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CHIA Releases Annual Report on Massachusetts Health Care System Performance

BOSTON – The Center for Health Information and Analysis (CHIA) today released its [Annual Report on the Performance of the Massachusetts Health Care System](#). The report examines trends in costs, utilization, coverage, and quality indicators to inform policymaking. This report focuses on data through 2022, a period following two years of unprecedented volatility in the health care system due to the COVID-19 pandemic.

In 2022, Massachusetts total health care expenditures (THCE) increased to \$71.7 billion. From 2021 to 2022, THCE per capita increased by 5.8%, exceeding the 3.1% health care cost growth benchmark. Apart from the anomalous spending growth in 2021 driven by the pronounced effects of the pandemic, the 5.8% growth rate in 2022 represents the highest one-year growth trend since measurement began in 2012.

Consistent with past years, the report also includes information related to provider financials and utilization, health insurance enrollment trends, and an in-depth look at spending on behavioral health, telehealth, and COVID-19 related services. New to this year's report is a chapter on health care affordability that combines metrics across multiple CHIA data sources to present a more complete, consumer-centric picture of rising health care costs and its downstream implications, as well as a section and [interactive dashboard](#) that provides comparative insights into how medical spending varies by community demographics.

Other key findings include:

- Pharmacy and non-claims payments were the largest contributors to the THCE increase in 2022. The nonclaims growth was primarily driven by \$621.5 million in new COVID-related supplemental payments that MassHealth made to support the financial stability of eligible providers pursuant to state and federal legislation.
- Between 2020 and 2022, member cost-sharing, premiums, and claims covered by payers and employers increased faster than regional inflation and wages and salaries.

- Commercial enrollment in high deductible health plans (HDHPs) grew to 42.4% of members in 2022, continuing a growth trend that has more than doubled over the last 10 years (in 2014, 19.0% of members were enrolled in HDHPs).
- In 2021, over four in 10 Massachusetts residents reported experiencing health care affordability issues in the past 12 months (41.0%), including more than half of Hispanic residents (54.9%) and Black residents (50.8%).
- Acute hospital average length of stay has steadily increased year-over-year, while inpatient, emergency department, and outpatient observation visits have declined and remain lower than pre-pandemic volumes.
- The statewide acute hospital median total margin decreased by 9.2 percentage points, from 5.0% in HFY 2021 to -4.2% in HFY 2022; this was followed by an increase to a statewide median total margin of 1.6% in HFY 2023, as of data reported through June 30, 2023.
- In 2022, behavioral health spending represented 7.4% of private commercial health expenditures, 16.2% for MassHealth, and 3.1% for Medicare Advantage, with a majority of behavioral health spending for mental health services.

“Each year CHIA’s Annual Report provides a comprehensive examination of the Massachusetts health care system and plays an important role in our state’s broader cost containment framework centered on transparency and accountability,” said Lauren Peters, Executive Director of CHIA. “While this year’s report must be viewed in the context of the pandemic and its residual impact, the report reveals unsustainable growth trends, and reinforces the need to address the persistent cost drivers in the system.”

CHIA publishes its annual report pursuant to MGL Chapter 12C. The findings of this report will inform the Health Policy Commission's hearing to determine the 2025 Health Care Cost Growth Benchmark, scheduled for March 14. For more information on this report, please visit www.chiamass.gov/annual-report/.

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The Center for Health Information and Analysis (CHIA) is an independent state agency charged with monitoring the performance of the Massachusetts health care system. CHIA's mission is to be the agency of record for Massachusetts health care information, to responsibly steward sensitive and confidential data, and to objectively report reliable and meaningful information about the quality, affordability, utilization, access, and outcomes of the Massachusetts health care system.