

# CHIA Standard Statistics: Total Medical Expenses



Time Period/Data Year(s): CY2009-CY2016

Governing Legislation: M.G.L. c. 12C, section 10; Regulation 957 CMR 2.00

<b>Description</b>	Total Medical Expenses (TME) measures the medical expenditures for health care services delivered to members covered by commercial or public health insurance, expressed on a per member per month basis. TME represents the full amount paid to providers, including both payments from health plans and member cost-sharing payments. TME also includes all non-claims related payments to providers, such as provider performance payments.
<b>Frequency</b>	Annual - collected May 1 of each year for the previous calendar year and the calendar year ending 17 months prior.
<b>Statutory Definition</b>	Health Status Adjusted TME is the “total cost of care for the patient population associated with a provider group based on allowed claims for all categories of medical expenses and all non-claims related payments to providers, adjusted by health status, and expressed on a per member per month basis, as calculated under section 8 of chapter 12C.”
<b>Data Submitters</b>	The ten largest payers in the Massachusetts commercial health insurance market, commercial payers offering Medicare Advantage plans, MassHealth Managed Care Organizations, ConnectorCare (formerly Commonwealth Care) plans, and MassHealth Primary Care Clinician Plan.
<b>Data Included</b>	<p>Two file types: 1) zip code-level and 2) managing physician group-level</p> <p>1) For each zip code, payers report by insurance category and product type:</p> <ul style="list-style-type: none"> <li>• Member months</li> <li>• Claims payments</li> <li>• Non-claims payments</li> <li>• Health status adjustment (HSA) score</li> <li>• Normalized HSA score</li> <li>• Total Payments</li> <li>• Unadjusted TME (per-member per month)</li> <li>• Health Status Adjusted TME (PMPM)</li> </ul> <p>2) Payers similarly report data for each managing physician group by insurance category.</p>
<b>Quality Assurance Process</b>	<ul style="list-style-type: none"> <li>• Data is reviewed for quality by CHIA staff using a standard quality assurance checklist</li> <li>• Each payer’s data analysis is distributed to the payer for verification that the calculated results match expected results</li> <li>• Data submissions are certified by payer CFO or equivalent</li> <li>• Data submissions and output are reviewed by CHIA’s actuarial consultant</li> <li>• Staff project lead reviews all TME data for quality and accuracy</li> <li>• All publication materials are reviewed by staff analysts, managers, and team director</li> </ul>

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<b>Reports</b>	Published each September as part of CHIA's <a href="#">Annual Report on the Performance of the Massachusetts Health Care System</a> . Products include: report narrative, databooks, chartbooks and a technical appendix.
<b>Data Notes</b>	<ul style="list-style-type: none"><li>• Health Status Adjusted (HSA) TME is calculated using a payer-reported health status adjustment score that measures a member's illness burden and predicted resource use based on differences in member characteristics, aggregated to the zip code and physician group levels.</li><li>• In order to report preliminary TME that is comparable to the previous year's TME data, payers apply completion factors, which include payer estimates for the cost of services that have been incurred but not reported (IBNR) by service category. As such, the final TME of a given year reported by payers could differ from the preliminary TME that was submitted a year earlier.</li><li>• Final TME includes at least 14 months of claims run out and finalized performance payment settlements.</li><li>• TME data is only reported at the local practice group level if that group meets a membership threshold of 36,000 member months.</li><li>• Zip code TME is calculated based on a member's residence rather than where service was received.</li></ul>
<b>How to Obtain Data</b>	Current and historical TME databooks are available on CHIA's <a href="#">website</a> .
<b>Related CHIA Measures</b>	TME is a component of Total Health Care Expenditures ( <a href="#">THCE</a> ).
<b>Questions?</b>	Questions may be directed to Erin Bonney at <a href="mailto:erin.bonney@state.ma.us">erin.bonney@state.ma.us</a> .