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**Total Health Care Expenditures in MA Grew 8.6% in 2023, CHIA Analysis Shows**

**BOSTON** – The Center for Health Information and Analysis (CHIA) today released its latest [Annual Report on the Performance of the Massachusetts Health Care System](#), which examines trends in costs, coverage, utilization, and quality to inform policymaking.

Massachusetts total health care expenditures (THCE) totaled \$78.1 billion in 2023, an 8.6 percent increase per capita from 2022 that was more than double the 3.6 percent health care cost growth benchmark. This increase is the second highest one-year growth trend since measurement began in 2013, slightly below the 9.0 percent growth rate seen in 2021 when there was a sharp rebound in health care spending following the pandemic.

“CHIA’s Annual Report highlights significant trends in the Massachusetts health care system to support the Commonwealth’s cost containment, transparency, and accountability goals,” CHIA Executive Director Lauren Peters said. “For 2023, we are seeing unsustainable cost growth trends persist, putting increasing pressure on residents, employers, and the system as a whole, emphasizing the urgent need for bold and systemic solutions.”

This year’s report primarily focuses on data through 2023, with select hospital utilization and financial measures included through June 2024, where available. Consistent with past years, it also presents results on insurance enrollment and cost trends, access and affordability, provider utilization and financial performance, behavioral health trends, and key quality metrics. Findings from this report will be presented at the Health Policy Commission’s annual Health Care Cost Growth Benchmark Hearing scheduled for 12 p.m. Thursday, March 13, 2025.

Other key findings include:

- From 2022 to 2023, THCE per capita increased 8.6% to \$11,153 per resident.
- Pharmacy spending, along with new MassHealth supplemental payments, drove THCE growth in 2023. Pharmacy spending net of rebates increased by \$1.0 billion (10.0%),

while MassHealth administered \$1.5 billion in new payments to hospitals to support key initiatives in quality and health equity.

- Between 2021 and 2023, premiums (12.1%) and member cost-sharing (12.9%) outpaced growth in Massachusetts wages and salaries (9.7%).
- Among employer groups, member cost-sharing was highest for small and mid-size firms (\$107 and \$86 per member per month, respectively) and increased by more than 10% in 2023, driven by higher enrollment in high-deductible health plans.
- While affordability was a pervasive issue in Massachusetts with 41.3% of residents overall having issues paying for health care, the burden was greater for Hispanic residents (58.2%) and non-Hispanic Black residents (48.7%).
- In HFY 2023, the statewide acute hospital median total margin increased by 6.4 percentage points, from -4.2% to 2.2%, while the statewide median *operating* margin was 0.2% with just over 50% of hospitals (32 of 60 hospitals) reporting a positive operating margin.
- Acute care utilization has moderated since the COVID-19 pandemic, with inpatient discharges and ED visits increasing but still below pre-pandemic levels, and ALOS decreasing but still above pre-pandemic levels as of June 2024.

CHIA publishes its annual report pursuant to MGL Chapter 12C. For more information, visit <https://www.chiamass.gov/annual-report>.

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