

# CHIA Standard Statistics: Average Commercial Member Cost-Sharing Level



Time Period/Data Year(s): CY2011 – CY2015

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, co-pays, and co-insurance—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 as the difference between aggregate allowed and incurred claims, divided 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), benefit design (High Deductible Health Plan/Limited Networks/Tiered Networks), and demographics (age, gender, and region).</p> <p><b>Financial:</b> Premiums (incl. Earned Premiums Net of Medical Loss Ratio (MLR) Rebates (fully-insured only)), Allowed Claims, Incurred Claims, and “3R” Amounts by all membership breakouts.</p> <p>When combined, submitted member months, allowed claims, and incurred claims data allow CHIA to calculate Massachusetts’ cost-sharing as an average PMPM.</p>
<p><b>Quality Assurance Process</b></p>	<p>Data submitted as part of the Annual Premiums Data Request undergoes a two-stage quality assurance and verification process:</p> <p>1. Internal &amp; External Validity Checks: 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</p>

# Average Commercial Member Cost-Sharing Level

	<p>federal reports, including the Supplemental Health Care Exhibit, the Massachusetts Annual Comprehensive Financial Statement, and the CCIIO Medical Loss Ratio Reporting Form. Where discrepancies are found and confirmed, CHIA requests revised data submissions from payers.</p> <p>2. PMPM Validation: After a payer’s submission passes CHIA’s internal and external validity checks, CHIA asks payers for final verification of key PMPM figures prior to reporting. (Note: only critical PMPMs are returned to payers for verification—this limits verification to approximately 200 values, compared to the thousands possible.)</p>
<b>Reports</b>	<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> <li>• <a href="#">Performance of the Massachusetts Health Care System Briefing Series</a> (Released each Fall/Winter)</li> </ul> <p>Reports include databooks, chartpacks, and technical appendices.</p>
<b>Data Notes</b>	<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> </ul> <p>Each year’s premium’s submissions include slight methodological refinements and the addition of several payers. See relevant technical appendices.</p>
<b>How to Obtain Data</b>	<p>Most aggregate data from the Annual Premiums Data Request is published each year in databooks on CHIA’s <a href="#">website</a> concurrently with the reports noted above.</p>
<b>Related CHIA Measures</b>	<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 members pay.</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>
<b>Questions?</b>	<p>Questions may be directed to Ashley Storms, Associate Analytic Reporting Manager, at <a href="mailto:ashley.storms@state.ma.us">ashley.storms@state.ma.us</a>.</p>