



MASSACHUSETTS MEDICAL SOCIETY

Every physician matters, each patient counts.

November 7, 2023

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Kate Walsh
Secretary, Executive Office of Health & Human Services
1 Ashburton Place
Boston, MA 02108

Dear Madam Secretary:

On behalf of the over 25,000 physician, resident, and student members of the Massachusetts Medical Society (MMS), we commend the Administration's commitments to advancing the needs of patients and providers in health care system, in particular investments in behavioral health workforce development and the expansion of treatment options for people living with mental health and substance use disorders. As you put together budgetary proposals for the FY25 budget, the MMS wishes to share some recommendations and requests to help support the sustainability of physician practices in the Commonwealth, alleviate burnout and improve the practice environment, and advance physician wellness, all with the ultimate goal of improving patient access to quality medical care. **Specifically, we urge the Administration to allocate adequate funds to: increase Medicaid reimbursement in line with Medicare over time; enhance and expand access to primary care services; and alleviate physician burnout and support physician wellness.** Costs associated with proposals can be offset in part by policy changes reducing administrative waste by decreasing the burden associated with overutilized tools like prior authorization and the proliferation of quality measure reporting.

Sustainability of Physician Practices & Patient Access to Care

Physicians in Massachusetts are experiencing dangerous levels of burnout. According to the Medical Society's recent member well-being [survey](#), more than 55% of our physician members are experiencing symptoms of burnout. There are a multitude of factors contributing to physician burnout, including increased administrative burden, workforce shortages, escalating practice costs – including markedly increased labor costs and historic inflation, which are compounded by the financial instability caused by low reimbursement for patients who are insured through MassHealth and continuous threats of Medicare payment reductions for physician practices.

These strains particularly impact primary care and pediatric practices who are increasingly expected to do more for patients with fewer and fewer resources. According to Massachusetts' 2019 Access Monitoring Review Plan submitted to CMS, MassHealth primary care rates are only 69.4% of Medicare rates.¹ As one of the few Medicare providers without a payment update tied to inflation, inflation-adjusted payment rates for physicians have declined 26% from 2001 to 2023. Medicare physician payments are further eroded by frequent and large payment redistributions caused by budget neutrality adjustments. Over the years, temporary patches and ongoing cuts to the Medicare physician payment system have left physician practices and patient access to care at serious risk.

¹ 2019 Massachusetts Access Monitoring Review Plan, available [here](#).

Despite the flaws inherent in the current payment system, the Medical Society believes the Medicare fee schedule should be the minimum floor for services provided to MassHealth patients. We recognize the budgetary challenges associated with such a substantial increase and would support an incremental approach to increasing rates, with the goal of reaching 80% in FY 25. We would also ask to increase pediatric primary care rates on par with adult internal medicine or family medicine rates. Low rates of payment are considered a key factor in deterring medical students from specializing in pediatrics and other primary care fields, including internal medicine and family medicine, especially as rising education costs have led many prospective physicians to take on exorbitant student loans and other debts. Please understand, increasing MassHealth reimbursement is not about paying physicians more, but rather about supporting practices to enable them to hire more clinical and non-clinical staff, offer more flexible care hours, and other measures that will better serve patients.

As such, reforming MassHealth payment is critical to alleviating burnout, supporting the sustainability of primary care practices, and attracting medical students to specialize in primary care to address the dramatic shortage of primary care providers in Massachusetts. Relatedly, while we support adjustments across the board in the physician fee schedule, in pursuit of greater health equity, we urge particular focus on rate increases that will have the largest impact on those caring for the Commonwealth's most vulnerable patients, particularly, for example, children with complex medical needs, LGBTQIA+ patients, patients with significant language and/or cultural barriers, or patients with low health literacy.

Additionally, many primary care practices, in particular pediatric practices, are struggling and on the brink of closure or consolidation. In the FY24 budget (line item 4000-0054), to enhance and expand access to mental and behavioral health supports and services, EOHHS allocated \$3M to assist mental and behavioral health professionals with 1-time training or practice costs. **We urge EOHHS to consider a similar program to allocate \$5M to support independent pediatric and primary care practices with the goal of enhancing and expanding access to primary care services, with funds prioritizing providers of diverse backgrounds, those working in health care settings with high workforce needs, and practices who serve large populations of MassHealth patients.**

As mentioned above, increased reimbursement rates and other measures to alleviate burnout and support the physician workforce could be offset through policy changes within MassHealth and beyond to reduce administrative drivers of waste in the system. National estimates place the magnitude of administrative spending as accounting for between 15-30% of medical spending and estimate that combined policy changes could eliminate up to \$265 billion in administrative waste each year.² The Health Policy Commission has long recommended comprehensive measures to reduce administrative waste, specifically highlighting the benefits of standardizing and streamlining prior authorization processes, mandating adoption of an aligned quality measure set, and standardizing payer processes. Mostly notably, reducing the number of services unnecessarily subject to prior authorization, with no associated cost-savings benefit, and applying that consistently across payors both public and private, as well as automating prior authorization processes, could yield significant savings. Additionally, the number and variety of quality measures required to be reported on across payors is staggering, contributing significantly to unnecessary administrative burden that does not always accurately reflect actual patient quality. Reducing the number of quality reporting

² Health Affairs Research Brief, *The Role of Administrative Waste in Excess US Health Spending*, October 2022, available [here](#).

measures and standardizing reporting across payors, public and private, would also reduce administrative waste and produce cost savings.

Supporting Physician Wellness

For the first time ever, Physician Health Services (PHS), a nonprofit subsidiary of the MMS supporting physician health and wellness, is reporting a majority of services provided being driven by mental health needs as the toll of years of increasing burnout exacerbated by the pandemic takes hold. Recognizing the growing need for mental and behavioral health supports for all health care professionals, the legislature recently established, a new, voluntary program for monitoring the rehabilitation of licensed health care professionals who seek support for their mental health or substance use operated within the Department of Public Health ([C.112 § 65G](#)). As best we understand, this program will be supported by programmatic funding within EOHHS.

Physicians were excluded from this new diversionary program given the long-standing, highly effective PHS program, which performs the same functions envisioned in the newly created state program. PHS is dedicated to improving the health, well-being, and effectiveness of physicians and medical students while promoting patient safety. This is achieved by supporting physicians through education and prevention, as well as assessment, referral to treatment, and monitoring. Physician health programs have been shown to significantly decrease overall malpractice risk, increase patient safety, mitigate burnout, and improve physician retention. In Massachusetts, there are approximately 36k members of the medical community eligible for free services through PHS.

While historically PHS has relied on charitable donations and grants to maintain its operations, that has become increasingly unsustainable, especially with downward financial pressures on all institutions and as the demand for mental health services has increased alongside a legislative change expanding a reporting exemption to BORIM for physicians seeking mental health care. Many physician health programs across the country are financially supported by state funding. Given the Commonwealth's recognition of the value in financially supporting these services for other health care professionals, **we respectfully ask for \$2M in annual funding to support the mission and critical services provided by PHS.**

Thank you for your attention to these comments. We are happy to connect at your convenience to discuss further or respond to any questions or requests for more information that you or your staff may have.

Sincerely,

Barbara S. Spivak, MD

CC: Matthew Gorzkowicz, Secretary, Exec. Office of Administration & Finance
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