

# Legislation Seeks To Trim Health Costs In Mass.

By [Martha Bebinger](#) July 31, 2012

BOSTON — Massachusetts would be the first state in the country to set health care spending goals if a bill released Monday night ([PDF](#)) becomes law.

The Legislature is expected to approve the health care cost control legislation Tuesday, the final day for formal business in this legislative session.

For years, individuals, companies and government have complained about health care costs rising much faster than most other things we spend money on. That complaint may become a thing of the past in Massachusetts.

The bill before the House and Senate Tuesday aims to link health care cost increases to the potential growth in the state's economy for five years. Then, for the next five years, health care would have to increase even more slowly than other spending.

House Majority Leader Ron Mariano calls this a bold step.

“And one that I think is going to be a challenge for everyone involved in the system,” Mariano said. “But I think it's one that we're moving towards anyway and I think that this bill will help us get there.”

To get there, hospitals and doctors would have to cut their rate of growth about in half.

Massachusetts Association of Health Plans President Lora Pellegrini echoes Mariano's “bold step” claim.

“No other state has tried to tie health care costs to the state's economy,” Pellegrini said. “This is going to be really revolutionary and very important and I'm sure the nation's watching.”

The Massachusetts Hospital Association, which has warned against an aggressive cost control goal, declined comment Monday night.

Michael Widmer, with the Massachusetts Taxpayers Foundation, says he thinks the health care industry will embrace the bill's spending goals, even though they are what he considers aggressive.

“But on the other hand the legislation does not include triggers or punishments if the targets aren't met,” he said.

A new state board could require hospitals that don't meet the new goals to produce a plan to do so, but there are not, as Widmer said, penalties for failing to hit the goal.

While some are relieved that the Legislature is setting “soft targets,” others are not.

“Our biggest concern is whether there are enough teeth to keep overall costs under control,” said The Rev. Burns Stanfield, president of the Greater Boston Interfaith Organization. He’s worried the state won’t enforce new health care spending goals and he says the legislation doesn’t do enough to close the gap between brand name hospitals that can demand high prices and small community hospitals with little market clout.

The bill does raise money for small community hospitals through a new surcharge on insurers. Mariano says this will help the community hospitals compete.

“If we’re serious about providing low-cost alternative care, and quality care, we have to shore up our community hospitals,” he said. “The community hospitals that are struggling now are going to be our low-cost alternatives in most of the major cities.”

The surcharge, which will raise premiums a bit, will also fund a prevention trust fund that public health advocates worked hard to include. As well, it will fund a program that will help small providers buy into electronic health records. (*CommonHealth* [has more on the bill.](#))

Overall, legislative leaders are proud of the bill, says House lead negotiator Steve Walsh.

“Ultimately, it’s going to create an environment where patients will get better care for lower costs and we’re predicting it’s going to save upwards of \$200 billion over the next 15 years.”

Gov. Deval Patrick did not offer comment Monday night but legislative leaders expect he will sign the bill into law.

This likely won’t be the state’s last effort on health care cost reform, but is one that the nation is, again, watching.