

To the Honorable Chairs and Members
Health Care Finance Committee

Re: S. 2170, An Act Relative to an Affordable Health Plan

My name is Alan Semine, M.D., and I am a radiologist and the Chief of Breast Imaging at Newton Wellesley Hospital and Medical Director of the Manton Breast Imaging Center and of the Auerbach Breast Center. I am president of the Massachusetts Radiological Society (MRS), which represents over 800 radiologists and radiation oncologists practicing in the Commonwealth.

Many physician practices, like mine, are small businesses that have had to absorb annual double-digit premium increases. Like other small businesses, we struggle to understand why our premiums are increasing at a faster pace and why we are charged a higher premium for the same insurance coverage that is available for large employers, particularly when the same fee schedules for medical services are used by the insurers regardless of whether the patient is part of a small business or large business.

The presumption contained in this bill as to why small businesses have had to pay more is wrong. It is not because providers are gouging them. You must know that we are paid the same fee from an insurer whether the purchaser of the insurer's product is from a small business or from a large group. The reason for the disparity in insurance premiums between small and large businesses remains undisclosed. The methodology by which these rates are set is opaque, to say the least, and we are made to accept the increases with pronouncements that health care costs are escalating. Meanwhile, the insurance companies continue to pay us, as practicing physicians, the same amount year after year for a given unit of service with minimal adjustments that do not keep up with either the cost of living or the cost of practice.

This bill's attempt to remedy the disparity in the cost of insurance for small business is targeting the wrong party. It imposes an arbitrary penalty in the form of a fee cut on health care providers as a condition of licensure. S.2170 does not address why health insurance rates for small businesses has increased faster than large employer sponsored plans. Governor Patrick has correctly raised questions about the disparity, and has instructed the Division of Insurance to hold hearings about the disparity, and he has announced plans to give the Insurance Division the authority to review health insurance premiums that are charged to small businesses. The insurer's strategy of determining health insurance premiums should no longer be hidden. The Governor is correct.

Mandating, as a matter of law, a reduction in the fees that a private insurer pays a physician, and virtually requiring the physician to participate, is unprecedented. Your motivation is purported to be helping the small businesses with their health insurance premiums. And yet there is nothing in the bill that requires the insurance industry to pass on any state mandated savings to their insureds. It is somewhat naïve to simply trust that the insurance companies will pass the savings on to small employers and their covered employees.

If you accept the distorted and self-serving proposal of the insurance industry to mandate a cut in fees, even when well-intentioned small businesses are convinced of the merits of the distortion, you must consider the ramifications and the consequences. As you must well know, physicians in Massachusetts are not well compensated in comparison to other states. You are aware of the serious shortages we face in primary care. We also face serious shortages in a number of our specialties. If our approach to health care cost containment degenerates into slashing payments to providers, we can be confident that the shortages we face will be aggravated. I can share with you a personal perspective. We have a serious shortage of breast imaging specialists in radiology and the shortage is especially acute in Massachusetts. To train for breast imaging, takes four years of college, four years of medical school, one year of internship, four years of residency in radiology and one year of post residency training. In short, it takes twice as many years of post-graduate training compared to primary care. We cannot afford to lose any more physicians in Massachusetts, whether they are in primary care or in the specialties.

The health care community in Massachusetts does not exist in a vacuum, we must compete with other states in order to recruit and retain physicians for the state. If private insurance fees are arbitrarily cut as a matter of law, such that we will not be in a position to offer competitive compensation packages to our physicians, nurses and other health care providers, we run a very serious risk of losing very talented health care providers to other states.

We need to fix our problems with health care costs and we, as providers, are prepared to work with you to accomplish that. But the simplistic proposal to slash payments to providers is wrong, ill conceived, and damaging. It will help the insurance industry improve its bottom line under the pretense of helping small businesses.

The Massachusetts Radiological Society would urge the Committee to reject S.2170.