Performance of the Massachusetts Health Care System

Annual Report
October 2019

CENTER FOR HEALTH INFORMATION AND ANALYSIS

CHIA.

Agenda

- Overview
- Total Health Care Expenditures
- Medicare Trends
- MassHealth Trends
- Private Commercial Insurance Trends

Overview

- Role of CHIA's *Annual Report*
- Publication Package
  - Executive Summary + Chartbook
  - Datasets
  - Technical Documentation
- Acknowledgements
  - Data submitters
  - CHIA's staff & actuaries

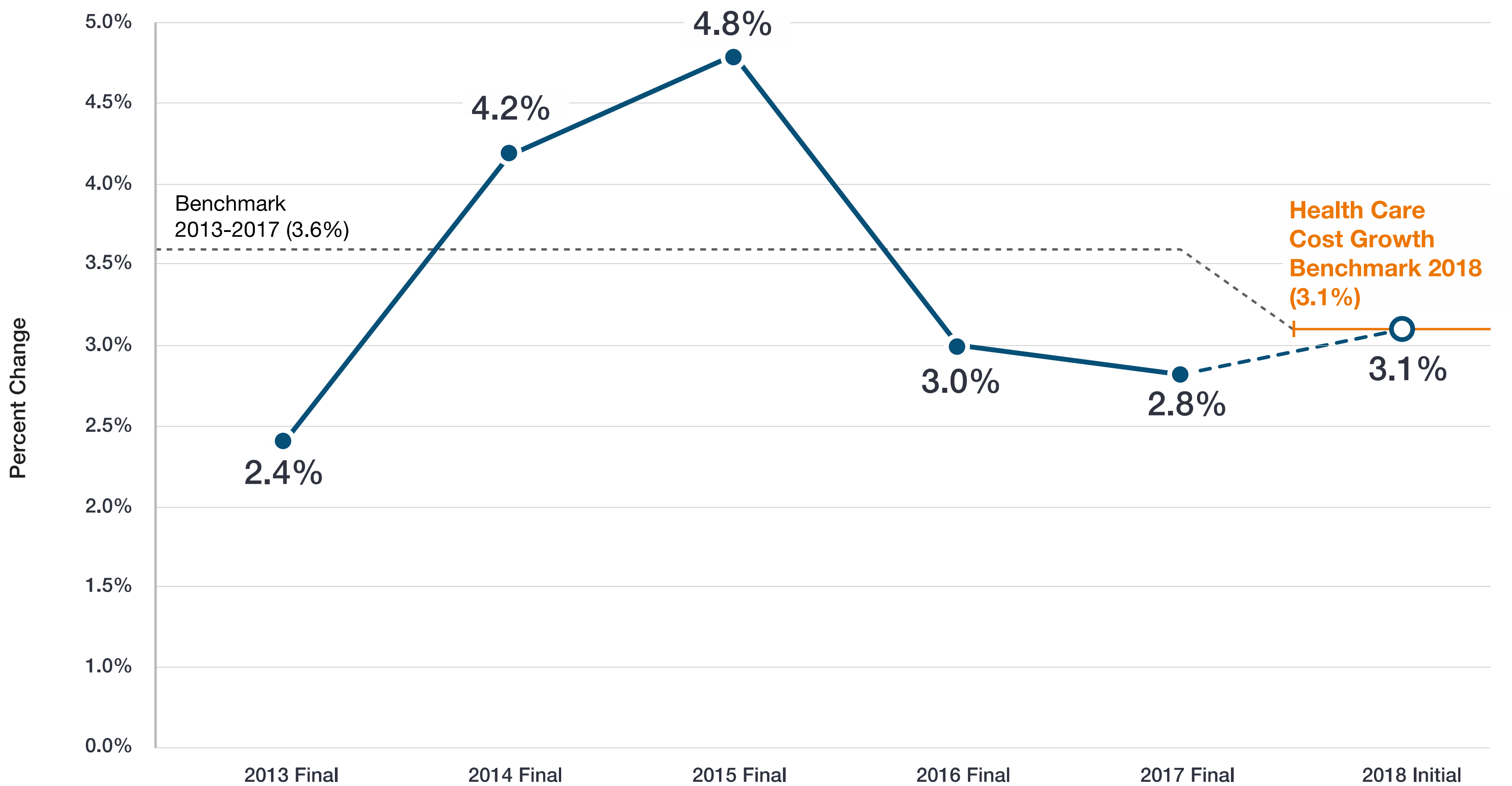
Total Health Care Expenditures (THCE)

$60.9B	**Total Health Care Expenditures, 2018**
$8,827	**THCE per capita, 2018**
3.1%	**Growth rate per capita, 2018**

For more information, see page 10 of CHIA's *Annual Report*

Total Health Care Expenditures

Trends, 2013-2018



THCE growth per capita equaled the health care cost growth benchmark in 2018, after two years of trending below.

For more information, see page 21 of CHIA's *Annual Report*

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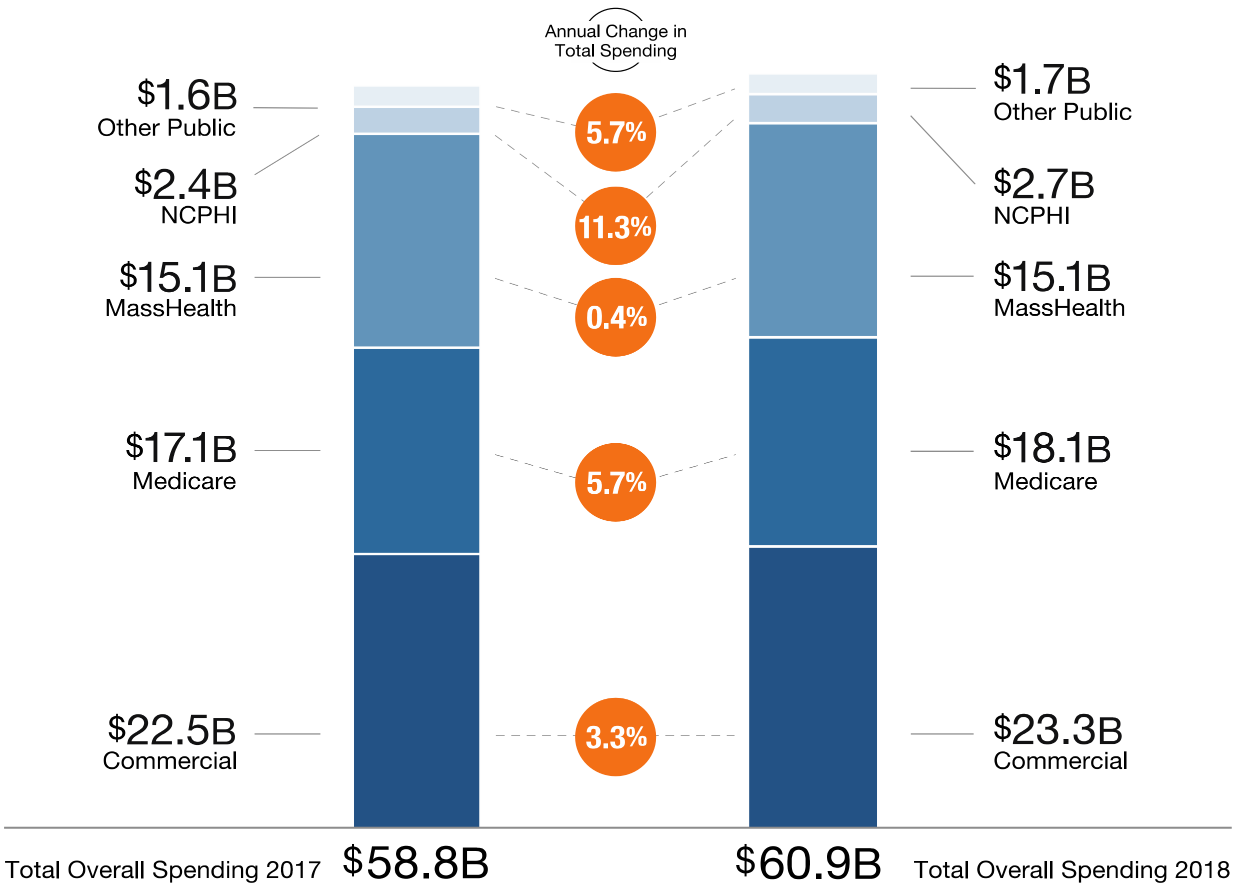
Total Health Care Expenditures

Components, 2018

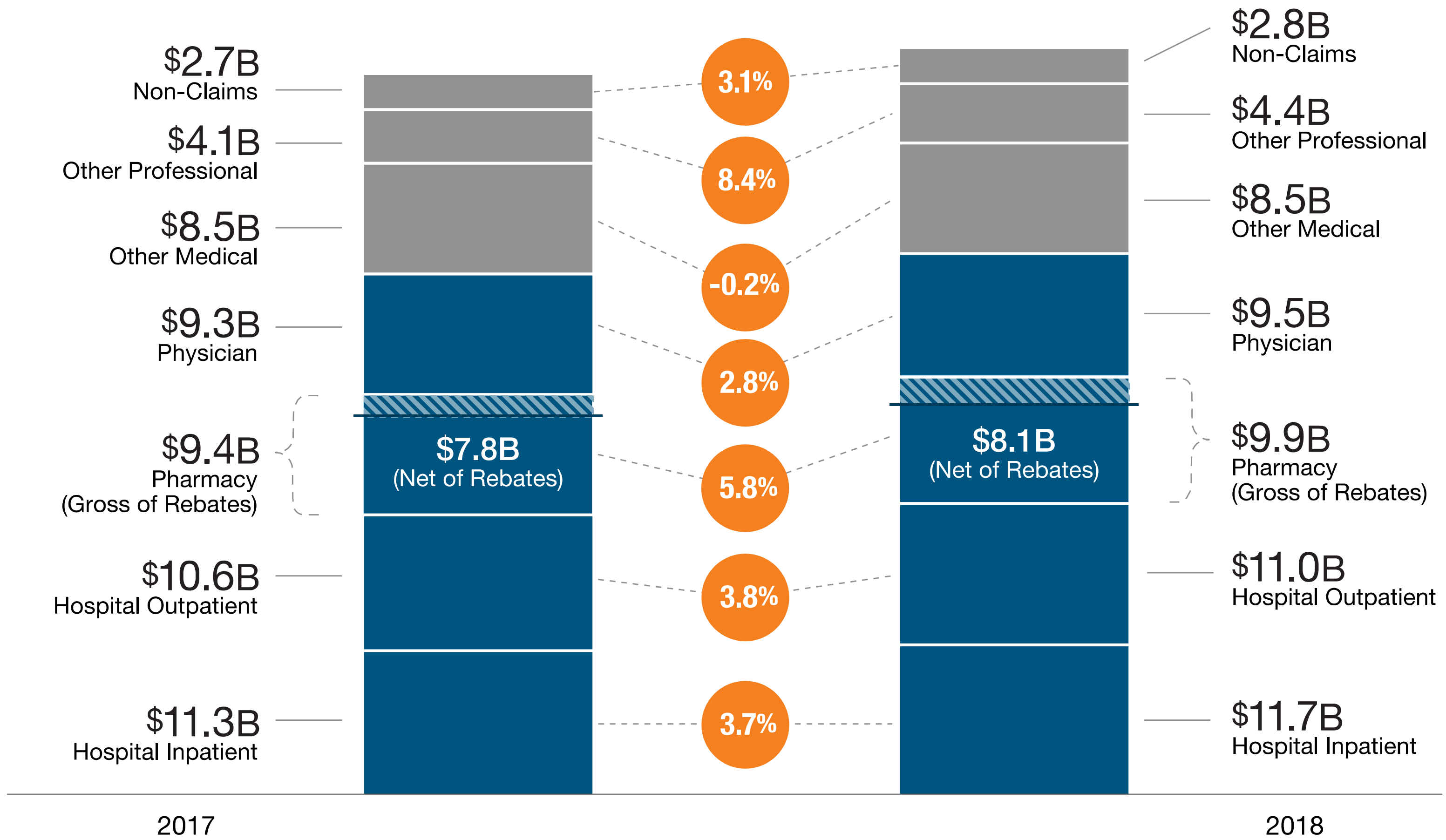


Medicare expenditures grew fastest among the largest components of THCE, though all other categories also accelerated from 2017, except for MassHealth.

For more information, see page 11 of CHIA's *Annual Report*

Total Health Care Expenditures

Spending by Service Category, 2017- 2018



After slower growth in 2017, expenditures accelerated across all service categories, with the exception of hospital outpatient expenses and non-claims.

For more information, see page 17 of CHIA's *Annual Report*

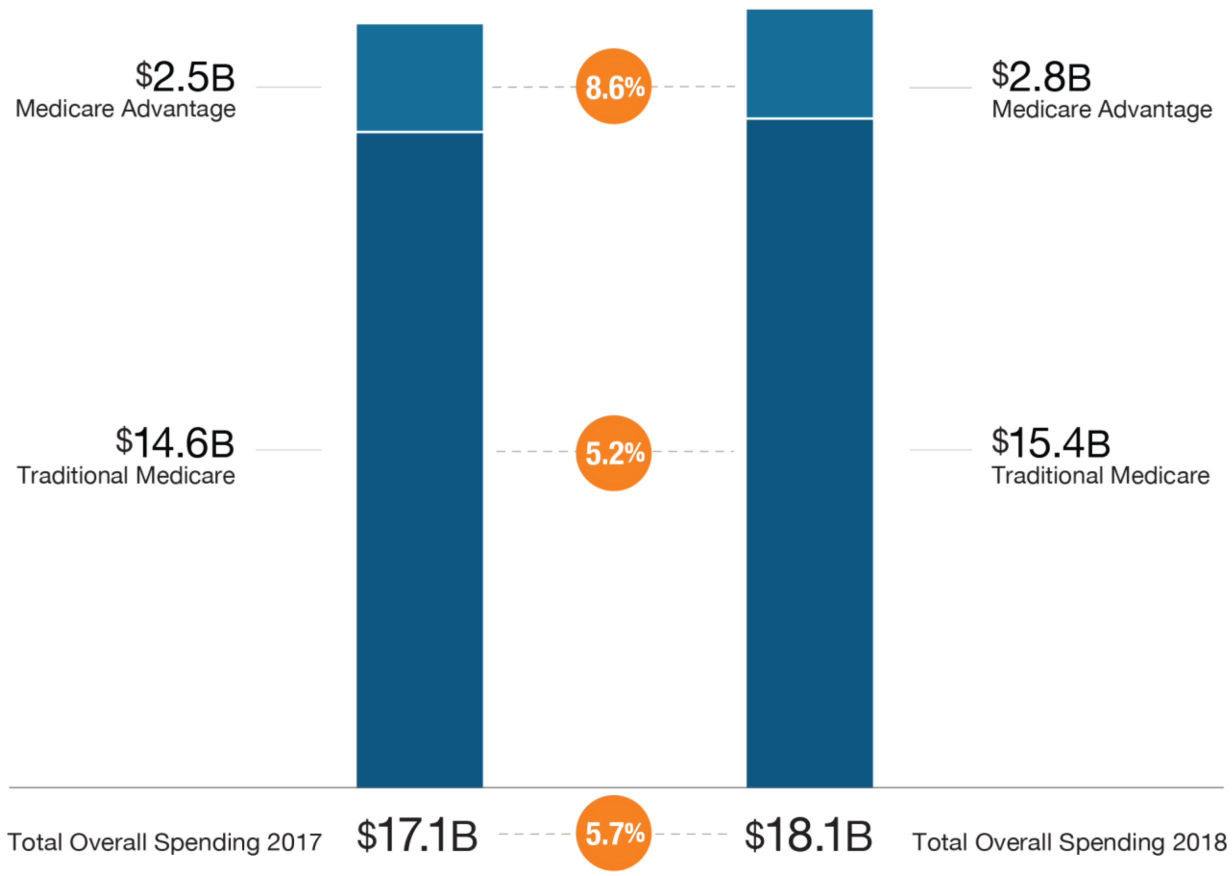
Total Health Care Expenditure Components
Medicare

$18.1B	**Expenditures, 2018**
5.7%	**Expenditures, 2017-2018**
2.6%	**Beneficiaries, 2017-2018**

For more information, see page 13 of CHIA's *Annual Report*

Medicare

Spending by Program, 2017-2018



Expenditures grew faster for Medicare Advantage beneficiaries than traditional Medicare, in part due to increasing enrollment.

For more information, see page 13 of CHIA's *Annual Report*

Total Health Care Expenditure Components

MassHealth

$15.1B Expenditures, 2018

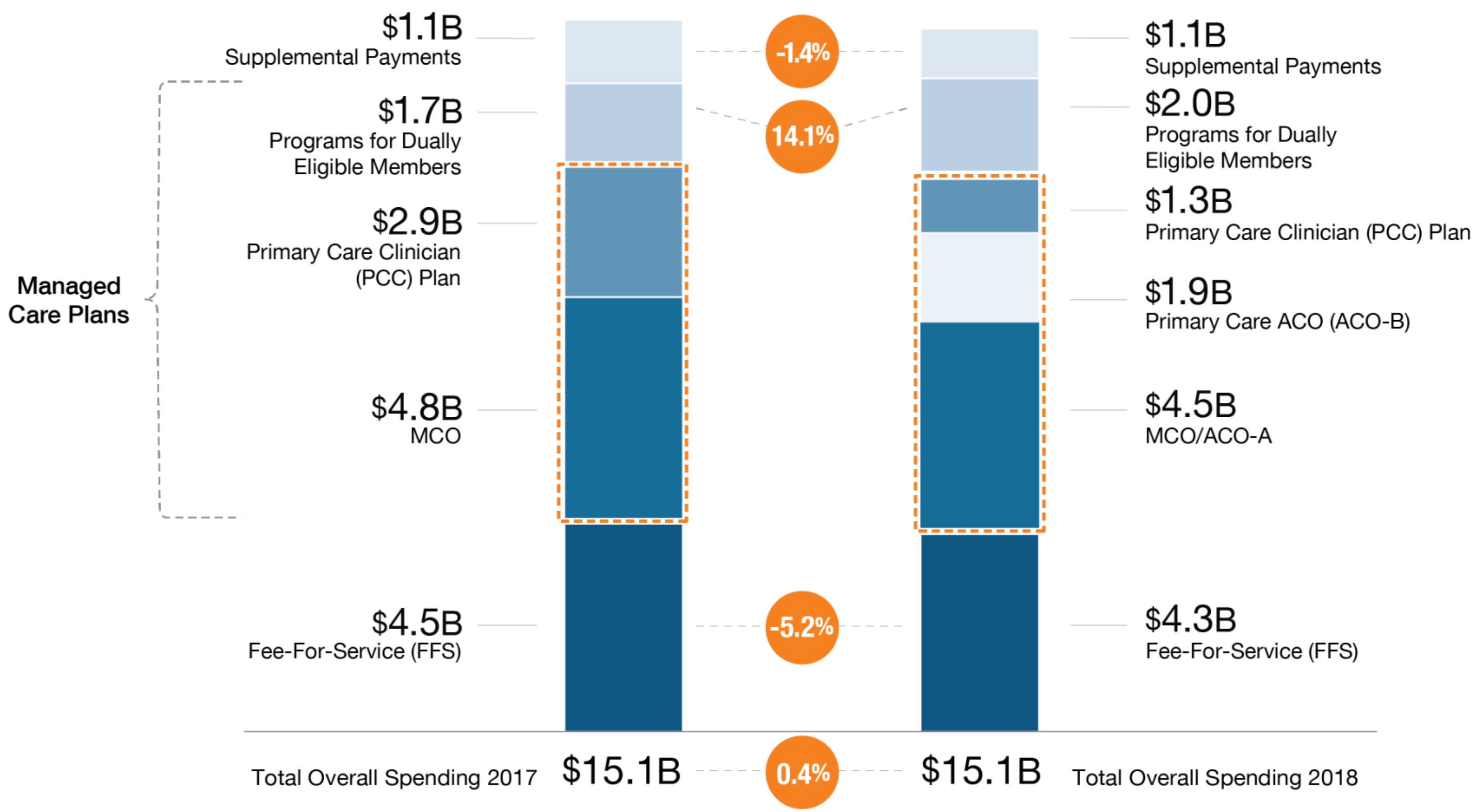
0.4% Expenditures, 2017-2018

-4.4% Members, 2017-2018

For more information, see page 14 of CHIA's *Annual Report*

MassHealth

Spending by Program, 2017-2018



2018 marked a transition year for MassHealth, as members shifted to new accountable care organizations.

For more information, see page 14 of CHIA's *Annual Report*

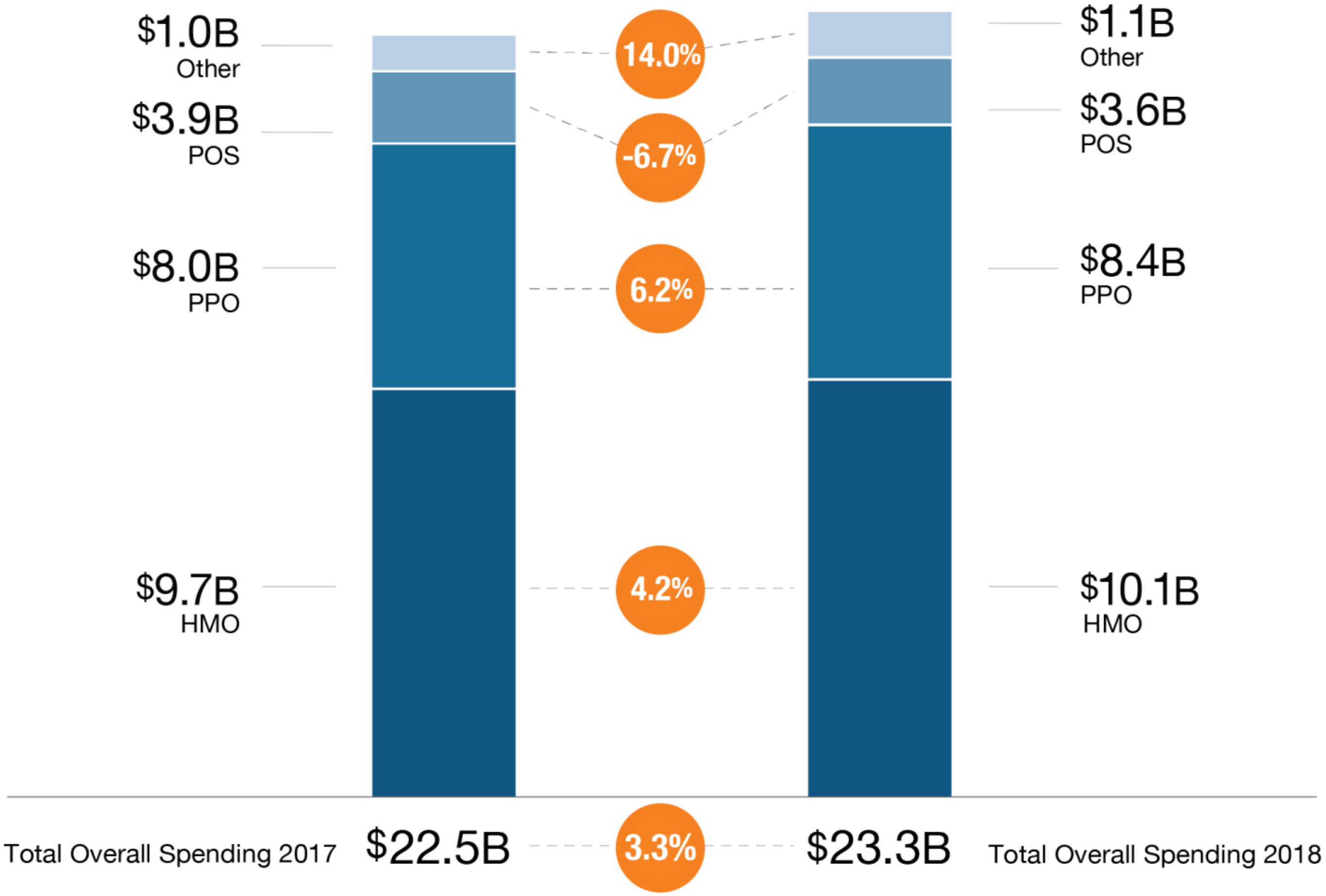
Commercial Insurance

$23.3B	**Expenditures, 2018**
3.3%	**Expenditure, 2017-2018**
-0.6%	**Member Months, 2017- 2018**

For more information, see page 12 of CHIA's *Annual Report*

Commercial Insurance

Spending by Product Type, 2017-2018



Expenditures increased for both HMO and PPO plans, though enrollment trends diverged.

For more information, see page 12 of CHIA's *Annual Report*

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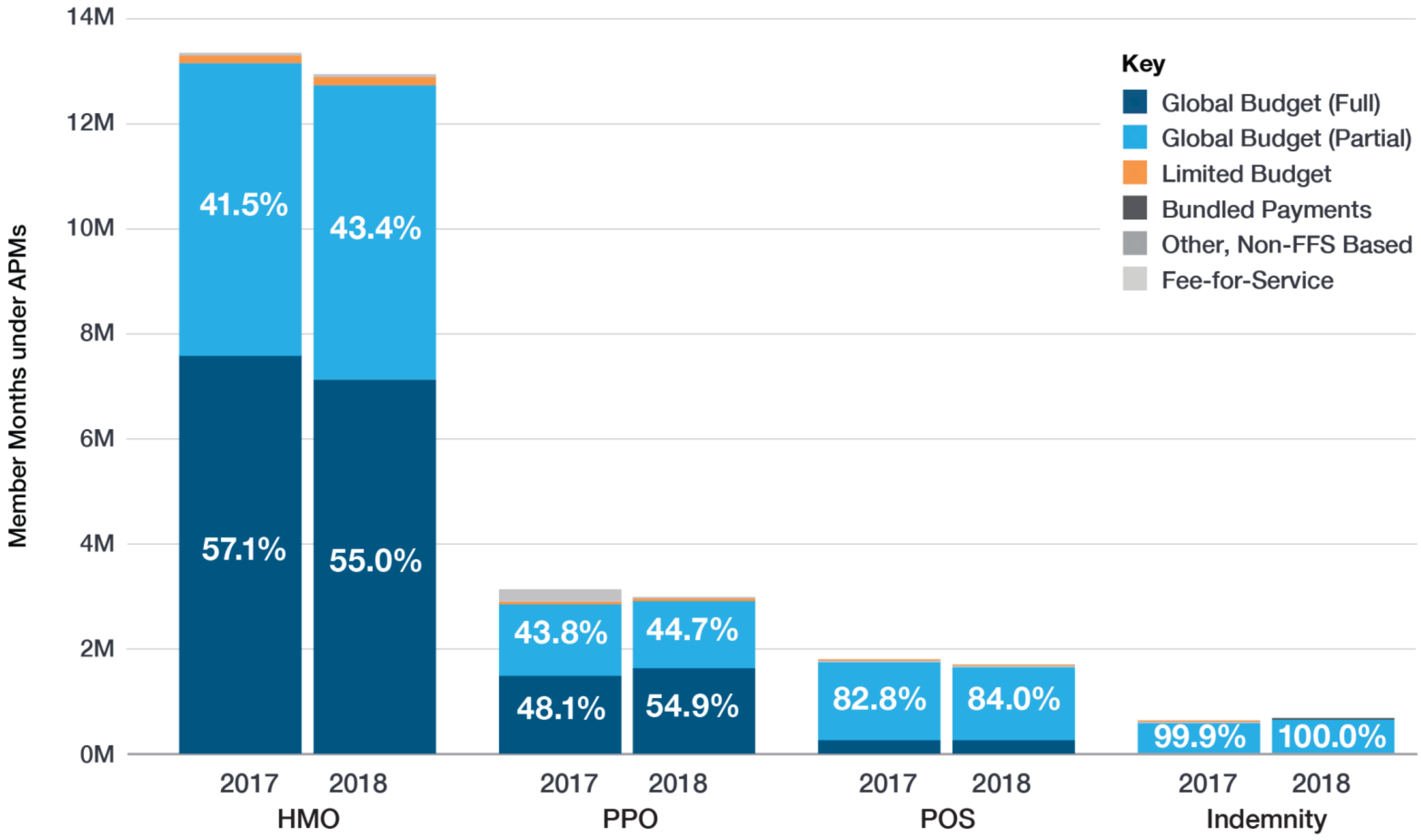
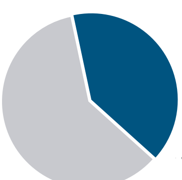
Commercial Insurance

Alternative Payment Methods, 2017-2018



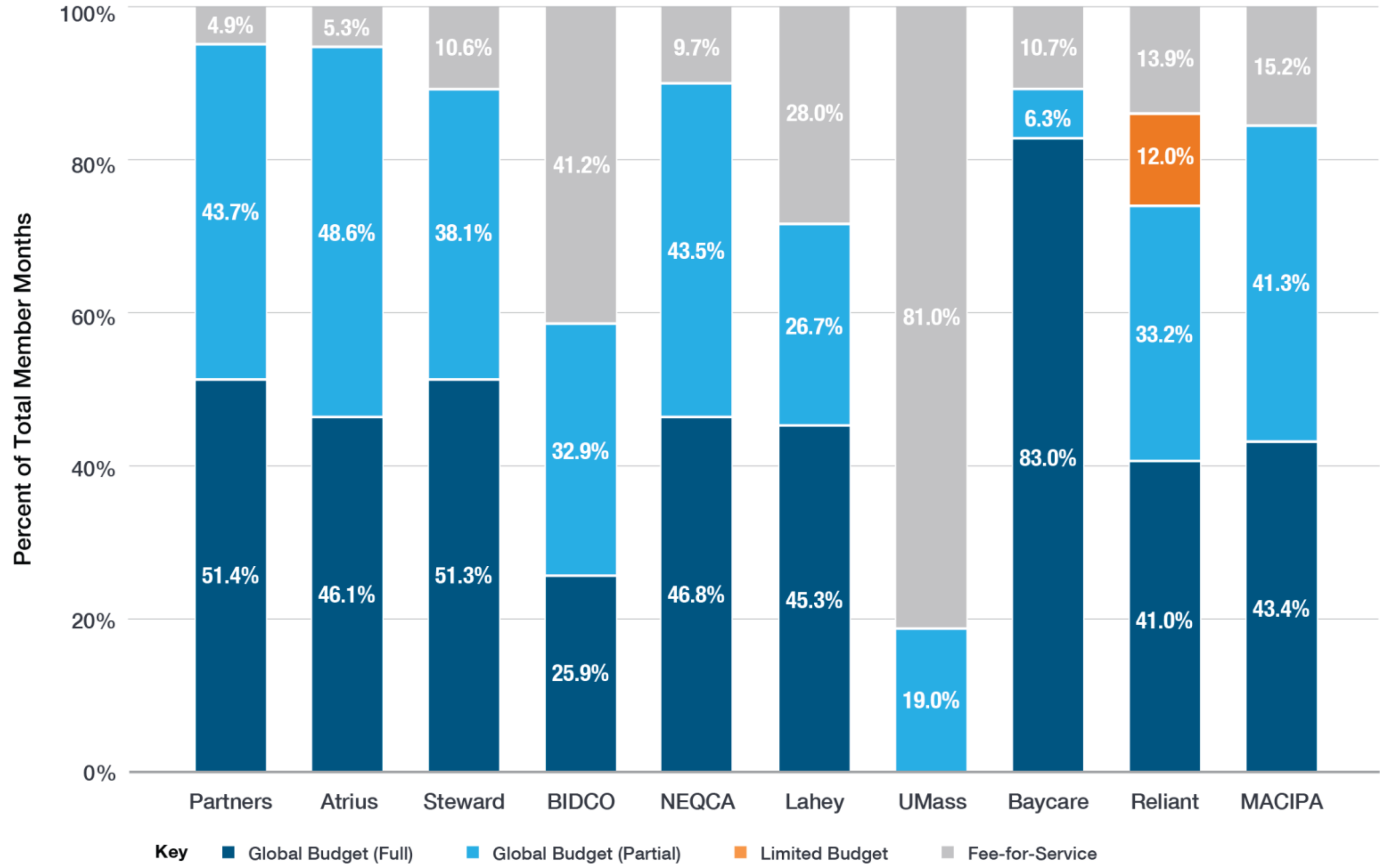


Global budgets inclusive of all services were the predominant APM among HMO and PPO products.

For more information, see page 32 of CHIA's *Annual Report*

Commercial Insurance

Alternative Payment Methods, 2018

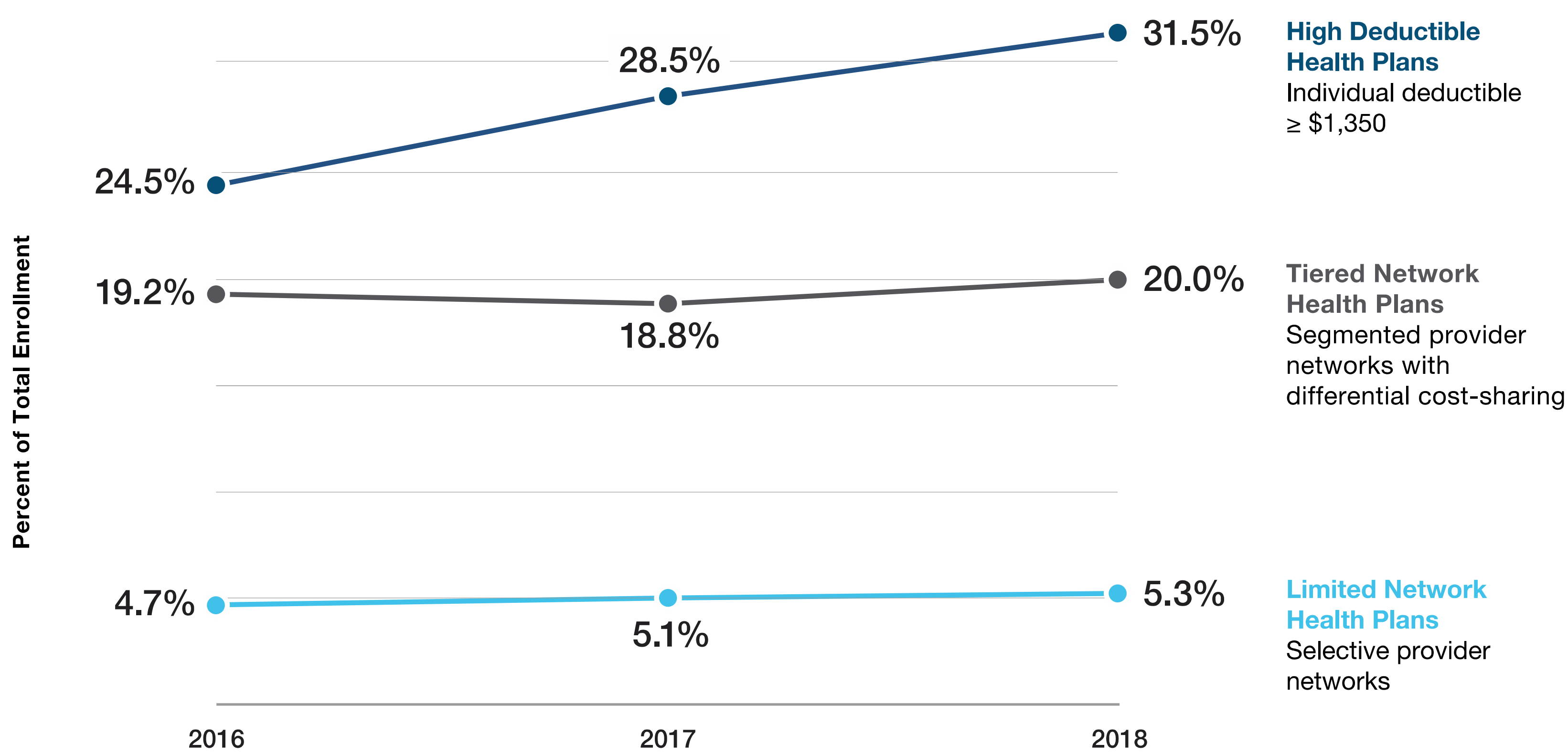


APM adoption varied among the largest provider organizations.

For more information, see page 35 of CHIA's *Annual Report*

Commercial Insurance

Benefit Design, 2016-2018

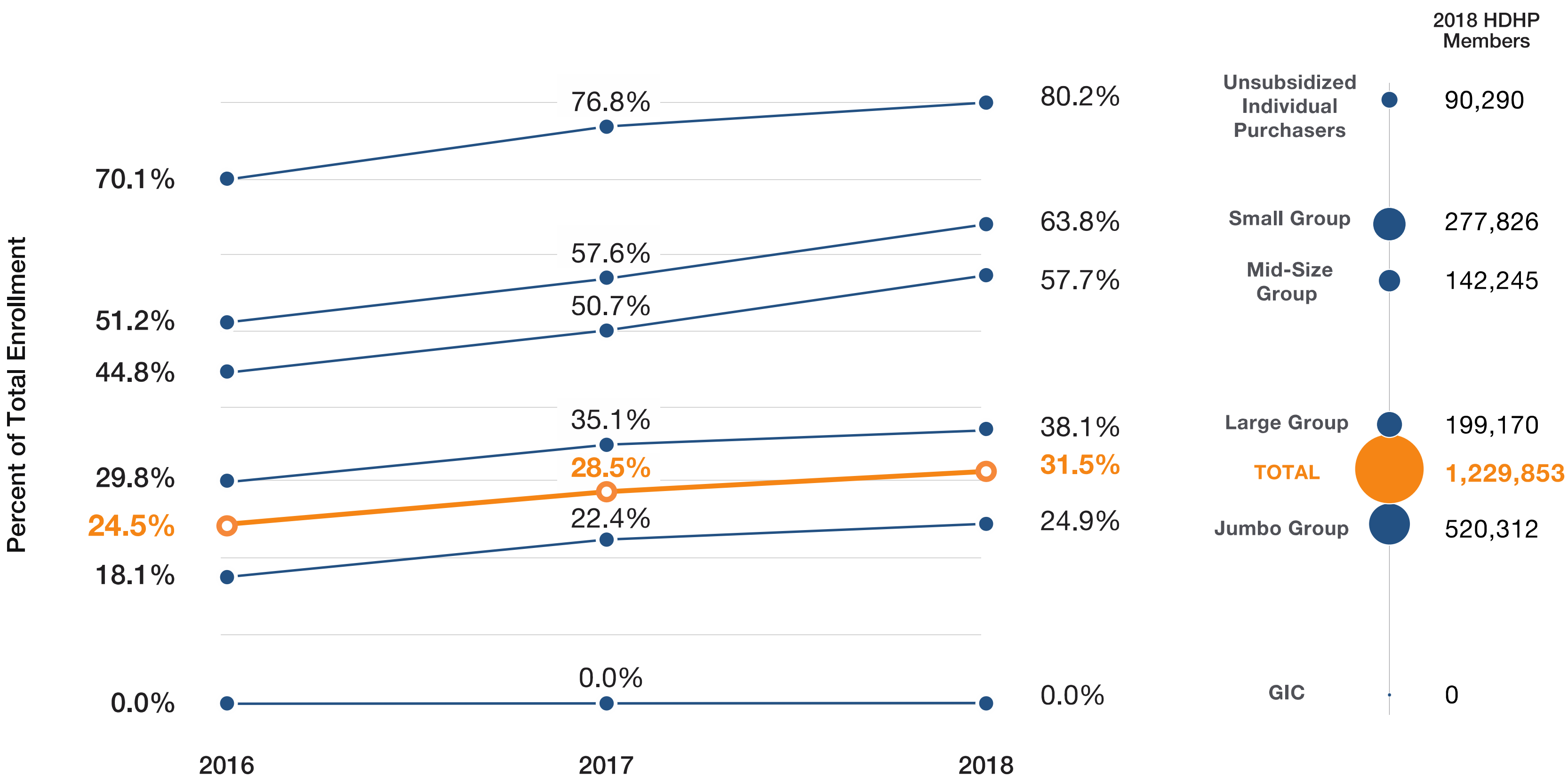


Enrollment in high deductible health plans continued to grow, while adoption of tiered and limited networks held steady.

For more information, see page 48 of CHIA's *Annual Report*

Commercial Insurance

High Deductible Health Plans by Market Sector, 2016-2018

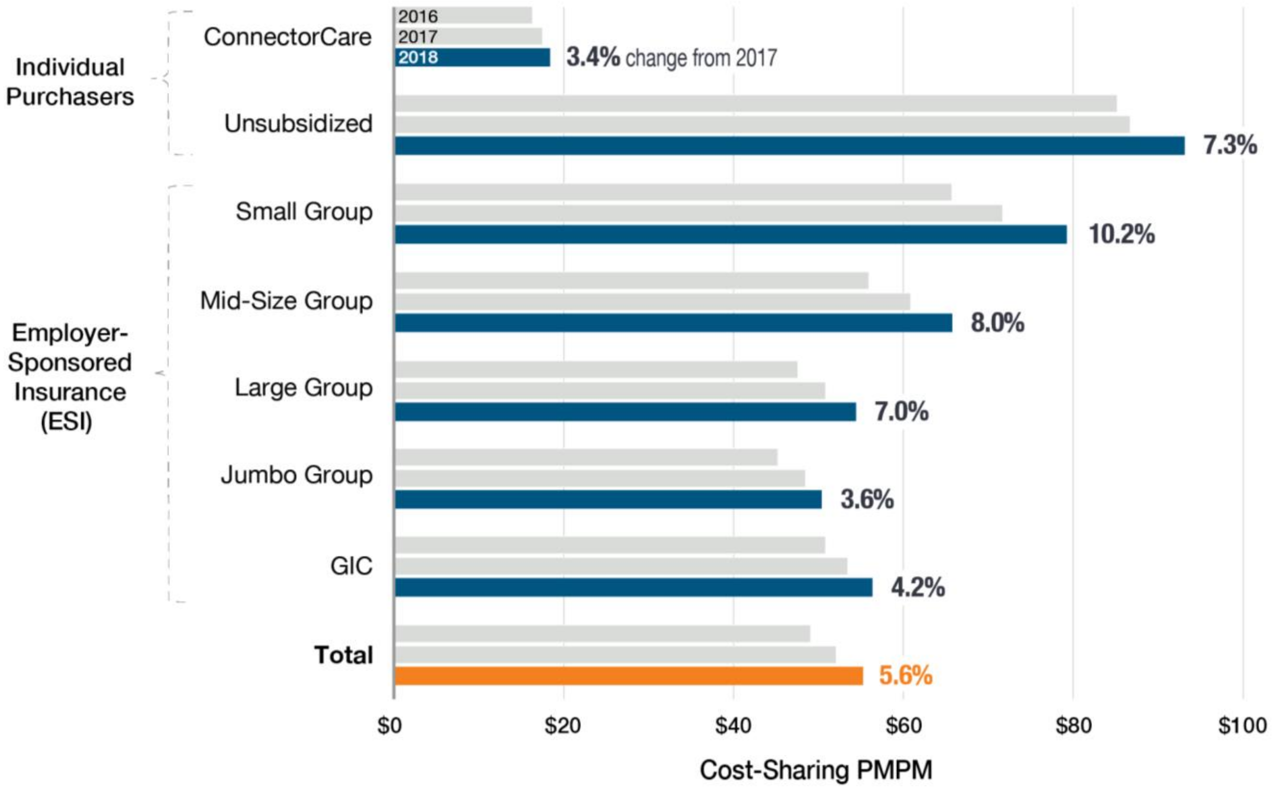


Nearly two-thirds of small group members and 80% of unsubsidized individuals were enrolled in high deductible health plans in 2018.

For more information, see page 49 of CHIA's *Annual Report*

Commercial Insurance

Cost-Sharing by Market Sector, 2016-2018



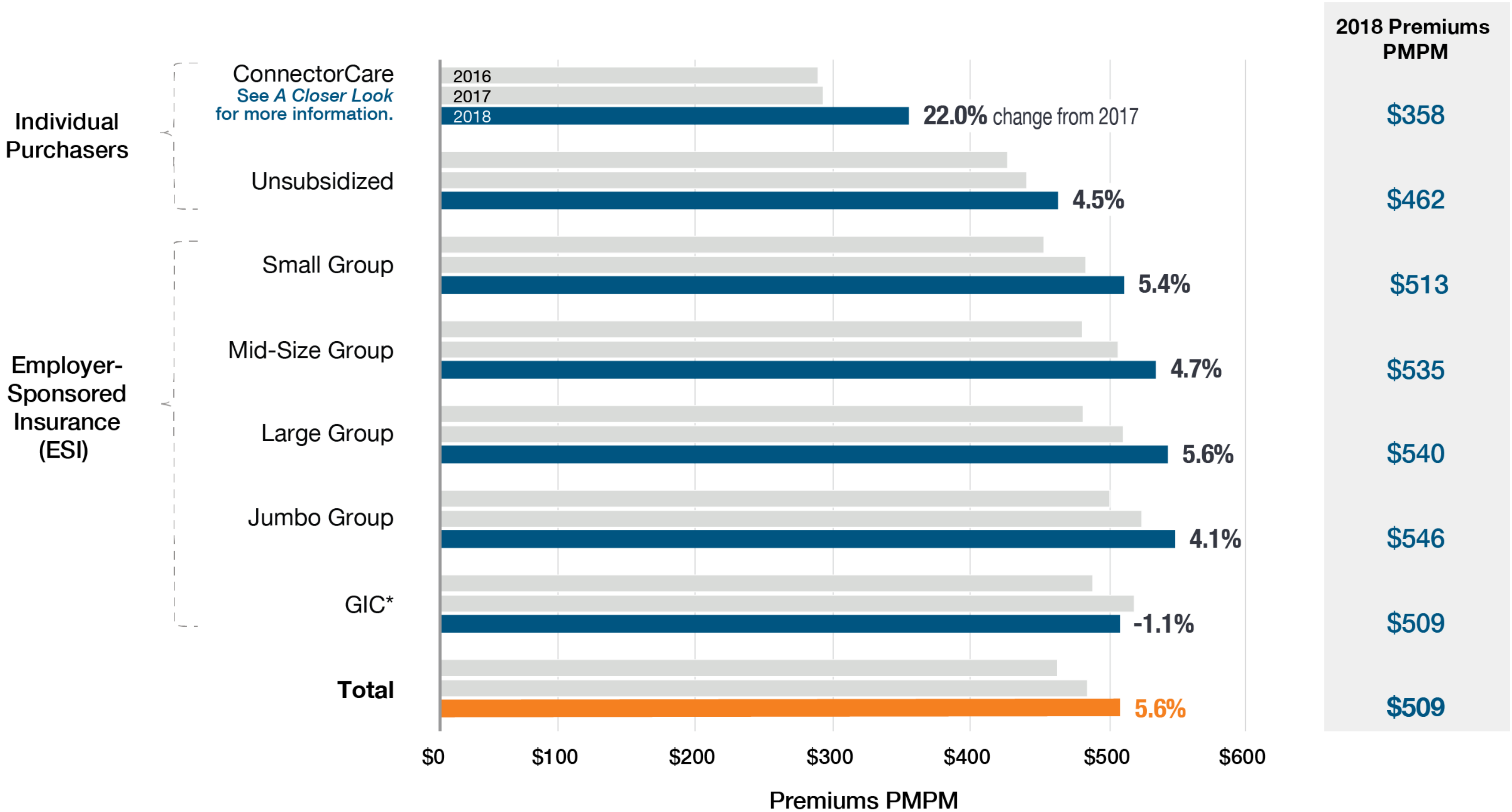
2018 Member Cost-Sharing	
PMPM	PMPY
$18	$218
$93	$1,115
$79	$950
$65	$784
$54	$649
$50	$598
$55	$664
$55	$658

Member cost-sharing was higher among unsubsidized individuals and members covered by smaller employers.

For more information, see page 67 of CHIA's *Annual Report*

Commercial Insurance

Fully-Insured Premiums by Market Sector, 2016-2018

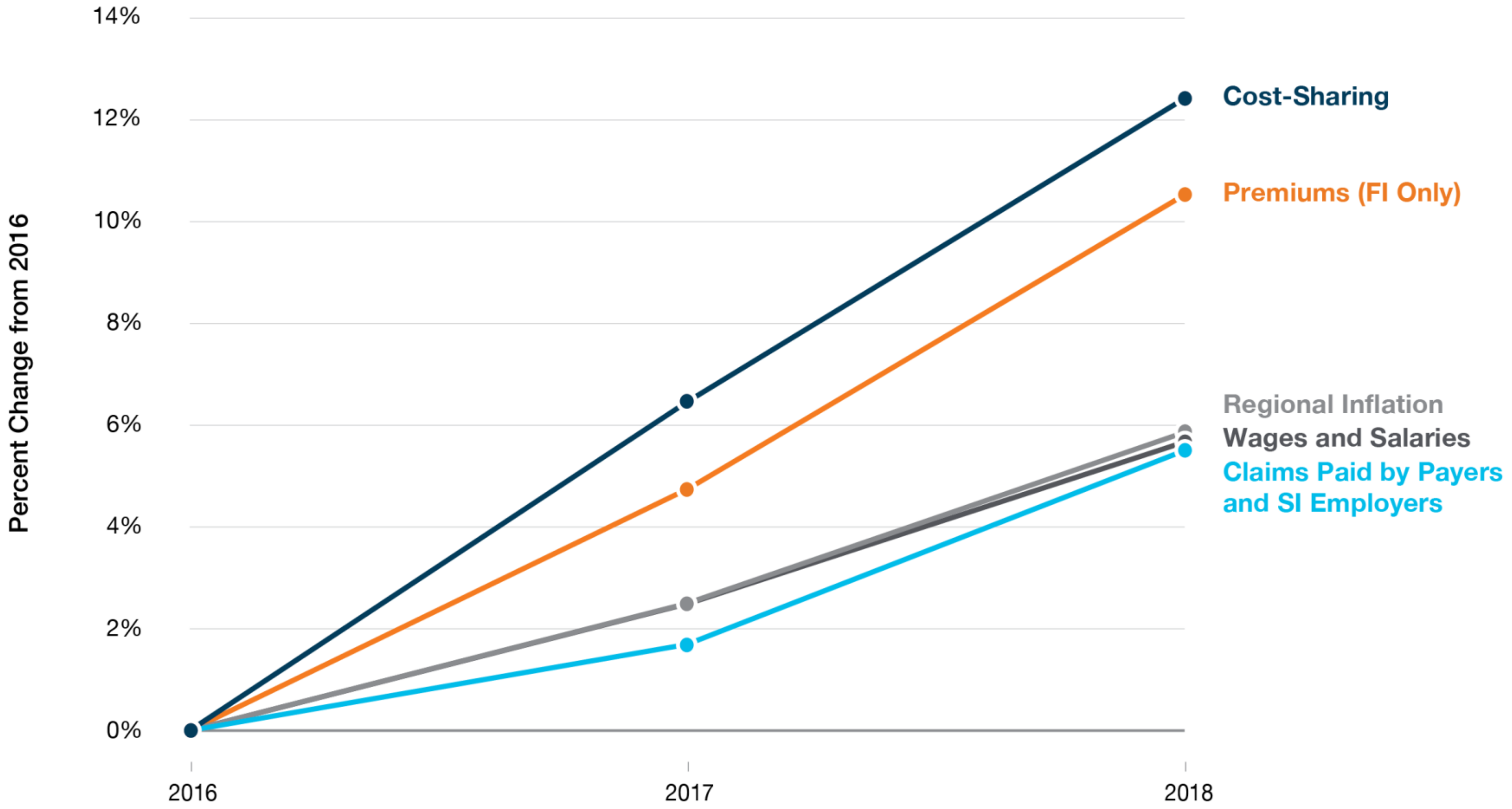


Fully-insured premiums increased 5.6% to $509 PMPM in 2018. Members covered through larger employers had higher premiums.

For more information, see page 53 of CHIA's *Annual Report*

Commercial Insurance

Affordability Trends, 2016-2018

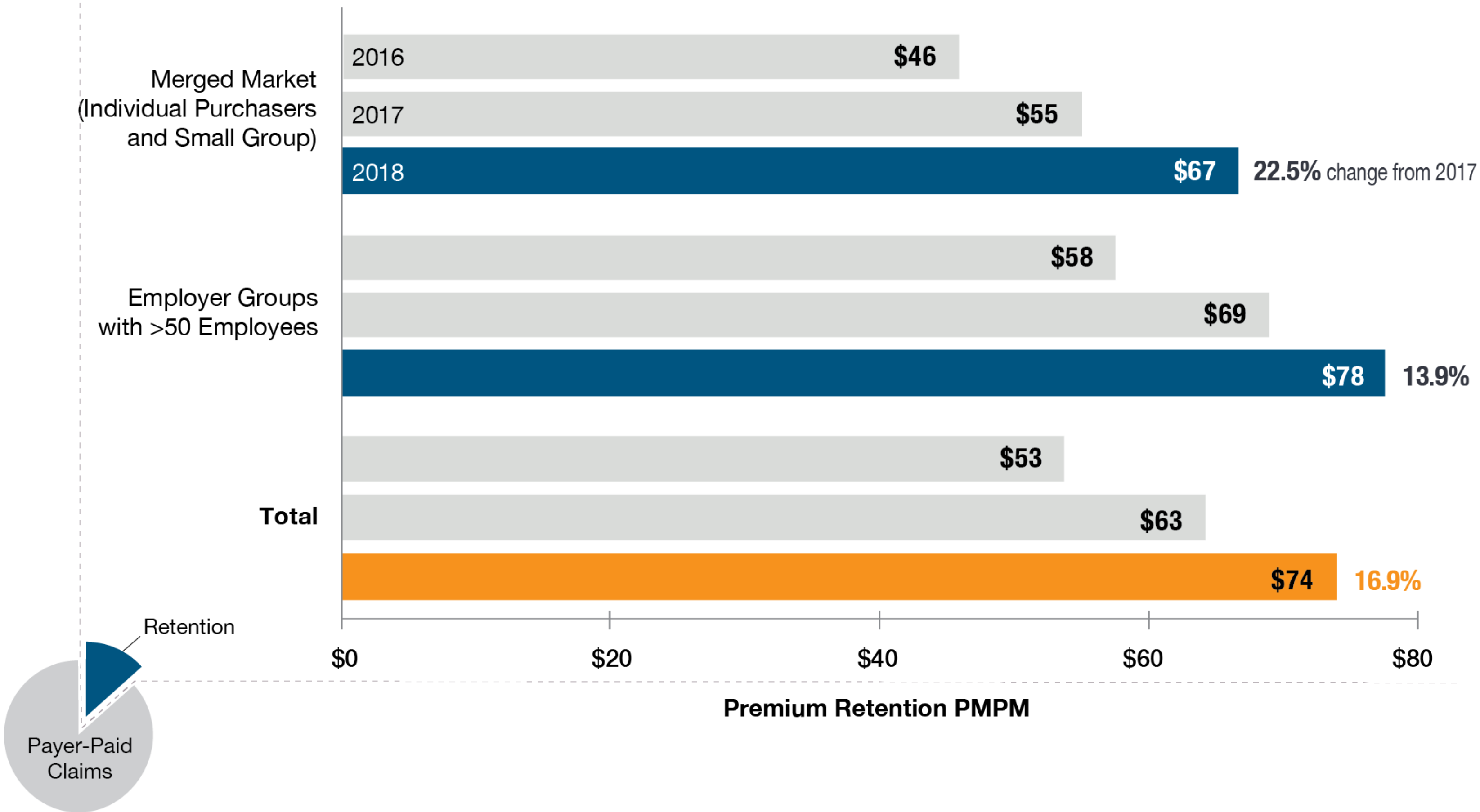


Member cost-sharing and premiums increased at a faster rate than wages and inflation between 2016 and 2018.

For more information, see page 49 of CHIA's *Annual Report*

Commercial Insurance

Fully-Insured Premium Retention by Market Segment, 2016-2018



For the second year in a row, premium retention grew rapidly for both merged market and larger employer plans in 2018.

For more information, see page 78 of CHIA's *Annual Report*

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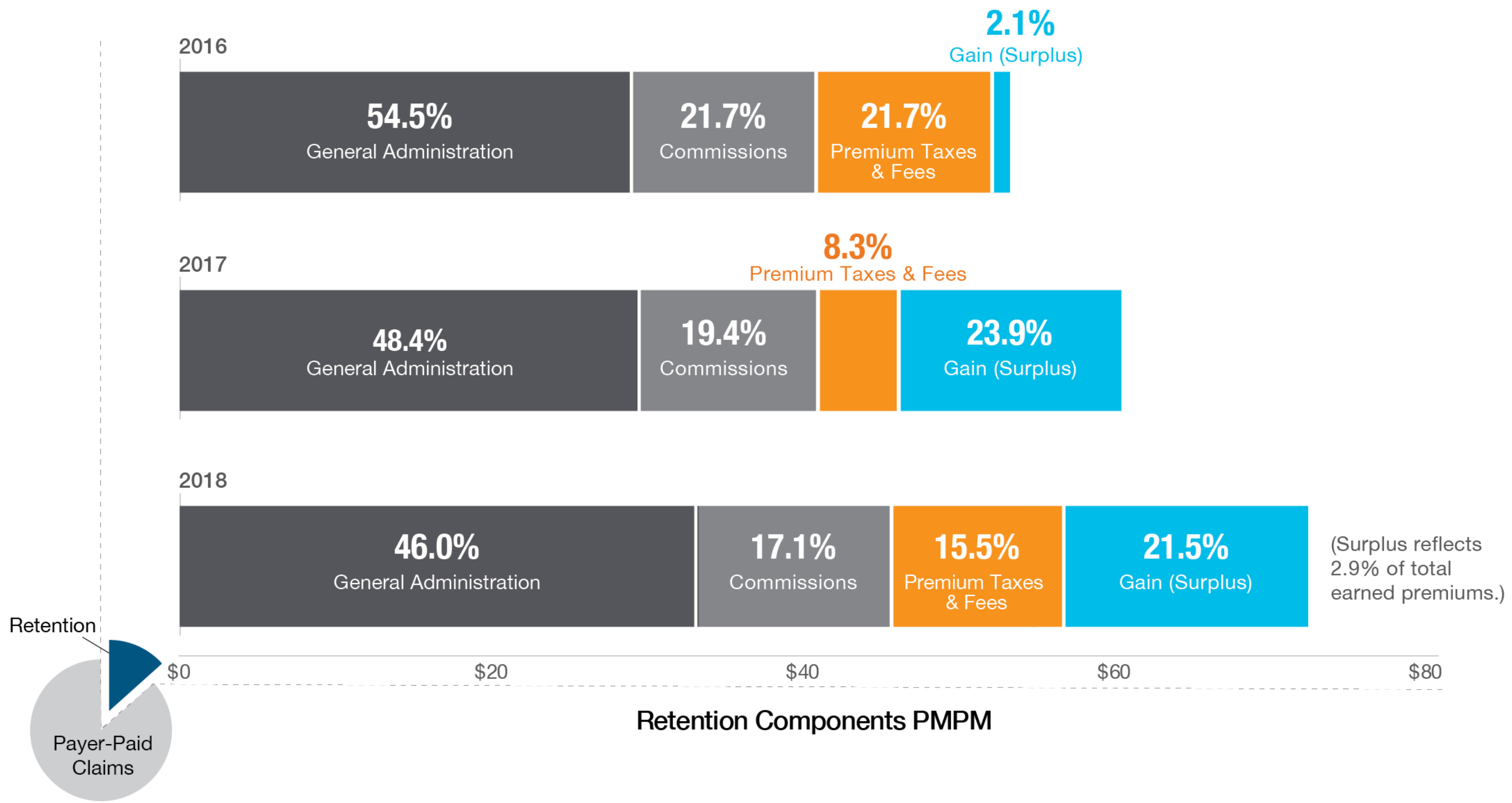
Commercial Insurance

Components of Premium Retention (>50 Employees), 2016-2018



Payers reported more than one-fifth (21.5%) of premium retention as surplus in 2018. This gain represented 2.9% of total earned premiums.

For more information, see page 78 of CHIA's *Annual Report*

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