of rate regulation and counterproductive government intervention that have been put forward, it still inserts government into the marketplace to an extent that carries serious risks for the state's world renowned health care system. The legislation sets an overly ambitious target for controlling the growth of total medical spending and gives a new government authority a large amount of power to monitor and enforce that target. In addition, the assessments on insurers and providers and the luxury tax on our world class hospitals goes down a dangerous path of price controls.

In assessing this and the forthcoming Senate legislation, two incontrovertible facts need to be kept in mind:

- Over the past two years the Commonwealth has made enormous strides in moving toward a system of global payments and in dramatically slowing the growth of health care costs. The market is working and Massachusetts is leading the nation in transforming its health care system.
- The health care sector is the backbone of the Massachusetts economy in good times and bad, from community hospitals in poorer regions of the state to the remarkable constellation of medical schools, teaching hospitals, and biotechnology, pharmaceutical and medical device companies, a constellation that will become even more important with the scientific breakthroughs in understanding the human body in the years ahead.

Chairman Walsh has tried to strike the right balance, but the legislation clearly errs on the side of overreaching that is likely to undermine the great progress that has been achieved in controlling costs while improving the quality of health care. The Commonwealth's widely acclaimed health care system is the envy of the world and the state's greatest competitive asset. In our zeal to control costs we cannot risk squandering that asset.

May 4, 2012