



**Thursday, March 25, 2021**

**Statement from Lora Pellegrini, President and CEO of the MA Association of Health Plans  
On the Center for Health Information and Analysis' 2021 *Annual Report on the  
Performance of the Massachusetts Health Care System***

Today's report demonstrates that more work needs to be done to slow the growth of health care spending in the Commonwealth. Our member health plans have been committed to making health care more affordable, working hard to rein in rising health care costs and contain their own costs. We are proud that their efforts are reflected in the report, with a vast majority of our members meeting or coming in below the state's health care cost benchmark.

However, the prices charged for hospital and physician services and prescription drugs continue to rise, challenging our ability to meet the benchmark. As the report notes, total health care expenditures totaled \$64.1 billion in 2019, representing a 4.3 percent increase from 2018, exceeding the 3.1 percent health care cost growth benchmark. Hospital services and physician and pharmacy expenditures continued to be the largest drivers of total health care expenditures between 2018 and 2019, with hospital outpatient services rising 8.1 percent, hospital inpatient services increasing 4.4 percent, gross pharmacy spending up 6 percent and physician services up 5.3 percent. As premiums reflect the cost of care, it is critical to address rising drug prices and the costs of inpatient and outpatient hospital services, all of which exceeded the state's target.

More than two dozen state reports have identified health cost drivers in our marketplace. Unfortunately, despite these reports and recommendations, little has been done to rein in health care spending in a number of key areas including pharmaceutical spending and provider prices. Given the findings of today's report, we urge the Health Policy Commission to redouble its efforts to encourage adoption of policy solutions for identified drivers of health care spending.

We commend Executive Director Ray Campbell and his staff on another outstanding report.

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