Rising Hospital Prices Putting Pressure on Massachusetts Working Families



What They Are Saying

When hospital systems' pricing power goes unchecked, consumers pay the price. Local businesses and public employers, working families, and communities ultimately bear the burden of higher premiums, lower wages, and deepening cuts to essential local services, all driven by out-of-control hospital prices. Here's what leading voices in Massachusetts are saying:

1. Rising Hospital Prices Are Having an Outsized Impact on Employers and Working Families in Massachusetts

"Over the past 30 years, hospital prices have increased by 600 percent, which has driven up the overall cost of healthcare… These unfettered price increases lead to higher insurance premiums, less take-home pay, and reduced profit margins for businesses."

—Eileen McAnneny, President, Employer Coalition on Health (CommonWealth Beacon, 2024)[1]

PUT IT IN PERSPECTIVE: Hospital care accounted for over 54% of commercial spending in MA in 2023 — a portion that continues to grow.[2]

2. Profitable Hospital Systems Pocketing Government Benefits

"Economists have studied whether non-profit [hospitals] behave differently than for-profits. Do they provide more charity care? Do they invest more in community well-being? The answer generally has been no."

—Meredith Rosenthal, Professor of Health Economics and Policy, Harvard University (Harvard T.H. Chan School of Public Health, 2024)[3]

THE BIG PICTURE: The 340B drug pricing program drove up costs for employers by $240 million a year.[4] Meanwhile, hospitals in Hospitals in Massachusetts devoted **less than 1%** of their operating costs to providing charity care in 2023 — 41% less than the national average.[5]

3. Massachusetts Hospital Systems Charge High & Varied Prices, Often with No Relation to the True Costs of Care

"The Commonwealth has for many years had among the nation's highest healthcare costs and prices. The data show that a few major Massachusetts hospitals have relative commercial prices that range from about 25 to 100 percent [more] of average commercial prices."

—Barbara Anthony, Senior Fellow in Healthcare, Pioneer Institute (Pioneer Institute, 2024)[6]

DID YOU KNOW: Hospitals in Massachusetts charge employers and employees **nearly twice what they charge Medicare**, on average, for the same services.[7]

4. Large Hospital Systems in Massachusetts Inflate Costs Through Rampant Consolidation of Physician Practices and Other Facilities

"One reason [for rising healthcare costs] is the deliberate expansion of large health care systems, which maximizes their market power to increase bills to private insurers, Medicare, the Commonwealth, and patients… Boston's two largest and most prestigious hospitals… have been on a binge to acquire community hospitals and to create freestanding surgical centers and other facilities, as well as acquiring doctor practices to maximize referrals."

—Robert Kuttner, Professor, Brandeis University Heller School for Social Policy and Management and Co-editor, American Prospect (Boston Globe, 2024)[8]

CASE IN POINT: 62% of all hospital visits in 2022 occurred in one of the five largest health systems in Massachusetts.[9]

As America's employers, we are calling on lawmakers to support greater transparency, accountability, and oversight in hospital pricing. Learn more at hospitalaccountabilitynow.org.

1 https://commonwealthbeacon.org/opinion/we-need-answers-on-mass-hospital-finances/
2 https://masshpc.gov/sites/default/files/2025%20CTR_1.pdf
3 https://hsph.harvard.edu/news/private-equitys-appetite-for-hospitals-may-put-patients-at-risk/
4 https://www.kff.org/key-facts-about-hospitals/?entry=charity-care-charity-care-and-medicaid-expansion
5 https://www.iqvia.com/-/media/iqvia/pdfs/us/fact-sheet/340b-fact-sheets/massachusetts--cost-of-340b-fact-sheet.pdf
6 https://pioneerinstitute.org/news/boston-childrens-mgh-among-massachusetts-hospitals-with-highest-relative-commercial-prices/
7 https://dashboard.sagetransparency.org
8 https://www.bostonglobe.com/2025/01/11/opinion/mass-general-hospital-growth-health-care-cost/
9 https://masshpc.gov/sites/default/files/2024_Cost_Trends_Report.pdf

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