October 14, 2015

Senator James T. Welch, Senate Chair
Representative Jeffrey Sánchez, House Chair
Members of the Joint Committee on Health Care Financing
State House
Boston, MA 01133

RE: Letter in support of H.3678, An Act relative to protecting health care consumers

Dear Chairman Welch, Chairman Sánchez and Members,

Associated Industries of Massachusetts (AIM) wishes to be recorded in favor of H.3678, An Act relative to protecting health care consumers, filed by Representative Ronald Mariano.

Currently, the Health Policy Commission is tasked with reviewing and reporting on any material change to the operations or governance of a provider or provider organization. That final report must examine the potential effect of such changes on important factors such as market share, pricing, and health status adjusted total medical expenses.

This legislation would make the Commission's cost and market impact review "prima facie" evidence, or sufficient evidence unless proven otherwise, that a proposed merger or acquisition violates the Consumer Protection Act. The proposal would also allow a Commission report to be used by the Attorney General to temporarily block a health-care organization's proposed transaction. The Attorney General's Office would retain full discretion on whether or not to litigate.

Massachusetts employers pay some of the highest premiums in the country. Small businesses, in particular, are struggling to keep up with rising costs and believe they have no control over the prices handed to them by insurers. Employers are already taking an active role, making changes within their workplace to realize any possible savings.

AIM believes that the appropriate role of government should be to establish reasonable cost and quality targets and to monitor the market's progress in achieving them. The Massachusetts health care market is already moving to restructure itself to relieve some of the financial pressure on consumers. But more needs to be done to ensure quality and affordable care is available across the Commonwealth. By further empowering the Attorney General to act as a consumer advocate, we clarify to members of the health care marketplace that material changes, like mergers or acquisitions, must be accomplished with cost savings in mind.
Three years after a major push toward health care cost containment, we know it is possible to slow the rate of growth in health care costs. But we also know that we must remain vigilant to demand further, longer term improvements, and to ensure that any cost growth reflects necessary and efficient changes in the market. The market is already responding to government pressure and changes in consumer behavior. We believe that, in this instance, the threat of government action will be the impetus for change in the market.

The state stands at a pivotal time in the health care cost containment and has the opportunity to establish an environment that will result in sustainable and meaningful changes to the health care market for health care consumers.

Thank you for taking AIM’s position into consideration. Should you have any questions please feel free to contact me directly at 617-262-1180.

Sincerely,

[Signature]

John R. Regan
Executive Vice President - Government Affairs