

**COMMONWEALTH OF MASSACHUSETTS**  
**HEALTH POLICY COMMISSION**

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**TECHNICAL APPENDIX C4**  
**DEMAND-SIDE INCENTIVES**

**ADDENDUM TO 2017 COST TRENDS REPORT**

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## **1 Summary**

This appendix describes the Health Policy Commission's (HPC) approach to the analyses contained in **Chart pack: "Demand-side Incentives"** of the 2017 Cost Trends Report.

## **2 Commercial membership (member-years) by market segment, 2014-2016**

### **2.1 Data**

The HPC used the Center for Health Information and Analysis' (CHIA) 2017 Annual Report Cost and coverage data book.

### **2.2 Definitions**

CHIA uses the following group size definitions: the individual market includes people enrolled through the Mass Health connector; the small group market includes firms with 50 or fewer employees; the mid-size market includes firms with 51-100 employees; the large group market includes firms with 101-499 employees; the jumbo group market includes firms with 500 or more employees; and the GIC includes Commonwealth's employees and their dependents.

### **2.3 Analysis**

Member years are reported across years from 2014 through 2016 and the percentage difference in membership years is calculated for the same span.

## **3 Share of commercial market enrollment in tiered network, limited network, and high-deductible plans, 2014-2016**

### **3.1 Data**

The HPC used the Center for Health Information and Analysis' (CHIA) 2017 Annual Report Cost and coverage data book.

### **3.2 Definitions**

The HPC used the same definitions for plan types as CHIA definitions previously listed.

### **3.3 Analysis**

For the analysis, the HPC compared the member months across different plans, including and excluding the GIC market.

## **4 Annual premiums for single coverage in the employer market and in the benchmark plan in the Affordable Care Act marketplaces, MA and the U.S**

### **4.1 Data**

The HPC used two data sources: Kaiser Family Foundation analysis of ACA exchange premium data from healthcare.gov, 2014-2017; and Agency for Healthcare Quality, Medical Expenditure Panel Survey, 2012-2016.

### **4.2 Definitions**

MA Employer Coverage is the Massachusetts Annual premiums for single coverage in employer market; U.S. Employer Coverage is the United States Annual premiums for single coverage in employer market; U.S. ACA Exchange is the United States Annual premiums for single coverage in individual market; and MA Employer Coverage is the Massachusetts Annual premiums for single coverage in individual market.

### **4.3 Analysis**

For the purpose of analysis, the HPC used the premium prices from the data directly.

## **5 Relationship between premium increases in Massachusetts Health Connector plans and enrollee plan switching, 2016 to 2017**

### **5.1 Data**

The HPC used data obtained from the Massachusetts Health Connector 2017, shopping summary data book.

### **5.2 Definitions**

For analyses of the survey data, the HPC used the same definitions for group size as the CHIA definitions previously listed.

### **5.3 Analysis**

Data consisted of premium prices, number of enrollees of different payers for 2016-2017 and calculated the percent difference between the counts of members from 2016 to 2017.