



Wednesday, September 15, 2021

**Statement from Lora Pellegrini, President and CEO of the MA Association of Health Plans
On the Release of the Health Policy Commission's 2021 Cost Trends Report**

MAHP and our member health plans commend the Health Policy Commission (HPC) on the release of the 2021 Cost Trends Report. We strongly support the HPC's directive to address the intersecting challenges of cost containment, affordability, and equity and are committed to working with all stakeholders to take action to address the drivers of health care costs, which impact employers and consumers.

The spending trends highlighted in the report will continue to challenge the state's ability to meet the benchmark, as it did in 2020. Growth in health care spending is a result of growth in unit prices. Hospital outpatient spending is higher in Massachusetts than anywhere else in the country and hospital inpatient and prescription drug costs continue to rise and challenge our ability to meet the benchmark. Since health care premiums reflect the underlying cost of care, we must focus on reining in these cost drivers if we hope to make health care more affordable. Over two dozen state reports have outlined costs drivers in our market, with little, if any legislative or regulatory action.

MAHP supports many of the policy recommendations, particularly those that directly address the key drivers of health care costs, including reining in drug prices through increased transparency and oversight. In the short term, efforts relative to making health care more affordable, such as adopting a ban on facility fees and establishing default out-of-network payment rates to address surprise billing will make a significant difference for consumers.

MAHP opposes the establishment of affordability targets unless coupled with the passage of significant reforms addressing underlying health care costs. Solutions like establishing artificial affordability targets that ignore actuarial soundness or public hearings do nothing to address health care cost drivers.

MAHP and our member health plans look forward to working with the HPC and others to rein in health care cost drivers and are committed to meeting the cost growth benchmark and providing high-quality, affordable, and equitable health care for employers and consumers in Massachusetts.

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