



**Wednesday, March 12, 2025**

**Statement from Lora Pellegrini, President and CEO of the MA Association of Health Plans on the Center for Health Information and Analysis' (CHIA) 2025 *Annual Report on the Performance of the Massachusetts Health Care System***

The latest annual report from the Center for Health Information and Analysis (CHIA) highlights serious concerns about rising health care costs in Massachusetts. Total Health Care Expenditures per capita increased by 8.6% from 2022 to 2023, far above the state's cost growth benchmark. This surge is largely driven by a \$1 billion (10%) increase in pharmacy spending, despite manufacturer rebates, and a \$1.1 billion increase in hospital outpatient spending. The findings show that the financial burden on residents, employers, and the state continues to grow at an unsustainable pace, making it imperative that we take action to address these challenges.

High healthcare premiums are a direct result of these underlying cost drivers. For too long, the responsibility for controlling healthcare costs has fallen primarily on the health plans, while other stakeholders – particularly providers and pharmaceutical companies – have faced little accountability. Without cost containment measures applied across the entire health care sector, premium expenses will continue to rise at unsustainable levels. MAHP and our member plans believe we are at a critical juncture. The state must take decisive action to ensure that all entities within the health care ecosystem share the responsibility for managing costs, fostering a system that is both affordable and sustainable for employers and consumers.

Massachusetts has long led the way in health care reform, but these findings emphasize the need for renewed efforts to address the root causes of rising costs. Without action, we will continue to fall behind in our cost containment mission.

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