



June 30, 2025

Senator Patricia Jehlen, Chair  
Joint Committee on Aging and Independence  
State House, Room 424  
Boston, MA 02133

Representative Thomas Stanley, Chair  
Joint Committee on Aging and Independence  
State House, Room 167  
Boston, MA 02133

RE: 6/24 Joint Committee on Aging and Independence Hearing  
House No. 788/Senate No. 467 - *An Act to ensure senior care organization quality and accountability*

Dear Chairs Jehlen and Stanley,

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, including individuals receiving coverage through the Senior Care Options program, we appreciate the opportunity to provide testimony on two bills before your committee that will raise costs for MassHealth and its managed care organizations during a time of great fiscal uncertainty.

House No. 788 and Senate No. 467, *An Act to ensure senior care organization quality and accountability*, set a payment rate floor for nursing facilities in the Commonwealth at an amount no less than the Medicaid fee-for-service rate, including all add-ons established in 101 CMR 206. This blanket payment floor undermines the value-based structure that has made the Senior Care Options (SCO) program a nationally recognized model for integrating and coordinating care for low-income older adults.

MAHP is concerned that these bills will erode contracting flexibility and value-based care. SCO plans already negotiate with long term care providers to ensure access to high-quality, cost-effective care. Imposing a mandated payment floor removes incentives to improve quality and limits SCO plans' ability to manage costs through innovative contracting and care coordination strategies. This contradicts the goals of both the SCO program and the state's broader delivery system reform efforts.

On behalf of MassHealth and Medicare, SCO plans assume the full financial risk to manage the care and costs of their members. Bills like these, that require plans to pay at least the fee-for-service (FFS) rate or an alternative payment rate floor, regardless of the quality, efficiency, or value of the service or provider, sets a precedent that undermines managed care and discourages efforts to reward high-performing providers. SCO plans in Massachusetts are operating within fixed capitated payments from MassHealth, at rates that are developed assuming savings from contracting, care management, and value-based payments. Mandated adoption of the FFS rate, without corresponding adjustments to capitation rates, could create unsustainable financial pressure on the plans, potentially leading to reduced participation in the SCO program and reduced access for beneficiaries.

MAHP and our member plans appreciate the intent of the legislation – to support nursing facilities, particularly in the context of growing workforce and capacity challenges – however, we urge the

Committee to explore solutions to address these issues in a manner that preserves the value-based framework of the SCO program and avoids imposing payment rate floors and inflexible mandates on plans striving to deliver coordinated, person-centered care. **For these reasons, we OPPOSE House No. 788 and Senate No. 467.**

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,

A handwritten signature in black ink, appearing to read "Lora M. Pellegrini", with a stylized flourish at the end.

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