

1199SEIU

United Healthcare Workers East
Massachusetts Division

August 7, 2017

David Seltz
Executive Director
Massachusetts Health Policy Commission
50 Milk Street, 8th Floor
Boston, MA 02109

Dear Director Seltz:

We – the 56,000 members of 1199SEIU United Healthcare Workers East, including more than 1,700 members at Cape Cod Healthcare (CCHC) – write today to express our serious concerns about CCHC’s proposal to sell its outreach laboratory services to Quest Diagnostics.

Ensuring affordable access to high-quality healthcare for all is essential. A successful approach that addresses these issues must include a broad range of solutions centered around reducing the cost of delivering healthcare in the Commonwealth. We must all work together to ensure the financial viability of community hospitals, increase alternative payment models, and advance integrated care delivery while avoiding excessive sacrifice by either consumers or the healthcare workforce.

We have become increasingly concerned as the cost of healthcare services have been transferred more and more from payers and providers to patients and the healthcare workforce. Consumers’ out-of-pocket costs have grown significantly with the proliferation of high-deductible insurance plans, increased co-pays and decreases in employer cost-sharing.¹ And workers are far too often asked to do more with less as providers ask more from an understaffed, overworked and often underpaid workforce.

This proposed outsourcing of services from CCHC to Quest Diagnostics is another chapter in this sad tale, and we are very disappointed that this proposal has been advanced at this time. The agreement may very well ultimately and slightly reduce costs, but only by placing an extra burden on the backs of healthcare workers.

This transaction will result in more than fifty worker lay-offs at CCHC. These are good jobs that pay a living wage ranging from \$11.72 to more than \$44.00 per hour. Full- and part-time Customer Service Techs to be laid off in the outreach labs earn more than \$22/hour. Medical Technologists to be laid off at Cape Cod and Falmouth Hospitals earned an average of \$40.35/hour and Medical Lab Technicians to be laid off at the hospitals earned an average of \$30.90/hour.²

We as 1199SEIU members have a collective voice, and we share in the health of the CCHC system. We negotiated a collective bargaining agreement that provides strong benefits, comprehensive and affordable health insurance coverage, twelve paid holidays, seniority bonuses, 100% prepaid or reimbursed tuition to help them advance in their careers, and a retirement savings plan with an employer contribution of up to 4%.³ It is also notable (over)

that these wage and benefit packages appear not to significantly affect the costs of lab tests as CCHC lab costs appear to be in line with lab costs at other Massachusetts hospitals.⁴ These are the types of jobs that deserve to be protected, not sacrificed in the name of minimal and ephemeral cost savings.

Adding to our current frustration, CCHC's management has not sought to engage its workforce in seeking alternative cost saving options. For example, it's telling that CCHC's press release cites the cost savings of hospital-based lab testing compared to Quest⁵, but neglects to point out that for many types of tests, prices for lab testing in physician offices were on par with or even less expensive than Quest's prices.⁶ CCHC is failing to explore expanding on physician office testing or other potential alternatives that would save costs but also keep these essential testing services within the CCHC system.

One of the most alarming aspects of this proposal, and the one that may be most consequential to our patients, is CCHC's selection of Quest as a partner in this endeavor. Over just the past several years alone, Quest has been investigated by the Massachusetts DPH for medical testing fraud⁷ and paid more than \$1.8 million to settle *Medicare fraud* allegations in other states.⁸ Quest also paid \$241M to settle charges that the company overbilled California's Medicaid program.⁹ Currently, Quest is defending a lawsuit filed in Barnstable County, where a staffer allegedly botched a patient's blood draw leaving her with nerve damage.¹⁰ CCHC patients deserve better than services delivered by a for-profit lab testing company with this record.

As the Health Policy Commission reviews the proposed transaction, and on behalf of the more than fifty 1199SEIU members who will lose their jobs and the greater Cape Cod community that has come to rely on CCHC's outreach labs, we urge you to demand answers to the following questions:

- Given the lower prices for physician office testing vs. Quest's prices, did CCHC explore expanding their physician office testing program as an alternative to the proposed sale? If not, why not?
- What are Quest Diagnostic's plans to ensure that lab specimens are stored properly for long-distance travel? What assurances can Quest provide that specimens will not degrade as they are transported from the Cape to their Marlborough facility (a distance of more than 100 miles in some instances)?
- Currently, CCHC lab workers are held to a four-hour standard for processing results, and local customer service provides the marketplace with comprehensive support. Will Quest Diagnostics be able to maintain a similar standard? If not, then CCHC and Quest should be further asked to explain how this deal is in the best interests of maintaining high quality of care.
- Lab workers at Cape Cod Hospital and Falmouth Hospital are all required to be either certified by, or eligible to be certified by the American Society for Clinical Pathology. Yet, it is our understanding that few Quest Diagnostics technicians carry this certification. By earning and maintaining this certification, CCHC laboratory workers demonstrate their commitment to the field, their experience and their skill. Will Quest require its lab workers to attain this certification? Why or why not?

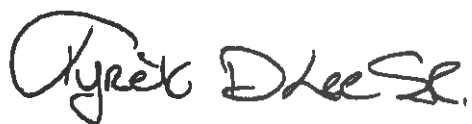
The Health Policy Commission is charged with reducing cost growth and improving the quality of patient care. However, a comprehensive cost-control process must also avoid excessive sacrifice on the part of either consumers or the frontline healthcare workforce. As detailed above, CCHC had other options that would reduce costs and save jobs while also preserving exceptional patient care.

Cost containment should not simply mean laying off workers, outsourcing jobs, and asking those remaining to do more, all while jeopardizing quality patient care. We ask that that the HPC consider the overall impact of this proposed transaction on the frontline healthcare workforce – the countless women and men across the

Commonwealth who do the work – and on our patients when it determines whether this transaction furthers its goals.

Thank you for your time and attention as you consider this important transaction and its broader effect on the Cape Cod region. We hope the information we have provided will be helpful in your deliberation about this matter.

Sincerely,



Tyrék D. Lee, Sr.
Executive Vice President



Jerry Fishbein
Vice President

¹ *Changes in Consumer Cost-Sharing for Health Plans Sold in the ACA's Insurance Marketplaces, 2015 to 2016*, the Commonwealth Fund Issue Briefs, May 2016. Accessed online August 2, 2017 at: <http://www.commonwealthfund.org/publications/issue-briefs/2016/may/cost-sharing-increases>

² Internal analysis of bargaining unit jobs to be eliminated.

³ See relevant sections of the *Agreement between Cape Cod Hospital and 1199SEIU United Healthcare Workers East, 2014 – 2017*.

⁴ Data analyzing price differences in laboratory testing from the Health Policy Commission, taken from the all payor claims database using 2012 data.

⁵ CCHC to Partner with Quest Diagnostics for Lab Testing Services, press release from Cape Cod Health, June 27, 2017. Accessed July 21, 2017 online at: <http://www.capecodhealth.org/about/press-room/news/2017/cchc-to-partner-with-quest-diagnostics-for-lab-testing-services/>.

⁶ See page 44 of the 2015 Cost Trends Report, from the Commonwealth of Massachusetts Health Policy Commission, January 2016. Accessed online July 21, 2017 at: <http://www.mass.gov/anf/budget-taxes-and-procurement/oversight-agencies/health-policy-commission/publications/2015-cost-trends-report.pdf>. Of the top ten most common lab tests ordered, there were insufficient data for four of the tests, and they were therefore excluded from this comparison. After analyzing the underlying data used in this section of the Cost Trends Report ourselves, we found that for each test where there were sufficient results to make a comparison, Cape Cod Healthcare's physician office prices were from \$.09 to \$.56 lower than Quest Diagnostic's prices. Data analyzing price differences in laboratory testing from the Health Policy Commission, taken from the all payor claims database using 2012 data.

⁷ MA Department of Public Health, Intake form. Intake number MA00022238, received July 16, 2014.

⁸ *Quest Diagnostics settles Medicare fraud accusations*, by Denny Walsh, the Sacramento Bee, August 25, 2015. Accessed online July 21, 2017 at: <http://www.sacbee.com/news/local/health-and-medicine/article3237249.html>.

⁹ Attorney General Kamala D. Harris Announces \$241 Million Settlement with Quest Diagnostics, press release from the State of California Department of Justice, May 19, 2011. Accessed online July 21, 2017 at: <https://oag.ca.gov/news/press-releases/attorney-general-kamala-d-harris-announces-241-million-settlement-quest>.

¹⁰ See *Amended Complaint and Demand for Jury Trial* in Kelly M. Massey et al vs. Quest Diagnostics, LLC et al, case number 1473-CV-00997. Filed in the Bristol County Superior Court, September 26, 2014.

