

## Massachusetts Health Policy Commission

# 2022 Cost Trends Hearing

## Day Health Strategies Key Takeaways & How We Can Help

During the first week of November 2022, the Massachusetts Health Policy Commission hosted their annual Cost Trends Hearing, and two issues were at the forefront.

- 1. Inequitable access to affordable healthcare, and**
- 2. Workforce challenges, including significant provider burnout**

These issues require a holistic solution with collective stakeholder buy-in from across the healthcare sector. Day Health has compiled our key takeaways from the hearing, as well as how we can help our clients impact affordability and worker burnout.

### **What is the Health Policy Commission?**

The Health Policy Commission (HPC) is a state agency tasked with monitoring and reporting on healthcare costs in the Commonwealth and providing policy recommendations to curb growing costs. Established in 2012, the HPC has now played a key role in Massachusetts cost containment for ten years, most notably by setting a cost growth benchmark designed to limit year over year increases in healthcare costs.

### **What is the Cost Trends Hearing?**

Each year, the HPC hosts a Cost Trends Hearing to report on the Commonwealth's progress against the cost growth benchmark and to convene key healthcare leaders to discuss needed improvements to the Massachusetts healthcare system. The annual event features cutting-edge research, expert panels, and robust discussions between HPC Commissioners, health system leaders, and others.

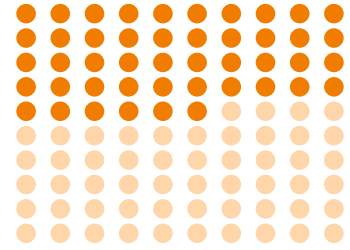
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# #1

## Affordability is increasingly a health equity concern, as growing healthcare costs disproportionately impact low-income individuals and people of color.

- People of color, low income people, and people with activity limitations were more likely to forego medical care due to cost.
- The cost of health care (including premiums and out of pocket costs), combined with the average cost of other household necessities, exceeds the income of middle-class families in the Boston metro area.

46% of Massachusetts adults delayed or skipped care due to cost.



**"We've ignored health equity in Massachusetts, and that has cost implications."**

- Michael Curry, President & CEO  
Massachusetts League of Community Health Centers

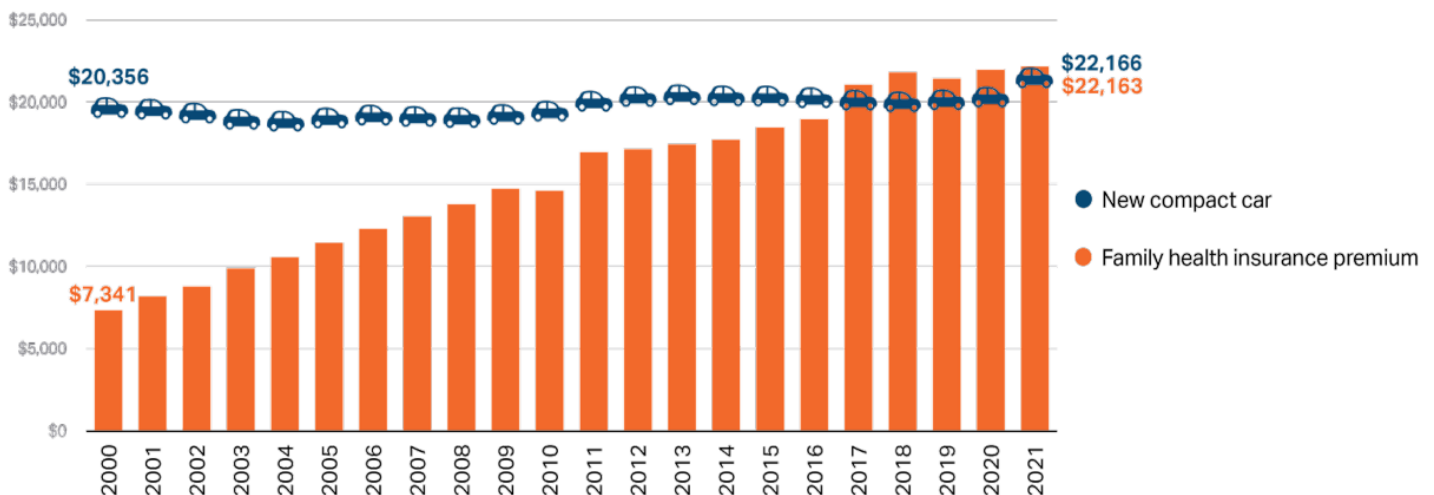
## \$22,163

Average total family health insurance premium in 2021.

**Family health insurance premiums in Massachusetts have increased 202% since 2000 while the price of a new compact car increased 9%.**



Average Massachusetts family health insurance premium (employer and employee contribution combined) and national cost of a new compact car, 2000-2021



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## HPC Policy Recommendations:

- Build affordability targets into annual insurance premium rate setting.
- Target other drivers of cost growth, such as pharmaceutical prices.
- Strengthen accountability for meeting (or staying below) the cost growth benchmark.

# #2

## Workforce challenges, driven by growing demand, limited capacity, and provider burnout, are threatening the wellbeing of our healthcare system.

- The number of healthcare workers is smaller in many settings than before the pandemic, and many hospitals are experiencing demand that outstrips provider capacity.
- Behavioral health (BH) demand has grown substantially, particularly behavioral health emergency department admissions and pediatric BH needs.
- Nearly 80% of provider organizations surveyed expressed a need for increased workforce investments, despite workforce comprising the largest portion of total hospital spending.<sup>1</sup>

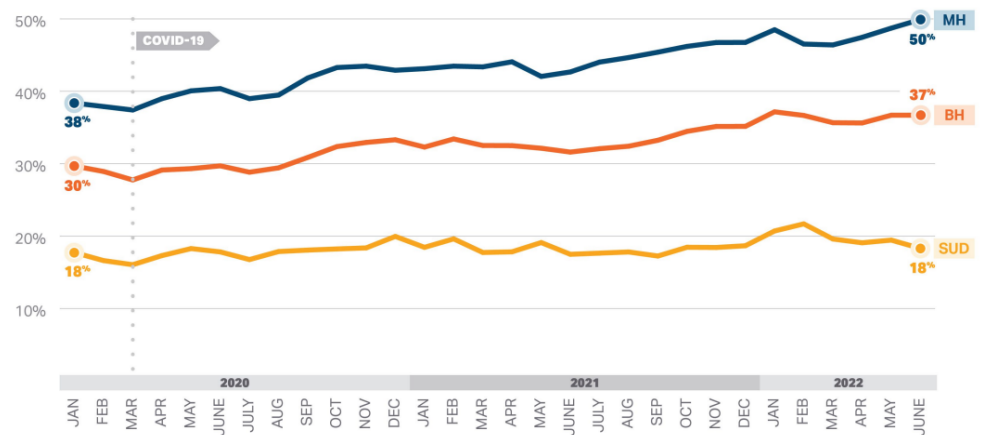
**"We are at a breaking point... patient care is at risk of being compromised."**

- Dr. Anne Klibanski  
President & CEO  
Mass General Brigham

**"In pediatrics, we have never seen what we are currently seeing... in terms of the overwhelming issues of our kids... with behavioral health needs."**

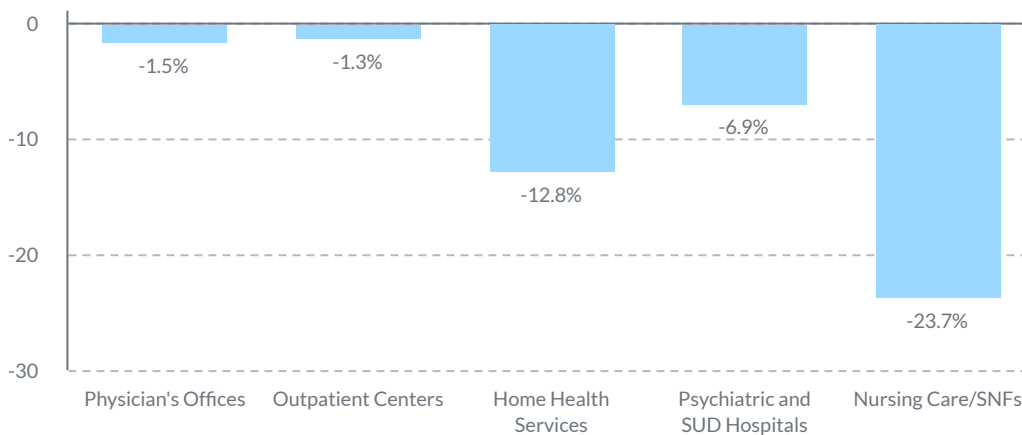
- Dr. Kevin Churchwell  
President & CEO  
Boston Children's Hospital

### Behavioral Health Emergency Department Boarding for mental health, behavioral health, and substance use disorders



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### Cumulative Decrease in Total Healthcare Workforce by care setting, 2019 - 2022



**"We can build as many beds as we want... if we don't have the staff to fill them, all we have is a bunch of empty beds."**

- Dr. Anne Klibanski  
President & CEO  
Mass General Brigham

## HPC Policy Recommendations:

- Invest in the primary care and behavioral health care infrastructures and workforces.
- Reduce administrative complexity through cross-payer standardization of policies, programs, and processes to avoid consuming significant provider time and resources.

(1) Per hearing slides and testimony from Andrew Dreyfus, President and CEO of Blue Cross Blue Shield of Massachusetts

# How Day Health Can Help

## Day | Health | Strategies

As panelists and Commissioners concluded at the end of the hearing, there is collective will to solve the issues of affordability and workforce burnout and capacity, and the two need to be addressed in tandem. Massachusetts-based healthcare organizations, from providers to state agencies and non-profits, can take action to combat affordability issues and address workforce challenges. Here are a few ways Day Health has helped our clients address these problems:

**“If we’re going to solve the issues... of affordability and workforce... we can’t do one without dealing with the other.**

- Timothy Foley, Health Policy Commissioner

Here are a few ways Day Health has helped our clients address these problems:

1

### Strategic Planning



Building measures of health equity into your strategic plan to ensure positive impact for underresourced groups.

2

### Care Team Redesign



Helping physician organizations leverage clinical and non-clinical staff, to ensure staff are working to the top of their licenses to reduce burnout.

3

### Population Health Management



Focusing on care management and patient engagement efforts to re-engage patients who have foregone care during the COVID-19 emergency.

4

### Testing and Launching



Testing innovative ways to expand access to lower-cost, lower-acuity services to reduce the burden of emergency department boarding.

**“Let’s make the Commonwealth a place that shows the country what true equity looks like in healthcare.”**

- Dr. Don Berwick, Health Policy Commissioner

## References

[Health Policy Commission - 2022 Cost Trends Hearing](#)

[Health Policy Commission - 2022 Cost Trends Report & Recommendations](#)

[Health Policy Commission - 2022 Cost Trends Chartpack](#)