



Center for Health Information and Analysis

CHIA Update – Spring 2013

For the Health Policy Commission
Cost Trends and Market Performance Committee

May 28, 2013



FY12 Acute Hospital Financials

Median total margin was healthy:

+2.1%

FY11

+3.8%

FY12

...but \$275 million from the Medicare “Rural
Floor Adjustment”



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CHIA Publication Timeline

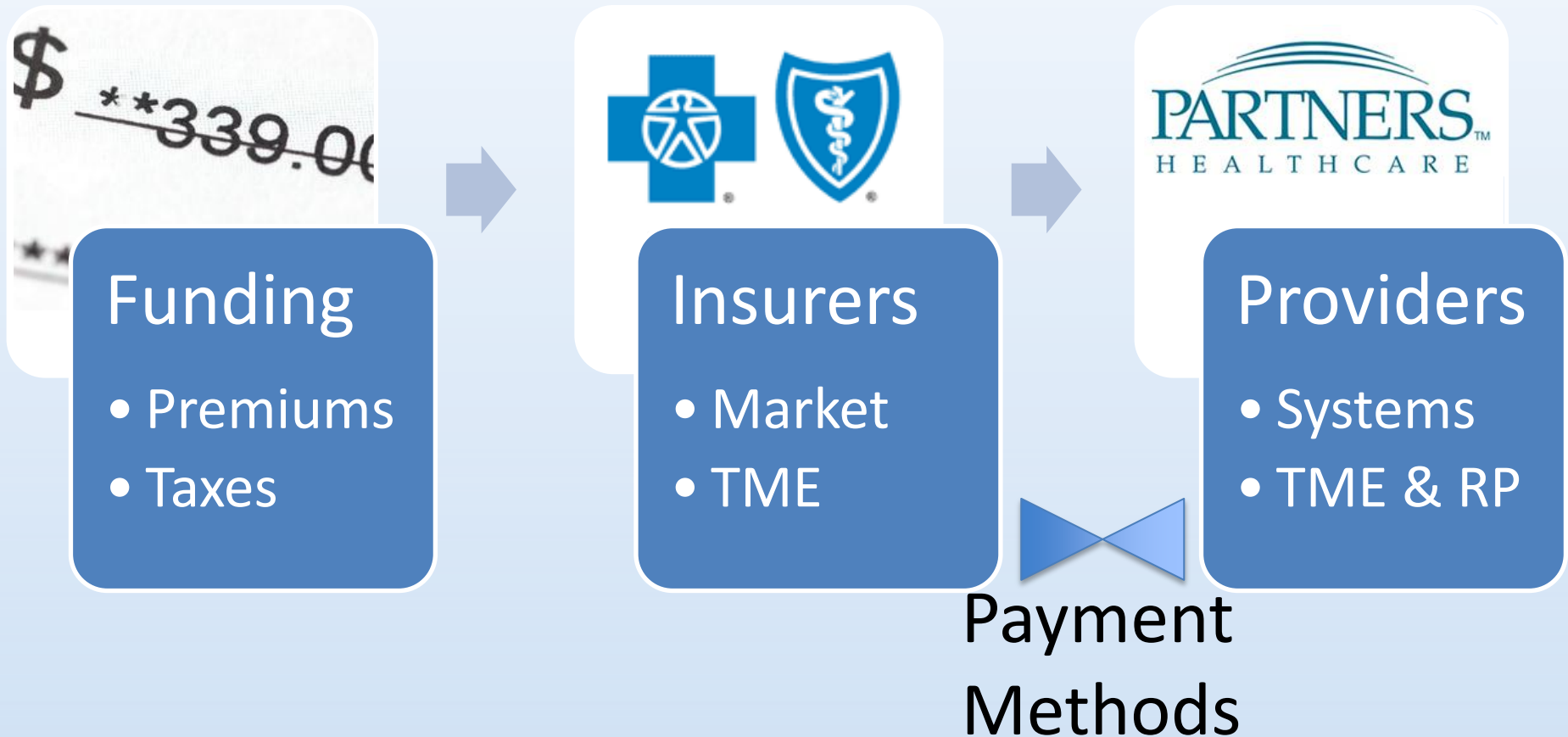
2013
2014

August	CHIA Cost Trends Report
<i>by October 1</i>	<i>HPC Cost Trends Hearings</i>
October-December	CHIA Policy Briefs/Databooks Hospital Profile Report
December	CHIA Draft THCE Calculation Methodology <i>HPC Annual Report</i>
August	CHIA Annual Cost Trends Report Initial 2012-2013 THCE
<i>December</i>	<i>HPC Annual Report</i>



CHIA Cost Trends Report (CT4)

Characterizing the Massachusetts Market





Total Health Care Expenditures (THCE)

total medical expenses, public and private
(as included in the health status adjusted TME)

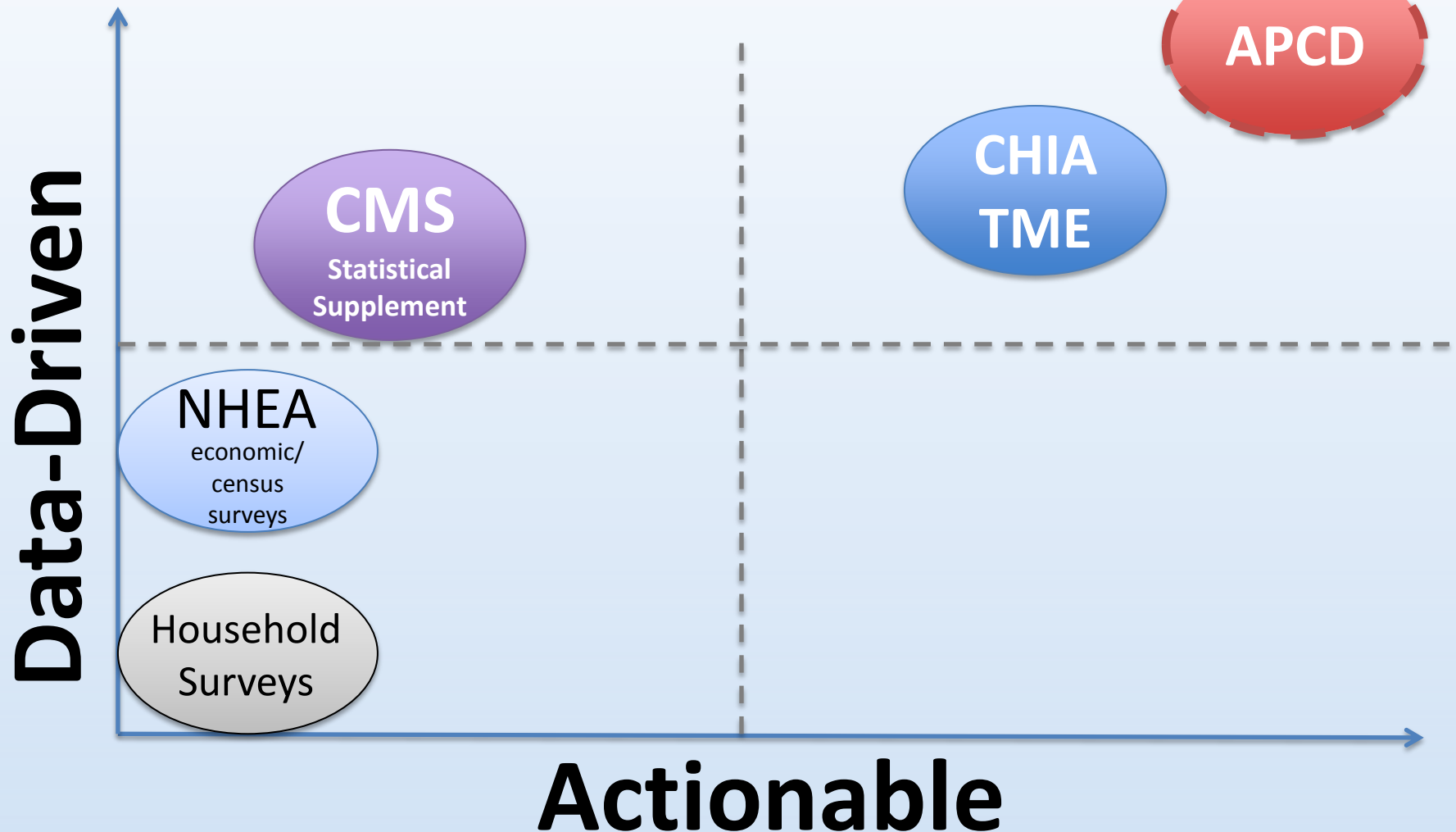
+ patient cost sharing

+ net cost of private health insurance

Massachusetts population



THCE Data Sources





CHIA THCE/Benchmark Publication Timeline

CHIA December 2013	Draft Calculation Methodology	
CHIA Annual Cost Trends Report August 2014	Preliminary 2013 Benchmark 2012 Final TME (available 5/2014) 2013 Prelim. TME (avail. 5/2014)	
CHIA Annual Cost Trends Report August 2015	Final 2013 Benchmark 2012 APCD (available 12/2013) 2013 APCD (available 12/2014)	Preliminary 2014 Benchmark 2013 Final TME (available in 5/2015) 2014 Prelim. TME (avail. 5/2015)
CHIA Annual Cost Trends Report August 2016		Final 2014 Benchmark 2013 APCD (available in 12/2014) 2014 APCD (available in 12/2015)

What is TME?



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TME is defined in Chapter 288 of the Acts of 2010 as:

(i) **allowed claims** for all categories of medical expenses,

includes member cost sharing

(ii) **non-claims related payments to providers;**

(iii) adjusting by health status.

TME is expressed on a per member per month basis.

TME Structure



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TME is collected at the member zip-code level and managing physician group level.

Member zip code level:

Zip Code	Member Months	Health Status Adjustment Score	Claims						Non-Claims: Total Expense
			Hospital Inpatient	Hospital Outpatient	Professional: Physician	Professional: Other	Rx	Other	

Managing physician group level:

Member Months	Health Status Adjustment Score	Claims						Non-Claims			
		Hospital Inpatient	Hospital Outpatient	Professional: Physician	Professional: Other	Rx	Other	Incentive Programs	Risk Settlements	Care Management	Other