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**TESTIMONY OF SUSAN TOUSIGNANT, PRESIDENT OF THE
MASSACHUSETTS HUMAN SERVICE WORKERS UNION,
SEIU LOCAL 509**

As prepared for the Massachusetts Health Policy Commission – October 1, 2013

Thank you to Chairman Altman for the opportunity to appear before you today – and to the entire Commission for your work on the important issues of healthcare delivery and related costs.

Our union, Service Employees International Union Local 509, represents more than 17,000 human service and mental health workers across Massachusetts – in both public and private sector settings. Our membership is impacted directly by healthcare spending decisions governing state employees and retirees through the *Group Insurance Commission* (GIC). But we are not only affected as consumers; overall changes in the healthcare delivery system also affect our work every day as service providers. Given both of these areas are within the purview of this body, I'd like to take just a few minutes to address them here today.

This Commission, Governor Patrick's Administration, and a host of leaders on Beacon Hill have done yeoman's work to tackle rising healthcare costs in the Commonwealth. Many of the models being explored in other states can be traced back to this Commission and its precursors. But while we have been great innovators in overall cost containment for Massachusetts consumers, we've lost sight of one of the most significant drivers of the Commonwealth's medical costs: the payments we make to major hospital systems. And the most expensive line item among those systems is Partners Healthcare, to which taxpayers pay a disproportionate amount of money year after year.

As you know, each year the Office of the Attorney General issues an official *Examination of Health Care Cost Trends and Cost Drivers*. This report has consistently found Partners and its many affiliates to be among the most expensive healthcare providers in the region. Studies also show that Partners' high costs correlate not with sicker patients or superior outcomes, but solely with the healthcare giant's market share.

These figures have been verified by the Administration's *Center for Health Information and Analysis*, which reveals Partners – while sitting on a \$6 billion surplus – has charged the Commonwealth a full 30% more than competitors, on average. Our own research has uncovered that the Commonwealth spends, for its active employees and retirees, more than \$272 million each year at Partners – meaning nearly 25% of the entire GIC budget goes to just one health system. And, at least according to Consumer Reports, the overall quality of care and outcomes at Partners are no better than other institutions. An outlay of nearly \$300 million a year, and growing, is simply not sustainable.

SUSAN TOUSIGNANT
President

ISRAEL PIERRE
Treasurer

CHRISTINE CREAN
Recording Secretary

It is with this in mind that State Employees – in keeping with the spirit of this Commission’s mission – have put forward a concrete proposal to ratchet down the Commonwealth’s healthcare costs. As a part of the official contract bargaining process, we have introduced a proposal for the Commonwealth to renegotiate GIC contracts with insurers that would bring Partners’ costs back down to the statewide average – saving the Commonwealth nearly \$100 million each year.

Of equal importance to this body is the delivery of comprehensive healthcare services – a focus that has been reflected in a host of systemic reform recommendations forwarded in recent months. Among these changes is a likely move toward a ‘medical home’ model – a system where providers develop networks to afford their patients access to comprehensive medical services, from pre-natal to geriatric care.

While significant work has gone into these trailblazing efforts to increase overall access, less attention has been paid to the ways in which this new model could drastically alter the way mental health clinicians and other specialists deliver care to their patients. Real questions remain about the potential impact of this initiative on the continuation of care, especially for the tens of thousands of patients who receive care from independent licensed clinicians who currently contract directly with insurers.

As you consider the practical applications of this new model, we ask you to seriously examine the impact those decisions may have on vital mental and behavioral health care. You are undoubtedly aware that our landmark mental health parity law has often come squarely in conflict with the Commonwealth’s efforts to rein in healthcare costs. Ever-dwindling reimbursement rates have already led many mental and behavioral health clinicians to swear off payments from insurance companies. We must do all we can to ensure future alterations to our affiliation and payment models do not exacerbate these issues.

We all agree that universal access to healthcare – along with the overall reduction of medical costs – are the lead goals of our shared efforts in Massachusetts. Whether as healthcare consumers or providers, it is now up to us to ensure both patients and taxpayers are protected in this process. The 17,000 human service workers of SEIU Local 509 are ready to do whatever we can to aid in this effort.