

**COMMONWEALTH OF MASSACHUSETTS
HEALTH POLICY COMMISSION**



**TECHNICAL APPENDIX B9
DEMAND-SIDE INCENTIVES**

ADDENDUM TO 2014 COST TRENDS REPORT

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1 Summary

Enrollment in tiered and limited network products and high-deductible health plans in Massachusetts for 2010, 2011, 2012, and 2013 is based on commercial payer data submitted to the AGO as part of the September 2014 pre-filed testimony submitted in advance of the October 2014 cost trends hearings. To obtain enrollment estimates, we divided the number of members enrolled in each of these types of plans by total member enrollment.

2 Plan definitions

The data presented are for the fully-insured population only, as that was what was reported in the pre-filed testimony. Adoption of tiered and limited network products and high-deductible health plans is likely higher among self-insured products, but such data was not available for all payers and so is not included in our estimates.

Tiered network products were defined by the payer, so some variation may exist in included product lines (for example, products with hospital tiering versus PCP/specialist tiering only). Blue Cross Blue Shield and Tufts Health Plan did not include commercial Group Insurance Commission (GIC) members in their commercial tiered product enrollment. Aetna includes Designated Provider Organizations (DPO) as part of their tiered network enrollment.

All of GIC plans use tiered networks. The proportion denoted as limited uses limited networks in addition to tiering. Limited networks are typically defined based on the percentage of hospitals within the plan's network. Payers define these differently. Narrow network plans are defined as those in which 35-70% of acute hospitals in the enrollee's region are included in the network and ultra-narrow networks include fewer than 35% of acute care hospitals in-network.

Tufts Health Plan limited network product enrollment does not include enrollment in commercial GIC limited network products.

A high-deductible health plan was defined in the AGO pre-filed testimony questions as any plan in which an individual deductible or copayment of \$1,000 or more may apply to any in-network benefit at any tier level.