



**Monday, March 14, 2022**

**Statement from Lora Pellegrini, President and CEO of the MA Association of Health Plans  
On the Center for Health Information and Analysis' 2022 Annual Report on the  
Performance of the Massachusetts Health Care System**

Today's report shows that COVID-19 significantly impacted the state's health care costs during 2020, the peak year of the pandemic. Decreased utilization of physician, hospital inpatient, and hospital outpatient services resulted in a marked decrease in health care expenditures, as state and federal public health guidance sharply curtailed in-person visits.

In response, the federal and state government provided billions of dollars in relief to hospitals and providers, while health plans stood up expansive telehealth coverage options for members to access care from home. While this offered stability during an uncertain time, utilization of in-person services remained below actuarial predictions for 2020 and as a result Massachusetts health plans issued close to \$60 million in premium rebate checks to individuals and employers in the Commonwealth in 2021.

As the report notes, health care expenditures totaled \$62.6 billion in 2020, representing a 2.4% percent decrease from 2019. However, pharmacy expenditures continued to be one of the largest drivers of total health care expenditures. Pharmacy costs continued to rise and accounted for 42.3% of spending increases in 2020 and 18.2% of total health care spending. Gross pharmacy spending was up 8.2%. Prescription drug spending remains an enormous challenge for Massachusetts employers and consumers. As premiums reflect the cost of care, it is critical to address rising drug prices which continue to exceed the state's cost growth benchmark.

As we emerge from the challenges of the COVID-19 pandemic, action must be taken to address continued increases in prescription drugs and provider prices, and we must hold all entities accountable for cost growth, enhance competition, and correct market dysfunction. These efforts will support employers and consumers and make health care more affordable for everyone in the Commonwealth.

We commend Executive Director Ray Campbell and his staff on another comprehensive report.

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