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**Statement from Lora Pellegrini, President and CEO of the MA Association of Health Plans  
On the Center for Health Information and Analysis' (CHIA) 2026 *Annual Report on the  
Performance of the Massachusetts Health Care System***

“The Center for Health Information and Analysis’ 2026 Annual Report underscores the affordability challenge facing Massachusetts: the cost of health care services is rising faster than the system that pays for them can sustain.

Total Health Care Expenditures reached \$83.3 billion in 2024, with spending increasing 5.7 percent, continuing a pattern of repeatedly exceeding the state’s cost growth benchmark that was designed to keep spending sustainable. Much of that growth was driven by hospital outpatient services and prescription drugs, with commercial pharmacy spending increasing more than 17 percent year over year and hospital outpatient spending rising 9.5 percent. However, spending increased across every major category of care, including physician services (6.7 percent), other professional providers (12.7 percent), other medical services (13.6 percent), and supplemental payments to providers (10.8 percent).

Health care affordability is now the number one challenge for purchasers of coverage, driven largely by rising unit prices for hospital services and prescription drugs. More than 40 state reports have reached the same conclusion: without addressing the underlying price of care, premiums will continue to rise for employers and families. Addressing this challenge requires accountability across the health care system. Hospitals, providers, and the pharmaceutical industry must be held accountable alongside payers for meeting the state’s cost growth benchmark, and policymakers should recommit to ensuring all stakeholders share responsibility for improving quality, enhancing transparency, and containing costs.

Massachusetts has the data and policy tools to address these challenges. Policymakers, including through the Governor’s Affordability Working Group, should turn this data into action and to advance reforms that address the drivers of spending, including stronger enforcement of the cost growth benchmark, site-neutral payments, out-of-network default rates, and policies that promote more sustainable hospital and pharmaceutical pricing.”

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