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Sent via email

July 12, 2018

Members of the Committee of Conference
State House
Boston, MA

Re: Senate Bill 2211, *An Act furthering health empowerment and affordability by leveraging transformative health care*, and House Bill 4617, *An Act establishing the Honorable Peter V. Kocot Act to enhance access to high quality, affordable, and transparent healthcare in the Commonwealth*.

Dear Chair Welch, Leader Mariano, and members of the Conference Committee:

The thousands of employer-members of Associated Industries of Massachusetts (AIM) thank you for your efforts to address the challenging issue of health care in Massachusetts.

AIM asks the conference committee to support innovative products and practices that lower costs and encourage healthy habits and practices. We urge conferees to consider carefully any new health-care policies, with focus on potential financial implications. We support market-based solutions that will help employers innovate, provide consumers access to quality care, and allow the commonwealth to reduce health-care costs.

As you work together to resolve differences between the Senate and House bills, it is important to understand the challenges facing employers as they seek to provide good health insurance to their employees. These challenges present a clear imperative to lower the cost of health insurance for everyone in Massachusetts.

Almost every AIM member employer provides health insurance to its employees. AIM members have over the decades implemented wellness programs, purchased innovative insurance products and embarked on employee educational programs – all with the goal of providing higher quality insurance that keeps their employees healthier and costs lower.

But the health-insurance connection between companies and workers is growing increasingly tenuous because employers are shouldering the escalating costs not only of the private health-insurance system but the public one as well.

Employers for the next two years will provide at least \$200 million annually for MassHealth via increases to the Employer Medical Assessment Contribution. This is in addition to the rising costs and administrative burdens of providing commercial health insurance to their workers.

The \$200 million annual assessment is being paid absent any of the long-term reforms needed to solve the underlying financial problems with the program. MassHealth and other health-care spending by the commonwealth now comprise 42 percent of the annual state budget, edging out spending in other vital policy areas.

We are proud of Massachusetts' hard-earned achievement of the lowest rate of uninsured people in the country.¹ But Massachusetts has failed to make comparable progress in containing the cost of both health-care services and insurance for employers and workers. Our residents are assured of access to high quality health-care, without the assurance that they can afford it. Our complex, confusing health-care system leaves both consumers and employers at a disadvantage when it should empower them to advocate for their long-term health and productivity.

As debate has progressed over the past seven months, new assessments – on insurers, providers, clinics, urgent care centers, and office-based surgical centers – have been proposed without any mention of reforms to MassHealth. We must ask conferees to reject any new assessments, which will ultimately be borne by employers and consumers and will only serve to increase this already unreasonable burden.

AIM members play an integral part of the Massachusetts economy – both as employers and providers of health-care coverage. For more than a decade we have worked as partners in crafting a system that provides excellent care to all our residents and workers. We look forward to working with you to bring the same level of innovation and sustainability to health-care costs.

Thank you for the opportunity to provide these comments. Please call me at (617) 262-1180 if you have any additional questions.

Sincerely,



Richard C. Lord
President & CEO
Associated Industries of Massachusetts

¹ Source: *Health Insurance Coverage in the United States: 2016*. United States Census Bureau. September, 2017.