



Special Senate Committee on Health Care Cost Containment and Reform
Monday, October 23, 2017 – The State House, Rooms A1-A2

Testimony relative to "An Act furthering health empowerment and affordability by leveraging transformative health care."

Submitted by JD Chesloff, Executive Director

Thank you for the opportunity to submit comments relative to the report and legislation of the Special Senate Committee on Health Care Cost Containment and Reform. The Roundtable is appreciative of the immense amount of work, thought and collaboration that went into this effort and commends the Senate and the Special Committee for tackling one of the most important issues facing employers and the Commonwealth, the high cost of health care. Employers in Massachusetts played an important role in the historic health care reforms that expanded access to quality health care for residents across the state and remain committed to working with policy makers to achieve more affordable access to world-class health care in the Commonwealth.

The Massachusetts Business Roundtable is a public policy organization comprised of CEOs and senior executives from some of the state's largest employers. Roundtable members collectively employ more than 250,000 people across the Commonwealth. Our mission is to strengthen the state's long term economic vitality with the goal of making Massachusetts a highly desirable place to do business. To achieve that mission and goal, the Roundtable focuses on a variety of public issues identified by our members as priorities. Key among those is health care, with a particular focus on wellness and cost.

On January 1, 2018, a new assessment on Massachusetts employers will go into effect, which is projected to raise \$200M to help address the unsustainable increases in the costs of MassHealth. This temporary, time-limited assessment will come from all employers with more than six employees, regardless of whether they have employees on publicly subsidized care, and has been discussed as part of a strategy to address MassHealth cost increases that also includes meaningful reform. The Roundtable has been guided by a fundamental principle during the discussions about the assessment and subsequent reforms: any policy solution must be aligned with solving the problem, which has been defined as controlling the unsustainable increases in the cost of MassHealth. We remain committed to addressing that issue.

The Senate health care reform report, "Healthy living. Healthy Massachusetts," and the Senate working group has a similar focus on cost in its stated goal "to explore best practice strategies used by other states to control health care costs while improving health outcomes." The legislation accompanying this effort is a comprehensive, good faith effort to achieve this goal, and advances important ongoing conversations of cost drivers of Massachusetts health care, such as provider price variation and pharmaceutical transparency. We have heard initial positive

response to recommendations around innovations in the marketplace such as scope of practice, plan design, mobile integrated health and telemedicine. The Special Senate Committee is to be commended for that work.

We are still in the process of understanding the details of the legislation and speaking with Roundtable members about the wide variety of provisions in it. However, some key themes have emerged for consideration as the discussions and deliberations ensue:

Addressing the cost of MassHealth. As stated earlier, the unsustainable cost increases of MassHealth remain a concern and priority for the Roundtable. As you know better than most, the MassHealth budget continues to crowd out other important investments in priorities essential to the state's competitiveness such as education, transportation infrastructure, and housing. As we continue to collectively wrestle with that issue, opening up MassHealth to an employer buy-in program appears ill-timed. We would respectfully urge that the state continue to reform MassHealth in order to lower the annual increases in the program's cost.

Bureaucracy and cost. In the end, the primary goal of health care reform efforts must be to address costs, premiums and out of pocket expenses. Previous efforts have successfully addressed access, to the point where Massachusetts is a national leader and model. The unfinished business of health care reform, however, remains cost. Expansion of bureaucracies or creation of new ones, for example, appear to run counter to the goal of cost containment. We would respectfully urge a more concrete understanding of the cost implications of the Senate's legislation so that we can incorporate that important information into the dialogue.

Market Based Solutions versus Government Intervention. Previous iterations of health care reform have focused on market based solutions such as payment reform, competition and transparency to slow the growth in health care spending. There is some evidence that is working, though clearly more needs to be done. The Special Senate Committee makes a series of recommendations to intervene in the market, and we would respectfully urge a "first, do no harm" approach, and craft designs for a competitive, private health insurance market that works for consumers and employers.

Reform needs to prioritize value. The Roundtable has long supported a value-based model of care delivery. Reform efforts in the health care marketplace must result in greater value – highest quality care, in the most coordinated, cost efficient manner for all stakeholders in the system: insurers, providers, purchasers and consumers. As we collectively continue to discuss and absorb the provisions of the Senate legislation, we must do it through the lens of better health outcomes through more coordinated systems of care that result in value.

The Senate report concludes that "It is imperative that we create a sustainable health care system—meaning a health care system that grows no faster than its funding sources, whether residents' pocketbooks, business balance sheets, or the state budget." The Roundtable agrees, and shares in the Senate's urgency to address this issue, with a particular focus on MassHealth. We look forward to working with you, the House and the Baker Administration to create the sustainable health care system we collectively desire.