# Massachusetts Primary Care and Behavioral Health Expenditures:

## Baseline Report

September 2022

CHIA.

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SECTION 1:

# Executive Summary

## Background

Primary care and behavioral health care comprise an array of vital services that can meaningfully shape patient outcomes and are often associated with lower health care costs and higher quality. However, comprehensive data on expenditures for these services in Massachusetts has been limited. To build a foundational dataset that can support future policy initiatives and provide insight into the Commonwealth's investment in these areas, CHIA collected data on payments made by commercial health plans to health care providers delivering primary care and behavioral health services.

With this baseline report, Massachusetts is joining other states and organizations in measuring primary care expenditures, including the New England States Consortium Systems Organization (NESCSO), Oregon, Utah, Washington, Vermont, and Maine among others. Massachusetts is among the first in defining and measuring behavioral health expenditures.[1]

## Overview

This report presents summary market totals on primary care and behavioral health spending for commercial, Medicaid MCO/ACO-As, and Medicare Advantage insurance categories for calendar years 2019 and 2020.

With the inclusion of data through 2020, this report captures the onset of the COVID-19 pandemic that began in March 2020. During this period, health care utilization and delivery were greatly impacted by the pandemic, including most notably for this context, delayed or cancelled primary care and preventive visits and a growing need for behavioral health services and support. Spending trends should be viewed within the context of these extraordinary circumstances, as the trends from 2020 may not accurately predict future results.

Along with this report, CHIA published a Primary Care and Behavioral Health Expenditures interactive dashboard to allow users to further explore the data.[2]

## Findings

### *Market Level*

Across all major insurance categories, spending on behavioral health services increased from 2019 to 2020, while primary care spending declined.

Medicaid MCO/ACO-A had the highest percentage of behavioral health spending, representing one-fifth of total Medicaid MCO/ACO-A health care spending in 2020, due in part to wider coverage of services and providers, and a higher proportion of members with a primary behavioral health diagnosis. Behavioral health spending represented 7.0% of total commercial spending and 1.9% of Medicare Advantage spending. Primary care spending represented 7.3% of total spending for commercial members in 2020,[3] compared to 6.5% for Medicaid MCO/ACO-A, and 4.6% for Medicare Advantage members.

On a per member per month basis (PMPM), Medicaid MCO/ACO-A had the highest behavioral health PMPM spending ($105), more than three times higher than commercial, and the lowest primary care PMPM spending. Medicare Advantage had the lowest behavioral health PMPM spending and highest primary care PMPM spending.

Members were responsible for a larger share of behavioral health costs, through copays, coinsurance, and deductibles, compared to primary care or all other services, as behavioral health care is more likely to be provided by out-of-network providers.[4] However, member cost-sharing for both primary care and behavioral health services declined from 2019 to 2020 due to some commercial payers voluntarily waiving cost-sharing for primary care and behavioral health telehealth visits.[5]

Non-claims represented a relatively small proportion of total spending for all major insurance categories, and of non-claims payments, a majority were allocated to all other services and not considered primary care or behavioral health specific.

### *Primary Care*

From 2019 to 2020, spending for primary care services (PC) decreased 11.7% and 11.2% for commercial and Medicare Advantage insurance categories, respectively. These decreases were driven by declines in spending for PC office type visits, which made up just over half of all primary care spending for both commercial and Medicare Advantage. For commercial, spending for PC preventive

visits, PC obstetric visits, and PC immunizations and injections also declined from 2019 to 2020. For Medicare Advantage, all primary care spending service categories except for PC preventive visits declined.

Medicaid MCO/ACO-A primary care spending increased 0.8% from 2019 to 2020, driven by increases in primary care-specific non-claims spending and PC other primary care visits, while spending for PC office types, PC preventive visits, and PC obstetric visits all declined.

In 2020, the COVID-19 pandemic resulted in postponed or cancelled primary care and preventive visits and a steep drop in outpatient clinician visits. The quick adoption of telehealth filled some of the gap, with 70% of primary care visits provided via telehealth in April, although this was followed by a decline in primary care telehealth utilization through the spring and summer of 2020.[6]

### *Behavioral Health*

Behavioral health (BH) spending, which includes services for mental health and substance use disorders, increased across all three insurance categories from 2019 to 2020: 7.9% for commercial, 9.4% for Medicaid MCO/ACO-A, and 2.3% for Medicare Advantage.

BH outpatient services represented the largest category of spending for commercial and Medicaid MCO/ACO-A, and BH inpatient services represented the largest share of spending for Medicare Advantage. Spending for BH outpatient services grew the fastest for commercial and Medicare Advantage, while Medicaid MCO/ACO-A spending increased the fastest for BH inpatient services. Behavioral health emergency department/observation spending decreased across all three insurance categories.

During the COVID-19 pandemic, many behavioral health visits shifted from in-person to telehealth, with nearly 70% of behavioral health visits delivered via telehealth in April 2020, a trend that continued through the fall. Additionally, behavioral health-related emergency department visits dipped in April 2020 and remained below 2019 levels through September.[7] ■

## SECTION 2:

# Methodology

In the fall of 2019, CHIA initiated stakeholder engagement to develop the Primary Care and Behavioral Health (PCBH) data specifications, with final specifications released in summer 2020. Primary Care and Behavioral Health expenditure data was first collected in December 2020 for calendar years 2018 and 2019, followed by dissemination of summary findings to stakeholders. As a result of discussions with stakeholders, data specifications and analysis were updated for the data collected in November 2021 reflected in this report. Although the PCBH data collected from commercial payers has the same expenditure collection and population parameters as Total Medical Expenditures collected as part of CHIA's Annual Report on the Performance of the Massachusetts Health Care System, the totals reflected in this report may not tie to the totals presented in the Annual Report due to differences in claims run-out from data pulled at different times and payer exclusions.

Payers used a hierarchical model to allocate medical claims spending into mutually exclusive spending categories under service types of behavioral health, primary care, and all other services as outlined in Table A. Behavioral health spending was defined by identifying medical claims with a principal behavioral health diagnosis (ICD-10) and using combinations of procedure codes, place of service (POS) or revenue codes, and provider types to sequentially allocate spending into the behavioral health service categories. Medical claims spending that did not meet the logic to be allocated to the behavioral health service categories and claims without a principal behavioral health diagnosis were then allocated sequentially through the primary care specific service categories. Primary care spending was defined using a list of procedure codes delivered by specific provider types deemed primary care. All medical claims spending that did not fall into the behavioral health or primary care

service types was then allocated to all other services service categories.

Non-claims spending was allocated into five non-claims payment categories (incentive payments, capitation, risk settlements, care management, and other). Payers identified non-claims by service type; if payments could not be defined as behavioral health or primary care specific, they were reported under all other services.

Pharmacy claims were categorized as behavioral health spending using a provided list of national drug codes (NDC). All other pharmacy spending was allocated to other prescription drugs under all other services.

Please see the data specifications and reference code list for more information.

CHIA collected membership and expenditure data at the managing physician group level from 17 commercial health plans with commercial, Medicaid MCO/ACO-A, Medicare Advantage, SCO, PACE, and One Care lines of business. Two payers were excluded due to data quality concerns. The data does not include out-of-pocket payments for goods and services not covered by insurance, including over-the-counter medications or denied claims. The data reflects submissions from commercial insurance carriers only; no data was collected for programs solely administered by public payers, such as MassHealth Fee-For-Service or Original Medicare. Medicaid MCO/ACO-A membership represents approximately one-third of MassHealth enrollment; Medicare Advantage membership represents approximately one-fourth of Medicare membership.[8]

Commercial health plans report their commercial lines of business as commercial full claims or commercial partial claims. Commercial full claims represent data for

**Table A. Service Category Classification by Service Type**

**Behavioral Health (BH)**

- *BH Inpatient*
- *BH ED/Observation*
- *BH Outpatient*
- *BH Prescription Drugs*
- *BH Non-Claims*

**Primary Care (PC)**

- *PC Office Visits*
- *PC Home/Nursing Facility Visits*
- *PC Preventive Visits*
- *PC Other Visits*
- *PC Immunizations & Injections*
- *PC Obstetric Visits*
- *PC Non-Claims*

**All Other Services**

- *Other Medical*
- *Other Prescription Drugs*
- *Non-Claims*

members for whom the payer has access to and is able to report all claims expenses. Commercial partial claims indicates that services are "carved-out" of the contract between the insurer and the purchaser, most commonly pharmacy services, and the insurer does not have access to the spending data for these carved-out services for reporting purposes. Commercial partial membership represented 33.6% of commercial membership and 30.1% of total commercial expenses in 2020 (with payer exclusions).

Commercial partial data was included in the totals because there is no calculation impact on the results. In 2020, commercial partial data represented $566.4 million and $407.0 million in primary care and behavioral health spending, respectively. However, it is important to note that the totals reported for overall commercial primary care and behavioral health spending in the report ($2.9 billion in 2019 and $2.8 billion in 2020) are lower than the actual dollars spent due to unavailable expenditures data in partial carve-out arrangements, most notably spending for behavioral health prescription drugs.

Commercial partial data was excluded from percent of total and per member per month (PMPM) metrics because incomplete data would skew the overall commercial results. For example, including commercial partial data would inflate primary care spending as a percent of total spending because the denominator would be missing the carved-out pharmacy spending. Additionally, commercial partial behavioral health spending represents an incomplete picture due to behavioral health prescription drug spending not captured due to carve outs. For example, commercial behavioral health spending on a PMPM basis would be lower than the actual value and behavioral health service category breakdowns of total spending would be skewed due to the missing pharmacy data.

For more information on insurance categories not included in the report, the interactive dashboard published along with this report includes primary care and behavioral health totals and service category information for both the commercial full and commercial partial insurance categories, as well as SCO, PACE, and One Care programs for members eligible for both Medicare and Medicaid. ■

## SECTION 3:

# Market Overview

This report first presents primary care and behavioral health spending at the market level, examining how expenditures in these categories for Massachusetts residents varied by insurance category and over time from 2019 to 2020. Data reported in this section reflects three insurance categories: members with private commercial insurance, MassHealth members enrolled in Medicaid MCO/ACO-A plans, and Medicare beneficiaries with Medicare Advantage plans.

In 2020, primary care spending for commercial (full and partial), Medicaid MCO/ACO-A, and Medicare Advantage combined was $1.9 billion, decreasing 9.7% from $2.1 billion in 2019. Behavioral health spending was $2.2 billion in 2020, increasing 9.1% from $2.1 billion in 2019. In 2020, total primary care and behavioral health spending collectively represented 16.2% of total health care spending.

As a proportion of total health care spending, primary care comprised 7.3% for commercial full-claim expenditures, 6.5% for Medicaid MCO/ACO-A, and 4.6% for Medicare Advantage in 2020. Behavioral health spending comprised 7.0% of commercial full-claim spending, 20.8% of Medicaid MCO/ACO-A spending, and 1.9% of total Medicare Advantage spending. Expenditures for both primary care and behavioral health were proportionally higher for commercially enrolled pediatric members relative to non-pediatric members.

Across the three examined insurance categories, primary care had the lowest member cost sharing in 2020, and behavioral health services had the highest, while member cost-sharing for all other services fell in between. In 2020, among members who utilized behavioral health services, commercial full-claim cost-sharing for behavioral health services was $22 PMPM, Medicaid MCO/ACO-A was $0.89 PMPM, and Medicare Advantage was $15 PMPM.

This report captures the onset of the COVID-19 pandemic. Spending trends reflected in this report should be interpreted in context of these extraordinary circumstances. ■

# Primary Care and Behavioral Health Spending by Insurance Category

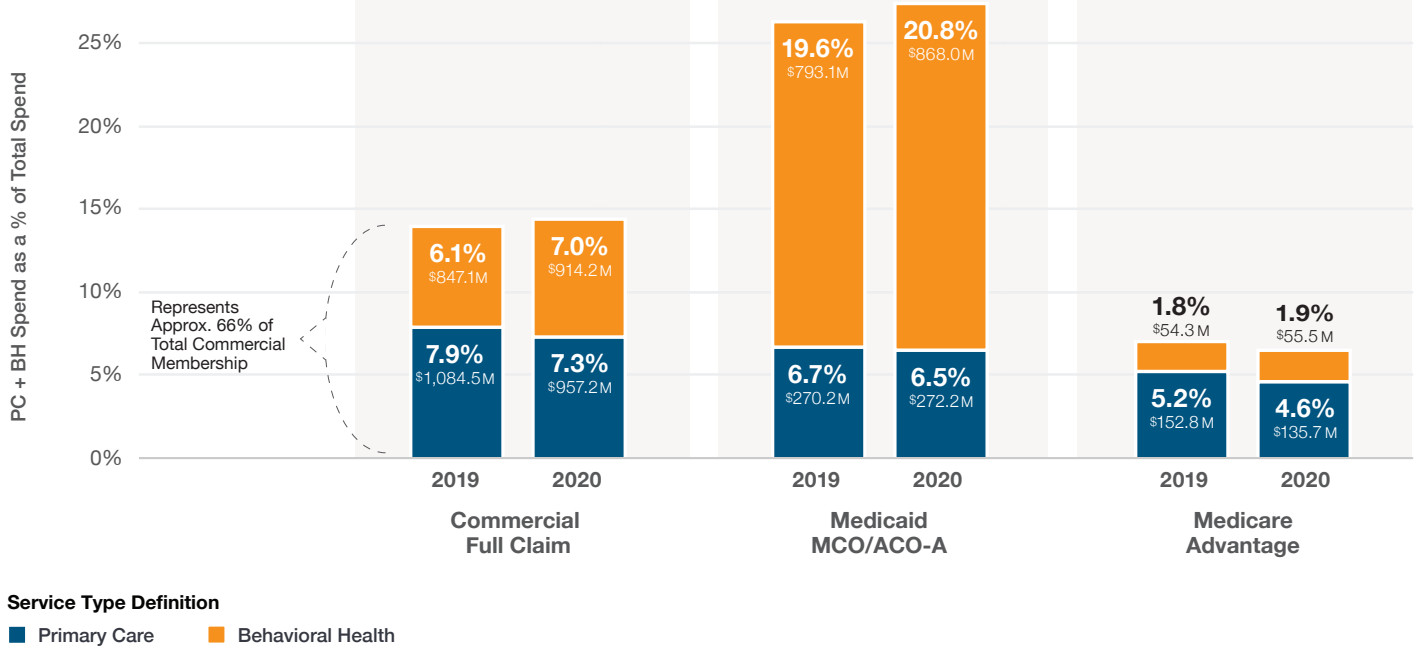
2019-2020

Commercial spending (full and partial) on primary care and behavioral health totaled $2.8 billion in 2020, a 2.8% decrease from 2019, driven by divergent trends in primary care and behavioral health spending. While behavioral health spending increased 9.2% from 2019 to 2020, primary care spending declined 11.2%. Among commercially-insured members for whom all claims data was available, primary care and behavioral health spending combined represented 14.3% of total health care spending in 2020.[9]

Primary care and behavioral health spending for members in Medicaid MCO/ACO-A plans comprised 27.4% of spending in 2020, totaling $1.1 billion, an increase of 7.2% from 2019. Behavioral health spending, which represented one-fifth of total Medicaid MCO/ACO-A spending, increased 9.4% while primary care spending increased 0.8%.

Medicare Advantage primary care and behavioral health spending totaled $191.2 million in 2020, a 7.7% decrease from 2019. Primary care spending decreased 11.2% while behavioral health spending increased 2.3%. In 2020, primary care and behavioral health spending represented 6.5% of all Medicare Advantage spending.

| | COMMERCIAL FULL AND PARTIAL | | MEDICAID MCO/ACO-A | | MEDICARE ADVANTAGE | |
|---|---|---|---|---|---|---|
| | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 |
| Member Months | 39.2M | 38.4M | 8.1M | 8.2M | 2.8M | 3.0M |
| Percent of Members with a BH diagnosis | 18.0% | 18.5% | 26.4% | 25.6% | 18.1% | 18.6% |
| Total Expenses | $19.8B | $18.7B | $4.1B | $4.2B | $2.9B | $2.9B |
| Total Primary Care and Behavioral Health Expenses | $2,926.0M | $2,844.9M | $1,063.3M | $1,140.2M | $207.0M | $191.2M |




**Service Type Definition**

■ Primary Care ■ Behavioral Health

Source: Payer-reported data to CHIA

Notes: Aetna and Cigna data were excluded due to data quality concerns. Market level totals include commercial partial data, but commercial partial data is excluded from all other analyses. Commercial market totals do not capture total commercial spending due to carved out services. Percent changes are calculated based on non-rounded expenditure amounts. Please see the databook for detailed information.

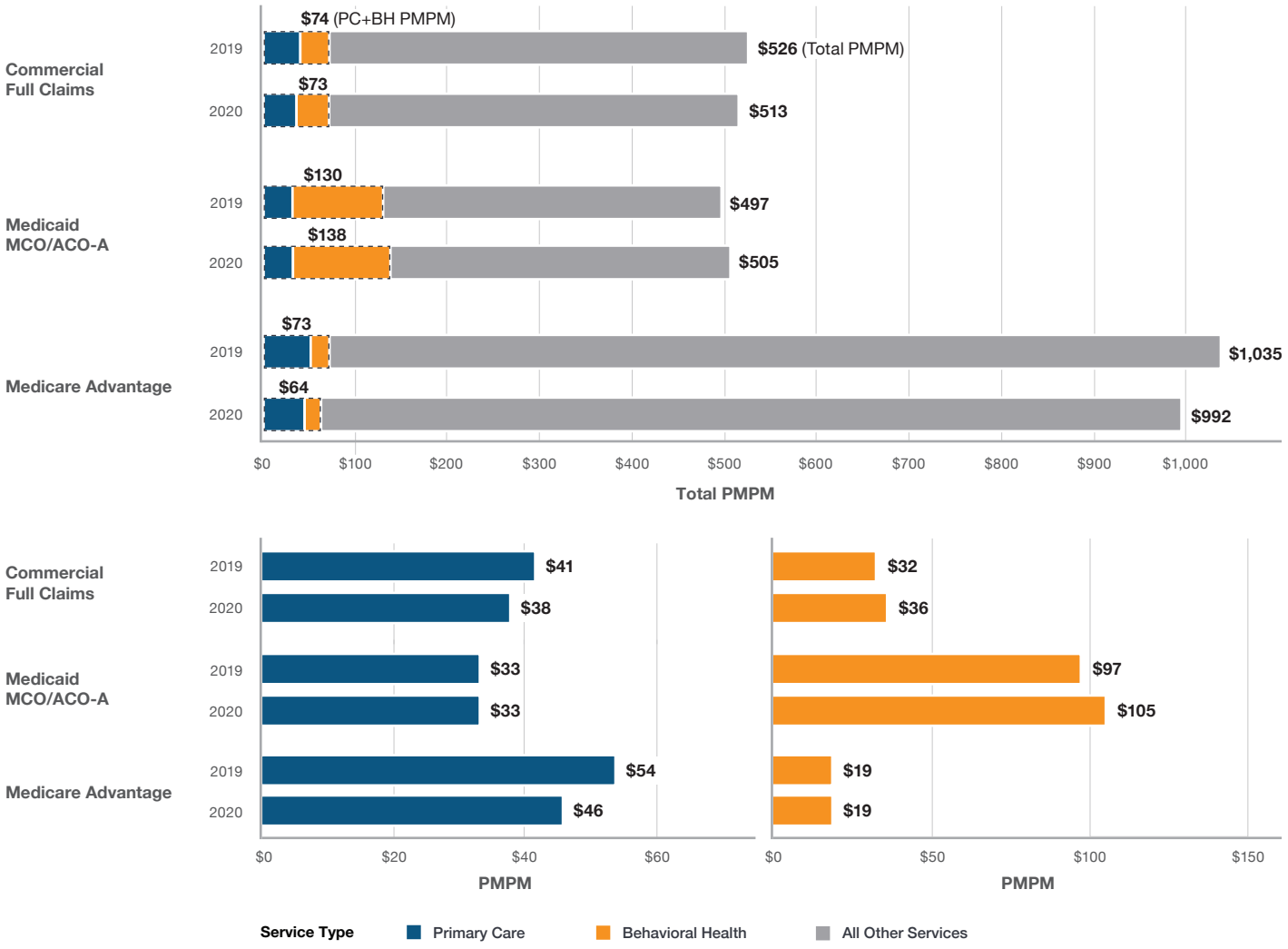
# Per Member Per Month Service Type Spending by Insurance Category

2019-2020

Commercial primary care per member per month (PMPM) spending declined 9.2% to $38 PMPM in 2020. Behavioral health spending PMPM increased 11.0% to $36 PMPM in 2020, the fastest growth in behavioral health PMPM spending among the three insurance categories.

Medicare Advantage had the highest primary care PMPM spending at $46 in 2020, despite decreasing 15.0% from 2019. Behavioral health PMPM spending for Medicare Advantage was the lowest at $19 PMPM in 2020, and was the only insurance category to experience a decrease in behavioral health PMPM spending from 2019 to 2020, declining 2.1%.

Medicaid MCO/ACO-As had the lowest primary care PMPM spending ($33 in 2020) and the highest behavioral health PMPM spending ($105 in 2020). Medicaid MCO/ACO-A PMPM spending for behavioral health increased 8.3% from 2019 to 2020 while primary care PMPM spending decreased 0.3%. Medicaid MCO/ACO-A PMPM spending for behavioral health was nearly three times greater than commercial due to greater behavioral health prevalence and more comprehensive coverage of providers and services that may not be covered by commercial insurance, such as long-term residential treatment.[10,11]




Source: Payer-reported data to CHIA

Notes: Aetna and Cigna data were excluded due to quality concerns. Figures on this page reflect data for commercial full-claim members only. Behavioral health PMPM values use the total insurance population as the denominator, not just members with a behavioral health diagnosis. Service Type PMPMs may not sum to totals depicted on chart due to rounding. Percent changes are calculated based on non-rounded expenditure amounts. Please see the databook for detailed information.

# Commercial Pediatric Primary Care and Behavioral Health Spending

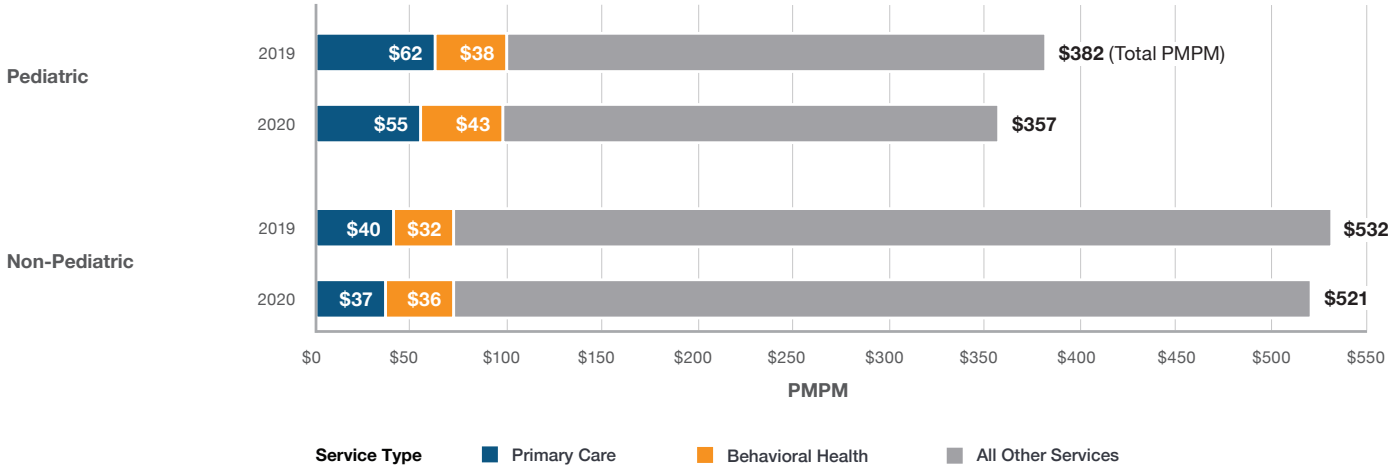
2019-2020

Within the commercial population, pediatric member months comprised 4.4% of total membership, and payments to pediatric provider groups represented 3.0% of total expenditures. A greater proportion of spending was on primary care or behavioral health for pediatric members as compared to non-pediatric members. For non-pediatric members, total PMPM spending was $521 in 2020, with $37 spent on primary care and $36 on behavioral health. For pediatric members, $55 PMPM was for primary care and $43 was for behavioral health.

For both non-pediatric and pediatric members, total PMPM spending decreased from 2019 to 2020, and primary care PMPMs decreased over the two years: pediatric primary care PMPM decreased by 12.0% and non-pediatric decreased by 9.1%. During this time, behavioral health PMPM spending increased for both pediatric (+12.9%) and non-pediatric (+10.9%) members.

Primary care expenditures for non-pediatric members in 2020 represented 7.1% of total spending, and made up 15.3% for pediatric members. Behavioral health expenditures made up 6.8% of total spending for non-pediatric members in 2020, and 12.1% for pediatric members.

## Commercial Full Per Member Per Month Spending




## Member Months and Spending

| | Commercial Full Member Months | | Total Medical Expenses | |
|---|---|---|---|---|
| | 2019 | 2020 | 2019 | 2020 |
| Pediatric | 1.1M | 1.1M | $0.4B | $0.4B |
| Non-Pediatric | 25.1M | 24.4M | $13.4B | $12.7B |

## Service Type Percent of Total Spending

| | | 2019 | 2020 |
|---|---|---|---|
| Pediatric | Primary Care | 16.2% | 15.3% |
| | Behavioral Health | 10.0% | 12.1% |
| Non-Pediatric | Primary Care | 7.6% | 7.1% |
| | Behavioral Health | 6.0% | 6.8% |

Source: Payer-reported data to CHIA

Notes: Aetna and Cigna data were excluded due to quality concerns. Figures on this page reflect data for commercial full-claim members only. Data displayed represents payments to pediatric physician groups, defined as having more than 80% of attributed members under 18. Percent changes are calculated based on non-rounded expenditure amounts. Please see the databook for detailed information.

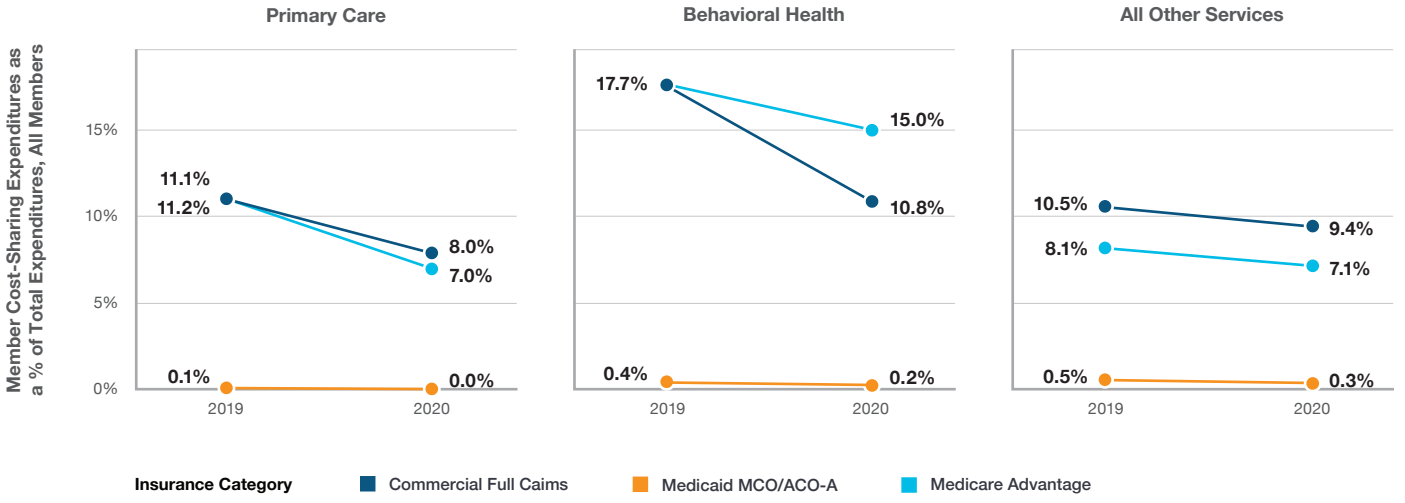
# Member Cost-Sharing by Insurance Category

2019-2020

For all three insurance categories, member cost-sharing as a proportion of total expenditures and on a PMPM basis decreased across all three service types.[12] During the COVID-19 pandemic, commercial payers waived cost-sharing for COVID-19-related services, and some voluntarily waived cost-sharing for other services, such as primary care or behavioral health telehealth visits.[13,14]

Member cost-sharing as a share of total expenditures for primary care services decreased by 3.1 percentage points for commercial members and by 4.2 percentage points for Medicare Advantage members. For behavioral health services, member cost-sharing decreased for both commercial and Medicare Advantage members, at 6.9 and 2.7 percentage points, respectively. Member cost-sharing as a proportion of total expenditures is highest for behavioral health services, as these services are more likely to be provided by out-of-network providers.[15]

Member cost-sharing is substantially lower for the Medicaid MCO/ACO-A population, due to limits on member cost-sharing from copay caps or elimination of cost-sharing for certain members and services.[16]




## Total Cost-Sharing PMPM

| | | 2019 | 2020 |
|---|---|---|---|
| **Commercial Full** | Primary Care | $4.62 | $2.99 |
| | Behavioral Health | $5.70 | $3.88 |
| | All Other Services | $47.54 | $41.22 |
| **Medicaid MCO/ACO-A** | Primary Care | $0.03 | $0.01 |
| | Behavioral Health | $0.35 | $0.23 |
| | All Other Services | $1.84 | $1.21 |
| **Medicare Advantage** | Primary Care | $5.95 | $3.18 |
| | Behavioral Health | $3.37 | $2.79 |
| | All Other Services | $78.33 | $65.88 |

## Cost-Sharing PMPM for Members with a BH Diagnosis

| | | 2019 | 2020 |
|---|---|---|---|
| **Commercial Full** | Behavioral Health | $32.53 | $21.55 |
| **Medicaid MCO/ACO-A** | Behavioral Health | $1.33 | $0.89 |
| **Medicare Advantage** | Behavioral Health | $18.64 | $15.02 |

Source: Payer-reported data to CHIA

Notes: Aetna and Cigna data were excluded due to quality concerns. Figures on this page reflect data for commercial full-claim members only. Total cost-sharing PMPM represents the entire insurance population in the denominator, whereas cost-sharing PMPM for members with a BH diagnosis uses only members with a BH diagnosis in the denominator. The latter represents a PMPM for users rather than a population base.

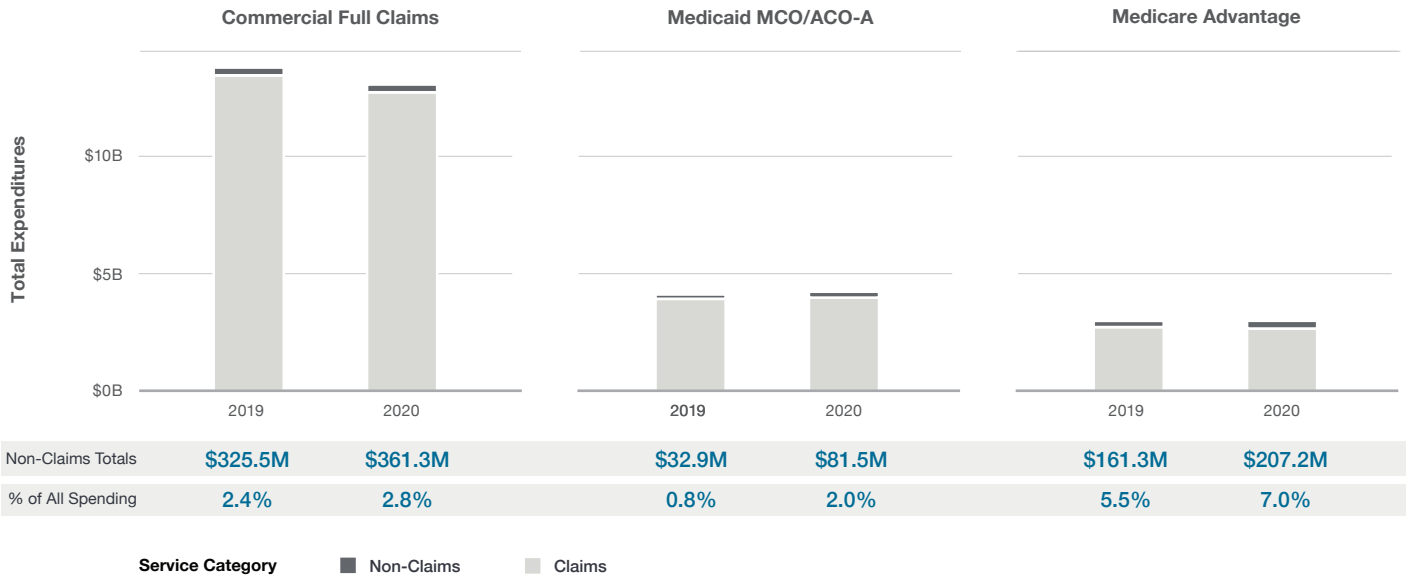
# Non-Claims Spending by Insurance Category

2019-2020

Non-claims payments to providers include incentive programs, capitation, risk settlements, care management, and other non-claims payments pursuant to the payer's contract with a provider that are not based on a claim for medical services.

Total non-claims spending increased for all three insurance categories from 2019 to 2020, increasing 11.0% for commercial, 148.2% for Medicaid MCO/ACO-As, and 28.5% for Medicare Advantage. However, non-claims payments only made up 2.8%, 2.0%, and 7.0% of total payments in 2020 for commercial, Medicaid MCO/ACO-As, and Medicare Advantage, respectively.

Of non-claims payments, a majority were allocated to all other services, with only 1.2% of commercial non-claims payments allocated to primary care or behavioral health-specific services, compared to 65.0% for Medicaid MCO/ACO-As, and 2.9% for Medicare Advantage. Some payers stated that they were unable to allocate non-claims to primary care or behavioral health service types due to limited information available about how provider organizations distribute the funds.




| | Commercial Full Claims | | Medicaid MCO/ACO-A | | Medicare Advantage | |
|---|---|---|---|---|---|---|
| Non-Claims Totals | $325.5M | $361.3M | $32.9M | $81.5M | $161.3M | $207.2M |
| % of All Spending | 2.4% | 2.8% | 0.8% | 2.0% | 5.5% | 7.0% |

## Non-Claims Allocation by Service Type

| | Commercial Full Claims | | Medicaid MCO/ACO-A | | Medicare Advantage | |
|---|---|---|---|---|---|---|
| | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 |
| Primary Care | $2.3M | $1.6M | $39.7M | $48.3M | $7.2M | $6.6M |
| Behavioral Health | $1.7M | $2.9M | $6.9M | $4.7M | $0.0M | -$0.5M |
| All Other Services | $321.6M | $356.8M | -$13.8M | $28.5M | $154.1M | $201.1M |

Source: Payer-reported data to CHIA

Notes: Aetna and Cigna data were excluded due to quality concerns. Figures on this page reflect data for commercial full-claim members only. Negative non-claims values may represent unmet performance targets or overpayment. Percent changes are calculated based on non-rounded expenditure amounts. Please see the databook for detailed information.

## SECTION 4:

# Behavioral Health

In August 2022, Governor Baker signed into law the *Mental Health ABC Act: Addressing Barriers to Care*, which aims to improve the behavioral health care delivery system in Massachusetts and charges CHIA with measuring behavioral health expenditures in the Commonwealth. Accordingly, this section includes information about spending on mental health and substance use disorder services for Massachusetts residents enrolled in commercial, Medicaid MCO/ACO-A, and Medicare Advantage insurance plans during 2019 and 2020. The report only includes spending for behavioral health services covered by insurance.

For this report, behavioral health (BH) services were defined based on a patient's principal diagnosis as recorded on health care claims submitted to insurers, in combination with procedure, place of service or revenue codes, and provider types. Guidance on specific codes was provided to data submitters in CHIA's Primary Care and Behavioral Health Expenses Data Specification Manual and accompanying Code Set.

BH inpatient spending includes patients with a behavioral health principal diagnosis that received services provided on an inpatient basis in both acute and non-acute facilities. Spending in the emergency department and observation category came from claims for emergency or observation services with a behavioral health principal diagnosis.

Outpatient spending was defined as payments for behavioral health-specific services, including medication assisted treatment, intensive outpatient services and other diversionary care, and residential treatment delivered by any provider type. Outpatient spending also included outpatient face-to-face and telehealth services, including evaluation and management and integrated

behavioral health/primary care services, when delivered by a behavioral health provider. Both types of outpatient payments required a principal diagnosis of behavioral health, in accordance with CHIA's code set, to be classified as behavioral health.

Prescription drug spending included payments made for prescription drugs prescribed to address behavioral health needs, based on the specified set of National Drug Codes (NDC) listed in the data specifications.

Behavioral health spending in the Commonwealth totaled $2.2 billion in 2020, an increase of 9.1% from $2.1 billion in 2019, across commercial (full and partial), Medicaid MCO/ACO-A, and Medicare Advantage insurance categories. In comparison, spending for all other services declined 4.2% during this time. In 2020, 19.7% of the reported patient population had a behavioral health diagnosis, compared to 19.4% of members in 2019. ■

# Commercial Behavioral Health Spending by Service Category

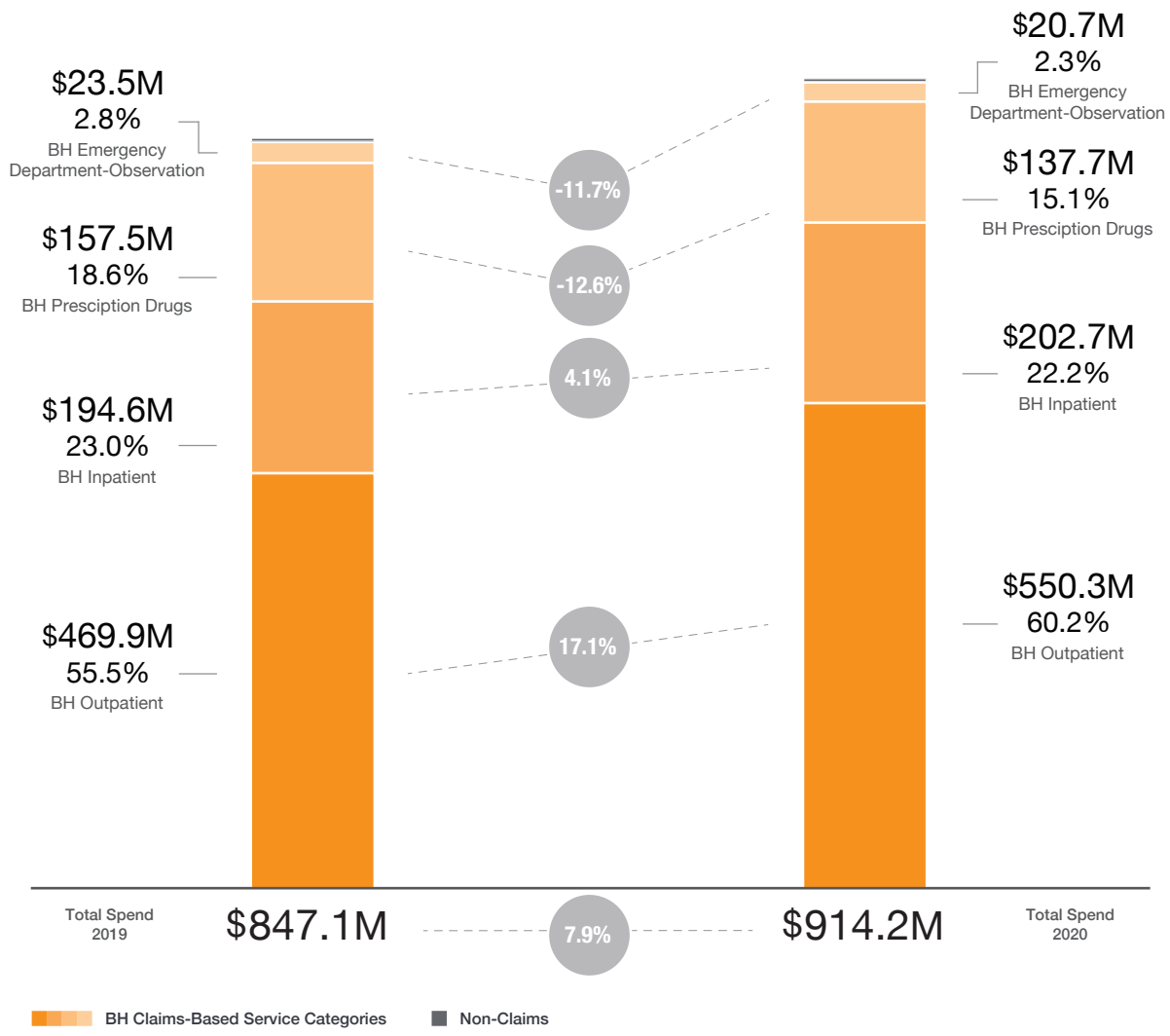
2019-2020

Spending on behavioral health services for members with commercial insurance increased by 7.9% (+$67.1 million) to $914.2 million in 2020.

The proportion of commercial full-claim members with a behavioral health diagnosis increased to 18.0% in 2020, up from 17.5% in 2019. During this time, commercial full-claim membership decreased by 2.8%.

Outpatient services represented over half of total behavioral health spending each year, increasing to 60.2% of total behavioral health spending in 2020. Commercial spending for outpatient services increased the fastest at 17.1%, and inpatient spending increased 4.1%. Prescription drug and emergency department-observation spending fell by 12.6% and 11.7%, respectively. Non-claims payments for behavioral health-specific services represented less than 1% of expenditures, totaling $2.9 million in 2020.

The Massachusetts Health Policy Commission reported that behavioral health visits shifted markedly from in-person to telehealth during the onset of the COVID-19 pandemic, with over 60% of behavioral health visits administered via telehealth from April through October 2020.[17]




Source: Payer-reported data to CHIA

Notes: Aetna and Cigna data were excluded due to quality concerns. Figures on this page reflect data for commercial full-claim members only. Percent changes are calculated based on non-rounded expenditure amounts. Please see the databook for detailed information.

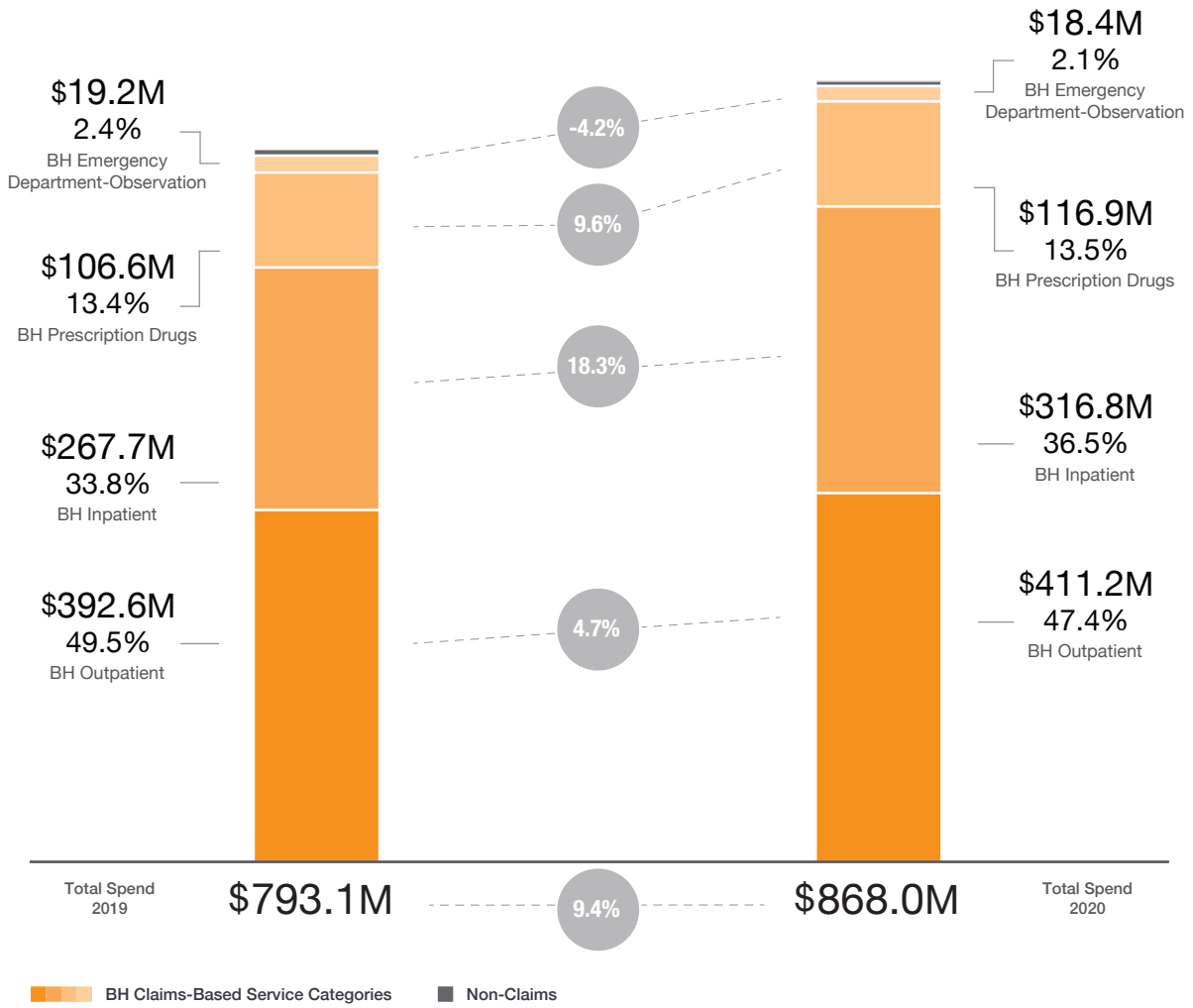
# Medicaid MCO/ACO-A Behavioral Health Spending by Service Category

2019-2020

Medicaid MCO/ACO-A behavioral health spending totaled $868.0 million in 2020, a 9.4% increase (+$74.9 million) from 2019.

In 2020, 25.6% of Medicaid MCO/ACO-A members were reported to have had a primary behavioral health diagnosis, a higher rate than commercial and Medicare Advantage. Research has shown that nationally people with low-incomes are at greater risk to experience mental health and substance use disorders.[18] However, CHIA's 2021 Massachusetts Health Insurance Survey reported that those potentially eligible for Masshealth (at or below 138% of the federal poverty level (FPL)) were less likely to report that they had an unmet need for behavioral health care due to cost barriers in comparison to those from 139-399% of the FPL.[19]

Medicaid MCO/ACO-A behavioral health spending increased for outpatient care (+4.7%), inpatient care (+18.3%), and prescription drugs (+9.6%) from 2019 to 2020. Spending declined for emergency department-observation services (-4.2%) and non-claims (-32.1%).




Source: Payer-reported data to CHIA

Notes: Data is Medicaid MCO/ACO-A data reported by commercial payers only; does not include data for MassHealth-administered programs (ACO-B, FFS, PCC). Percent changes are calculated based on non-rounded expenditure amounts. Please see the databook for detailed information.

# Medicare Advantage Behavioral Health Spending by Service Category

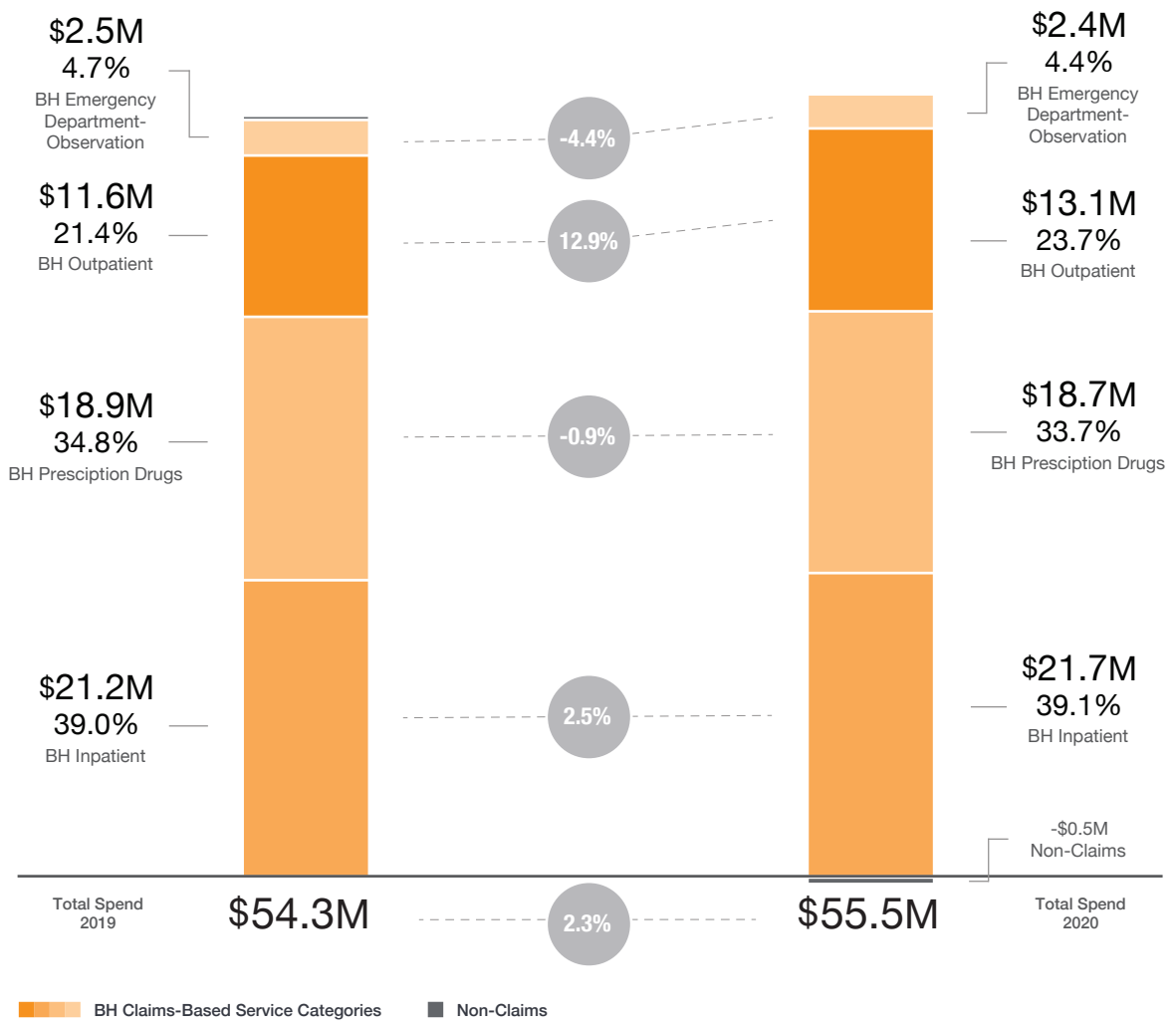
2019-2020

Medicare Advantage behavioral health spending totaled $55.5 million in 2020, a 2.3% increase (+$1.2 million) from 2019. Spending for behavioral health inpatient care comprised the largest proportion of Medicare Advantage behavioral health spending for both 2019 and 2020, in contrast with members with commercial and Medicaid MCO/ACO-A insurance.

Medicare Advantage behavioral health inpatient spending increased 2.5% from 2019 to 2020. Behavioral health outpatient spending increased the fastest at 12.9% to $13.1 million in 2020, representing 23.7% of total spending. Spending for behavioral health prescription drugs (-0.9%) and emergency department-observation (-4.4%) both decreased.

In 2020, 18.6% of all Medicare Advantage members had a behavioral health diagnosis, up from 18.1% in 2019. From 2019 to 2020, overall Medicare Advantage enrollment increased by 4.4%.

The Medicare Advantage spending composition diverges from commercial and Medicaid MCO/ACO-As due to the unique needs of the population, notably services for treating neurological conditions like dementia.




Sourcee: Payer-reported data to CHIA

Notes: Aetna data was excluded due to quality concerns. Percent changes are calculated based on non-rounded expenditure amounts. Please see the databook for detailed information.

## SECTION 5:

# Primary Care

For this report, primary care was defined using specific procedure codes delivered by certain primary care providers. Primary care spending was grouped into distinct categories, defined below, to broadly capture services.

Office visits include payments made for professional evaluation and management services that were delivered in an office or other outpatient settings, including telehealth visits. Home and nursing facility visits were defined as evaluation and management services delivered in the home, rest home, or nursing facility. Preventive visits encompass preventive medicine services such as preventive exams, counseling, and screenings. Other primary care visits include services such as Medicare annual enrollment visits and chronic disease care. Immunizations and injections capture spending for administration of any injections, infusions, or vaccines.

Lastly, obstetric visits include any routine obstetric care, including deliveries, and OB/GYN evaluation and management services. All primary care service category definitions required the care to be delivered by a primary care provider as defined in the data specification manual.

Primary care spending totaled $1.9 billion in 2020 across commercial (full and partial), Medicaid MCO/ACO-A, and Medicare Advantage insurance categories, a 9 .1% decline from $2.1 billion in 2019. This decrease in primary care spending can be largely attributed to decreased utilization at the onset of the COVID-19 pandemic, as in-person care was limited, and many services were delayed or cancelled during this time. At the service category level, office type spending experienced the largest decreases across the three major insurance categories. ■

# Commercial Primary Care Spending by Service Category

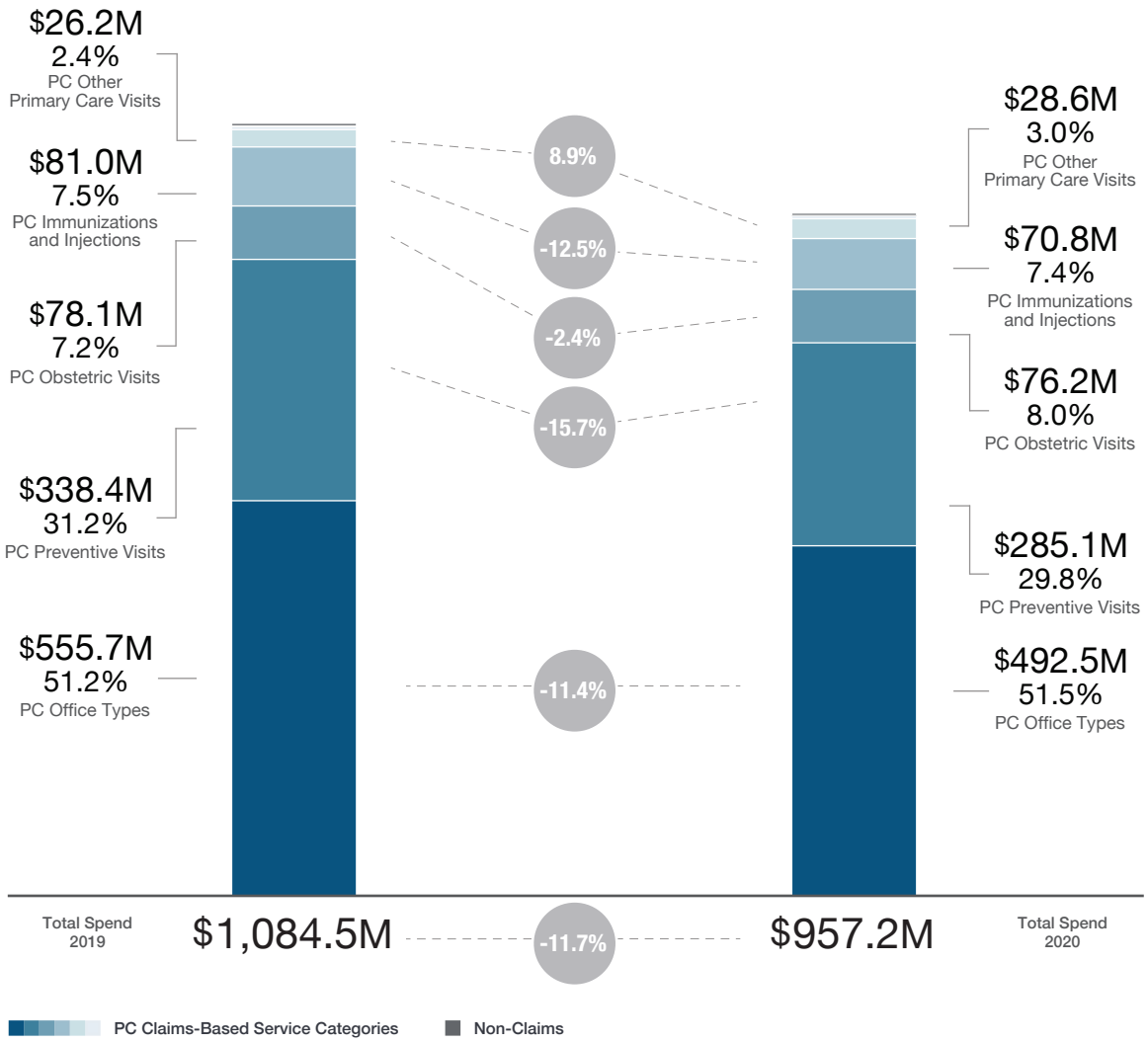
2019-2020

Commercial primary care spending totaled $957.2 million in 2020, an 11.7% decrease from $1.08 billion in 2019.

Over half of commercial primary care spending for both 2019 and 2020 was for primary care office visits, and spending for office type visits declined 11.4% from 2019 to 2020. Spending for preventive visits decreased the fastest at 15.7%, and spending for immunizations and injections (-12.5%) and obstetric visits (-2.4%) also declined.

Although total spending decreased from 2019 to 2020, there was an 8.9% increase in spending for other primary care visits, from $26.2 million in 2019 to $28.6 million in 2020. This type of care includes payments for professional services, including annual wellness visits and chronic disease care delivered by a PCP.

Primary care-specific non-claims totaled approximately $2.0 million in both 2019 and 2020, which represented less than 1% of commercial primary care spending.




Source: Payer-reported data to CHIA

Notes: Aetna and Cigna data were excluded due to data quality concerns. Figures on this page reflect data for commercial full-claim members only. Percent changes are calculated based on non-rounded expenditure amounts. Please see the  for detailed information.

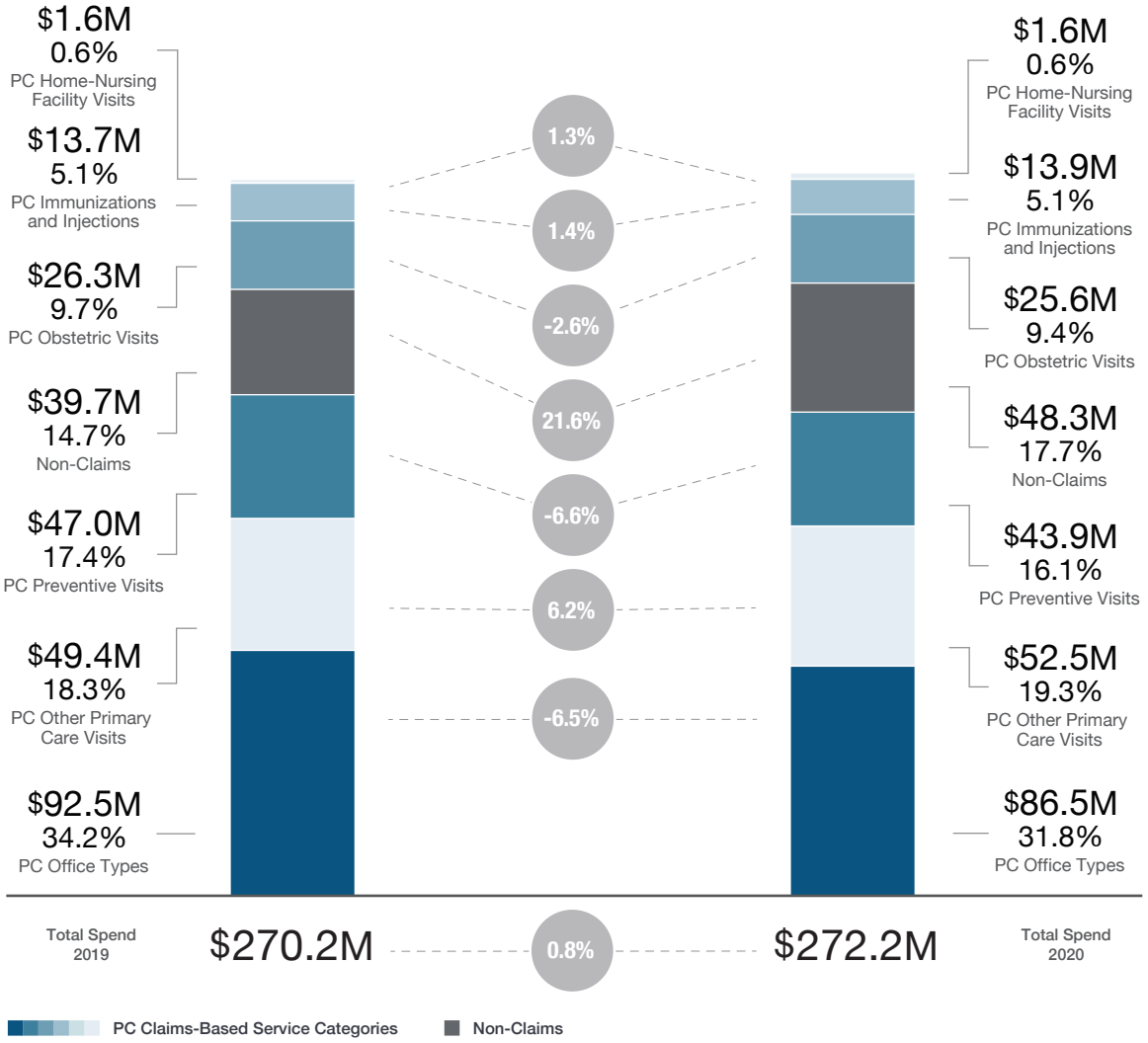
# Medicaid MCO/ACO-A Primary Care Spending by Service Category

2019-2020

Medicaid MCO/ACO-A primary care spending increased slightly by 0.8%, from $270.2 million in 2019 to $272.2 million in 2020. Medicaid MCO/ACO-A enrollment also increased (+1.1%).

The largest category of spending, primary care office visits, decreased by 6.5% from 2019 to 2020. Spending for other primary care visits increased 6.2%, totaling $52.5 million in 2020 compared to $49.4 million in 2019.

The overall increase in primary care total spending can largely be attributed to an increase in non-claims spending. Medicaid MCO/ACO-A primary care non-claims spending increased 21.6% from 2019 to 2020, driven by increases in capitation payments, which are fixed, pre-arranged payments to providers for member care.




Source: Payer-reported data to CHIA

Notes: Data is Medicaid MCO/ACO-A data reported by commercial payers only; does not include data for MassHealth-administered programs (ACO-B, FFS, PCC). Percent changes are calculated based on non-rounded expenditure amounts. Please see the databook for detailed information.

# Medicare Advantage Primary Care Spending by Service Category

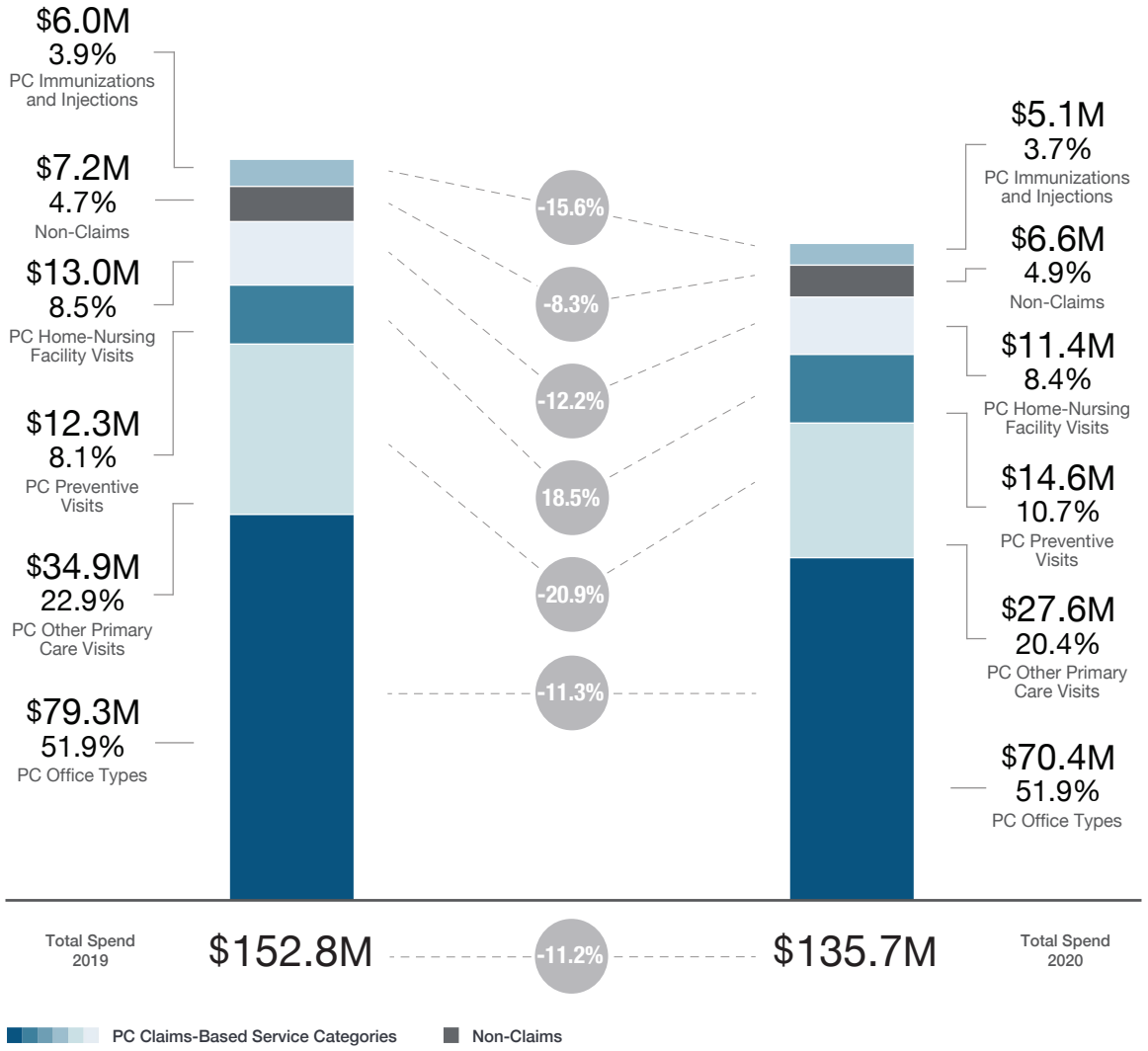
2019-2020

Medicare Advantage primary care spending decreased to $135.7 million (-11.2%) in 2020 from $152.8 million in 2019, despite enrollment growth of 4.4%.

Spending for office type visits represented over half of Medicare Advantage primary care spending, and decreased 11.3% from 2019 to 2020. Spending for other primary care visits (-20.9%) and immunizations and injections (-15.6%) also declined in this same period.

Home/nursing facility visit spending decreased 12.2% from 2019 to 2020. This follows the trend of declining nursing facility occupancy rates; nursing home occupancy rates declined 11.9% from 2019 to 2020.[20]

Medicare Advantage spending for preventative visits increased 18.5% from 2019 to 2020. These services include payments made for professional preventative medicine services and includes exams, screenings, and counseling.




Source: Payer-reported data to CHIA

Notes: Aetna data was excluded due to data quality concerns. Percent changes are calculated based on non-rounded expenditure amounts. Please see the databook for detailed information.

# Notes

1. In August 2022, Governor Baker signed into law the *Mental Health ABC Act: Addressing Barriers to Care*, which aims to improve the behavioral health care delivery system in Massachusetts and charges CHIA with measuring behavioral health expenditures in the Commonwealth.
2. The accompanying dataset and Tableau interactive dashboards do not include information on individual payer, health plan, or provider expenditures.
3. Commercial health plans report their commercial lines of business as commercial full claims or commercial partial claims. Commercial full claims represent data for members for whom the payer has access to and is able to report all claims expenses. The figures reported in this section reflect commercial full claim members only.
4. Xu WY, Song C, Li Y, Retchin SM. "Cost-Sharing Disparities for Out-of-Network Care for Adults With Behavioral Health Conditions." JAMA Netw Open 2,11(2019):e1914554. doi:10.1001/jamanetworkopen.2019.14554.
5. America's Health Insurance Plans. "Health Insurance Providers Respond to Coronavirus (COVID-19)." Accessed August 10, 2022. https://www.ahip.org/news/articles/health-insurance-providers-respond-to-coronavirus-covid-19.
6. Massachusetts Health Policy Commission. "Impact of COVID-19 on the Massachusetts Health Care System: Interim Report." (April 2021). https://www.mass.gov/doc/impact-of-covid-19-on-the-massachusetts-health-care-system-interim-report/download.
7. Massachusetts Health Policy Commission. "Impact of COVID-19 on the Massachusetts Health Care System: Interim Report." (April 2021). https://www.mass.gov/doc/impact-of-covid-19-on-the-massachusetts-health-care-system-interim-report/download.
8. Center for Health Information and Analysis. "Enrollment in Health Insurance (through September 2021)." Accessed on August 17, 2022. https://www.chiamass.gov/enrollment-in-health-insurance/.
9. Commercial full membership reflects members for whom the payer is able to report complete claims spending. Commercial full claims membership totaled 66.4% of total commercial member months in 2020.
10. Anthony, Stephanie & Striar, Adam. "MassHealth's Role in Behavioral Health Care in Massachusetts." *Blue Cross Blue Shield of Massachusetts Foundation*. (June 2021). https://www.bluecrossmafoundation.org/sites/g/files/csphws2101/files/2021-06/MH_Impact_BH_brief_FINAL.pdf.
11. In recent years, the Commonwealth has expanded the types of behavioral health services and providers that must be covered by commercial health plans. Beginning in July 2019, most commercial health plans were required to expand coverage for certain behavioral health services for children and adolescents. For more information, please see DOI Bulletin 2018-07: https://www.mass.gov/doc/bulletin-2018-07-child-adolescent/download?_ga=2.160552948.853848070.1544815914-1474510291.1530108356.

    Signed into law in August 2022, the Mental Health ABC Act requires that most commercial health plans increase coverage for several behavioral health services, including emergency service programs (ESP) and mental health wellness exams, and for provider types, including collaborative care models. For more information, please see https://malegislature.gov/Laws/SessionLaws/Acts/2022/Chapter177.
12. Member cost sharing is the share of healthcare costs that a patient pays out of pocket, and includes deductibles, coinsurance, and copayments. For more information on total member cost sharing in the Massachusetts market, see CHIA's Annual Report.

# Notes (continued)


13. Division of Insurance, "Bulletin 2020-31," (December 2020). https://www.mass.gov/news/bulletin-2020-31-continued-efforts-to-restrict-the-spread-of-covid-19-issued-12292020.

14. America's Health Insurance Plans. "Health Insurance Providers Respond to Coronavirus (COVID-19)." Accessed August 10, 2022. https://www.ahip.org/news/articles/health-insurance-providers-respond-to-coronavirus-covid-19.

15. Xu WY, Song C, Li Y, Retchin SM. "Cost-Sharing Disparities for Out-of-Network Care for Adults With Behavioral Health Conditions." *JAMA Netw Open* 2,11(2019):e1914554. doi:10.1001/jamanetworkopen.2019.14554.

16. MassHealth. "MassHealth Copay Information – For Members." Accessed August 10, 2022. https://www.mass.gov/info-details/masshealth-copay-information-for-members.

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18. Anthony , Stephanie & Striar, Adam. "MassHealth's Role in Behavioral Health Care in Massachusetts." Blue Cross Blue Shield of Massachusetts Foundation. (June 2021). https://www.bluecrossmafoundation.org/sites/g/files/csphws2101/files/2021-06/MH_Impact_BH_brief_FINAL.pdf.

19. Center for Health Information and Analysis. "Findings from the 2021 Massachusetts Health Insurance Survey." (July 2022). https://www.chiamass.gov/assets/docs/r/survey/mhis-2021/2021-MHIS-Report.pdf.

20. Center for Health Information and Analysis. "Performance of the Massachusetts Health Care System." (March 2022). https://www.chiamass.gov/assets/2022-annual-report/2022-Annual-Report-Rev-2.pdf.


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