



**Wednesday, March 13, 2024**

**Statement from Lora Pellegrini, President and CEO of the MA Association of Health Plans  
On the Center for Health Information and Analysis' (CHIA) 2024 *Annual Report on the  
Performance of the Massachusetts Health Care System***

Today's report serves as a reminder of the long-standing drivers of health care costs in our state and provides insight into the economic impact of the COVID-19 pandemic on health care spending. Persistent increases in the prices that doctors, hospitals, and other providers charge, amplified by the impact of inflation and coupled with the unwarranted prices set by the pharmaceutical industry for specialty, brand-name and generic drugs, threaten our state's ability to meet the health care cost growth benchmark.

As premiums and cost-sharing are a direct reflection of the cost of health care, these price increases profoundly impact employers' ability to offer comprehensive coverage to their employees and individual consumers' appetite for expending out-of-pocket dollars on health care costs. As the report shows, variations in community medical spending trends are influenced by provider prices, affordability, and social and economic risk factors. High health care prices can lead employers and consumers to make difficult decisions regarding health care coverage, opting for high-deductible health plans that offer broader networks and lower premiums, over alternative benefit design choices developed to constrain costs like limited and tiered network products.

Our member plans are doing everything they can to contain costs, but health plans cannot fix the health care affordability challenge alone. All health care entities must be held accountable for cost growth – the pharmaceutical industry must report to the Health Policy Commission and participate in the state's Cost Trends Hearing and constraints must be placed on high cost providers. At the same time, it is imperative that we address other underlying drivers of high health care prices - overutilization and unnecessary utilization of services, and unwarranted provider price variations. These efforts are necessary if we want to achieve a more affordable, equitable, and sustainable healthcare system for everyone in the Commonwealth.

We commend Executive Director Lauren Peters and her staff on a very comprehensive report.

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