

Average Commercial Member Cost-Sharing Level

Time Period/Data Year(s): CY 2011 – CY 2023

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

Description	<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 (including cost-sharing reduction subsidies, where applicable) from allowed amounts and dividing by total member months. Cost-sharing is net of prescription drug rebates.</p> <p>Cost sharing does not account for any employer or employee saving plan reimbursements (e.g., HRAs, HSAs).</p>
Frequency	This data is collected as part of the Annual Premiums Data Request, for which payers submit data each September. Prior to 2020, data was submitted in May of each year.
Statutory Definition	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.”
Data Submitters	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 st 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.”
Data Included	<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>Membership: Contract-member months by funding type (fully-/self-insured), market sector (employer size), product type (HMO/PPO/POS*/Other), benefit design (High-Deductible Health Plan/Limited Networks/Tiered Networks), and demographics (age, gender, and region).</p> <p>Financial: Premiums, Medical Loss Ratio (MLR) Rebates, Allowed Claims, Incurred Claims, ACA/Health Connector Subsidy Amounts including Cost-Sharing Reductions, and ACA premium stabilization program 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>

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	<p>Starting with the 2022 analysis (CY2018-2020 data), Risk Adjustment Transfer Amounts and Rating Factors were removed from the data submission manual.</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>
Quality Assurance Process	<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 CCIIO Medical Loss Ratio Reporting Form. Where discrepancies are found and confirmed, CHIA requests revised data submissions from payers.</p>
Reports	<p>Cost-sharing data are profiled in CHIA's</p> <ul style="list-style-type: none"> <i>Annual Report on the Performance of the Massachusetts Health Care System</i> <p>Reports include databooks/datasets, chartpacks, and technical appendices.</p>
Data Notes	<p>Important notes about data received from the Annual Premiums Data Request:</p> <ul style="list-style-type: none"> Massachusetts contract-membership includes non-Massachusetts residents. In the 2015 analysis (CY2012-14 data) through the 2019 analysis (CY2016-18 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. Starting with the 2021 analysis (CY2017-19 data), average cost-sharing was not scaled. 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. Starting with the 2022 analysis (CY2018-2020 data), the allowed and incurred claims were reported net of pharmacy rebates. If payers indicated that their submitted claims amounts had not already been adjusted for pharmacy rebates, CHIA adjusted submitted claims values using the commercial rebate percentages reported in payers' Prescription Drug Rebate data submissions. Within each payer and year, the same adjustment was applied across all market sectors, funding types, and product types/benefit design types. An expanded analytic dataset, including expanded enrollment and financial data, is available on CHIA's website. <p>Each year's data submissions include slight methodological refinements, and payer inclusion varies from year to year based on data quality. See relevant technical appendices.</p>
How to Obtain Data	<p>Most aggregate data from the Annual Premiums Data Request is published each year in databooks/datasets on CHIA's website concurrently with the reports noted above.</p>

CHIA Standard Statistics:

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Related CHIA Measures	<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>Massachusetts Health Insurance Survey 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>
Questions?	<p>Questions may be directed to Molly Bailey at molly.bailey@chiamass.gov.</p>