



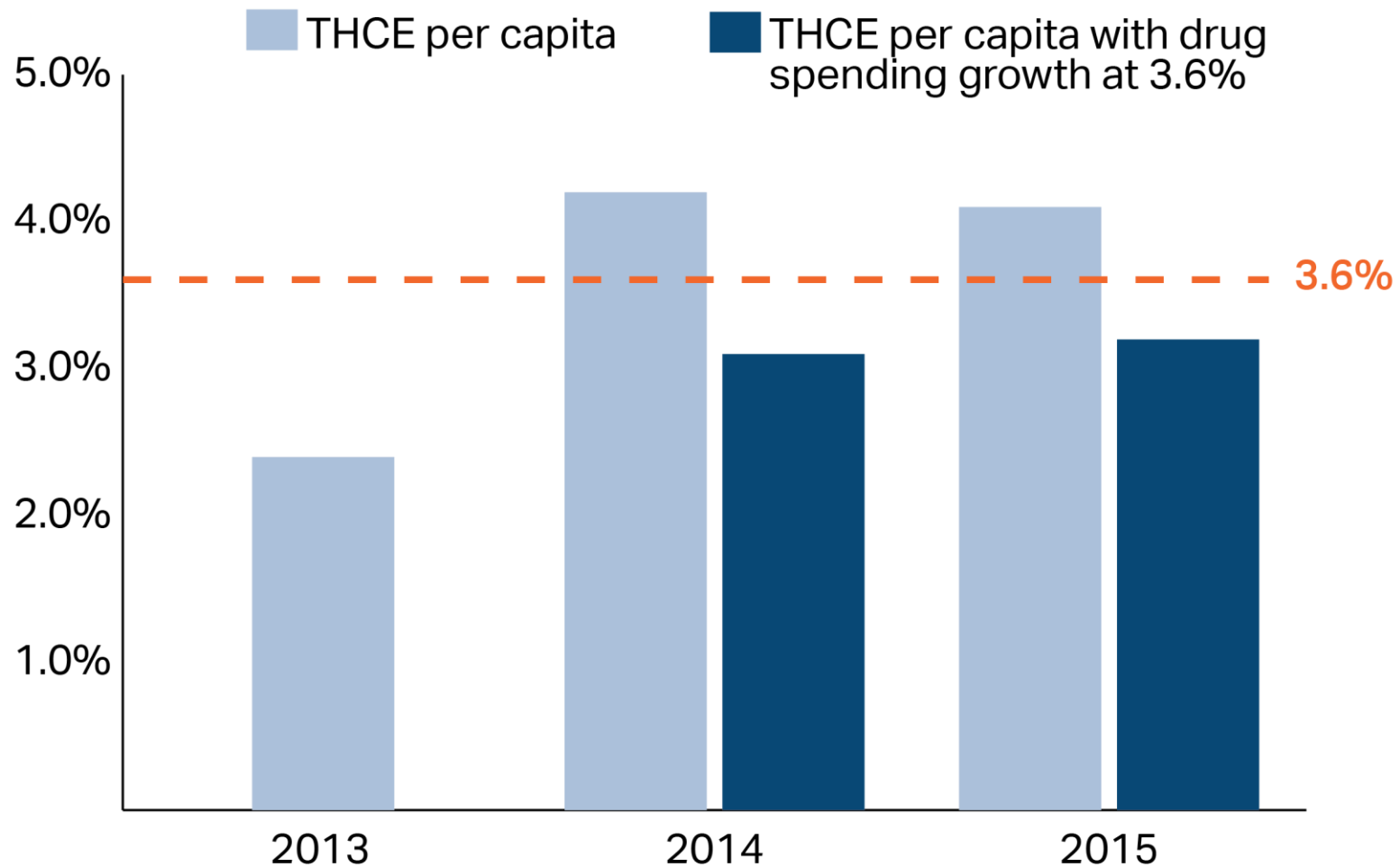
**MASSACHUSETTS**  
HEALTH POLICY COMMISSION

# **Massachusetts health care spending and trends**

**October 17, 2016**

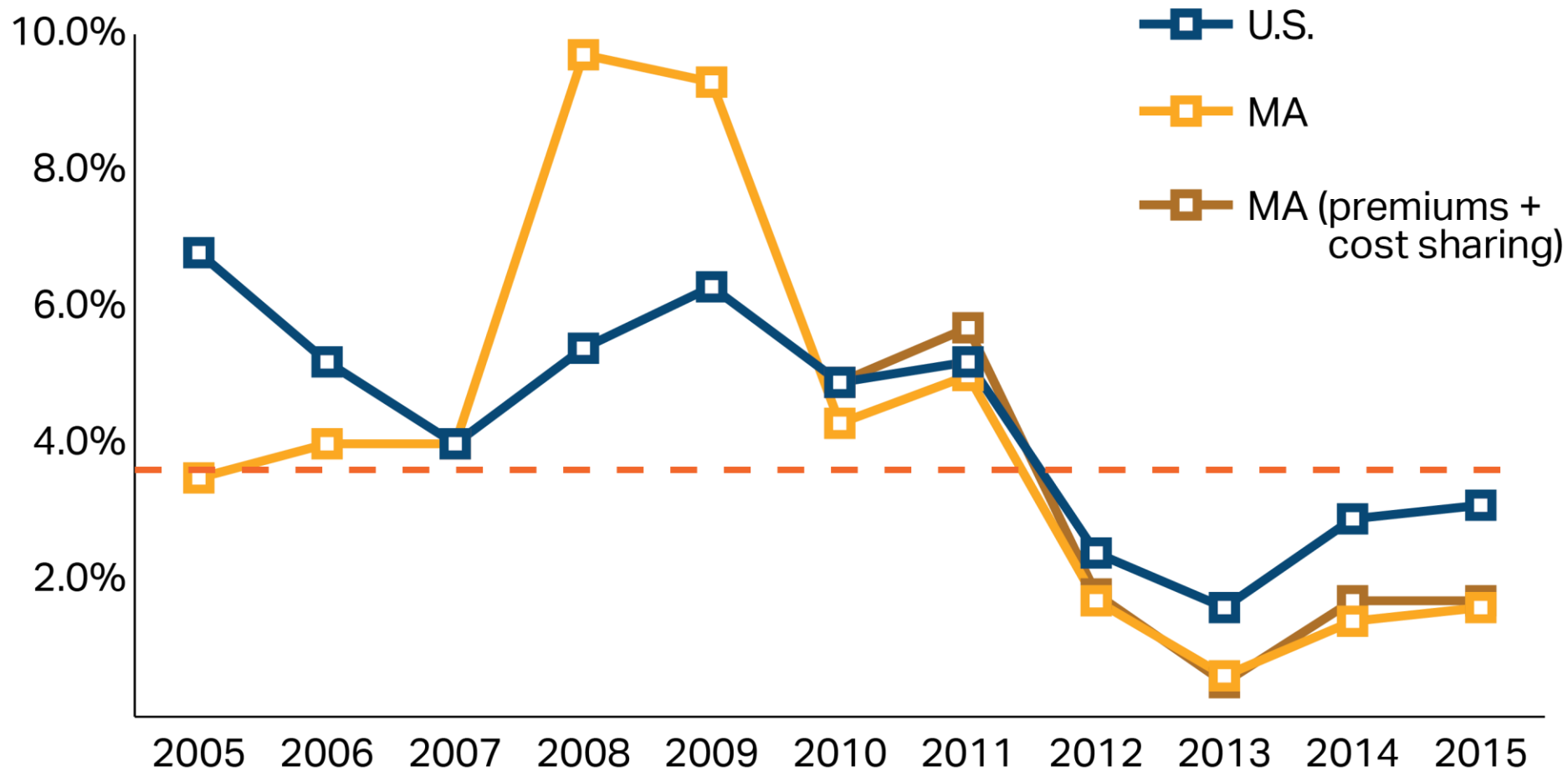
## Per-capita health care spending growth in Massachusetts has been generally in line with the benchmark

*Annual growth in Total Health Care Expenditures per capita from previous year*



## Massachusetts commercial premium growth has been modest since 2012 compared to the U.S., even accounting for cost-sharing

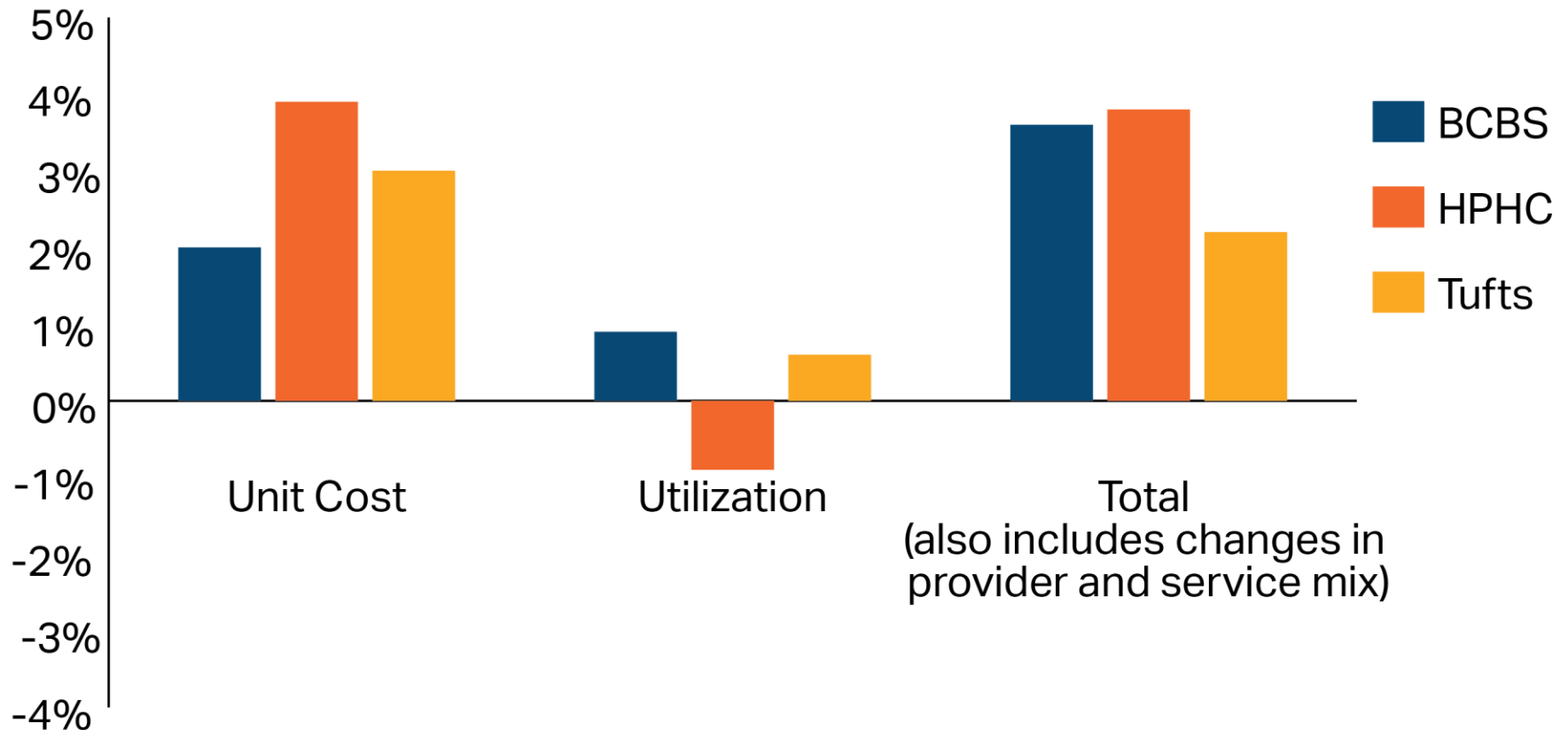
*Annual growth in health insurance premium spending per enrollee from previous year*



Sources: US data and MA data from 2005-2009: Centers for Medicare and Medicaid Services, State and National Health Expenditure Accounts, private health insurance expenditures and enrollment. MA 2009-2015: Massachusetts Center for Health Information and Analysis

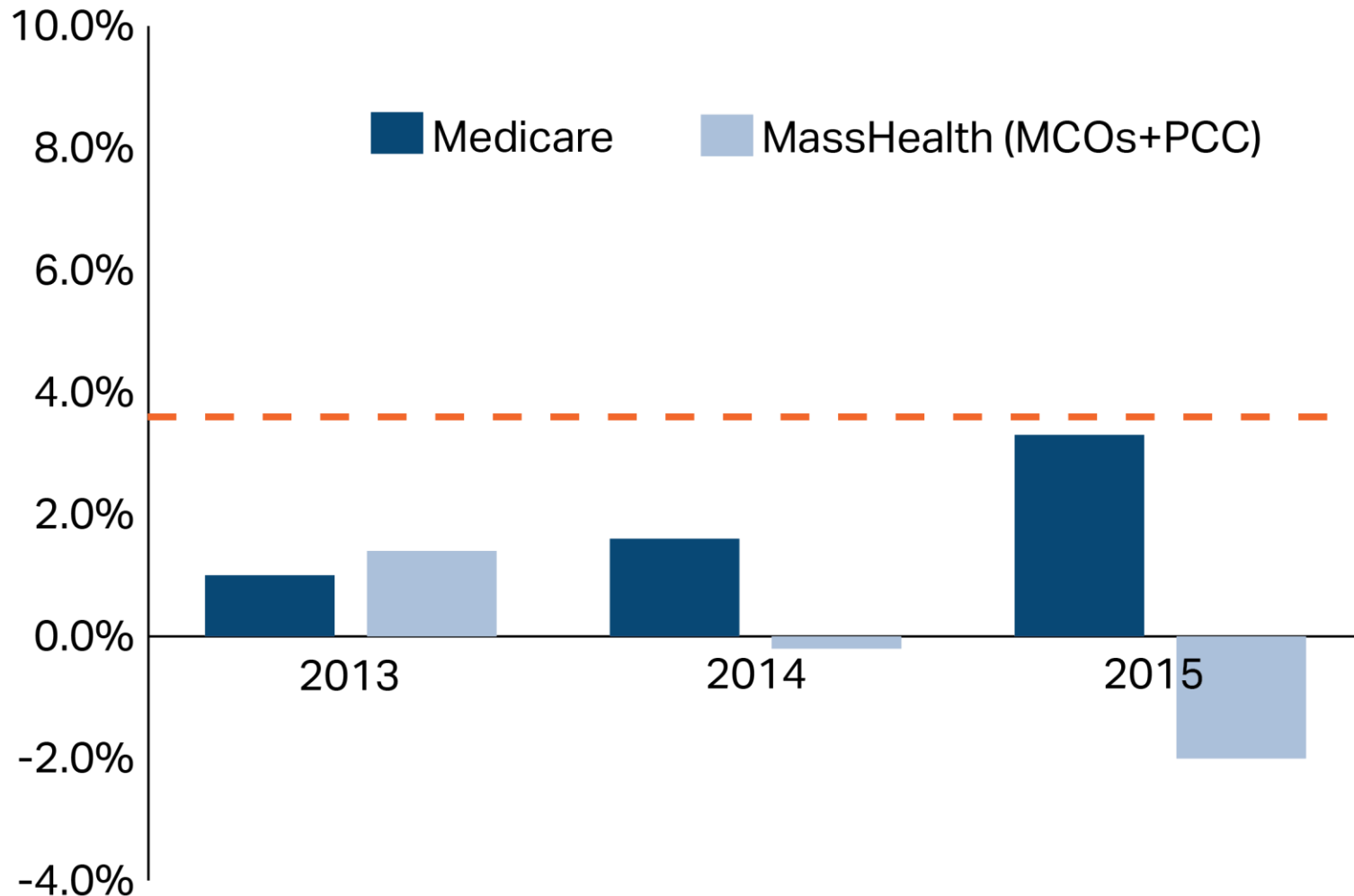
## Unit price growth continues to be the major driver of spending increases while utilization growth is flat, 2014-2015

*Annual growth in spending per enrollee due to each component*



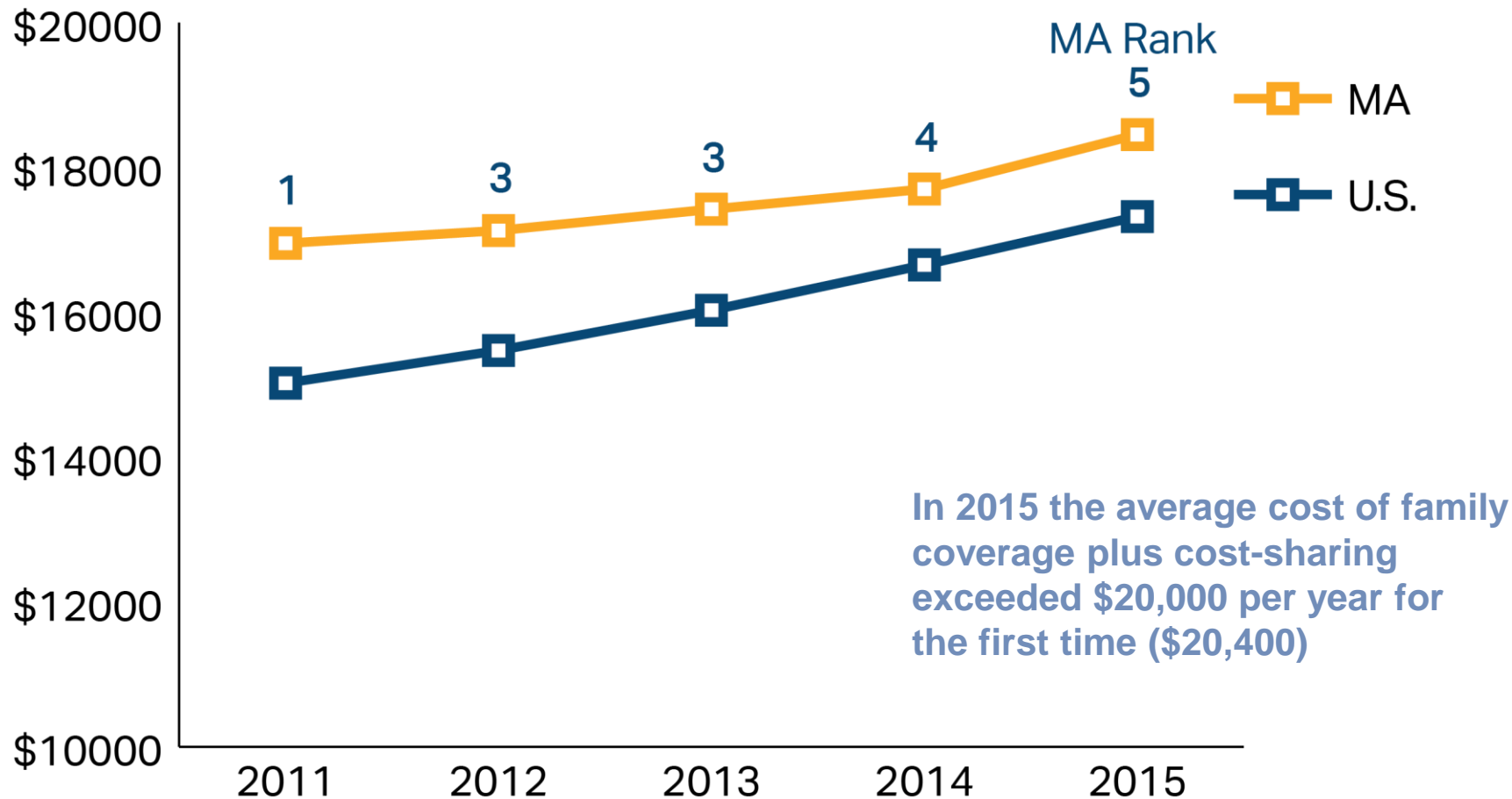
## Per-person spending growth in Medicare and MassHealth has also been modest

*Annual per capita growth per enrollee from previous year*



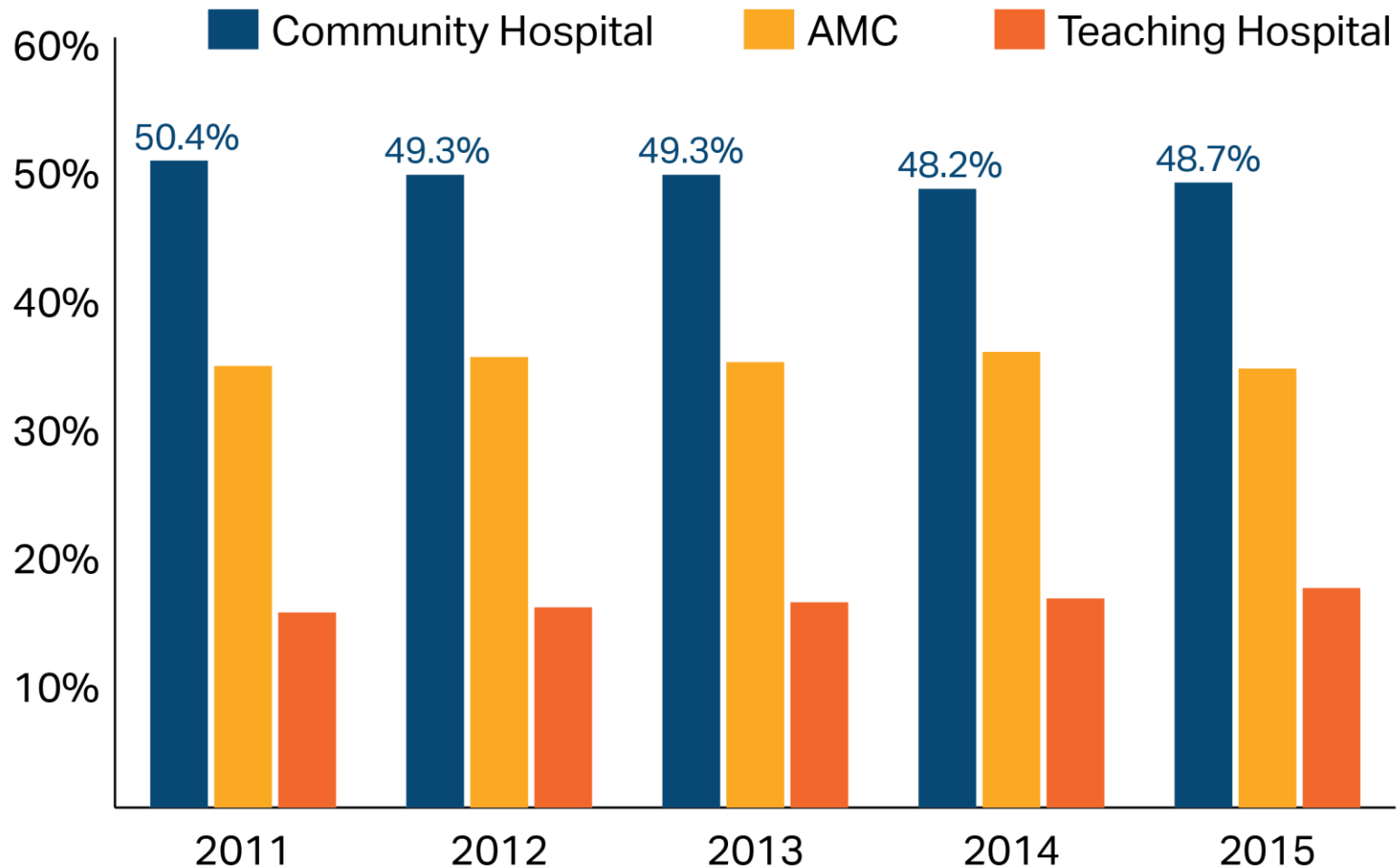
## Massachusetts residents still pay among the highest health insurance premiums in the US

*Annual premium for employer-based family health insurance, \$*



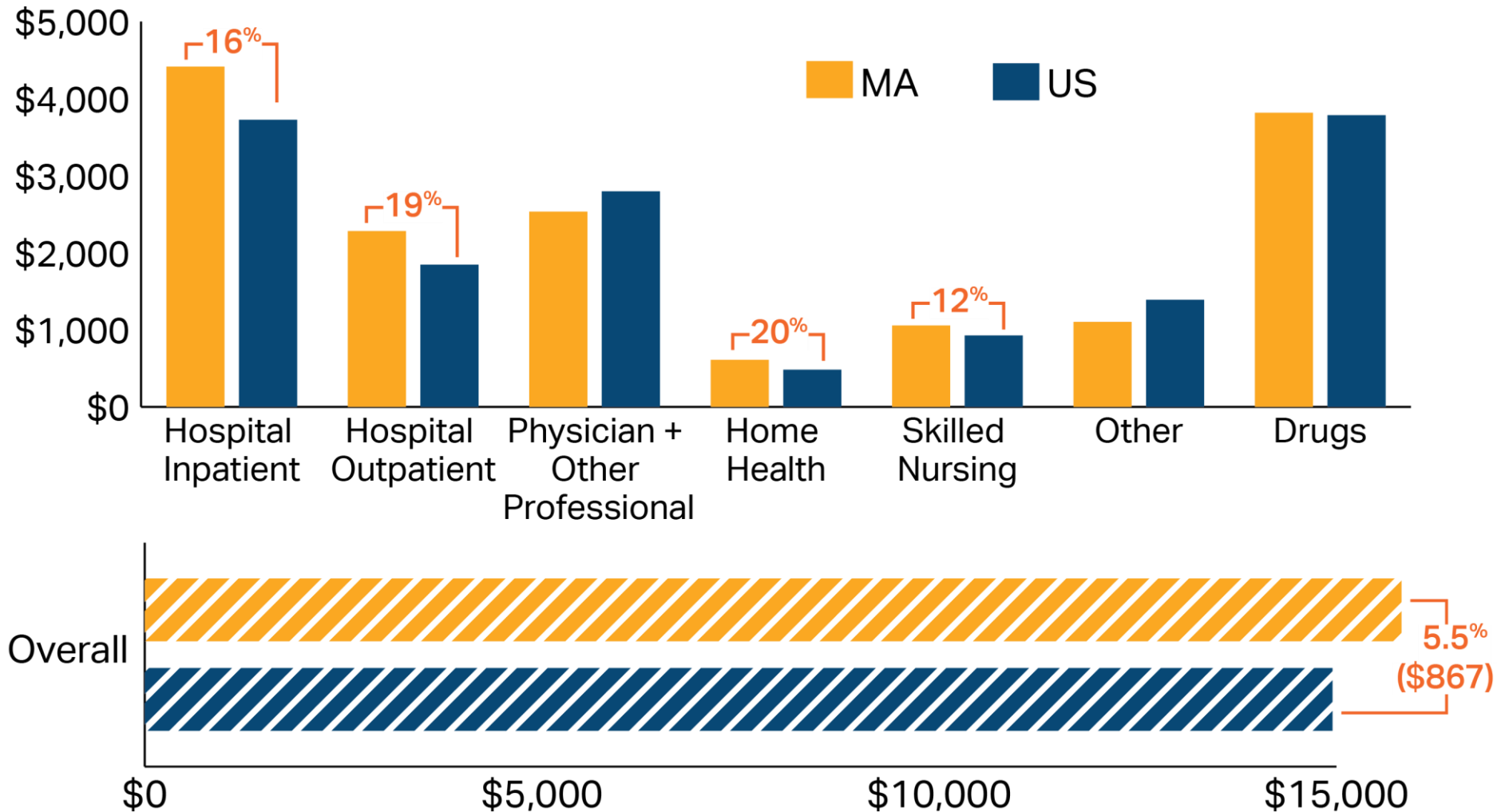
## The share of care that could be appropriately provided in a community hospital setting has not grown

*Percent of community-appropriate commercial discharges by hospital type*



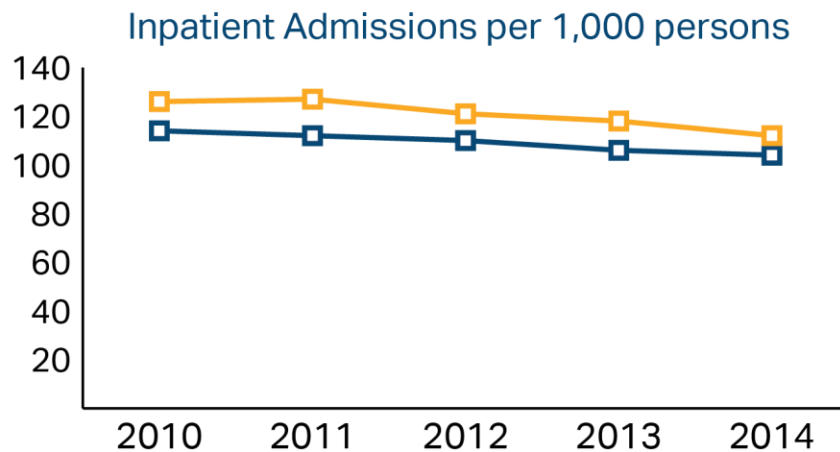
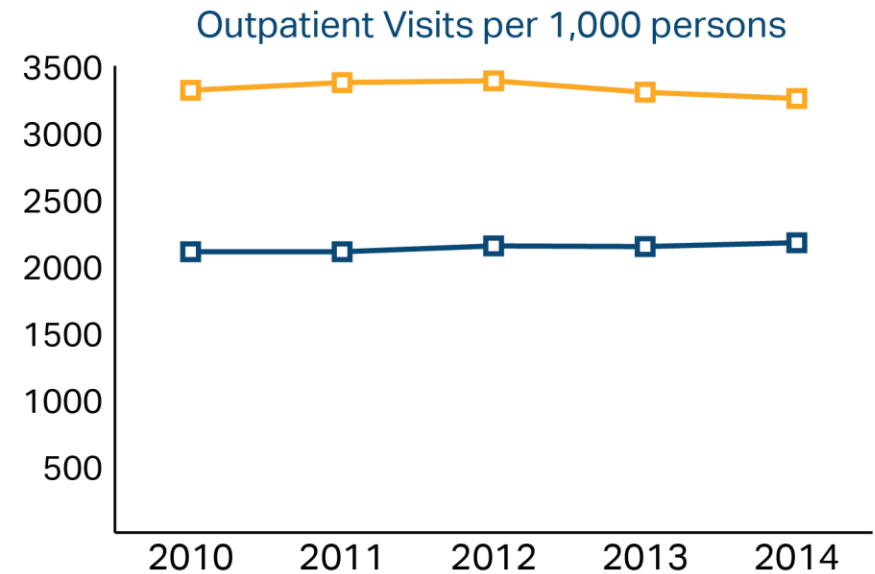
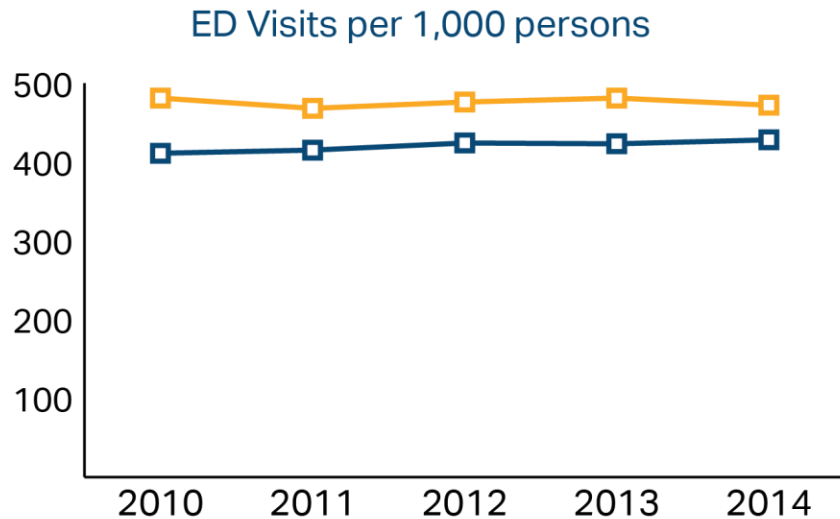
# Massachusetts spends more per Medicare beneficiary than the rest of the U.S., particularly for inpatient and post-acute care

Annual spending per fee-for-service beneficiary, 2015



## Though the gap has closed somewhat, Massachusetts continues to use hospital settings more intensively than the U.S.

*Hospital Use in Massachusetts and the U.S., 2010-2014*

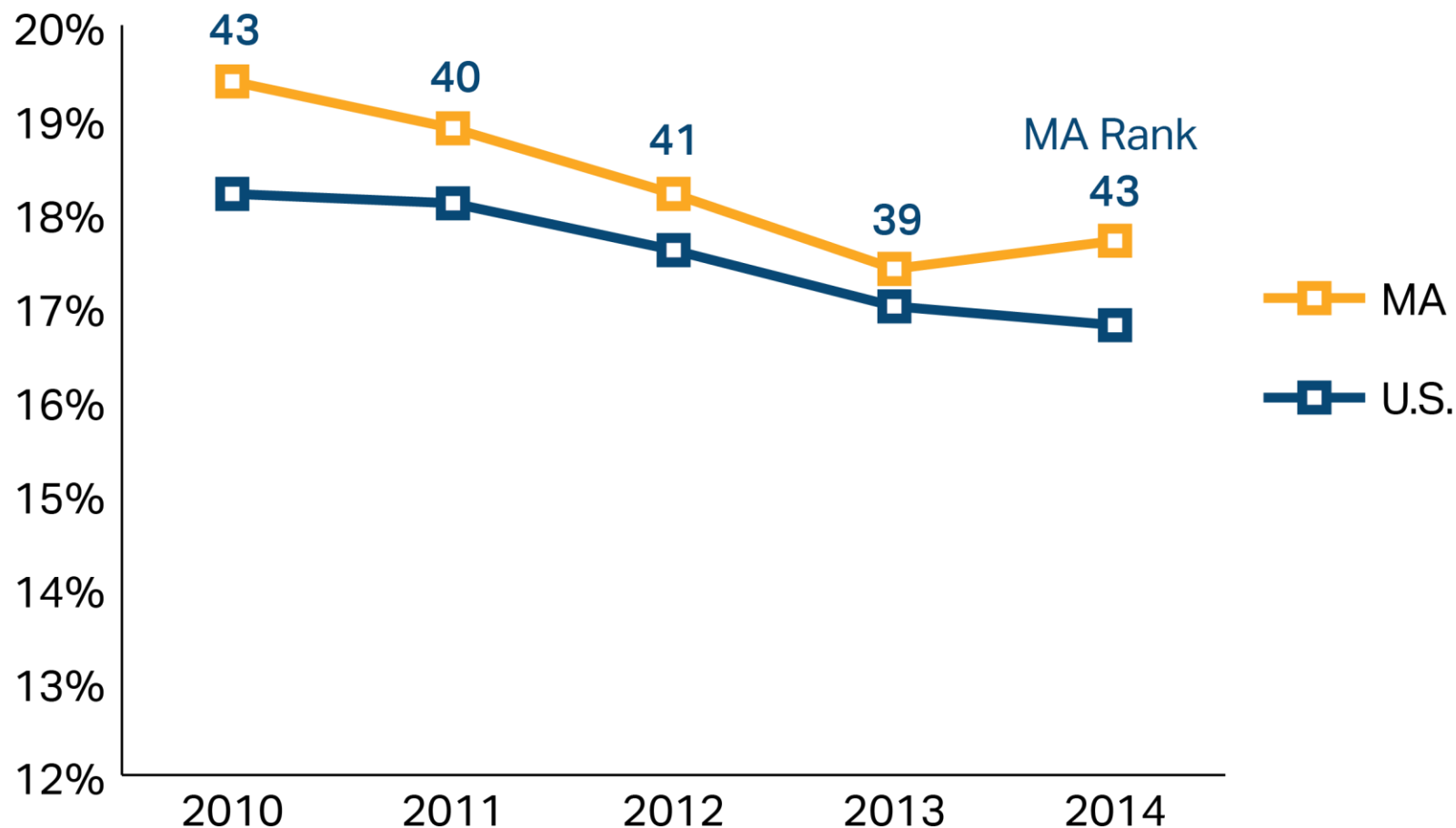


Difference MA-US		
	2010	2014
Inpatient Admissions	11%	8%
Outpatient Visits	58%	50%
ED Visits	17%	10%

—■— MA —■— U.S.

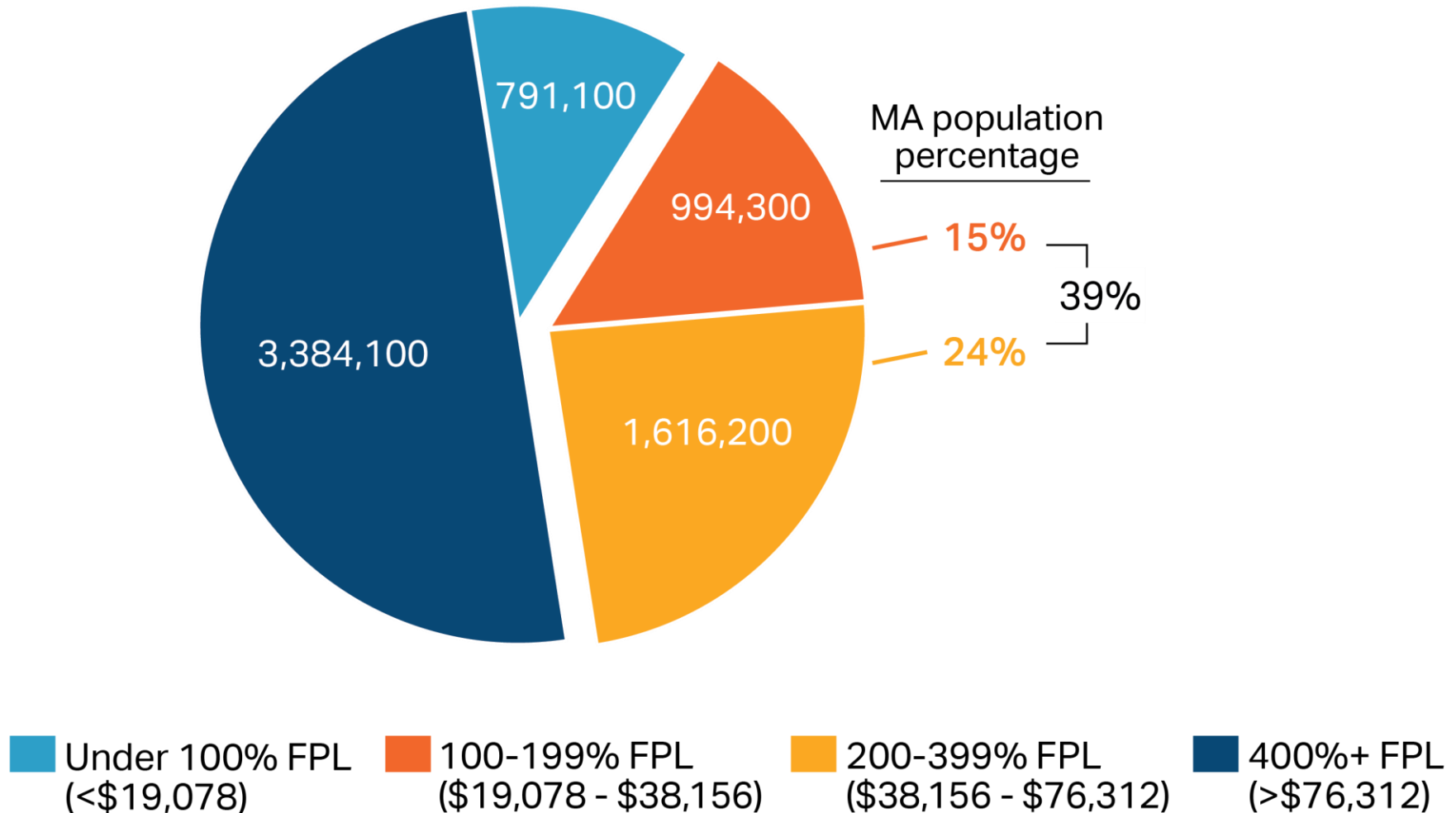
## Medicare readmission rates have also declined but are higher than a majority of states

*Percent of Medicare admissions that are readmissions*



## Although we are a high-income state, Massachusetts has a considerable portion of residents at middle-income levels

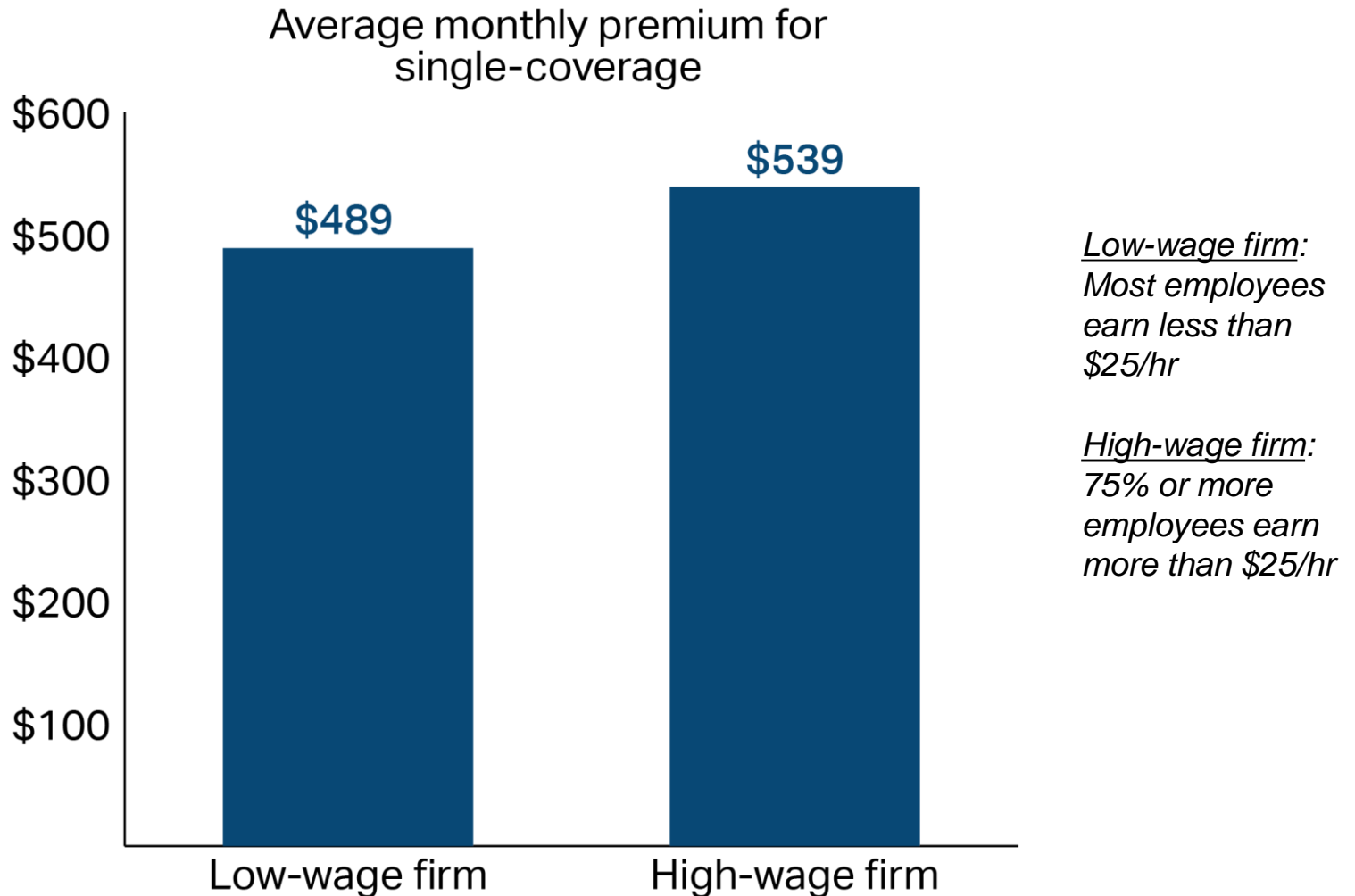
*Number of state residents at each household income level, 2015*



Source: Current Population Survey as reported by Kaiser Family Foundation. Dollar values are for a family of two adults and one child

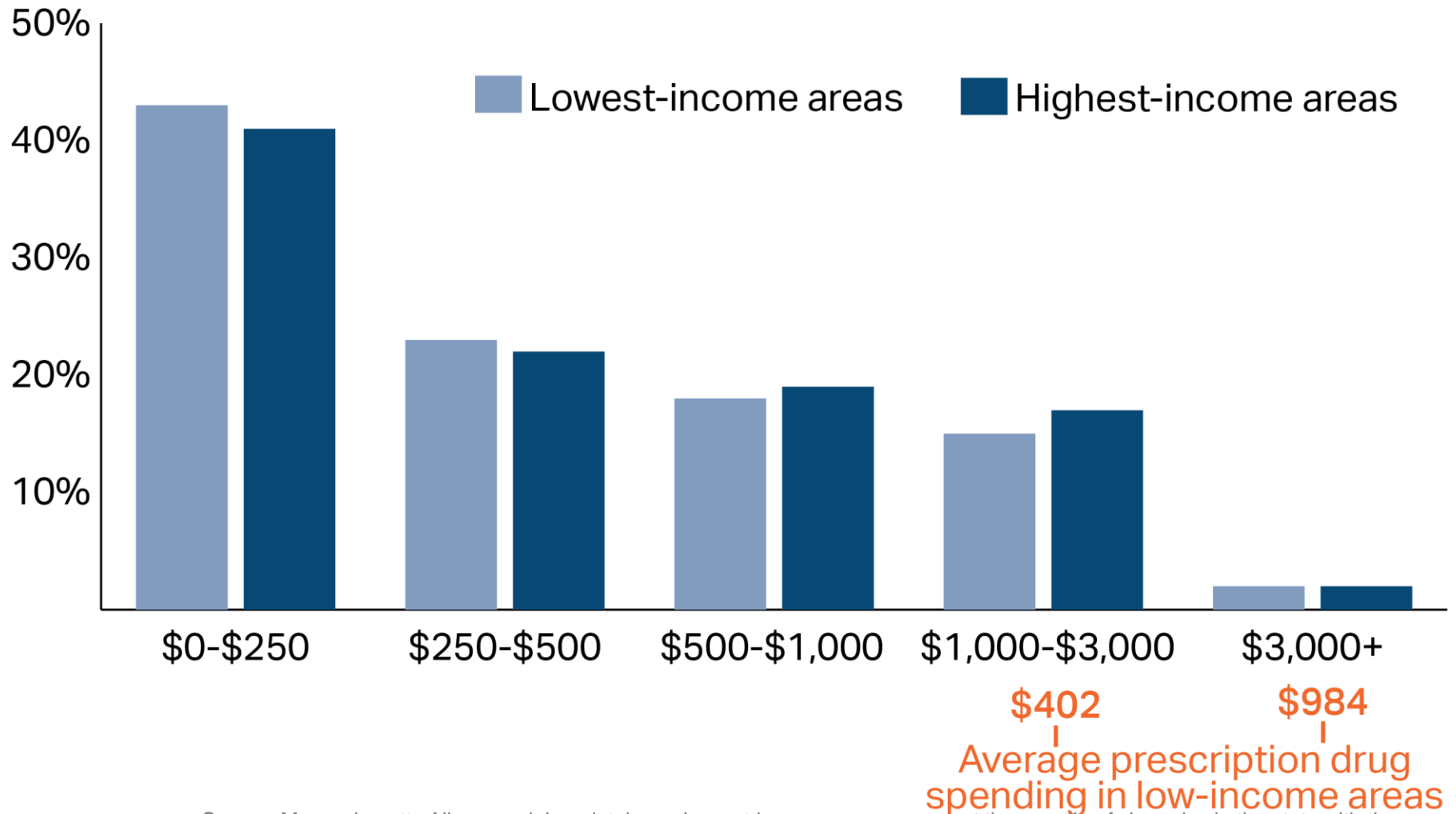
## Lower- and higher-income employees pay similar amounts in health insurance premiums

*Per member per month premium spending for single coverage*



## Annual out of pocket spending is similar for individuals in low- and high-income areas of the state

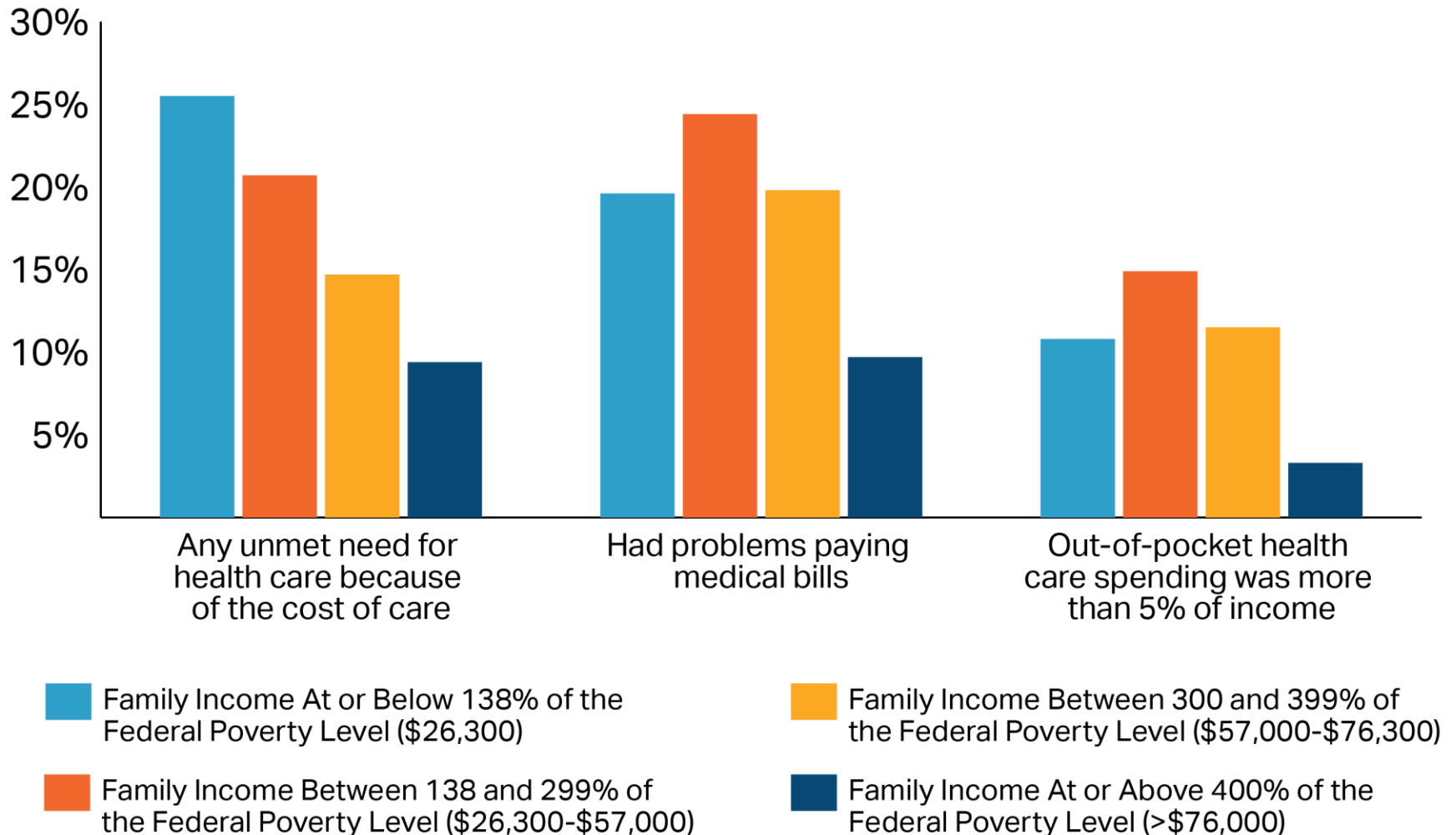
% of residents, by income of region within Massachusetts, 2013



Source: Massachusetts All-payer claims database. Lowest income areas represent the quartile of zip codes in the state with the lowest median income. Spending includes only out of pocket spending within insurance benefits (e.g. copays and deductibles). Spending data is conditional on having non-zero spending.

## Overall affordability of health care continues to be a challenge for many low and middle income residents

*Percent of respondents saying they experienced the following in the past 12 months, by income*



## Top areas of concern noted by payers and providers in 2016

### PROVIDERS

Prescription  
drug costs  
(~50%)



Labor costs  
and wage  
pressure

Commercial  
payment rates  
for behavioral  
health



### PAYERS



Prescription drug  
spending increases  
(100% of payers)  
Most also noted lack of  
transparency in drug  
pricing

Provider  
consolidation  
and price  
variation

