



**Annual Health Care Cost Trends Hearing
Massachusetts Health Policy commission
Suffolk University Law School
October 2, 2017**

Good afternoon Chair Altman, Vice Chair Everett and members of the Health Policy Commission Board. Thank you for the opportunity to provide testimony today as part of the annual Health Care Cost Trends Hearing, and for considering the perspective of the patients and consumers of Massachusetts as you consider the cost of health care in our Commonwealth. My name is Amy Rosenthal and I'm the Executive Director of Health Care For All. We work towards a consumer centered health care system that delivers accessible, high quality, culturally competent and affordable care for everyone, particularly the most vulnerable people among us.

Though Massachusetts has the highest rate nationally of insurance coverage, the quality and affordability of health care here is still behind other states. Consumers in Massachusetts still experience the high costs of health care in very real ways, from rationing medications to save money, to struggling to pay unforeseen medical bills, to choosing coverage that means lower premiums but potentially higher out-of-pocket costs and disruptions in care continuity. These problems are not spread evenly throughout our populations. Rather, we know that people of color, immigrants, those with low incomes, and other groups suffer disproportionately from the dysfunctions in our health care system. As we work to improve health care in Massachusetts, we must keep in mind that addressing these disparities must be a top priority. I want to briefly cover four topics that we think will further the Commission's mission.

The first topic is prescription medications. Drug costs continue to rise rapidly, increasing overall health care costs and placing a considerable burden on consumers as well as the state's budget. While the rate of growth of prescription drug spending is moderate compared to previous years, according to the 2017 Center for Health Information and Analysis (CHIA) Annual Report, we're concerned that pharmacy spending continues to be one of the largest drivers cost growth in the Commonwealth.

These costs are felt directly by consumers. We know there are many people in the Commonwealth living with diseases and health conditions that go untreated or uncured because the drugs required are too expensive. We hear from consumers who are faced with choosing between life-saving medications and paying for basic living necessities.

In 2015, Massachusetts spent over \$7.3 billion on prescription drugs. Yet we have little to no insight into how drugs are priced and whether consumers are truly getting the value they deserve. That's why we're strongly supporting legislation aimed at solving much of the mystery that surrounds what we consumers are getting for our money. Actual drug costs are hidden behind a complex veil of

intermediaries, and charges bear little relation to underlying costs. Transparency would allow the public and policymakers to understand the causes of high prices and cost growth. Transparency is the first step towards setting up additional policy and legal responses to unreasonable prices.

We also support investments in evidence-based education for doctors and other prescribers. For several years the state funded “academic detailing,” a program which provides unbiased, evidence-based information about the value and efficacy of drugs to counter the marketing of drug manufacturers. We support authorizing a permanent academic detailing program, which helps prescribers make appropriate clinical decisions based on the best available safety, efficacy and cost-effectiveness data, and we think the Health Policy Commission could play a key role in administering such a program.

Second, just as the mouth is part of the body, oral health is a part of overall health. People cannot be healthy unless they have access to the dental services they need. Poor dental care, particularly gum disease, increases the risk of serious health problems such as cardiovascular disease, stroke, poorly controlled diabetes and preterm labor.

Poor dental care also raises costs to the medical system. A Health Policy Commission study found that in 2014, there were over 36,000 preventable oral health-related Emergency Department (ED) visits in Massachusetts, which cost the health care system between \$14.8 million and \$36 million. Approximately half of all of these preventable dental ED visits were paid for by MassHealth. Unfortunately, when people go to hospital EDs with severe mouth pain, the physicians there are not able to treat the underlying cause. Instead, they prescribe pain medication, which can exacerbate the opioid crisis in Massachusetts. We support a number of cost-effective policy changes that would also improve oral health care, including integrating oral health into medical care, and authorizing dental therapists and telemedicine to expand accessible oral health.

Another troubling trend highlighted in the recent CHIA report is increased cost-sharing, which continued to grow at a faster rate than average income and premiums. In 2015, lower income families reported more difficulty paying medical bills and higher unmet medical need due to cost. By 2016, high deductible health plans comprised 21.8% of the market, as Massachusetts employers and consumers continued to seek out health plans with higher deductibles in exchange for lower premiums.

High copays and deductibles are an obstacle to people getting the treatment they need. Too often, people with low incomes and chronic disease skip or ration their medications because of the cost. This can lead to acute complications, greatly increasing the cost of their care. That’s why we support a strategy called “Value-Based Insurance Design,” which aligns cost sharing with the value and cost-effectiveness of the drug or service. This builds on the provision in the Affordable Care Act (ACA) which waives cost-sharing for preventive screenings and extends this to some highly cost-effective care, such as asthma inhalers, insulin for diabetes, or generic hypertension drugs.

Another issue that's drawn much attention at the HPC over recent years is surprise out-of-network billing, which occurs when patients receive out-of-network care that they did not or could not intentionally choose to receive, and are subsequently faced with unaffordable medical bills. Yet we still do not have comprehensive protections at the state level to prevent and address these scenarios.

Finally, we believe that addressing social determinants of health is critical to effectively keeping people healthy and preventing the onset of expensive medical conditions. One proven way to do this is through the Prevention and Wellness Trust Fund, which works in partnership with ACOs, medical providers, community organizations and local authorities to promote healthy behaviors and community-clinical linkages. The result is effective interventions that lead to improved health outcomes for patients and a significant return on investment for our health care system. Almost one million people benefit from the program, which is currently active in nine regions, and focuses on four priority health conditions: pediatric asthma, hypertension, tobacco, and falls among older adults. The program prevents illnesses and hospitalizations, improves health outcomes and reduces costs for our health care system. Funding for the program expired this summer, and we support providing a permanent authorization and funding for the program.

In addition, as the HPC launches its ACO program and works in conjunction with MassHealth through its system redesign, we hope that ACOs take real steps to address social determinants, such as through appropriate screening and meaningful collaboration with social services providers, which will improve health status and reduce costs of care. We recommend that the HPC works in conjunction with MassHealth to collect and disseminate information about the impact of social determinants of health that affect ACO member populations and the interventions that are occurring throughout ACOs. This data collection should assess how the ACOs are addressing social determinants and assess the efficacy of these interventions over time.

Thank you for your leadership, and for prioritizing consumer needs in improving health care costs and quality. This Commission plays a critical role in both informing the public and providing actionable solutions to our cost and quality issues. We particularly urge the Commission to continue to take a holistic approach, that understands that our real goal is improved health for everyone, and not just better and more affordable health care. Health Care For All is eager to play a leading role in working with the Commission, and we thank you for the opportunity to present our thoughts today.

Sincerely,

A handwritten signature in black ink that reads "Amy Rosenthal". The signature is fluid and cursive, with a long horizontal stroke at the end.

Amy Rosenthal
Executive Director