



11 Beacon Street, Suite 710  
Boston, MA 02108  
Phone: 617-723-6100  
Fax: 617-723-6111  
www.cobth.org

July 13, 2016

Lois Johnson, General Counsel  
Health Policy Commission  
50 Milk Street, 8<sup>th</sup> Floor  
Boston, MA 02109

**RE: 958 CMR 9.00 – Assessment on Certain Health Care Providers and Surcharge Payors**

Dear Ms. Johnson:

On behalf of the Conference of Boston Teaching Hospitals (COBTH) and its member hospitals, I am pleased to offer comments on the proposed regulations imposing an annual assessment on hospitals and surcharge payers to fund the Health Policy Commission's (the Commission) annual budget.

As you may know, COBTH and others in the hospital community have advocated for legislation (*SB635 - An Act Regarding Shared Responsibility for Funding of Health Care Oversight Agencies*) to set in statute what we believe was the intent of Ch. 224 as it relates to the assessments established to fund the Commission and the Center for Health Information Analysis (CHIA). While recognizing the important work to be undertaken by these two new state agencies, the Legislature envisioned a shared responsibility between the public and private sectors to fund the Commission and CHIA. We continue to advocate for this legislation because at a time when hospitals and health care providers are working to contain health care costs, significant new fees and assessments continue to be levied upon them and the work of these agencies should be a true shared responsibility.

The assessment to fund the Commission comes at a time when hospitals face a \$257.5M assessment to support new MassHealth accountable care organization incentive payments. In addition, recent shortfalls in revenue collections have caused cuts or delayed payments in the state's Medicaid program. At the federal level, continued gridlock in Washington causes a great deal of uncertainty as it relates to Medicare and other hospital payments.

Given the financial uncertainty that hospitals face at the state and federal level, and continued pressure to contain costs, COBTH recommends that some predictability be built into the proposed regulation implementing the annual assessment. Specifically, we recommend that the proposed regulation include a provision prohibiting the total assessment liability from increasing more than the cost growth benchmark established pursuant to MGL c. 6, Section 9. Such a provision would allow those developing hospital budgets to anticipate future assessments while still enabling the Commission's budget to grow, subject to appropriation, at a modest rate.

Thank you for the opportunity to offer comments and please feel free to contact me should you have any questions.

Sincerely,

John Erwin  
Executive Director