

**MASSACHUSETTS DIVISION OF INSURANCE**  
**SUMMARY OF 2015 MEMBERSHIP IN EMPLOYMENT-SPONSORED**  
**SELF-FUNDED HEALTH BENEFIT PLANS<sup>1,2</sup>**

**Employers Using Other Companies<sup>3</sup> to Administer Self-Funded Plans**

- In 2015, 36 Third Party Administrators (TPAs) and insurance carriers reported administering the hospital/medical benefits within self-funded health benefit plans for 995 Massachusetts employers. TPAs reported administered ancillary benefits (for behavioral health care, pharmacy, dental/vision and imaging) for 1,512 Massachusetts employers.

**Claims Processed Under Self-Funded Plans**

- In 2015, the TPAs – including insurance carriers operating as TPAs - reported handling \$14.1 billion in health care claims for persons covered under Massachusetts' self-funded employment-sponsored health plans.
- Insurance carriers and their affiliated TPAs handled \$13.5 billion in health care claims; the TPAs not affiliated with any insurance carrier handled nearly \$577 million in claims.

**Fees Charged for Administering Benefits under Self-Funded Plans**

- In 2015, the TPAs and carriers reported collecting \$943.8 million in fees for administering Massachusetts self-funded health plans and reported spending \$916.0 to administer these accounts.

**Proportion of Self-funded Accounts Covering Massachusetts Mandated Health Benefits**

- Among 30 identified health benefits statutorily mandated to be within insured health benefit plans in 2015, the TPAs reported that 23 of the 30 mandated benefits were covered by at least 90% of the self-funded plans. Each of the other seven mandated benefits was covered in full or in part by at least 78% of the self-funded plans:
  - Autism Spectrum Disorder Treatment –covered in full or part by 80%
  - Early Intervention Services – covered in full or part by 82%
  - Hearing Aids – covered in full or part by 78%
  - Hypodermic Syringes or Needles – covered in full or part by 86%
  - Infertility Treatment – covered in full or part by 84%
  - Low Protein Food Products for Inherited Amino Acid and Organic Acid Diseases – covered in full or part by 78%
  - Non-Prescription Enteral Formulas – covered in full or part by 84%

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<sup>1</sup> The Massachusetts Division of Insurance is required to collect and report the information included in this report to the Massachusetts Legislature annually according to Section 40 of Chapter 288 of the Acts of 2010, according to the parameters identified in 211 CMR 148.00 and 211 CMR 149.00

<sup>2</sup> When employers or unions provide employment-based health benefit coverage to employees and elect to finance the costs of covered health services from their own financial resources - rather than purchasing insured health coverage from health insurance carriers - the coverage is referred to as self-funded employment-sponsored health benefit plans. The information about self-funded plans presented in this report is based upon materials submitted by third-party administrators and otherwise licensed insurance carriers for the self-funded health plans they administer on behalf of employers and unions. The reported figures were reviewed for completeness and consistency but were not audited by the Division of Insurance.

<sup>3</sup> When employers elect to self-fund their employment-based health benefit plans, they may contract with a Third-Party Administrator or an otherwise licensed insurance carrier to administer the benefits for their covered employees.