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Representative Ronald Mariano
Majority Leader, Massachusetts House of
Representatives
Massachusetts State House, Room 343
Boston, MA 02133

Senator James T. Welch
Chair, Joint Committee on Health Care
Financing
Massachusetts State House, Room 413-B
Boston, MA 02133

Representative Jeffrey N. Roy
Massachusetts State House, Room 236
Boston, MA, 02133

Senator Jason Lewis
Massachusetts State House, Room 511-B
Boston, MA, 02133

Representative Randy Hunt
Massachusetts State House, Room 136
Boston, MA, 02133

Senator Bruce E. Tarr
Massachusetts State House, Room 308
Boston, MA, 02133

Dear Leader Mariano, Chairman Welch and Conferees:

The Conference of Boston Teaching Hospitals (COBTH), on behalf of its member hospitals, appreciates the opportunity to provide comments on certain provisions of two comprehensive healthcare reform bills (HB4639 and SB2573) being considered by the committee. Consideration of these important bills comes as a time of great uncertainty for healthcare, both nationally and here in the Commonwealth. At the federal level, efforts to undermine the Affordable Care Act and Medicaid through regulatory and executive action continue unabated. Here in Massachusetts, a ballot measure which would impose a strict new mandate on health care facility staffing levels would increase health care costs by more than \$1B beginning in January has been approved for consideration on the November ballot. We urge the Legislature to keep these factors which could have significant adverse impact on cost and access in mind as it considers comprehensive healthcare legislation.

There are a number of areas in both bills that have a significant impact on COBTH member teaching hospitals and academic medical centers and have been identified as priority issues, they include:

Facility Fees - Facility fees are the contractually negotiated recognition that hospital based facilities are extensions of the hospital with full financial, clinical, and operational integration and warrant a payment structure that is distinct from the physician fee schedule. There are many significant differences between outpatient settings not affiliated with a hospital - such as independent physician offices - and hospital based outpatient clinics. Physicians often refer more complex patients to hospital based facilities for safety and quality reasons, as these facilities are better equipped to handle complications and emergencies. Hospital based facilities often include multidisciplinary teams of providers, pharmacy services and access to wrap around services such as social workers and interpreters. Because of their affiliation with a

hospital, the licensing and accreditation requirements to operate these hospital based facilities are significantly more complex and costly to meet than would be for a setting not affiliated with a hospital. For these reasons we strongly oppose any provisions that prohibit payment of facility fees.

COBTH supports the approach that HB4639 takes in requiring greater transparency of facility fees, including notices in offices and on marketing material, so that patients are fully informed of instances where facility fees may be charged for a particular service. However, we are concerned that the requirements in Section 68 of HB4639 are both burdensome and could cause greater confusion than may currently exist. We recommend that the final bill include language consistent with Medicare's requirements for disclosure and patient notification (42 CFR 413.65). We believe the Medicare requirement informing the patient of such fees and where to obtain additional information provides patients with the necessary information to make an informed and educated decision.

Research as a Warranted Factor of Price Variation - As teaching hospitals and academic medical centers, medical research is a major component of the mission for all of our member hospitals. While federal grants and other research support provide financing for research activities, these do not cover the full cost of a large research enterprise. The research conducted at hospitals provides a public benefit for all in the form of earlier and more accurate diagnoses, better treatments and ultimately cures. While in an ideal world, there would be an all-payer approach to research funding, until that time it should be classified as warranted factor for price variation. Medical research should be considered a warranted factor when considering price variation and we strongly recommend that its inclusion in Section 81 of HB4639 as a warranted factor of price variation be retained.

Readmission Reduction Benchmark - While all of our member hospitals have and continue to take steps to reduce readmission rates, we are very concerned with the one size fits all approach taken by the Senate proposal. The proposed approach fails to take into account individual hospital circumstances and vulnerable patient populations. COBTH endorses and recommends the approach outlined by the MHA regarding the development of a "continuum of care program" among hospitals and all community providers to help achieve our shared goal of reducing readmissions.

Alignment of Quality Measures - COBTH is pleased that both HB4639 and SB2573 would make progress in reducing reporting burden for providers and ACOs by requiring consistency in the use of quality measures in contracts between payers and providers. COBTH agrees with the MHA position that the task force not add more quality measures, but work to reduce or limit the number of measures in the set. We also support MHA's recommendations that the Committee consider additional language to understand how the decisions of the oversight body would be made and how lack of agreement on measures would be resolved and that measure set proposals focus on clinical quality measures that can help provider better assessing and improve health outcomes.

Telemedicine - As an original founding member of the Massachusetts Telemedicine Coalition (tMED Coalition), COBTH appreciates that both the House and Senate bills take significant steps toward encouraging and fostering the deployment of telemedicine in the Commonwealth. Massachusetts lags significantly behind other states in laws and regulations that allow the use of telemedicine and we are pleased that, if enacted, both the House and Senate bills would narrow that gap. The tMED Coalition has communicated a number of recommendations for refinement of legislative language in a July 6th letter to Conferees, as a member of the Coalition, COBTH fully supports the recommendations outlined in that letter.

Enforcement of Safe Patient Limits in ICUs - COBTH joins the MHA in strongly opposing Section 198 of SB2573. This provision would shift oversight of Chapter 155 of the Acts of 2014 from the Department of Public Health to the Health Policy Commission. We believe that the current law provides the appropriate level of oversight and reporting to the Health Policy Commission and no changes are necessary.

Conferring Special Patient Status - COBTH strongly opposed Section 84 of SB2573 which would impose fines on health care facilities that "designate, mark, label or confer any special status unrelated to medical diagnosis, treatment or care to a patient due to socio-economic status". We believe that patients should be treated with respect and provided with the highest quality of care regardless of their ability to pay or socio-economic status and this provision is both unnecessary and would have significant unintended negative consequences. Research increasingly shows the impact that socio-economic factors such as housing and employment have on health status and health outcomes. If enacted, this provision would prevent hospitals from conducting discharge planning that takes into account the conditions to which the patient will be returning after hospitalization.

Prevention and Wellness Trust Fund - COBTH applauds both the House and Senate for their commitment to the continuation of the Prevention and Wellness Trust Fund and joins MHA in supporting a prohibition on the use of hospital assessment funds from CHIA and the HPC from supporting the Trust Fund. Further, COBTH supports the Senate funding approach that directs an increase in the excise tax on tobacco and tobacco products to the Trust Fund.

Special Commission on Foreign Trained Medical Professionals - As teaching hospitals and academic medical centers that often attract foreign trained medical professionals, both clinicians and researchers, COBTH strongly supports the creation of a special commission to identify barriers to their integration into the health care system in the Commonwealth.

Special Commission on Administrative Costs - COBTH supports Section 16 of HB4639 establishing a special commission to identify administrative expenses within the many sectors of the healthcare system. At a time of diminishing resources it is important that we all continue work to identify and eliminate unnecessary expenses and COBTH look forward to serving on the Commission and assisting in this important work.

Regulatory Simplification Task Force - As with the Special Commission on Administrative Costs, COBTH strongly supports Section 182 of SB2573 which would establish a task force to increase efficiency through regulatory simplification and explore and foster ways in which to increase coordination with an eye toward enhancing access and quality while containing costs.

Thank you for your consideration of these recommendations, we look forward to continuing to work with you on these important issues.

Sincerely,



John Erwin
Executive Director