
**PERFORMANCE OF THE
MASSACHUSETTS
HEALTH CARE SYSTEM**

**ANNUAL REPORT
SEPTEMBER 2018**

Agenda

- Overview
- Total Health Care Expenditures
- Public Insurance Programs
- Commercial Insurance
- Questions

Overview

- CHIA's role in establishing the metrics to evaluate the performance of the Massachusetts health care system
- Annual Report publication materials
 - 100+ page report
 - Extensive databooks
 - Technical documentation
- Acknowledgments
 - Data submitters for their role in facilitating this report through supplemental filings
 - CHIA's staff & actuaries for their work producing the report

Total Health Care Expenditures (THCE)

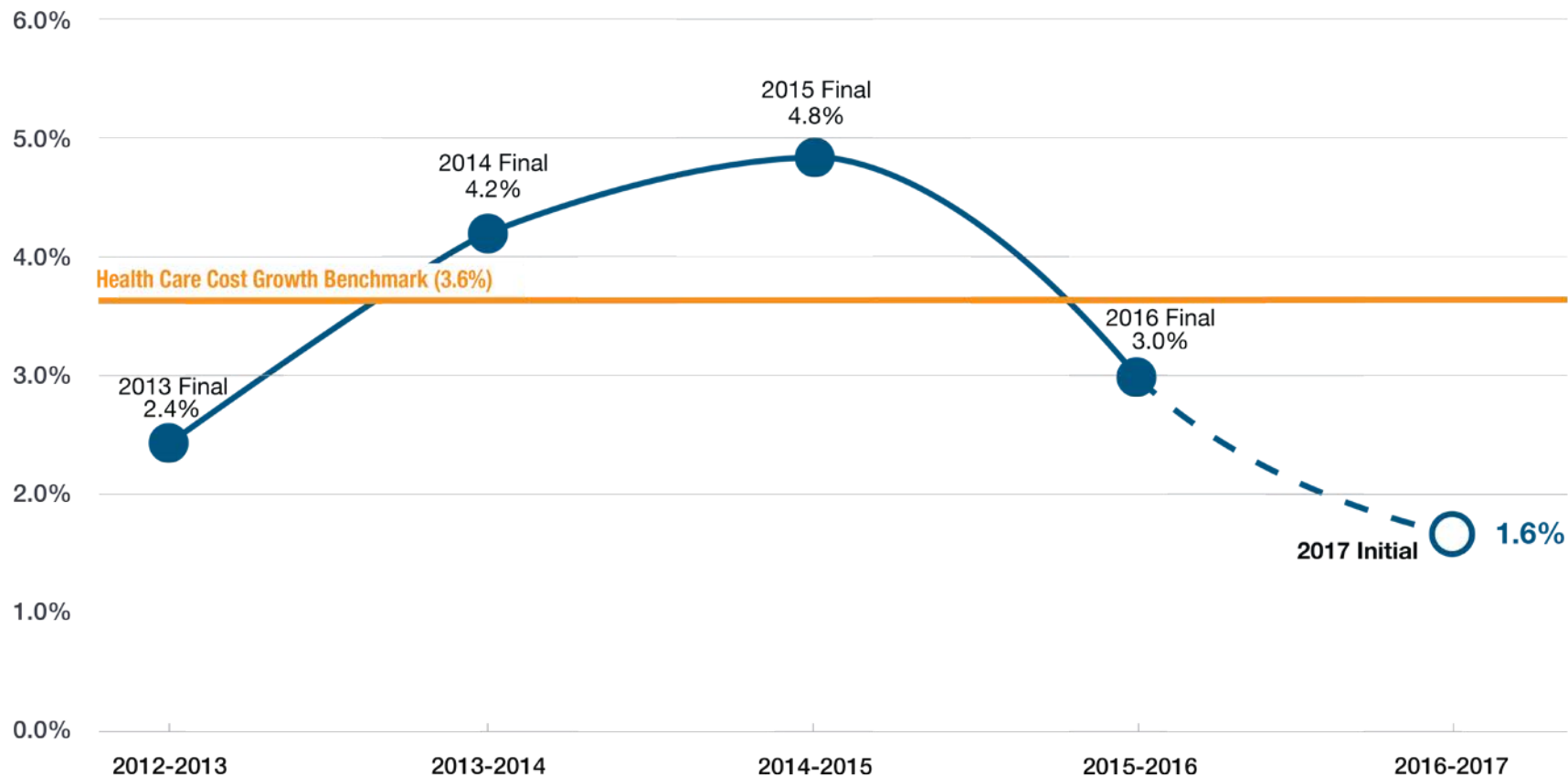
\$61.1B Total Health
Care Expenditures

\$8,907 THCE
per capita

1.6% Growth rate
per capita

Total Health Care Expenditures

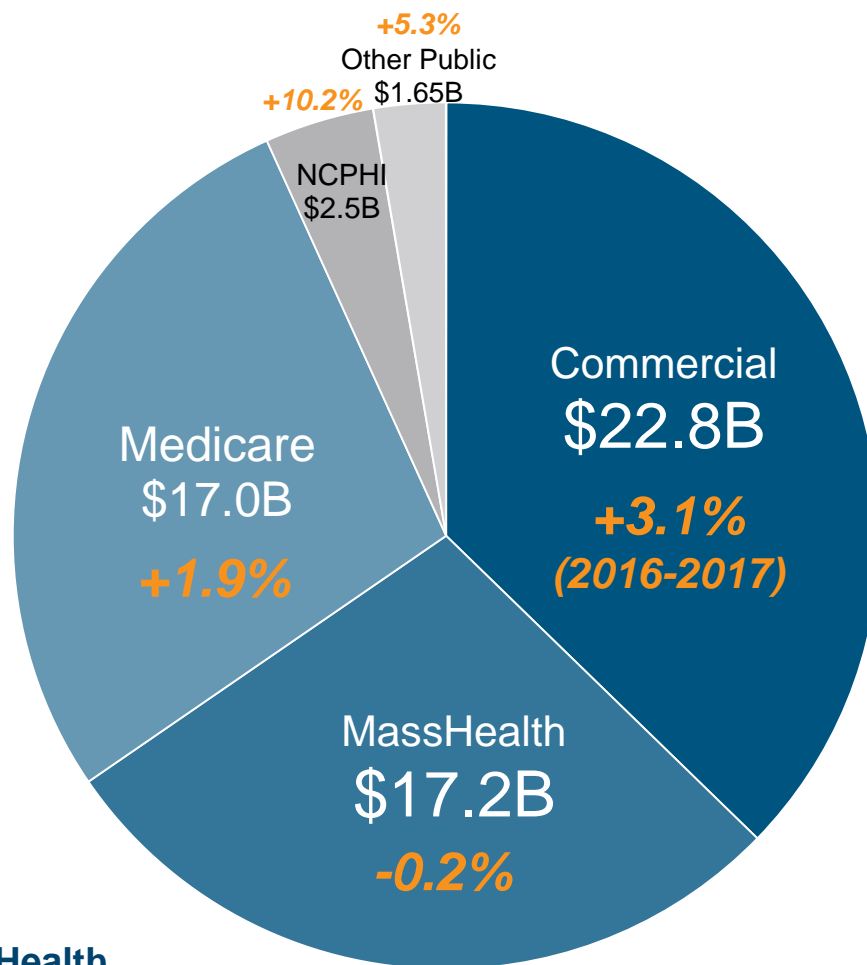
Growth Rates, 2012-2017



THE INITIAL ESTIMATE OF THCE PER CAPITA GROWTH IS 1.6% FOR 2017, THE SECOND CONSECUTIVE YEAR IT FELL BELOW THE HEALTH CARE COST GROWTH BENCHMARK.

Total Health Care Expenditures

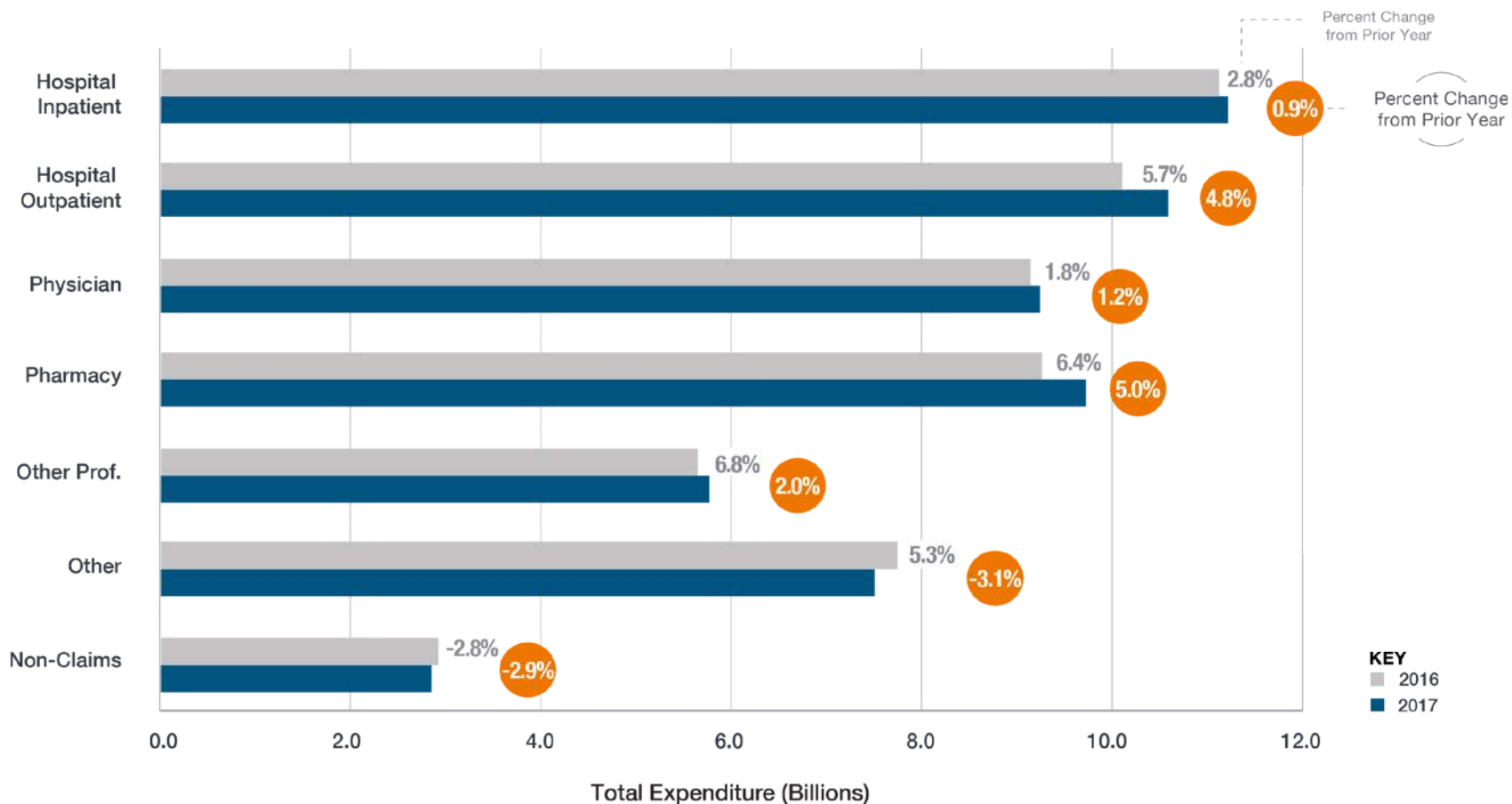
Insurance Categories, 2017



\$61.1B Total Health Care Expenditures

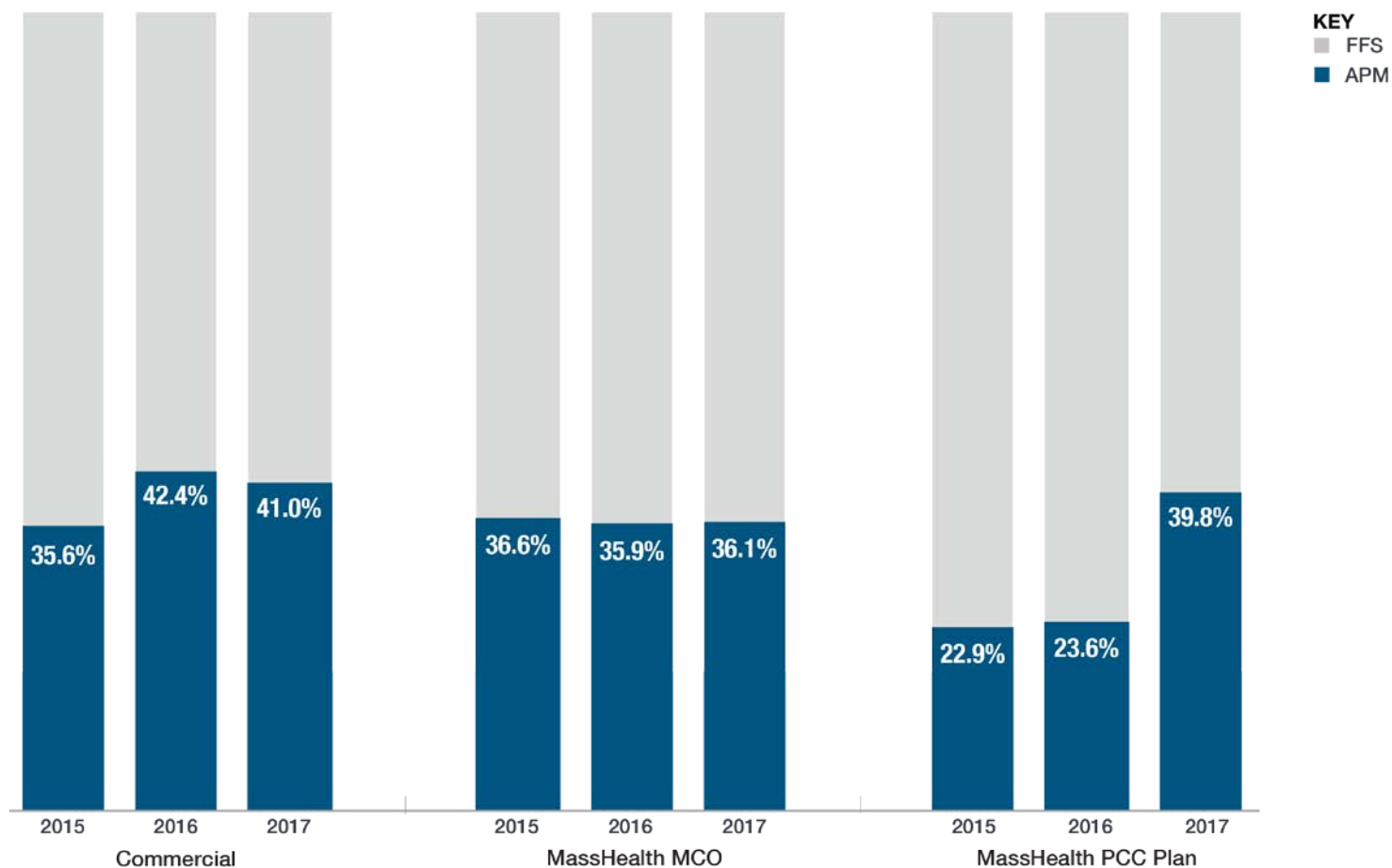
Total Health Care Expenditures

Service Categories, 2016-2017



HEALTH CARE SPENDING DECELERATED ACROSS ALL SERVICE CATEGORIES, WITH THE HIGHEST GROWTH IN PHARMACY AND OUTPATIENT SPENDING.

Alternative Payment Methods Insurance Categories, 2015-2017



IN 2017, THE LARGEST INCREASE IN APM ADOPTION RATES WAS IN THE MASSHEALTH PCC PLAN.

Public Insurance Programs

MassHealth

\$17.2B

MassHealth
Expenditures, 2017

-0.2%

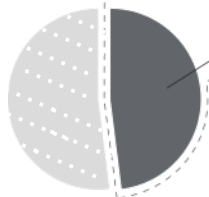
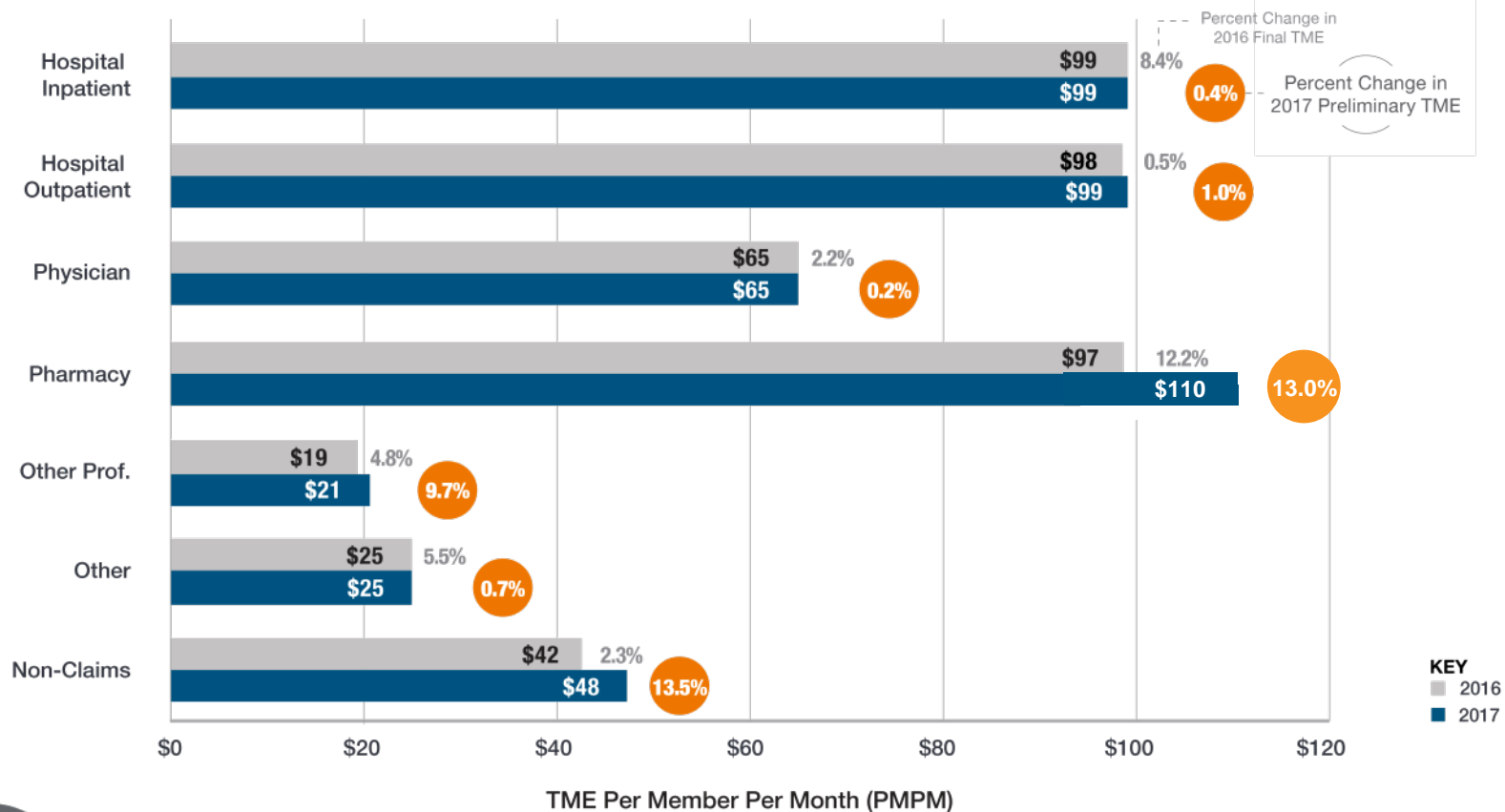
Expenditure Trend,
2016-2017

-2.4%

Member Months,
2016-2017

Public Insurance Programs

MassHealth MCO Service Categories, 2016-2017



MassHealth MCOs

PHARMACY SPENDING PMPM CONTINUED TO GROW FASTER THAN OTHER SERVICES, BECOMING THE LARGEST CATEGORY IN 2017.

Public Insurance Programs

Medicare

\$17.0B

Medicare
Expenditures, 2017

1.9%

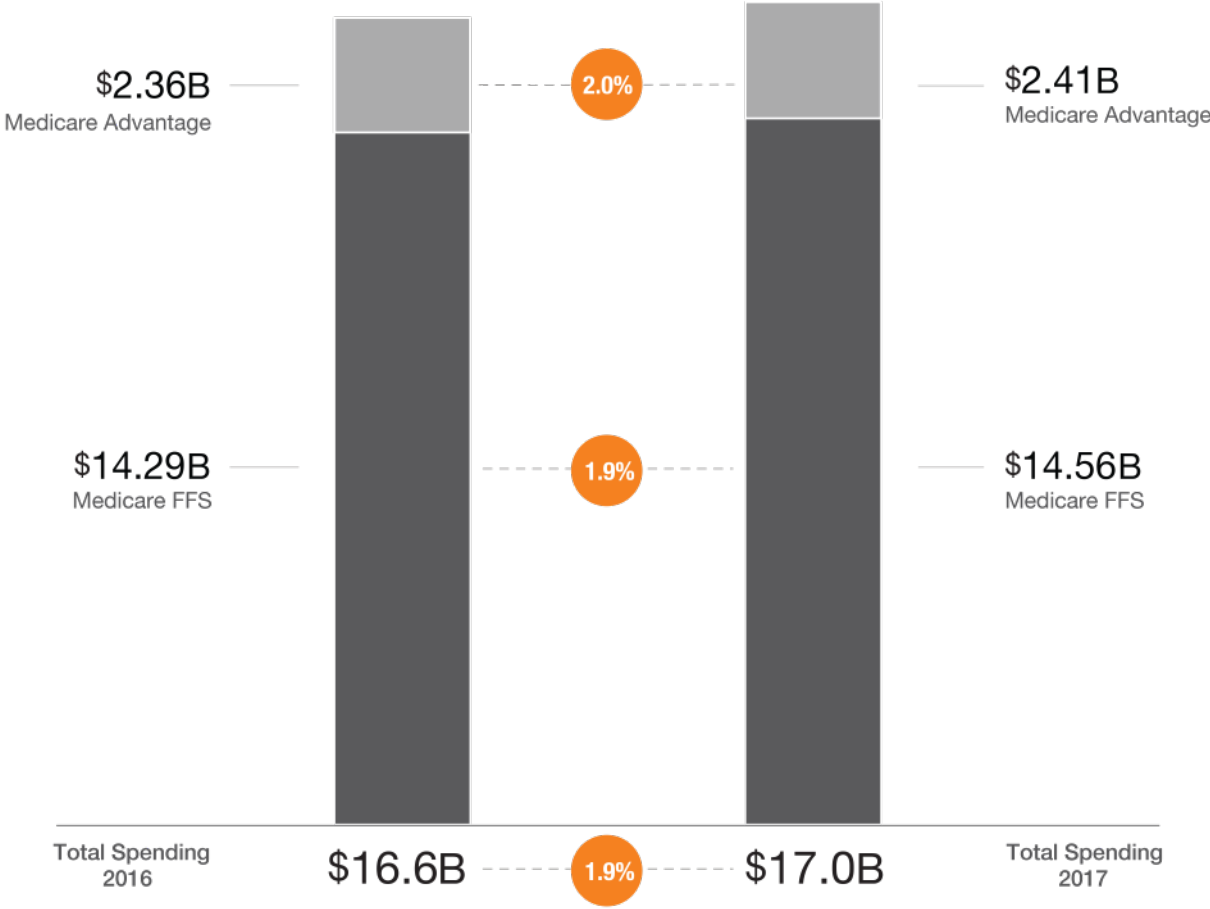
Expenditure Trend,
2016-2017

2.4%

Beneficiaries,
2016-2017

Public Insurance Programs

Medicare Program Spending, 2016-2017



MEDICARE EXPENDITURES GREW AT SIMILAR RATES FOR BENEFICIARIES COVERED UNDER TRADITIONAL AND MEDICARE ADVANTAGE.

Commercial Insurance

\$22.8B

Commercial
Expenditures, 2017

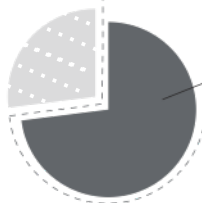
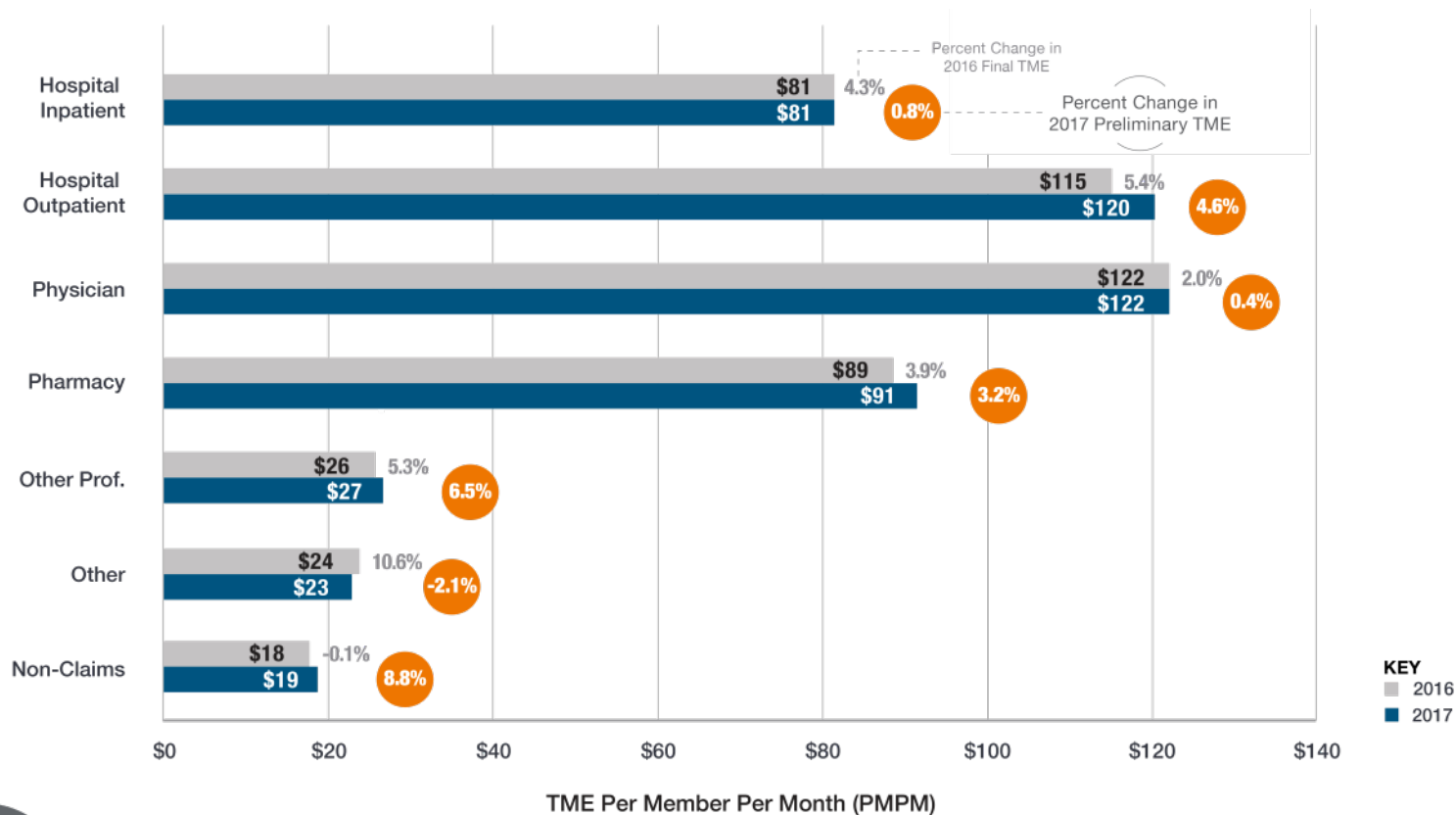
3.1%

Expenditure Trend,
2016-2017

0.4%

Member Months,
2016-2017

Commercial Insurance Service Categories, 2016-2017

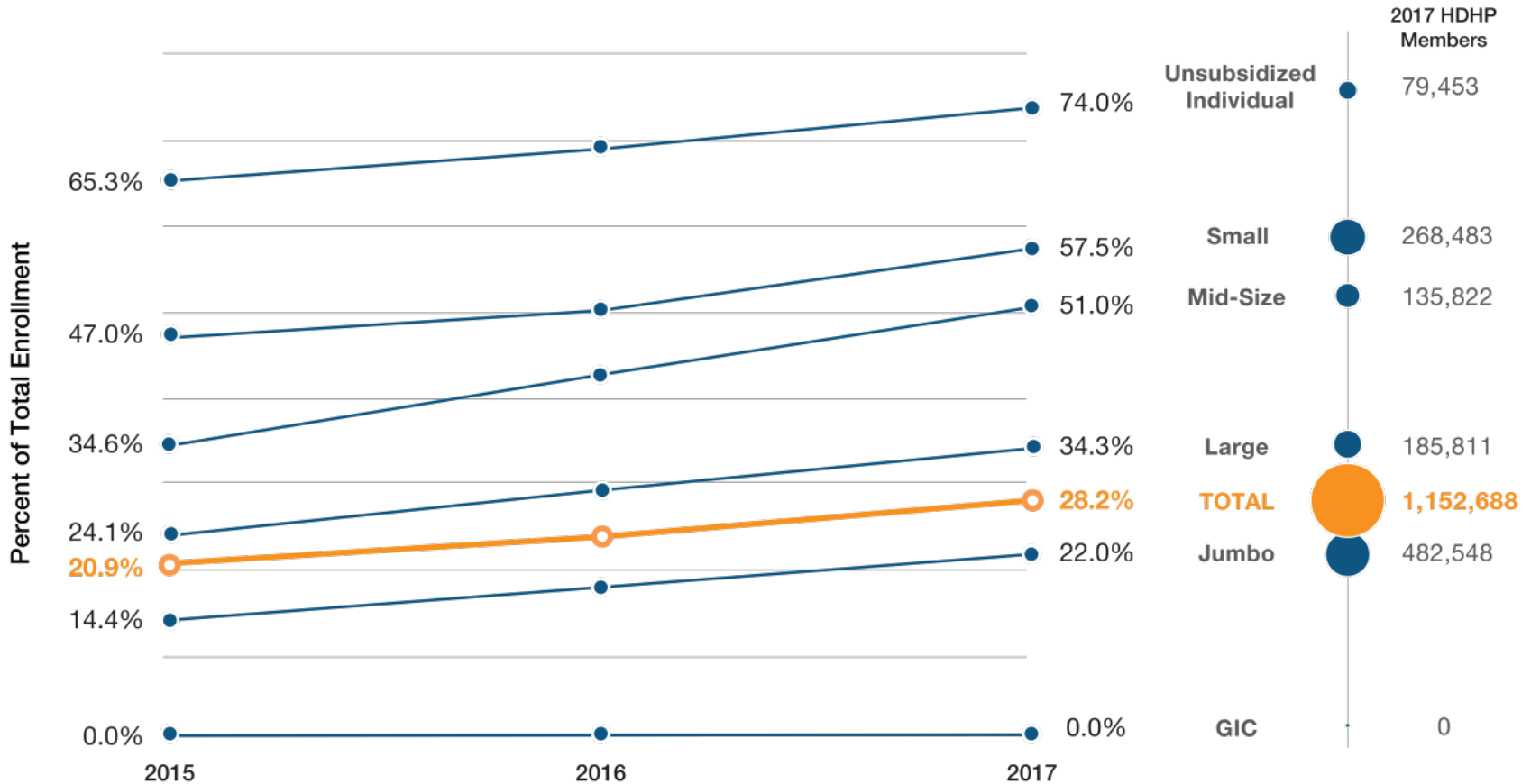


Commercial Full-Claim

COMMERCIAL SPENDING PMPM SLOWED ACROSS THE FOUR MAJOR SERVICE CATEGORIES IN 2017.

Commercial Insurance

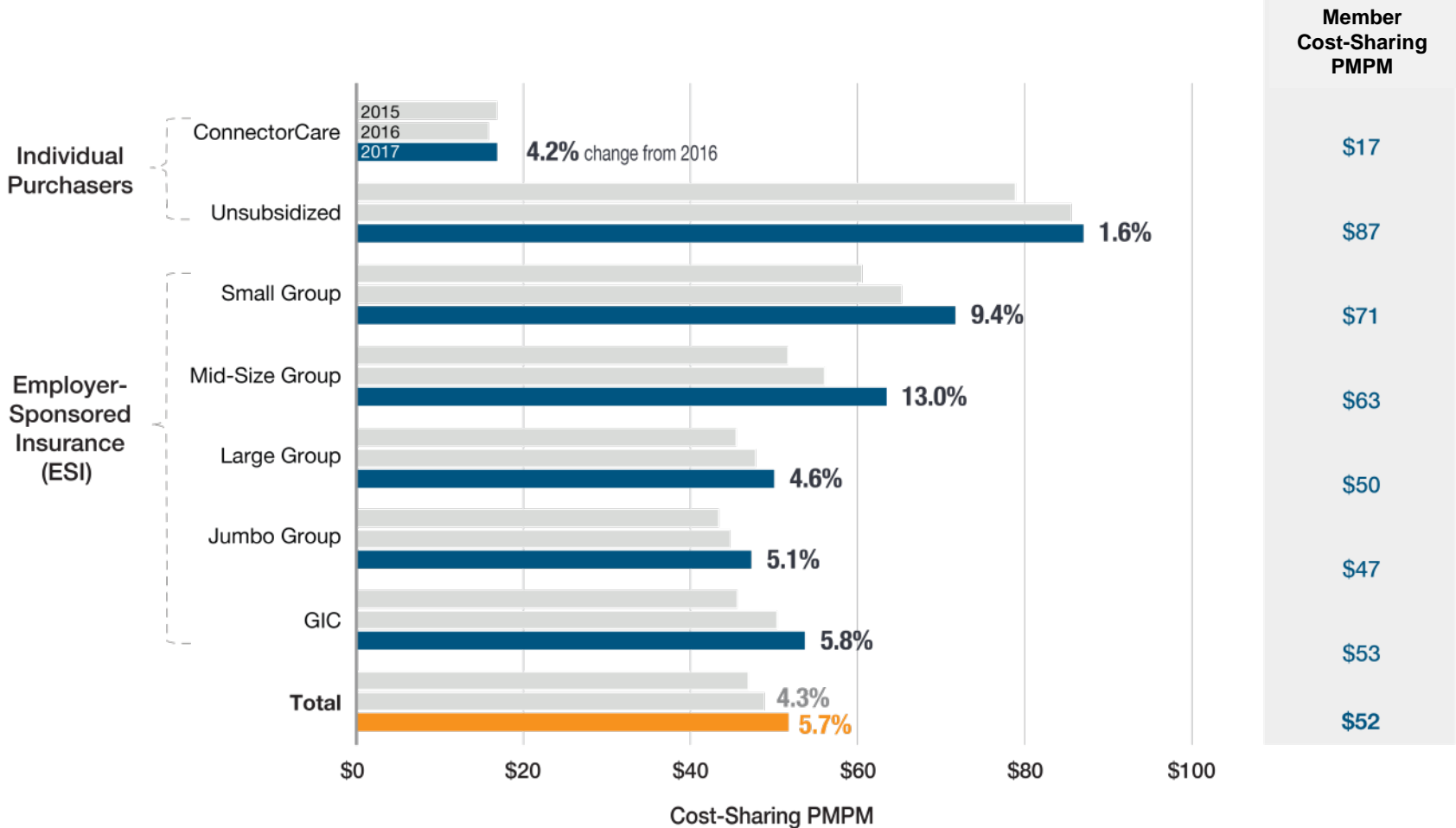
High Deductible Health Plans by Market Sector, 2015-2017



IN 2017, MORE THAN ONE IN FOUR (28.2%) MASSACHUSETTS CONTRACT MEMBERS WERE ENROLLED IN AN HDHP. THESE PLANS WERE MORE COMMON AMONG SMALLER EMPLOYER GROUP PURCHASERS.

Commercial Insurance

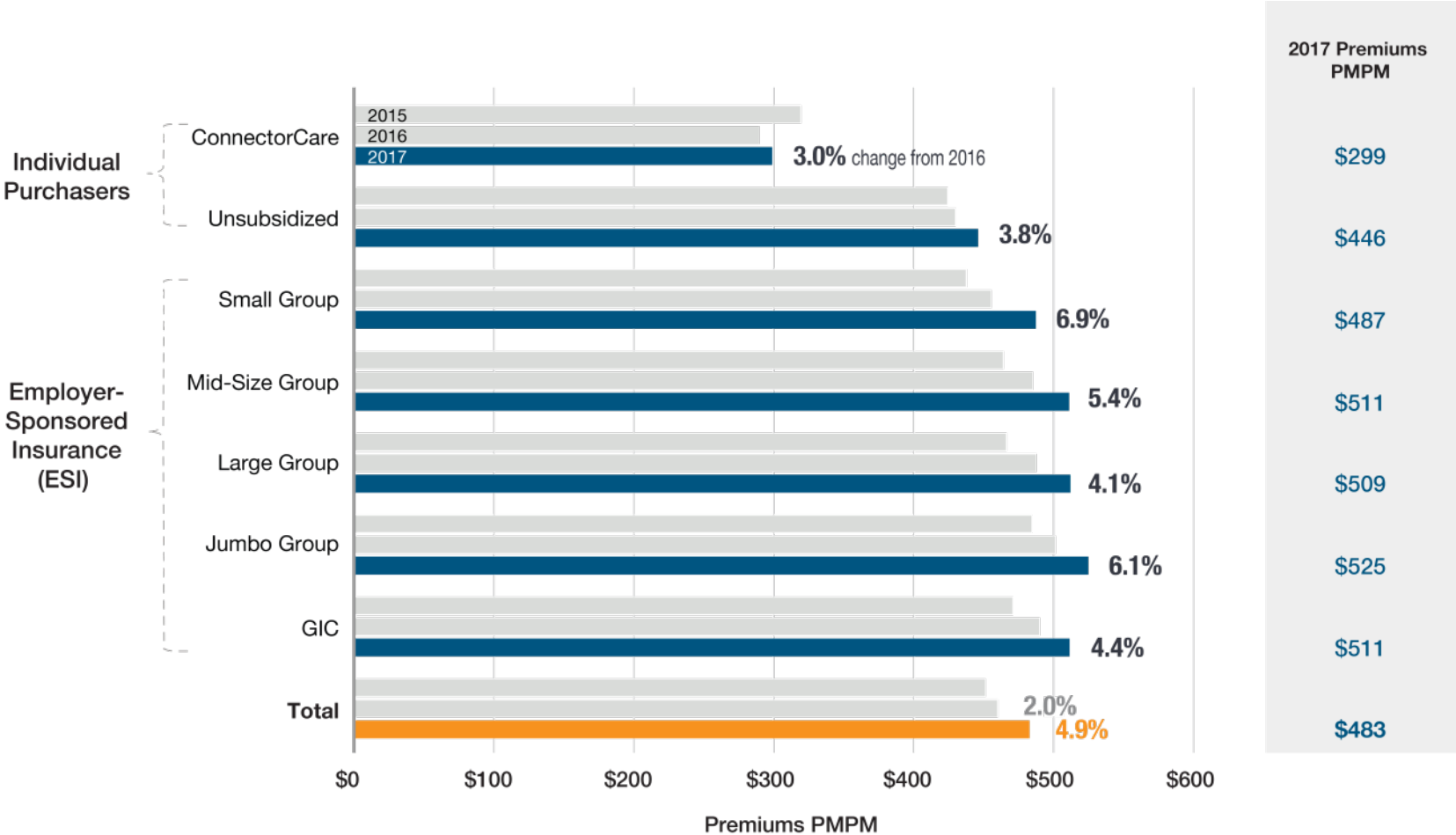
Cost-Sharing by Market Sector, 2015-2017



MEMBER COST-SHARING CONTINUED TO BE HIGHER, AND GREW FASTER, AMONG SMALLER EMPLOYER GROUPS.

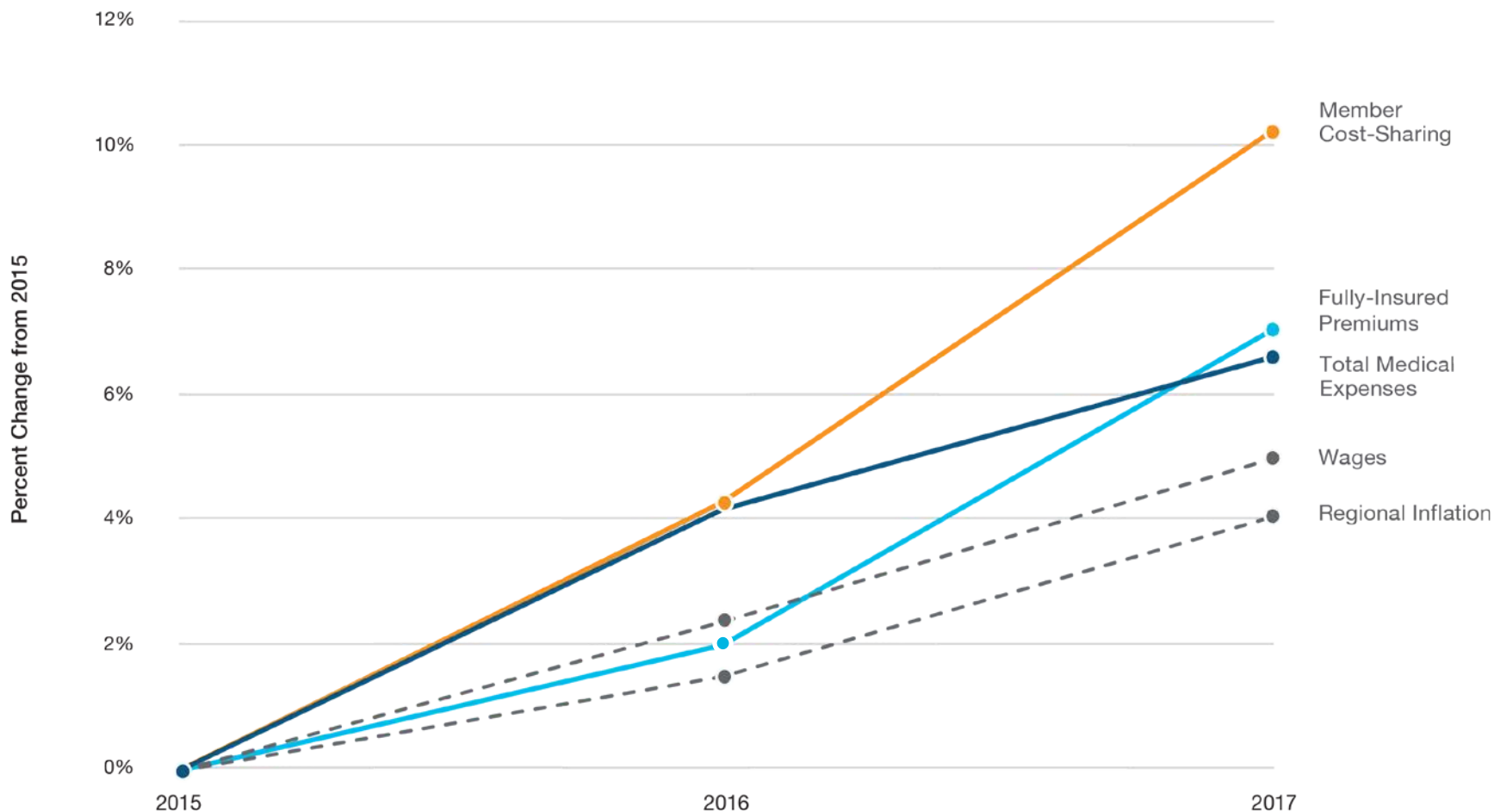
Commercial Insurance

Fully-Insured Premiums by Market Sector, 2015-2017



FULLY-INSURED PREMIUMS INCREASED BY 4.9% FROM 2016 TO 2017. SMALL GROUP MEMBERS EXPERIENCED THE LARGEST PERCENTAGE INCREASE (+6.9%).

Commercial Insurance Expense Trends, 2015-2017

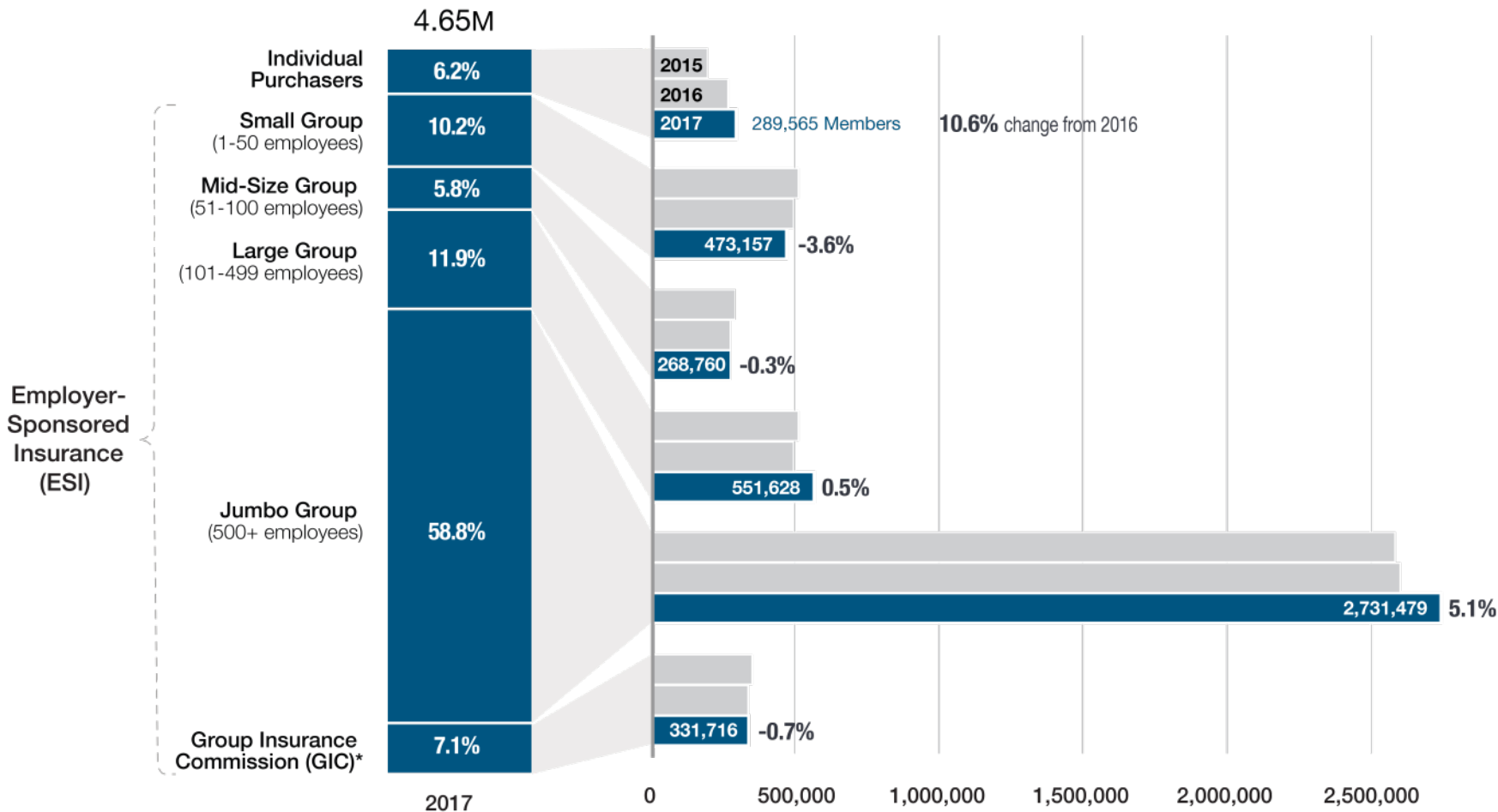


MEMBER COST-SHARING AND FULLY-INSURED PREMIUMS GREW FASTER THAN WAGES AND INFLATION IN 2017.

Questions

Supplemental Slides

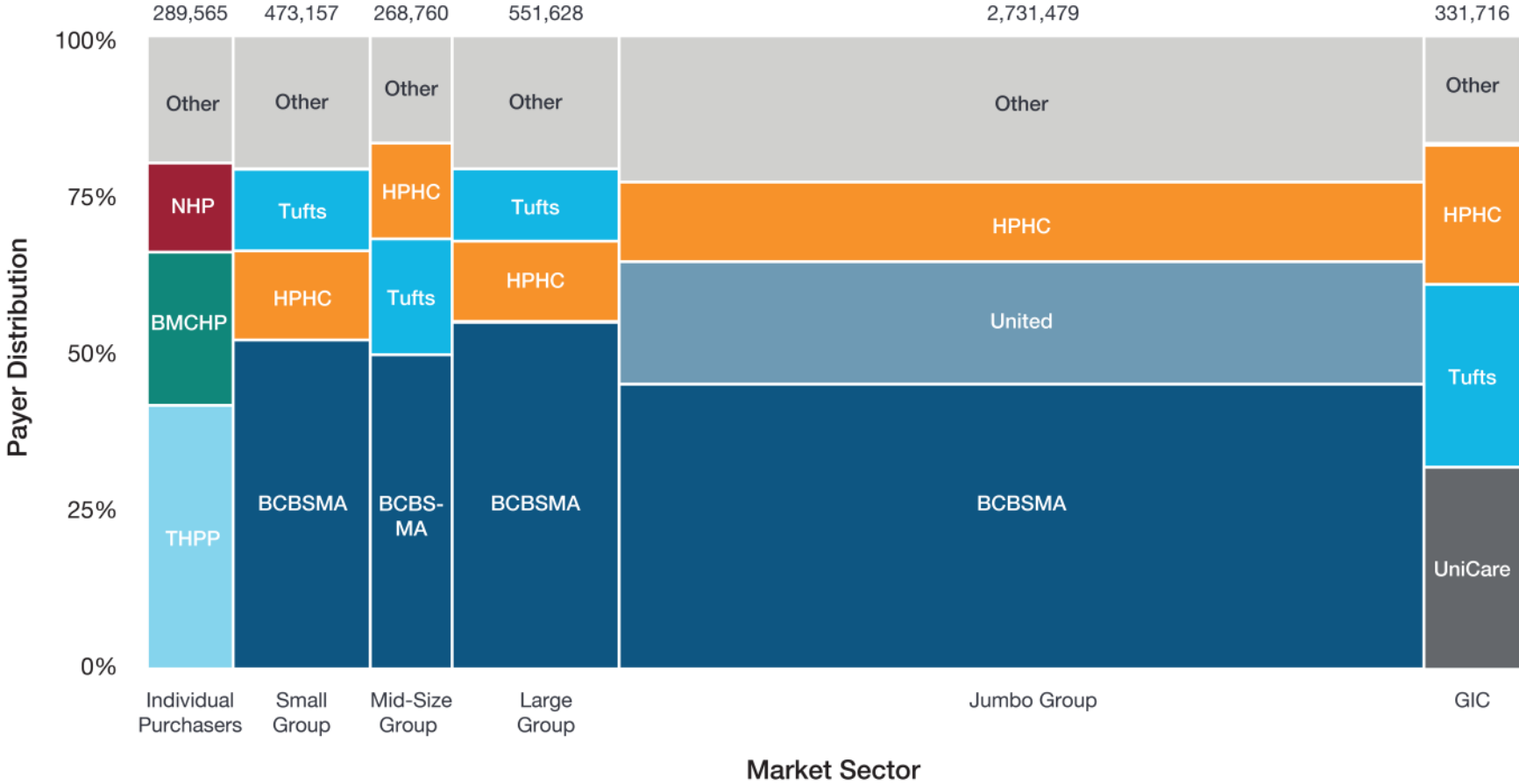
Private Commercial Insurance Enrollment by Market Sector, 2015-2017



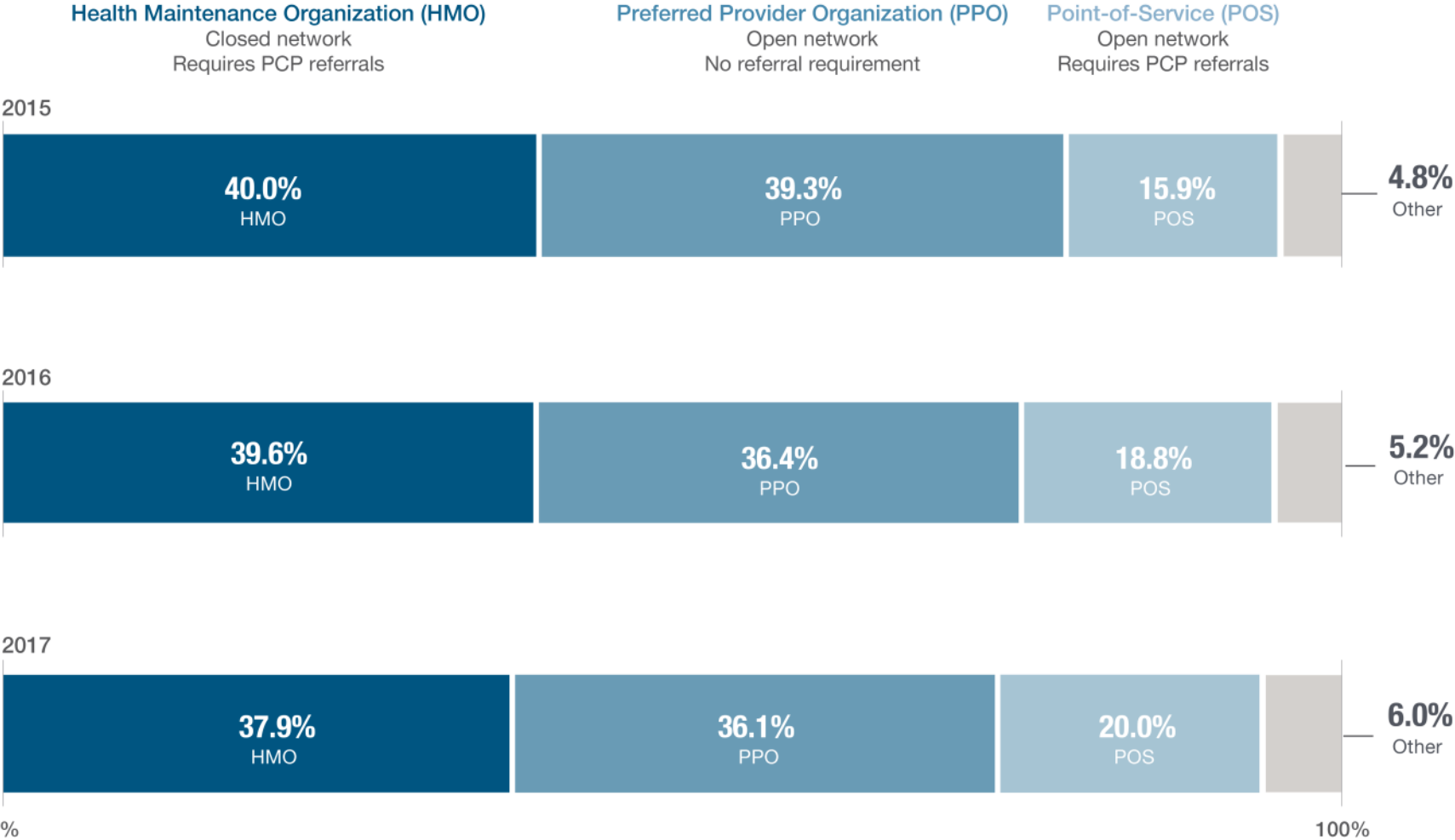
Private Commercial Insurance

Largest Payers by Market Sector, 2015-2017

Members per Market Sector

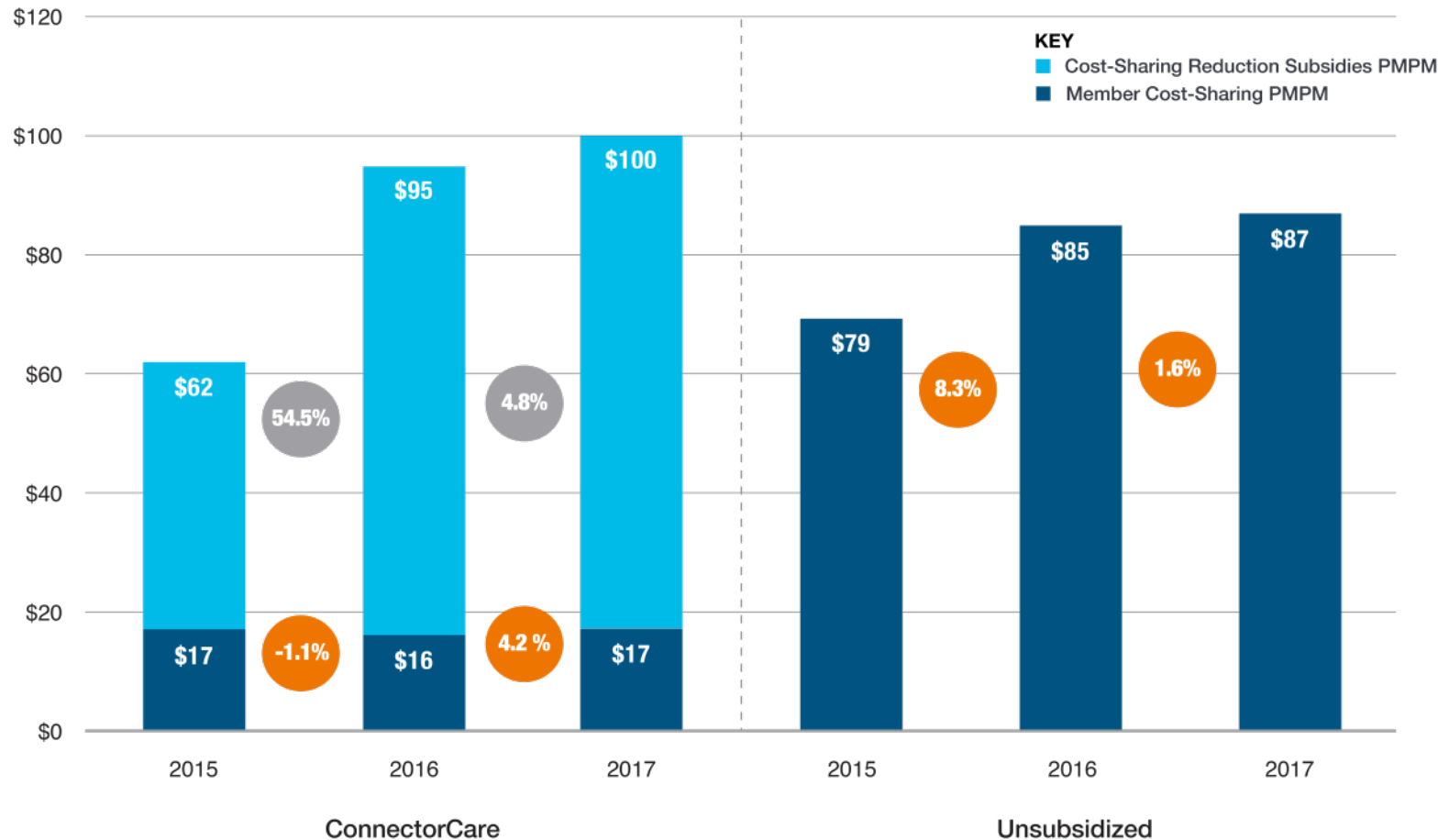


Private Commercial Insurance Enrollment by Product Type, 2015-2017



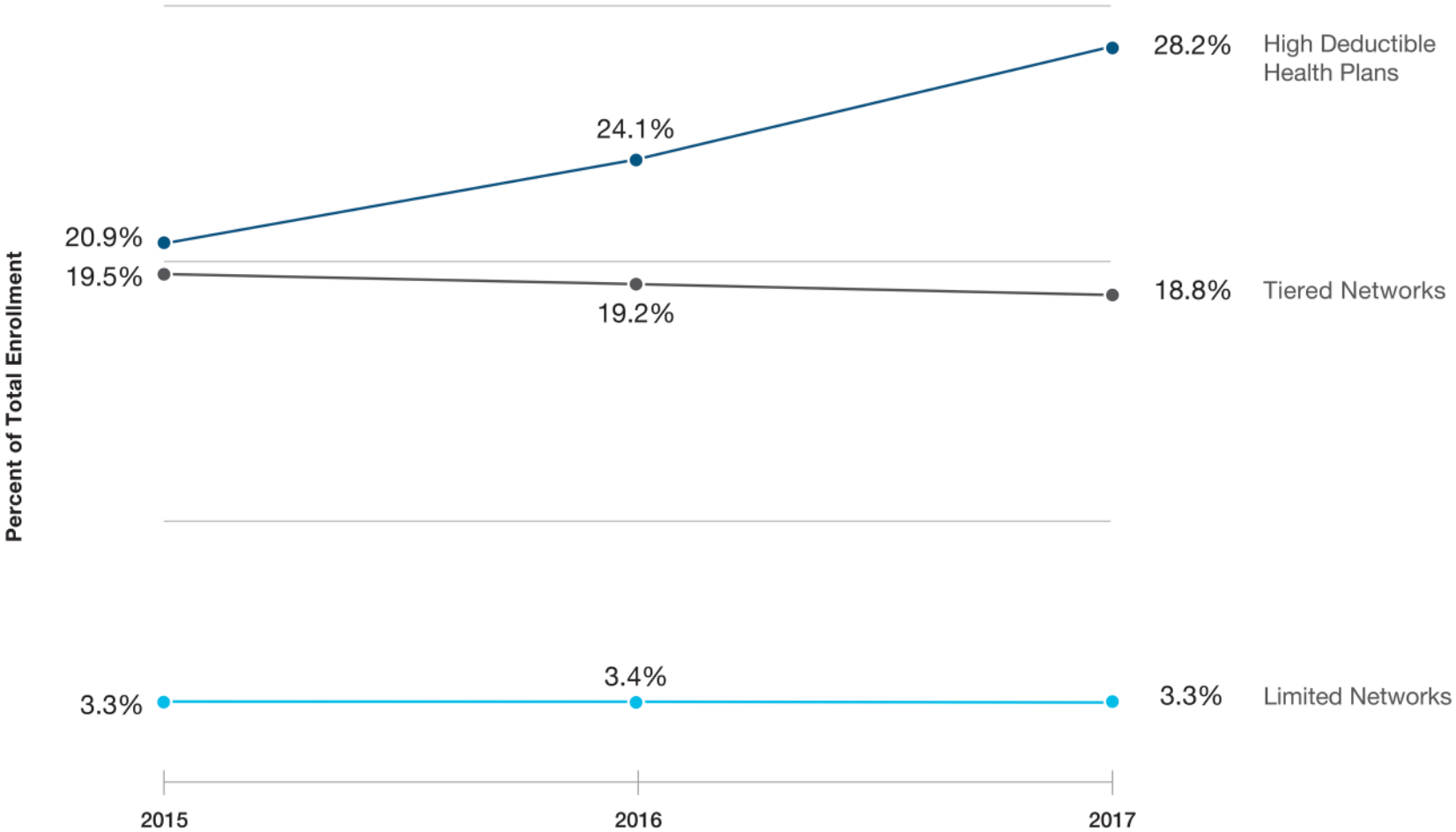
Commercial Insurance

Cost-Sharing Reduction Subsidies, 2015-2017



SUBSIDIES HELPED MINIMIZE COST-SHARING BURDENS FOR CONNECTORCARE MEMBERS, AND COST-SHARING GROWTH FOR UNSUBSIDIZED MEMBERS WAS MODEST IN 2017.

Private Commercial Insurance Enrollment by Benefit Design Type, 2015-2017



Pharmacy Spending

Estimated Drug Rebates, 2017

