



July 1, 2025

Senator Cindy Friedman, Chair
Joint Committee on Health Care Financings
State House, Room 313
Boston, MA 02133

Representative John Lawn, Chair
Joint Committee on Health Care Financing
State House, Room 236
Boston, MA 02133

RE: May 12 Joint Committee on Health Care Financing Legislative Hearing

Dear Chairs Friedman and Lawn,

On behalf of the Massachusetts Association of Health Plans and our 13-member health plans and one behavioral health organization, providing health insurance coverage to nearly 3 million Massachusetts residents, we appreciate the opportunity to share feedback on the following bills before your committee that will raise costs for small businesses and their employees. Health care affordability is the number one challenge facing individuals and small businesses in this state, driven by ever-increasing prices for prescription drugs, hospitals and providers. Without action to address the key cost drivers, the Commonwealth cannot make health care more affordable.

Top Tier Oppose as Drafted/Amend

House No. 1370/Senate No. 867, An Act relative to primary care for you

MAHP strongly supports increased investment in primary care as a critical strategy to improve care coordination, patient outcomes, and access to high-quality, team-based care across the Commonwealth. Primary care serves as the foundation of our health care delivery system, and we support efforts to realign resources toward this essential component of care. We believe that Senate Bill 867 offers the more appropriate framework to achieve these goals while maintaining affordability for employers and consumers, and we appreciate the thoughtful conversations with Chair Friedman that have informed the revised language in the Senate bill. While we continue to have concerns with several provisions, MAHP looks forward to working with the Committee and stakeholders to further refine the bill to support our shared goals of enhancing primary care without increasing overall health care costs.

Both H.1370 and S.867 establish primary care expenditure targets and authorize the Health Policy Commission (HPC) to monitor and enforce compliance. MAHP supports this policy direction, provided that increases in primary care spending occur within the bounds of the state's cost growth benchmark. This principle is explicitly recognized in S.867 and aligns with longstanding HPC recommendations. To be effective, however, the legislation must include clear and enforceable language empowering the HPC to ensure that any shift in spending toward primary care is offset by reductions elsewhere - preventing an unsustainable increase in total health care expenditures. States like Rhode Island and Oregon have shown that increased investment in primary care, when coupled with controls on spending growth in other service lines, can reduce avoidable emergency room visits, hospitalizations, and excessive specialty care, all while improving patient outcomes and system efficiency.

Health care affordability remains a top concern for Massachusetts residents and employers. As such, increased investment in primary care must be coupled with offsets in other spending areas to avoid upward pressure on premiums and overall health costs. MAHP supports a gradual, phased-in approach to increasing primary care

investment, allowing time for health plans and providers to update contracts, adjust rates, and adapt care delivery models accordingly.

We also urge caution regarding the proposal to move toward uniform capitation. While global and sub-capitated payment models can support coordinated, team-based care, a one-size-fits-all mandate is not appropriate at this time. Not all providers are positioned to assume financial risk or operate under prospective payment arrangements, and any shift toward capitation must meet providers where they are in terms of infrastructure and readiness. In our experience with the MassHealth Primary Care Sub-Capitation Program, flexibility and provider engagement have been essential to success. We do not believe a task force, as proposed, is the appropriate mechanism to design such a complex payment system, particularly without the technical and actuarial expertise required.

Finally, we must express our strong concerns with the creation of a Primary Care Trust Fund as outlined in House Bill 1370. As drafted, this approach would significantly disrupt the current health care financing structure by segregating primary care payment from the rest of the delivery system. Today, over 75% of primary care practices in Massachusetts are owned by or affiliated with larger provider systems. Health plans typically contract with those systems at the organizational level, integrating primary care into broader value-based care arrangements. A separate trust fund, financed through new assessments on health care organizations, would dismantle these relationships and remove key incentives for systems to control total medical spending—potentially undermining the very goals of this legislation.

Finally, we oppose the provisions in the legislation that would mandate commercial coverage of emergency and urgent behavioral health services, and services at federally qualified community health centers (FQHCs) and set the rates that private health plans must pay for those services in statute, and would require fully insured health plans to increase the price of services provided by a BH urgent care provider by at least 15% over the negotiated fee schedule that is consistent with the Medicaid payment methodology. These provisions will add administrative complexity and increase the cost of coverage for Massachusetts employers and consumers. Health care affordability continues to be a significant challenge for Massachusetts employers and consumers. The provisions discussed herein will add to the underlying cost of coverage and will disproportionately fall on individuals and small employers.

MAHP supports legislation to increase investment in primary care, but such policies must be implemented in a way that is financially sustainable, operationally feasible, and aligned with existing provider-payer relationships. Any reform should support both payers and providers in meeting expenditure targets while adhering to the state's cost growth benchmark. **For these reasons, we are opposed to House Bill 1370 and would like to see Senate Bill 867 amended to reflect our comments.**

House No. 1396 and Senate No. 874, An Act strengthening mental health centers – Oppose

H.1396 and S.874 would mandate rate increases in the Medicaid program that threaten its long-term affordability and sustainability. Specifically, the bills require MassHealth and its contracted managed care entities (MCEs) to increase behavioral health service payments by 5% per procedure code and mandate that each component of a bundled rate be at least 20% higher than comparable payments to independent practitioners—regardless of quality or outcomes.

MAHP and our member MCOs strongly support access to high-quality, medically necessary behavioral health services. However, MassHealth is already experiencing significant cost growth, and these mandated rate increases—absent any accountability or cost-control measures—would further strain the system. We cannot continue on this unsustainable trajectory without comprehensive reforms to control costs. **For these reasons we are opposed to House Bill 1396 and Senate Bill 874.**

House No. 1350/Senate No. 842, An Act to address medical debt through hospital financial assistance reform – Oppose

H.1350 and S.842 would require acute care hospitals and affiliated outpatient facilities to establish and maintain financial assistance policies for free or discounted care for emergency and medically necessary services. These policies would apply at any point after care is provided - including during the collections process - and would override any contractual terms between payers and providers that limit such assistance.

Massachusetts already has a system in place to support care for low-income and uninsured residents through the Health Safety Net Trust Fund (HSNTF), established under Chapter 258 of the Acts of 2006. This fund, originally intended to shrink as insurance coverage expanded, now faces a projected \$230 million shortfall in FY2025 despite nearly universal coverage and over \$345 million in annual funding from hospitals, commercial payers, and the state. Rather than creating new mandates that could increase health care costs, the Commonwealth should focus on identifying the causes of the growing HSNTF liability and implementing meaningful cost-control measures. MAHP supports the audit proposed in both the House and Senate Ways and Means budgets, which would be conducted by the Inspector General and completed by March 2026. **For these reasons, we are opposed to House Bill 1350 and Senate Bill 842.**

MH Investment in Primary Care – Oppose

House No. 1377, An Act establishing a community health center nurse practitioner residency program

House No. 1393/Senate No. 882, An Act to promote graduate medical education

Senate No. 891, An Act relative to the primary care workforce development and loan repayment grant program at community health centers

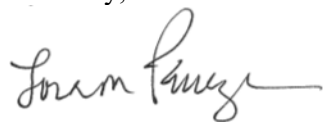
Senate No. 900, An Act to promote primary care through Medicaid graduate medical education funding

H.1377, H.1393, S.882, S.891, and S.900 would require MassHealth to establish and fund new workforce development initiatives. H.1377 directs the creation of a nurse practitioner residency program at community health centers; H.1393, S.882 and S.900 mandate graduate medical education payments for post-graduate training in community-based primary care, behavioral health, and other high-need areas; and S.891 establishes primary care workforce development and loan forgiveness grant programs at community health centers.

While these proposals aim to address important workforce shortages, they come at a time of substantial financial pressure on the Medicaid program and rising health care costs across all sectors. With the state already facing a significant budget shortfall, it is essential that we prioritize cost containment and system sustainability before committing new funding. MAHP supports a strong health care workforce but urges caution to ensure the long-term sustainability of the Medicaid program. **For these reasons we are opposed to House Bill 1377, House Bill 1393, Senate Bill 882, Senate Bill 891 and Senate Bill 900.**

Thank you for the opportunity to share our concerns. Please do not hesitate to contact me for additional information or to discuss these bills further.

Sincerely,



Lora M. Pellegrini, President and CEO
Massachusetts Association of Health Plans