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PATRICK-MURRAY ADMINISTRATION PUSHES MEASURES TO LOWER HEALTH CARE COSTS DURING THREE DAYS OF HEARINGS**Division of Health Care Finance and Policy, Division of Insurance, and Attorney General's Office to Provide Testimony on Strategies to Control Costs**

BOSTON - Continuing Governor Deval Patrick's efforts to provide relief to Massachusetts small businesses and families from high health care costs, the Patrick-Murray Administration's Division of Health Care Finance and Policy (HCFP) convened hearings today at UMass-Boston following a recent series of HCFP reports that analyzed the Massachusetts health care marketplace, insurer and provider claims trends, and rising premiums. The reports, as well as data released by the state's Division of Insurance and the Office of the Attorney General, will inform testimony during three days of hearings (March 16, 18, and 19).

"We have to stop the sharp annual rise in health care costs and find lasting solutions," said Governor Patrick. "The momentum has never been greater to alleviate the burden of these costs to employers, individuals, and families."

The Governor's Jobs Bill, which he filed last month and is calling for the Legislature to act on, contains several proposals aimed at containing skyrocketing health care costs. The plan also includes measures to provide businesses with access to working capital, ease unemployment insurance costs, extend tax relief to businesses that create new jobs, and establish a new organization dedicated to providing the resources businesses need to grow.

Data from HCFP's three reports suggest that both employers and employees continue to struggle with the rising cost of health insurance, even as Massachusetts employers have continued to offer coverage at far higher rates than their national counterparts. In 2009, 76% of Massachusetts employers offered insurance to their employees, compared to 60% of employers nationwide. At the same time, Massachusetts health insurance premiums rose over 12% over a two year period.

"Health care premiums are one of the most visible measures of the costs of health care for employers and their workers," said Massachusetts Secretary of Health and Human Services Dr. JudyAnn Bigby. "As we examine all of the causes of increasing health care costs and implement reforms, we must strive to bring premiums down without sacrificing access to care or requiring consumers to pay more out of pocket."

The hearings will feature prominent stakeholders in the health care system discussing publicly and under oath the reasons why Massachusetts has had such rapidly rising levels of health care costs. Mandated by Chapter 305 of the Acts of 2008, testimony at the hearings will help HCFP develop a final report with concrete, meaningful recommendations on how to mitigate growth in health care spending in the Commonwealth.

HCFP's reports also reveal that one area of particular concern - and opportunity for improvement - is the wide variation in prices paid by private health plans for the same service at different providers. For example, in 2008, the price paid for a normal delivery ranged from just over \$3,000 to nearly \$9,000 (a three-fold difference) and for a gastric bypass procedure the highest price that carriers paid per admission was more than seven times the lowest price.

David Morales, Commissioner of the Division of Health Care Finance and Policy said, "While we recognize the value of the health care delivery system in Massachusetts, there are concerns that our data and analyses highlight, and these hearings will help develop solutions to address them."

The mission of the Division of Health Care Finance and Policy is to improve health care quality and contain health care costs by critically examining the Massachusetts health care delivery system and providing objective information, developing and recommending policies, and implementing strategies that benefit the people of the Commonwealth.

The three reports are based on analyses developed with strategic input of staff from Brandeis University's HellerSchool for Social Policy and Management, and with analytics conducted by Mathematica Policy Research, Inc., and Oliver Wyman Actuarial

Consulting, Inc.

The full reports, written testimony, and related hearing materials are available online at www.mass.gov/dhcfp/costtrends.

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