

01.05.09 - Health Care Reform Update

REMARKS

**Governor Deval L. Patrick
Statement on Health Care Reform Progress
Monday, January 5, 2009**

Working to ensure the continued success of the Commonwealth's landmark health care reform law, Governor Patrick convened a meeting of cabinet members and constitutional officers this morning in his office to discuss ways the state can contain health care costs.

The Governor has directed executive branch agencies to investigate reforming the health care payment system, including:

- studying payments to hospitals, community health centers and health plans over the last five years,
- examining the reserves, endowments and surpluses of insurers and hospitals
- and conducting public hearings on the system's cost drivers.

The findings will form the basis of comprehensive legislation the administration will file in the coming months.

Governor Deval Patrick:

We have just had a very fruitful and important discussion about coordinating some of our work around Boston.

In many respects, we have one of the strongest healthcare systems in the world. In the Commonwealth, we are lucky to have some of the best doctors and medical professionals and researchers and hospitals. We have an enormously successful healthcare reform that we have been working on over the last couple of years with some 98% of citizens ensured.

Cost containment is on everyone's mind in and out of government-it is a concern for families, it is a concern for businesses, it is a concern for state and local government, it is both a concern for states and policy makers. A number of initiatives that have been on-going for some time about cost containment and officials: my colleagues in government represent many of those initiatives. Let me take this opportunity to mention a couple.

There is a RAND report that has been worked on since last spring that should be available in February.

There are hearings on an annual basis on cost control that come from Chapter 305, the Senate President's cost containment bill, a division on healthcare finance and policy. They are looking at the reserves of both hospitals and insurers in terms of funds flow.

The Department of Insurance has done some work already on where costs are increasing in the system. It has some authority to regulate the excessiveness of premiums as well.

There is a payment reform commission that also comes out of the Senate President's bill that will have its first meeting next week.

There is the Health Care Quality and Cost council which is looking for a blueprint on cost containment, and when I say as a whole the Attorney General has a number of initiatives.

We are talking about all of these to make sure that we are as well coordinated as possible and that we bring these two decisions points as soon as we can. There should be some concrete ideas on people on how to get systematic reform

that we can move on in the summertime.

In the meantime - you can ask any of my colleagues about specific initiatives - but in the meantime I am going to invite the heads of the payers and providers to come in and visit with me and some members of this team, as soon as we can do that. I hope that we can talk about self-containment and our need to get vigorous cooperation. And all of these efforts to try to ensure the long term success of healthcare reform, to get as much relief for families and businesses that we can offer to the provider.

I want to thank all of those who participated in the meeting today. The Secretary of Health and Human Services, the Secretary of Administration and Finance, Commissioner Torrance is here from the Department of Insurance, the Inspector General, Rick Sullivan, and a representative for the Attorney General.

So I thank you all and look forward to continuing progress. We have a common objective: to try to control and contain the cost of health care for all of the residents of the Commonwealth.