

COMMONWEALTH OF MASSACHUSETTS
HEALTH POLICY COMMISSION



TECHNICAL APPENDIX B1
TRENDS IN SPENDING AND CARE DELIVERY

ADDENDUM TO 2017 COST TRENDS REPORT

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1 Summary

This section describes the Health Policy Commission’s (HPC) approach to the analyses contained in **Chapter 2: “Overview of Trends in Spending and Care Delivery”** of the 2017 Cost Trends Report.

2 Total family premium and employee contribution to premium in Massachusetts by the firm’s wage quartile

2.1 Data

The HPC used data from the Agency for Healthcare Research and Quality’s Medical Expenditure Panel Survey (MEPS)—a set of large-scale surveys of families and individuals, their medical providers, and employers across the United States. Total family premium can be found in Table VIII.D.1, “Average total family premium (in dollars) per enrolled employee at private-sector establishments that offer health insurance by average wage quartiles and State: United States, 2016.” Employee contribution can be found in Table VIII.D.2, “Average total employee contribution (in dollars) per enrolled employee for family coverage at private-sector establishments that offer health insurance by average wage quartiles and State: United States, 2016.” For more information on these sources, see **Technical Appendix D: “Data Sources.”**

3 Differences in utilization and spending for families of similar income but better or worse health status

3.1 Data

The HPC used data from the Center for Health Information and Analysis’ Massachusetts Health Insurance Survey (MHIS) for 2014, 2015 and 2017. The MHIS provides information on health insurance coverage, health care access, use, and affordability for Massachusetts residents as part of CHIA’s Continuing Study on Insurance Coverage, Underinsurance and Uninsurance.

3.2 Definitions

HPC restricted this analysis to members of families with employer-sponsored insurance (ESI) that are under the age of 65 and between 200% and 500% of the federal poverty level (FPL). Those without a family income or insurance type were excluded. As out-of-pocket costs (OOP) were reported in ranges, range midpoints were used for quantitative analyses (e.g., "\$200 to under \$500" was converted to \$350). Analysis was conducted on a pool of respondents from both the 2014 and 2015 surveys. “Better health” is defined as those reporting their health is “excellent” or “very good.” “Worse Health” is defined as those reporting there is “good”, “fair” or “poor.”

3.2 Analysis

All income and spending figures were reported at the household level. To calculate average OOP for the average Massachusetts family (size of 4), HPC first divided family OOP by family size,

then multiplied the result by four. All calculations were done using Stata 13's survey estimation commands and the MHIS-provided weights.