ASSOCIATED INDUSTRIES OF MASSACHUSETTS

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Sent via email

June 19, 2018

Speaker Robert A. DeLeo &
Members of the House
State House
Boston, MA

Dear Mr. Speaker and Members of the House:

On behalf of Associated Industries of Massachusetts (AIM) and our thousands of employer members statewide, thank you for your continued engagement on the complex and challenging issues of health-care cost containment and reform. As debate begins on these issues, we would like to share our perspective on several topics relative to health-care reform, as well as our reactions to specific amendments before the House for consideration.

Eighteen months ago, the MassHealth program faced a $400 million shortfall. The Commonwealth was experiencing in MassHealth what employers have experienced for years: unaffordable, unsustainable health-care costs.

The Baker Administration proposed cost-saving reforms and a two-year, $200 million annual assessment on employers. The Legislature enacted the new Employer Medical Assistance Contribution (EMAC), but declined to act on the MassHealth reform proposals.

Eighteen months later, more than $130 million of the EMAC Supplement tax has been collected in Q1 2018 alone. And now the House is prepared to debate $450 million in additional assessments on health-insurers and health-care providers. We acknowledge that the proposed legislation prohibits plans and providers from passing along these assessments to employers and other customers; but we remain concerned that these health companies will eventually have to replenish their reserves through additional charges to employers.

All these assessments have been levied without any mention of reforms to MassHealth. AIM's employer members brace for the next year and a half with no reform in sight and new assessments created to support one specific segment of the health-care system.

We recognize that our community hospitals are important players in the Massachusetts health-care system, providing high-quality care at a lower cost than academic medical centers. Massachusetts could save our health-care system more than $211 million by shifting just 25 percent of

commercial and Medicare community appropriate care from teaching hospitals to community hospitals.[1] Yet, we continue to focus not on the shifting of care, but the shifting of funding.

Further, the Health Policy Commission has identified seven specific policy goals which, if implemented, could generate systematic cost savings of $4.78 billion – more than $2.5 billion of that in a commercial market that desperately needs relief.[2] But the bill before the House this week does not consider these goals, nor any comprehensive policy goals to balance innovation and efficiency with cost-containment.

Nonetheless, there are specific policies in the House bill that focus on difficult and expensive consumer protection issues, like out-of-network and surprise billing. We are pleased the House would choose to address such challenging issues, both of which are impossible for consumers to anticipate and fix on their own as they navigate a confusing health-care system.

We should, of course, support innovative products and practices that *lower* costs and encourage healthy habits and practices. To this end, we support the House language authorizing coverage for telemedicine services without requiring reimbursement parity with in-person services. We also support the House's policy for reviewing proposed expansions on the scope of practice of medical professionals. Both policies consider the long-term need for innovative, thoughtful policy that expands services, particularly for regions and populations that are underserved.

We would like to voice our strong support for the House's elimination of the so-called Name and Shame list. The Affordable Care Act (ACA) reversed existing Massachusetts law and now allows income-eligible employees to decline qualified, comprehensive employer coverage and seek insurance through MassHealth. That change created a migration of newly eligible individuals to MassHealth, substantially increasing the Commonwealth's financial burden. The ACA made MassHealth an economically rational choice for eligible residents in a state known for its expensive health-care system, and employers should not be publicly shamed for a choice they cannot control. We appreciate that the House has recognized this in their bill.

As we maintain the lowest rate of uninsurance in the country, policymakers who have concentrated almost exclusively on access and coverage now face a renewed imperative to lower the cost of health insurance for everyone in Massachusetts.[3] We must urge you to expand your focus to reducing the health-care costs that continue to threaten the underpinnings of our economy.

AIM member employers provide health insurance to the majority of residents in the Commonwealth, a role that we have played for almost a century. It is an integral part of the Massachusetts economy and we look forward to working with you to bring the same level of innovation and sustainability to health-care coverage, traits for which Massachusetts is known worldwide.

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[1] Source: *Opportunity for Savings in Health Care 2018: A Roadway to Reduce Massachusetts Health Care Spending by $4.8B in Five Years*. Health Policy Commission. May, 2018.
[2] Ibid.
[3] Source: *Health Insurance Coverage in the United States: 2016*. United States Census Bureau. September, 2017.

Thank you for the opportunity to provide these comments. Attached, please find a further list of amendments with AIM's position on each. Please call me at (617) 262-1180 if you have any additional questions.

Sincerely,

Katherine E. Holahan
Vice-President, Government Affairs
Associated Industries of Massachusetts

Amendment No.	Title	AIM Position
Amendment #6	Relative to Certain Genetically Targeted Drug Coverage for Duchenne Muscular Dystrophy	*Oppose*
Amendment #13	Mastectomies	*Oppose*
Amendment #14	Providing of mammograms	*Oppose*
Amendment #15	Insurance coverage for mammograms and breast cancer screening	*Oppose*
Amendment #16	Colorectal cancer screenings	*Oppose*
Amendment #17	Treatment of infantile cataracts	*Oppose*
Amendment #18	Continuous skilled care of fragile children	*Oppose*
Amendment #20	Prenatal Screenings	*Oppose*
Amendment #43	Access to Psychological Services	*Oppose*
Amendment #49	Quality Measurement Alignment	*Support*
Amendment #70	Regarding Enteral Formulas for Home Use	*Oppose*
Amendment #72	Continuity of Care	*Oppose*
Amendment #93	Center for Health Information and Analysis Report	*Oppose*
Amendment #94	Health Policy Commission Reporting Deadline	*Support*

Amendment #96	Title XXI	*Support*
Amendment #111	Telemedicine and Prescriptions	*Support*
Amendment #113	Telemedicine and the Patient-Provider Relationship	*Support*
Amendment #127	Expanding Telemedicine Services	*Oppose*
Amendment #129	Medicaid Buy-In	*Oppose*
Amendment #131	Providing coverage for Genetic Craniofacial Conditions	*Oppose*
Amendment #145	Reporting Technical Corrections	*Support*
Amendment #167	DOI Rate Approval Process	*Support*