

# Average Commercial Member Cost-Sharing Level



Time Period/Data Year(s): CY2011 – CY2017

Governing Legislation: M.G.L. c. 12C, section 10; Regulation 957 CMR 10.00

<p><b>Description</b></p>	<p>CHIA’s Cost-Sharing statistic measures average cost-sharing—the sum of deductible, copays, and coinsurance—for all covered health care services received by members of private commercial health plans in Massachusetts. Expressed on a per member per month (PMPM) basis, cost-sharing is calculated by subtracting incurred amounts and cost-sharing reduction subsidies, where applicable, from allowed amounts and dividing by total member months.</p> <p>Cost sharing does not account for any employer or employee saving plan reimbursements (e.g., HRAs, HSAs).</p>
<p><b>Frequency</b></p>	<p>Member cost-sharing data is collected as part of the Annual Premiums Data Request, which is released each February, with data submissions requested by mid-/late-May.</p>
<p><b>Statutory Definition</b></p>	<p>CHIA is directed by M.G.L. c. 12C, section 10 to report on “changes in the benefit and cost-sharing design of plans.” 957 CMR 10.00 defines Allowed Claims as “[t]he total cost of claims after the provider or network discount, if any,” including “medical claims, drug claims, capitation payments, and all other payments to providers, including those paid outside of the claims system” and Incurred Claims (cost-of-claims) as “[t]he total cost of claims, after the provider/network discount (if any) and after member cost sharing,” including “medical claims, drug claims, and capitation payments, and all other payments to providers including those paid outside of the claims system.”</p>
<p><b>Data Submitters</b></p>	<p>Under 957 CMR 10.00, “[a] Payer is subject to the reporting requirements in 957 CMR 10.00 if the Payer, including Affiliated Payers, had at least 50,000 Massachusetts Private Commercial Plan members for the latest quarter as reported in the Center’s most recently published Enrollment Trends report as of February 1<sup>st</sup> of the Reporting Year and posted on the Center’s website. If a Payer is subject to the reporting requirements of 957 CMR 10.00, it shall file the required data for all of its Private Commercial Plans, clients, and Affiliated Payers.”</p>
<p><b>Data Included</b></p>	<p>Payers submit aggregate data for their primary, medical, and commercial Massachusetts contract-membership for the previous three calendar years. Submitted data falls into two categories: membership and financial, as outlined below.</p> <p><b>Membership:</b> Contract-member months by funding type (fully-/self-insured), market sector (employer size), product type (HMO/PPO/POS)*, benefit design (High Deductible Health Plan/Limited Networks/Tiered Networks), and demographics (age, gender, and region).</p> <p><b>Financial:</b> Premiums, Medical Loss Ratio (MLR) Rebates, Allowed Claims, Incurred Claims, self-insured Administrative Service Fees, ACA/Health Connector Subsidy Amounts including Cost-Sharing Reductions, and “3R” Amounts by all membership breakouts.</p> <p>When combined, submitted member months, allowed claims, incurred claims, and cost-sharing reduction subsidy data allow CHIA to calculate Massachusetts’ cost-sharing as an average PMPM.</p> <p>* Starting with the 2017 analysis (CY2014-16 data), a POS (Point-of-Service) product type category was added to the data submission manual.</p>

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<p><b>Quality Assurance Process</b></p>	<p>Data submitted as part of the Annual Premiums Data Request undergoes a quality assurance and verification process:</p> <p>Along with CHIA’s actuary, CHIA runs internal and external validity checks on all payer-submitted data. Internal validity checks are run on payer-submitted data for point-in-time and trend consistency and reasonableness. External checks are also run, comparing payer-submitted data against other payer-submitted state and federal reports, including the Supplemental Health Care Exhibit, the Division of Insurance Medical Loss Ratio Reporting Form, and the CCIO Medical Loss Ratio Reporting Form. Where discrepancies are found and confirmed, CHIA requests revised data submissions from payers.</p>
<p><b>Reports</b></p>	<p>Cost-sharing data are profiled in CHIA’s</p> <ul style="list-style-type: none"> <li>• <a href="#">Annual Report on the Performance of the Massachusetts Health Care System</a> (Released each August/September)</li> </ul> <p>Reports include databooks, chartpacks, and technical appendices.</p>
<p><b>Data Notes</b></p>	<p>Important notes about data received from the Annual Premiums Data Request:</p> <ul style="list-style-type: none"> <li>• Massachusetts contract-membership includes non-Massachusetts residents.</li> <li>• Starting with the 2015 analysis (CY2012-14 data), average cost-sharing was scaled to account for the “percent of benefits not carved out” (e.g., pharmacy or behavioral health). Previous reported data was not scaled.</li> <li>• Starting with the 2017 analysis (CY2014-16 data), ACA/Health Connector Subsidy Amounts such as federal and state CSR and Advanced Premium Tax Credit amounts were collected separately for individual purchasers whose plans included these subsidies.</li> <li>• An expanded analytic dataset, including enrollment and financial data not profiled in the 2018 <i>Annual Report</i>, is available on CHIA’s <a href="#">website</a>.</li> </ul> <p>Each year’s premium’s submissions include slight methodological refinements and the addition of several payers. See relevant technical appendices.</p>
<p><b>How to Obtain Data</b></p>	<p>Most aggregate data from the Annual Premiums Data Request is published each year in databooks/datasets on CHIA’s <a href="#">website</a> concurrently with the reports noted above.</p>
<p><b>Related CHIA Measures</b></p>	<p>CHIA’s average Cost-Sharing statistic measures the actual dollar amounts paid by members, while CHIA’s Health Insurance Benefit Level statistic measures the percentage of claims dollars that payers cover.</p> <p><a href="#">Massachusetts Health Insurance Survey</a> also collects and presents information for several cost-sharing measures, including: the percentage of respondents with out-of-pocket health care spending over \$1,000 and over \$3,000 in the previous twelve months, and the percentage of respondents that had difficulty paying medical bills in the previous twelve months.</p>
<p><b>Questions?</b></p>	<p>Questions may be directed to Ashley Storms, Analytic Reporting Manager, at <a href="mailto:ashley.storms@state.ma.us">ashley.storms@state.ma.us</a>.</p>