



MASSACHUSETTS MEDICAL SOCIETY

Every physician matters, each patient counts.

**TESTIMONY IN SUPPORT OF H.1140/S.654
AN ACT ASSURING PROMPT ACCESS TO HEALTH CARE
BEFORE THE JOINT COMMITTEE ON FINANCIAL SERVICES
SEPTEMBER 12, 2023**

The Massachusetts Medical Society (MMS) wishes to be recorded in support of House bill 1140 and Senate bill 654, *An Act assuring prompt access to health care*.

The MMS is a professional association of over 25,000 physicians, residents, and medical students across all clinical disciplines, organizations, and practice settings. The Medical Society is committed to advocating on behalf of patients, to provide them a better health care system, and on behalf of physicians, to help them to provide the best care possible. The Medical Society strives to achieve comprehensive health coverage that provides universal access to equitable, high-quality, continuous, and affordable health care. For that reason, the Medical Society stands in support of H.1140/S.654 *An Act assuring prompt access to health care*, which would require reimbursement of costs for medically appropriate evaluation and management services in outpatient settings to be part of a basic benefits package offered by insurers without being subject to cost sharing through deductibles.

As health care affordability issues continue to be a central concern for Massachusetts residents, the Medical Society is advocating for new ways to make health care more affordable and accessible for all patients. The rising enrollment in high deductible health plans (HDHP) and concurrent rise in patient out-of-pocket spending stresses the need for broader insurance coverage for medically appropriate care, especially that which is provided in accessible outpatient locations. HDHPs and other plans with significant cost-sharing are growing because they offer more affordable premiums and are increasingly the only option offered by many employers, particularly smaller firms. The theory is that greater patient cost sharing will help reduce health care spending by making patients “more prudent purchasers” of medical care. However, the research shows clearly that HDHPs can have a variety of adverse effects on patient health and financial security. Further, many consumers do not understand the cost-sharing features of their coverage. The rise of HDHPs in Massachusetts has coincided with increased financial distress among insured state residents about costs and medical bills, and reports of growing financial insecurity, particularly among people with lower

incomes and/or greater medical needs. In addition, the growth of HDHPs and other forms of significant cost sharing creates a variety of problems for physicians, including increased administrative burden, more bad debt, and the potential to adversely affect efforts to coordinate patient care.

The Center for Health Information and Analysis (CHIA) Annual Report found that from 2019 to 2021, HDHP enrollment increased from 37.3% to 42.7% of the private commercial market, what a larger year over increase from 2020-21 and continuing a long-term growth trend from 14.0% in 2013.¹ Per CHIA and consistent with prior years, cost-sharing amounts PMPM in 2021 for members in HDHP plans were approximately twice what members enrolled in lower deductible plans paid. The Health Policy Commission (HPC) concluded that these differences are likely related to the differences in income levels and limited coverage choices available to employees at small firms.² A CHIA research brief found that employees at smaller firms were more likely to be offered an HDHP without a savings option (HSAs or HRAs) compared to employees at larger firms.³ HDHPs require enrollees to bear a greater burden of health care expenses. When these enrollees are already likely to be at lower income levels, this added expense often leads patients to forego medical treatment, which in turn leads to increased negative health outcomes and an exacerbation of health disparities amongst the residents of Massachusetts.

Preventive and basic problem-based care should not be subject to any cost sharing by patients, as central to promoting patient well-being, and keeping health system costs down. Cost-sharing, even when coupled with available information on the price of services, does not generally lead patients to “shop” for lower-priced services. Instead, patients more often indiscriminately reduce their use of health services, including high value services, such as preventive care. The burden of higher cost-sharing has a disproportionate impact on consumers with lower incomes, for whom paying the full amount of a deductible may exceed their liquid assets, and on those who have the most significant medical needs. Despite the common perception that deductibles do not apply to preventive care, beyond annual physicians (which are only a small portion of preventive visits) most other types of preventive care are typically subject to cost-sharing, including deductibles. Specifically, managing chronic diseases like asthma, heart disease, diabetes, etc. – which disproportionately impact communities of color – requires regular visits with patients. When this routine care becomes unaffordable, patients tend to avoid the care altogether – in turn, missed, low-cost preventive care leads to higher costs to the system downstream when patients become sicker/more acute and require more complicated. Additionally, this shift in financial responsibility toward patients has contributed to physicians’ concerns and unease about collecting amounts due from patients with large

¹ CHIA Annual Report, 2023, available at <https://www.chiamass.gov/assets/2023-annual-report/2023-Annual-Report.pdf>

² HPC DataPoints, Issue 19: Persistently High Out-of-Pocket Costs Make Health Care Increasingly Unaffordable and Perpetuate Inequalities in Massachusetts

³ Center for Health Information and Analysis, Offering and Enrollment in High Deductible Health Plans at Massachusetts Firms: Which Workers Can Offset Cost through a Savings Option? (Boston, November 2020).

deductibles and other forms of cost-sharing. Notably, patients may not understand their financial responsibilities and/or have the financial resources to make these payments. However, if physicians do not collect these cost-sharing amounts, they incur bad debt that adversely affects the financial health of their practices.

To mitigate the disincentive for the growing population of HDHP enrollees to seek appropriate medical care, and to improve the health of those who are dissuaded from seeking medical treatment due to its costs, this bill would expand the types of care exempted from cost sharing to include outpatient evaluation and management (E/M) services. Specifically, we would recommend focusing on E/M services utilized by primary care providers, which constitute a relatively low fraction of total health care services and provide strong benefit to the long-term health of patients; therefore, requiring that they not be subject to cost sharing would not present undue burden for payers and would protect patients' access to high-value care. Furthermore, in order to preserve the tax-exempt status of plans governed by the Federal Internal Revenue Code, an exception allowing for deductibles is available.

For those reasons, the Medical Society is in support of this bill that will improve health, health equity, and access to health care. Accordingly, the Medical Society respectfully urges a favorable report on H.1140/S.654, *An Act assuring prompt access to health care*.