CENTER FOR HEALTH INFORMATION AND ANALYSIS

Massachusetts Primary Care and Behavioral Health Spending: 2021 and 2022

August 2024

CHIA.

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SECTION 1:

Executive Summary

Background

Primary care and behavioral health care encompass an array of vital services that can meaningfully shape patient outcomes and form the foundation for a well-performing health care system. Comprehensive expenditure data on these services in Massachusetts is essential to inform related policies, investments, and market reforms.

To provide insight into market-wide investment in primary care and behavioral health services, CHIA collects primary care and behavioral health spending data from health plans.[1] This publication focuses on spending for these services for members enrolled in private commercial, Medicaid MCO/ACO-A, and Medicare Advantage plans for calendar years (CY) 2021 and 2022.

Overview

This report presents summary market totals and payer- and provider-level metrics on primary care and behavioral health (including mental health and SUD spending) for commercial, Medicaid MCO/ACO-A, and Medicare Advantage insurance categories for calendar years 2021 and 2022. These years reflect the lasting impact of the COVID-19 pandemic, a period in which the health care system experienced continued volatility and strain. Most notably, service utilization and care delivery were impacted by rebounding utilization in 2021 due to delayed or canceled primary care and preventive visits in 2020. Moreover, utilization trends were impacted by ongoing workforce shortages compounded by a growing need for behavioral health services.

In the most recent behavioral health data collection cycle, CHIA began collecting spending and diagnosis prevalence for mental health and substance use disorders (SUD) services separately; however, combined spending on these two service categories represents total behavioral health expenditure figures referenced in this report. Additional analyses in this report include primary care and behavioral health spending metrics by age group, payer, and managing physician group. For more information on behavioral health spending for MassHealth, see CHIA's Annual Report.

In addition to this report, publication materials include a databook with tables from the report and a dataset with specific payer- and provider-level primary care and behavioral health spending information for 2021 and 2022.

Market-Level Findings

Spending trends on primary care and behavioral health services varied across major insurance categories between 2021 and 2022. Medicaid MCO/ACO-A had the highest percentage of behavioral health (mental health and SUD combined) spending as a percent of total health care spending at 20.1 percent ($561.6M) in 2022, due in part to a higher proportion of members with a primary behavioral health diagnosis. In 2022, Medicaid MCO/ACO-A plans spent 20.1 percent ($561.6M) of total Medicaid MCO/ACO-A spending on behavioral health services (14.4 percent of total spending on mental health services, and 5.7 percent on SUD services). By comparison, commercial health plans spent 7.5 percent ($1.4B) of total commercial spending on behavioral health services (6.2 percent mental health; 1.2 percent SUD) in 2022, and behavioral health represented 2.2 percent ($58.4M) of Medicare Advantage spending (2.0 percent mental health; 0.2 percent SUD).

Medicaid MCO/ACO-A also had the highest proportion of primary care spending in 2022, accounting for 7.5 percent ($208.1M) of total Medicaid MCO/ACO-A health care spending. In 2022, primary care spending represented 6.8 percent ($1.3B) of total commercial spending and 4.1 percent ($107.9M) of total Medicare Advantage spending.

On a per member per month (PMPM) basis, Medicaid MCO/ACO-A plans had the highest behavioral health PMPM spending ($95), two times higher than commercial ($48), and the lowest primary care PMPM spending ($35) in 2022. Medicare Advantage had the lowest behavioral health PMPM spending ($26) and highest primary care PMPM spending ($47). Across all three insurance categories, members were responsible for a larger share of mental health costs, through

copays, coinsurance, and deductibles, compared with all other services as mental health care is more likely to be provided by an out-of-network provider.

In 2022, PMPM spending for primary care and behavioral health services combined was higher among commercial members ages 0 to 17 ($115) compared with members ages 18 to 64 years ($81). Primary care and behavioral health spending combined represented 27.4 percent of total spending for members ages 0 to 17, compared with 12.8 percent of total spending for members ages 18 to 64.

For Medicaid MCO/ACO-A plans, behavioral health spending PMPM was higher among 18- to 64-year-old members ($158), compared with members ages 0 to 17 years ($96), driven by higher spending for substance use disorders (SUD) services in 2022. However, the proportion of primary care and behavioral health spending was higher for members ages 0 to 17 (31.7 percent) than for members 18 to 64 years old (25.9 percent).

Primary Care

Across commercial, Medicaid MCO/ACO-A, and Medicare Advantage insurance categories, primary care office visits represented the largest share of primary care spending in 2022, making up 51.2 percent of commercial primary care spending, 35.5 percent of Medicaid MCO/ACO-A primary care spending, and 69.7 percent of Medicare Advantage primary care spending. Primary care office visits reflect payments for care such as professional evaluation and management services in an office or outpatient setting, delivered by a primary care provider.

Primary care-specific non-claims payments, including capitation, represented 20.1 percent of Medicaid MCO/ACO-A spending in 2022, an increase of 3.6 percentage points from 2021, making it the second largest category of Medicaid MCO/ACO-A primary care spending.

Behavioral Health

Behavioral health includes services for mental health and SUD delivered in various health care settings, such as residential care, inpatient treatment, outpatient programs, and outpatient office visits. CHIA examined mental health and SUD spending across insurance categories, payers, and services.

Of total mental health spending in 2022, prescription drugs represented the largest portion of Medicare Advantage (39.3 percent) mental health spending. Outpatient services delivered by non-primary care providers represented the largest category of mental health spending for commercial and Medicaid MCO/ACO-A (55.2 percent and 46.4

percent, respectively). Outpatient mental health services provided by a primary care provider accounted for 7.5 percent of commercial spending and 2.5 percent of Medicaid MCO/ACO-A spending in 2022.

Of total SUD spending in 2022, SUD inpatient services comprised the largest category of spending across all three insurance categories: 47.1 percent of commercial SUD spending, 40.3 percent of Medicaid MCO/ACO-A SUD spending, and 52.6 percent of Medicare Advantage SUD spending. ■

SECTION 2:

Data Sources and Methodology

In September 2023, CHIA requested CY2021 and CY2022 primary care and behavioral health (PCBH) expenditure and membership data at the managing physician group level from 16 commercially administered health plans with private commercial, Medicaid MCO/ACO-A, Medicare Advantage, SCO, PACE, and One Care lines of business. Ten payers submitted both CY2021 and CY2022 data to be included in this report; some payers reported only CY2022 data to CHIA, and one of the 10 was excluded due to data quality concerns. The data for total medical spending does not include out-of-pocket payments for goods and services not covered by insurance, including over-the-counter medications, or denied claims. Expenditure data only includes information for primary care and behavioral health services covered by members' health insurance plans and does not capture care that was privately paid for by the patient outside of any insurance plan. The data reflects submissions from private health insurance carriers only; no data is included for programs solely administered by public payers, such as MassHealth Fee-For-Service or Original Medicare. Spending measures reflect private commercial health plans, and public plans administered by private health insurance carriers including Medicaid MCO/ACO-A, and Medicare Advantage, and capture payments made for all types of inpatient and outpatient services. The totals reflected in this report may not tie to those presented in the Annual Report due to differences in claims run out from data pulled at different times and payer exclusions.

Mental health and SUD spending were defined by identifying medical claims with a principal mental health diagnosis or substance use disorders diagnosis (ICD-10), respectively, and further classifying services based on procedure codes, place of service (POS) codes, or revenue codes. Medical claims spending that did not

meet the logic to be allocated to the mental health or SUD service types and claims without a principal mental health or SUD 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 mental health, SUD, or primary care service types was then allocated to "all other services." Pharmacy claims were allocated based on NDC codes for mental health prescription drugs, substance use disorders prescription drugs, and all other prescription drugs.

Data submitters allocated non-claims-based payments into five 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. In this report, non-claims spending reflects payments made to health care providers pursuant to payer-provider contracts and does not include payments made from government entities. Non-claims payments included in this report for Medicaid do not reflect supplemental payments made directly by MassHealth to providers, such as disability access incentives, safety net provider payments, health safety net trust fund payments, or COVID-19 relief funds.

In accordance with the data specifications, payers used a hierarchical model to allocate claims spending into mutually exclusive spending categories under service types of mental health, substance use disorders, primary care, and all other services as outlined in Table A. ■

Table A. Service Category Classification by Service Type

Mental Health (MH)	Substance Use Disorders (SUD)	Primary Care (PC)	All Other Services
• *MH Inpatient*	• *SUD Inpatient*	• *PC Office Visits*	• *Other Medical*
• *MH Emergency Department: Observation*	• *SUD Emergency Department: Observation*	• *PC Home/Nursing Facility Visits*	• *Other Prescription Drugs*
• *MH Outpatient: PC Provider*	• *SUD Outpatient: PC Provider*	• *PC Behavioral Health Screening*	• *Non-Claims*
• *MH Outpatient: Non-PC Provider*	• *SUD Outpatient: Non-PC Provider*	• *PC Preventive Visits*	
• *MH Prescription Drugs*	• *SUD Prescription Drugs*	• *PC Other Primary Care Visits*	
• *Non-Claims*	• *Non-Claims*	• *PC Immunizations & Injections*	
		• *PC Obstetric Visits*	
		• *Non-Claims*	

For additional detail on diagnoses and code lists for services classified as mental health, SUD, and primary care, see the Primary Care and Behavioral Health data specifications.

SECTION 3:

Market Overview

This section includes primary care, mental health, and substance use disorder (SUD) spending for Massachusetts residents at the market level, examining how expenses for these services vary by insurance category and over time from 2021 to 2022. This report includes data reflecting behavioral health diagnosis prevalence, primary care and behavioral health spending by age group, and the distribution of primary care and behavioral health spending by service category. Data included in this section reflects three insurance populations: members with private commercial insurance, MassHealth members enrolled in Medicaid MCO/ACO-A plans reported by commercially administered plans, and Medicare beneficiaries enrolled in a Medicare Advantage plan. Analysis represents data from payers that submitted both CY2021 and CY2022 data: BCBSMA, Cigna, Fallon, HPHC, HPI, MGBHP, THPP, Tufts Medicare Advantage, and UniCare, representing approximately 72 percent of the commercial market, 60 percent of the MCO/ACO-A market, and 60 percent of the Medicare Advantage market. Due to payer exclusions, data may not tie to previously published data points. Expenditure totals do not reflect aggregate statewide spending, and findings should not be extrapolated for that purpose. ■

Primary Care and Behavioral Health Percent of Spending and Diagnosis Prevalence by Insurance Category

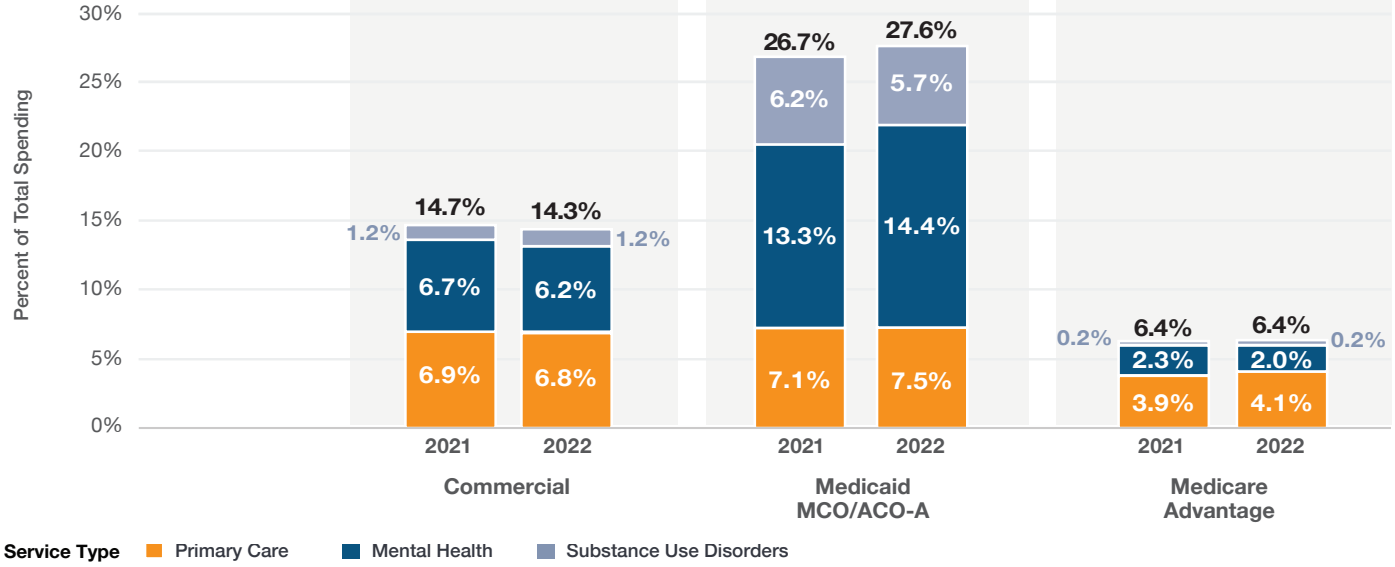
2021-2022

Commercial health plan spending on primary care and behavioral health services represented 14.3% ($2,681M) of total commercial spending in 2022, a decline from 14.7% ($2,753M) in 2021. In 2022, primary care represented 6.8% ($1,283M) of commercial spending, followed by mental health at 6.2% ($1,164M), and SUD at 1.2% ($234M). From 2021 to 2022, the proportion of commercial members with a primary behavioral health diagnosis (mental health and SUD combined) increased 0.4 percentage points to 22.7%.

Primary care and behavioral health spending combined accounted for 27.6% ($769.7M) of total Medicaid MCO/ACO-A spending in 2022, up from 26.7% ($687.4M) in 2021. Medicaid MCO/ACO-A had the highest behavioral health diagnosis prevalence among examined insurance categories at 24.8% of members and the highest proportion of behavioral health spending (20.1%) in 2022. Primary care spending represented 7.5% ($208.1M) of total Medicaid MCO/ACO-A spending in 2022, an increase from 2021.

In 2022, Medicare Advantage plans spent 6.4% ($166.3M) of total spending on primary care and behavioral health services, with 4.1% for primary care, 2.0% for mental health, and 0.2% for SUD. In 2022, 14.1% of Medicare Advantage members had a behavioral health diagnosis, a decline from 2021.

	COMMERCIAL 2021	COMMERCIAL 2022	MEDICAID MCO/ACO-A 2021	MEDICAID MCO/ACO-A 2022	MEDICARE ADVANTAGE 2021	MEDICARE ADVANTAGE 2022
Member Months	30.1M	29.0M	5.6M	5.9M	2.2M	2.3M
Percent of Members with a SUD Diagnosis	1.5%	1.4%	3.7%	3.5%	1.6%	1.6%
Percent of Members with a MH Diagnosis	20.8%	21.3%	21.7%	21.2%	13.7%	12.5%
SUD Spending	$220M	$234M	$160.6M	$159.9M	$4.2M	$4.9M
Mental Health Spending	$1,249M	$1,164M	$342.7M	$401.7M	$56.0M	$53.5M
Primary Care Spending	$1,283M	$1,283M	$184.1M	$208.1M	$95.3M	$107.9M



Source: Payer-reported data to CHIA

Notes: For commercial partial-claim data where payers reported pharmacy carve-outs, CHIA estimated pharmacy spending by service type. Analysis represents data from payers that submitted CY2021 and CY2022 data: BCBSMA, Cigna, Fallon, HPHC, HPI, MGBHP, THPP, Tufts Medicare Advantage, and UniCare, representing approximately 72% of the commercial market, 60% of the MCO/ACO-A market, and 60% of the Medicare Advantage market. Due to payer exclusions, data may not tie to previously published data points. Data does not reflect aggregate statewide spending, and findings should not be extrapolated for that purpose. Mental health and substance use disorders diagnosis prevalence are not mutually exclusive. Totals may not sum due to rounding. See technical appendix for more information.

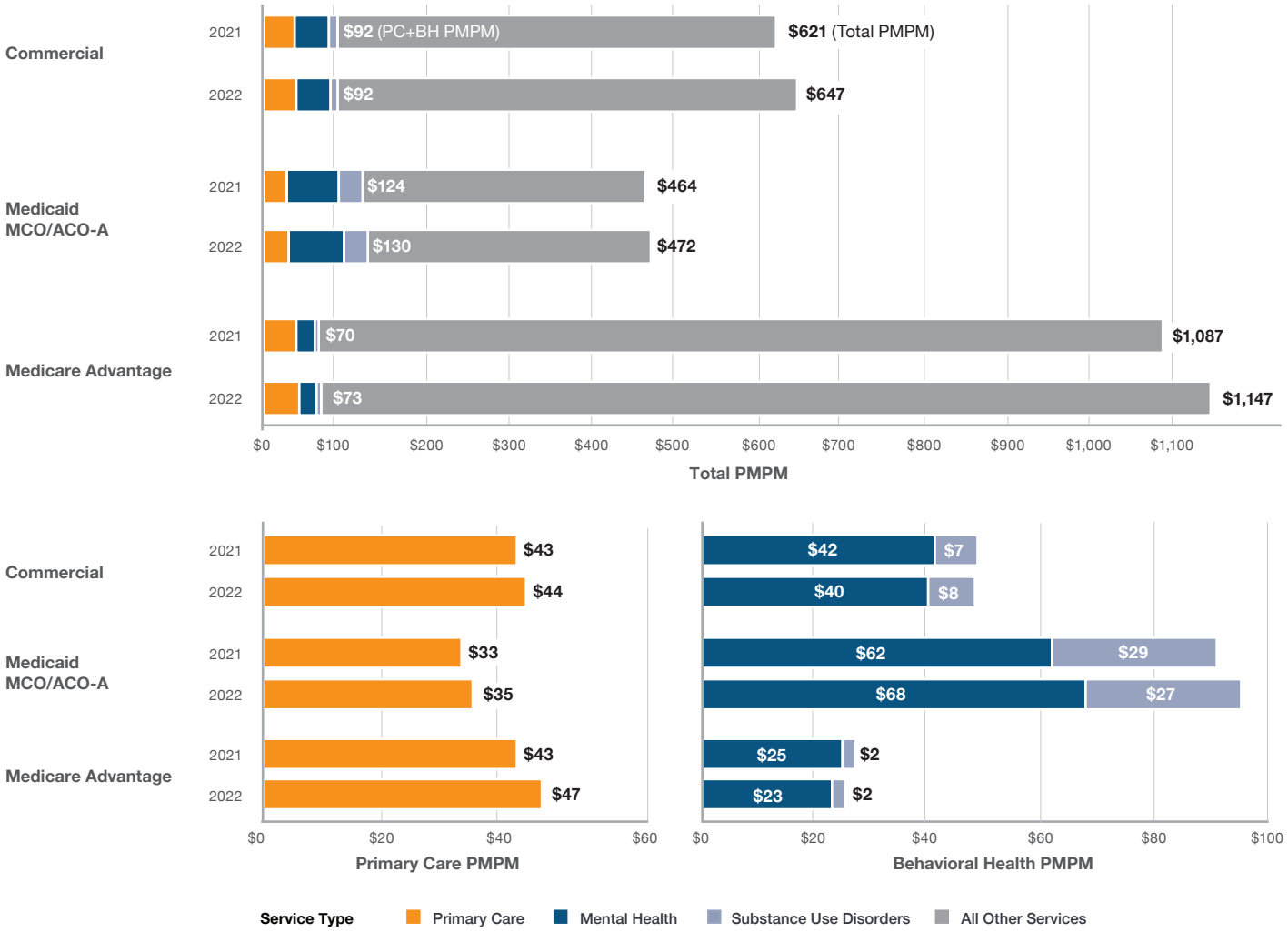
Per Member Per Month Service Type Spending by Insurance Category

2021-2022

Commercial primary care per member per month (PMPM) spending increased 3.7% to $44 PMPM in 2022, while behavioral health PMPM spending declined 1.4% to $48 PMPM in 2022.

Medicare Advantage primary care PMPM spending increased 11.1% to $47 in 2022, the highest PMPM and fastest growth in primary care spending among the three insurance categories. Behavioral health PMPM spending for Medicare Advantage was the lowest at $26 PMPM in 2022, declining 4.9% between 2021 and 2022.

Medicaid MCO/ACO-A plans had the lowest primary care PMPM spending at $35 in 2022, increasing 6.2% from 2021. Medicaid MCO/ ACO-A PMPM spending for behavioral health increased 4.9% to $95 PMPM from 2021 to 2022, the only insurance category to experience an increase in behavioral health PMPM spending. Medicaid MCO/ ACO-A behavioral health PMPM spending was nearly double that of commercial plans, driven by higher PMPM spending for both mental health and SUD services ($68 PMPM and $27 PMPM, respectively). This may be due to Medicaid MCO/ACO-A plans having more comprehensive coverage of providers and services that may not be covered by commercial insurance, such as long-term residential treatment.[2]



Source: Payer-reported data to CHIA

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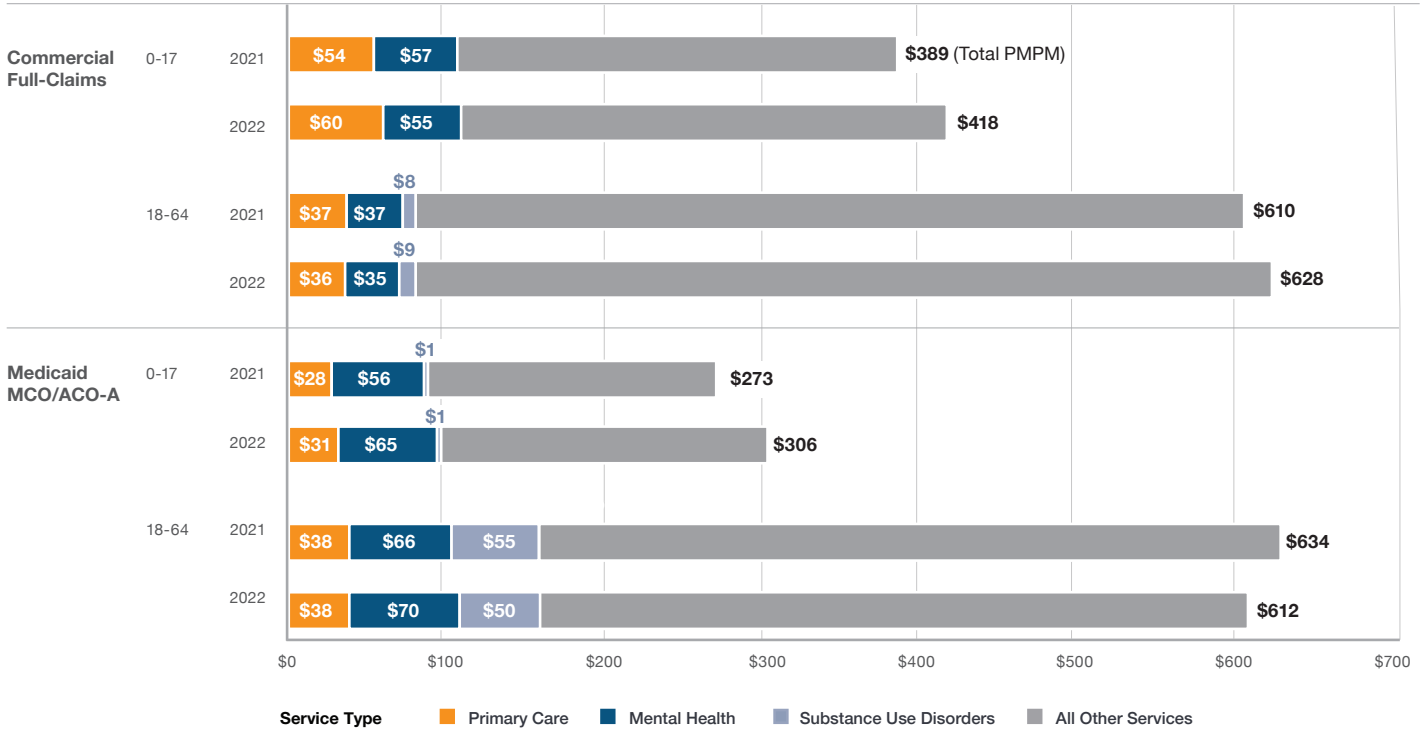
Per Member Per Month Service Type Spending by Age Group

2021-2022

In 2022, commercial primary care and behavioral health spending combined was higher for members ages 0-17 ($115 PMPM) than for ages 18-64 ($81 PMPM). In 2022, for members ages 0-17, commercial health plans spent $60 PMPM on primary care and $55 PMPM on mental health. Among commercially insured adults ages 18-64 in 2022, primary care spending was $36 PMPM, mental health spending was $35 PMPM, and SUD spending was $9 PMPM. Overall, primary care and behavioral health spending in 2022 represented 27.4% of total expenses for commercial members ages 0-17 and 12.8% for members ages 18-64.[3]

Medicaid MCO/ACO-A plans reported higher behavioral health spending PMPM for members ages 18-64 ($120 PMPM) than 0-17 ($66 PMPM), driven by higher spending on SUD services ($50 PMPM for members ages 18-64) in 2022. Mental health spending for Medicaid MCO/ACO-A members ages 0-17 increased from $56 PMPM in 2021 to $65 PMPM in 2022. Medicaid MCO/ACO-A primary care spending for members ages 0-17 increased to $31 PMPM in 2021, while primary care spending for members ages 18-64 remained stable from 2021 to 2022 at $38 PMPM. In 2022, primary care and behavioral health spending for Medicaid MCO/ACO-A members ages 0-17 represented a greater proportion of total spending compared with ages 18-64 (31.7% and 25.9%, respectively).

		Commercial Full-Claims		Medicaid MCO/ACO-A	
		2021	2022	2021	2022
Percent of Members with MH Diagnosis	0-17	19.5%	20.0%	19.6%	19.5%
	18-64	22.0%	22.7%	23.6%	22.8%
Percent of Members with SUD Diagnosis	0-17	0.1%	0.1%	0.1%	0.2%
	18-64	1.7%	1.7%	7.1%	6.4%
Percent of Members with BH Diagnosis	0-17	19.7%	20.1%	19.8%	19.7%
	18-64	23.7%	24.4%	30.7%	29.2%
Member Months	0-17	3.5M	3.3M	2.7M	2.8M
	18-64	15.2M	14.5M	2.9M	3.2M



Source: Payer-reported data to CHIA

Notes: Analysis represents data from payers that submitted CY2021 and CY2022 data: BCBSMA, Cigna, Fallon, HPHC, HPI, MGBHP, and THPP. In this analysis, commercial full-claim members only represent approximately 46% of the commercial market, and 60% of the MCO/ACO-A market. Due to payer exclusions, data may not tie to previously published data points. Data does not reflect aggregate statewide spending, and findings should not be extrapolated for that purpose. Totals may not sum due to rounding. See technical appendix for more information.

Mental Health and Substance Use Disorders Spending for Members with a Behavioral Health Diagnosis

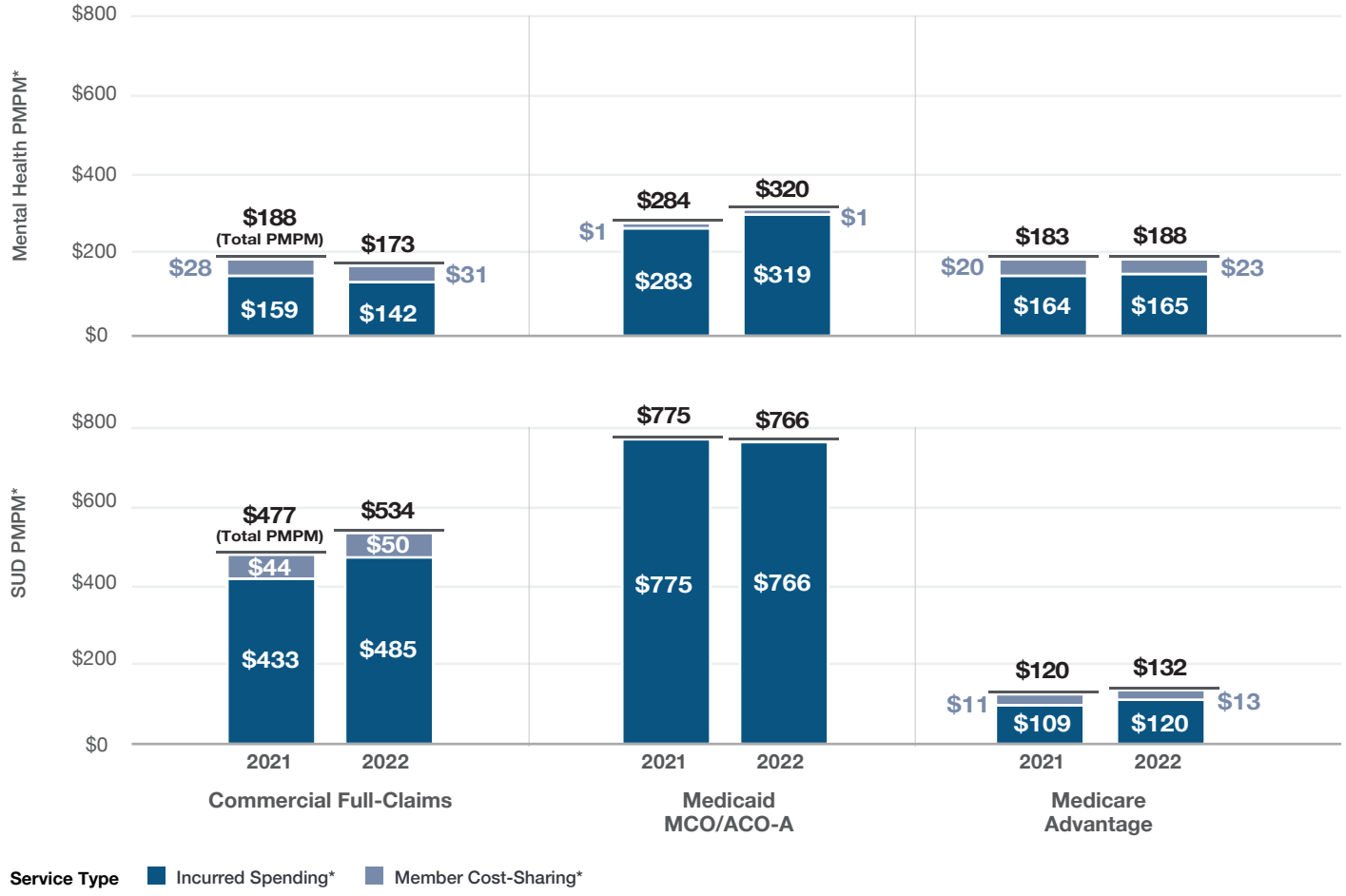
2021-2022

CHIA examined mental health and SUD spending for members with behavioral health diagnoses, representing a more experience-based analysis rather than a total population analysis.

Commercial mental health PMPM spending for members with a primary mental health diagnosis decreased from $188 PMPM in 2021 to $173 PMPM in 2022. These members were responsible for paying 18.0% of their mental health spending, or $31 PMPM in cost-sharing in 2022, an increase from 15.2% ($28 PMPM) cost-sharing responsibility from 2021. For members with a primary SUD diagnosis, SUD spending increased to $534 PMPM in 2022, with members responsible for $50 PMPM, or 9.3% of total SUD spending, compared to 9.2% ($44 PMPM) in 2021.

Mental health spending for Medicaid MCO/ACO-A members with a mental health diagnosis was $320 PMPM in 2022, up from $284 in 2021. SUD spending for Medicaid MCO/ACO-A members with a primary SUD diagnosis was $766 PMPM in 2022, a decrease from 2021.

Mental health spending for Medicare Advantage members with a mental health diagnosis increased to $188 PMPM while SUD spending for members with a SUD diagnosis increased to $132 PMPM in 2022. Medicare Advantage members with primary behavioral health diagnoses were responsible for paying 12.4% of mental health spending and 9.5% of SUD spending in 2022.



*Only for members with Primary Diagnosis

Source: Payer-reported data to CHIA

Notes: Analysis represents data from payers that submitted CY2021 and CY2022 data: BCBSMA, Cigna, Fallon, HPHC, HPI, MGBHP, THPP, and Tufts Medicare Advantage. In this analysis, commercial full-claim members only represent approximately 46% of the commercial market, 60% of the MCO/ACO-A market, and 60% of the Medicare Advantage market. Due to payer exclusions, data may not tie to previously published data points. Data does not reflect aggregate statewide spending, and findings should not be extrapolated for that purpose. Mental health and substance use disorders diagnosis prevalence are not mutually exclusive. Mental health and SUD PMPMs only use members with a mental health or SUD diagnosis, respectively, in the denominator. Totals may not sum due to rounding. See technical appendix for more information.

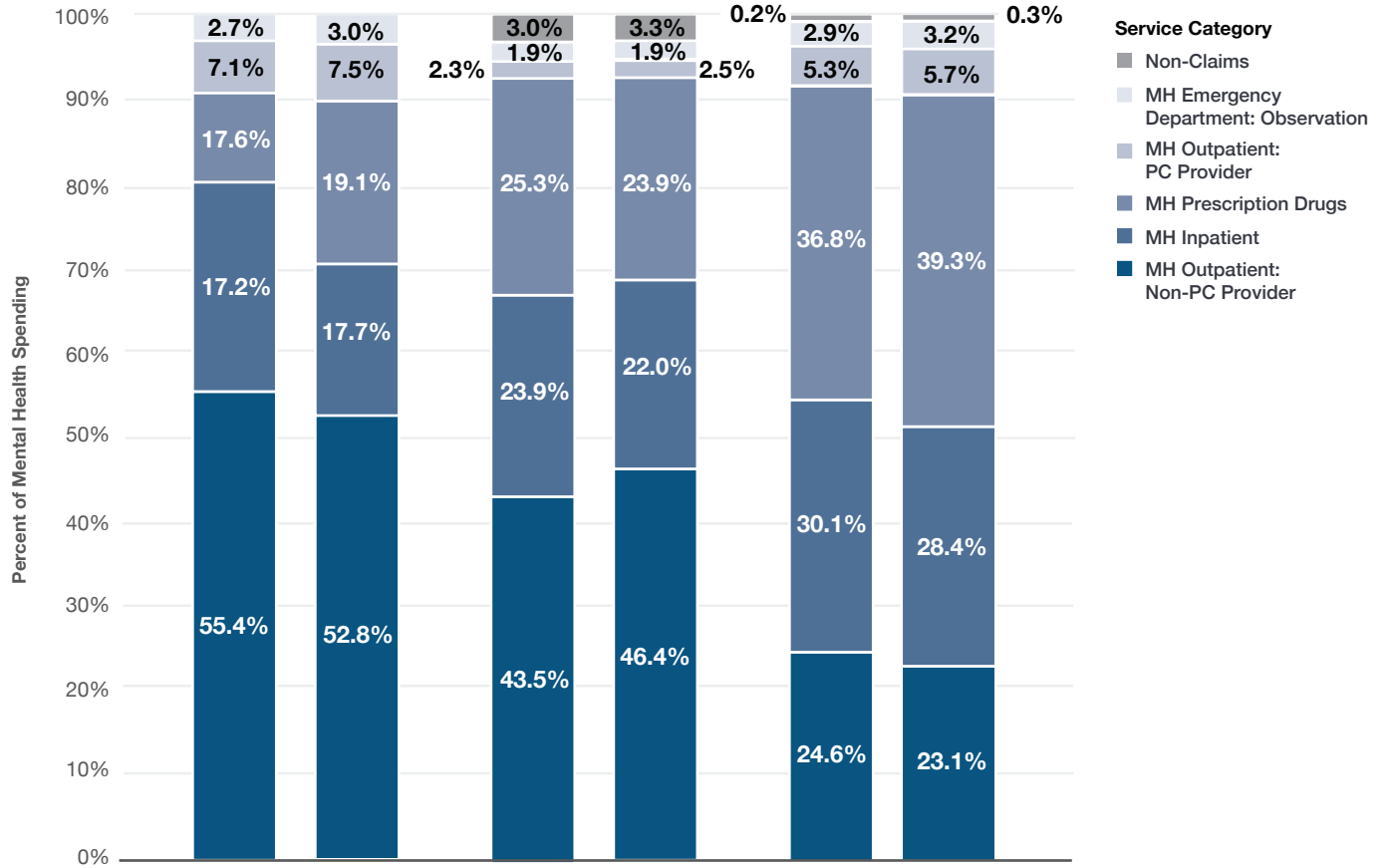
Mental Health Spending by Service Category

2021-2022

Mental health services are delivered in a variety of health care settings, including inpatient treatment, residential care, intensive outpatient programs, and outpatient office visits. Spending for services in these settings differed across insurance categories.

Outpatient mental health services provided by a non-primary care provider accounted for around half of mental health spending for both commercial (52.8%) and Medicaid MCO/ACO-A (46.4%) members in 2022. Spending for outpatient mental health services delivered by a primary care provider represented 7.5% of total mental health spending for commercial members, 2.5% for Medicaid MCO/ACO-A, and 5.7% for Medicare Advantage members.

Mental health prescription drugs represented the largest portion of spending for Medicare Advantage members at 39.3% in 2022. Mental health prescription drugs accounted for 23.9% of Medicaid MCO/ACO-A spending and 19.1% of commercial mental health spending in 2022. The proportion of mental health spending for inpatient services varied across insurance categories, at 17.7% for commercial members, 22.0% for Medicaid MCO/ACO-A, and 28.4% for Medicare Advantage.



	Commercial 2021	Commercial 2022	Medicaid MCO/ACO-A 2021	Medicaid MCO/ACO-A 2022	Medicare Advantage 2021	Medicare Advantage 2022
Mental Health Spending	$1,249M	$1,164M	$342.7M	$401.7M	$56.0M	$53.5M

Source: Payer-reported data to CHIA

Notes: For commercial partial-claim data where payers reported pharmacy carve-outs, CHIA estimated pharmacy spending by service type. Analysis represents data from payers that submitted CY2021 and CY2022 data: BCBSMA, Cigna, Fallon, HPHC, HPI, MGBHP, THPP, Tufts Medicare Advantage, and UniCare, representing approximately 72% of the commercial market, 60% of the MCO/ACO-A market, and 60% of the Medicare Advantage market. Due to payer exclusions, data may not tie to previously published data points. Data does not reflect aggregate statewide spending, and findings should not be extrapolated for that purpose. Totals may not sum due to rounding. See technical appendix for more information.

Substance Use Disorders Spending by Service Category

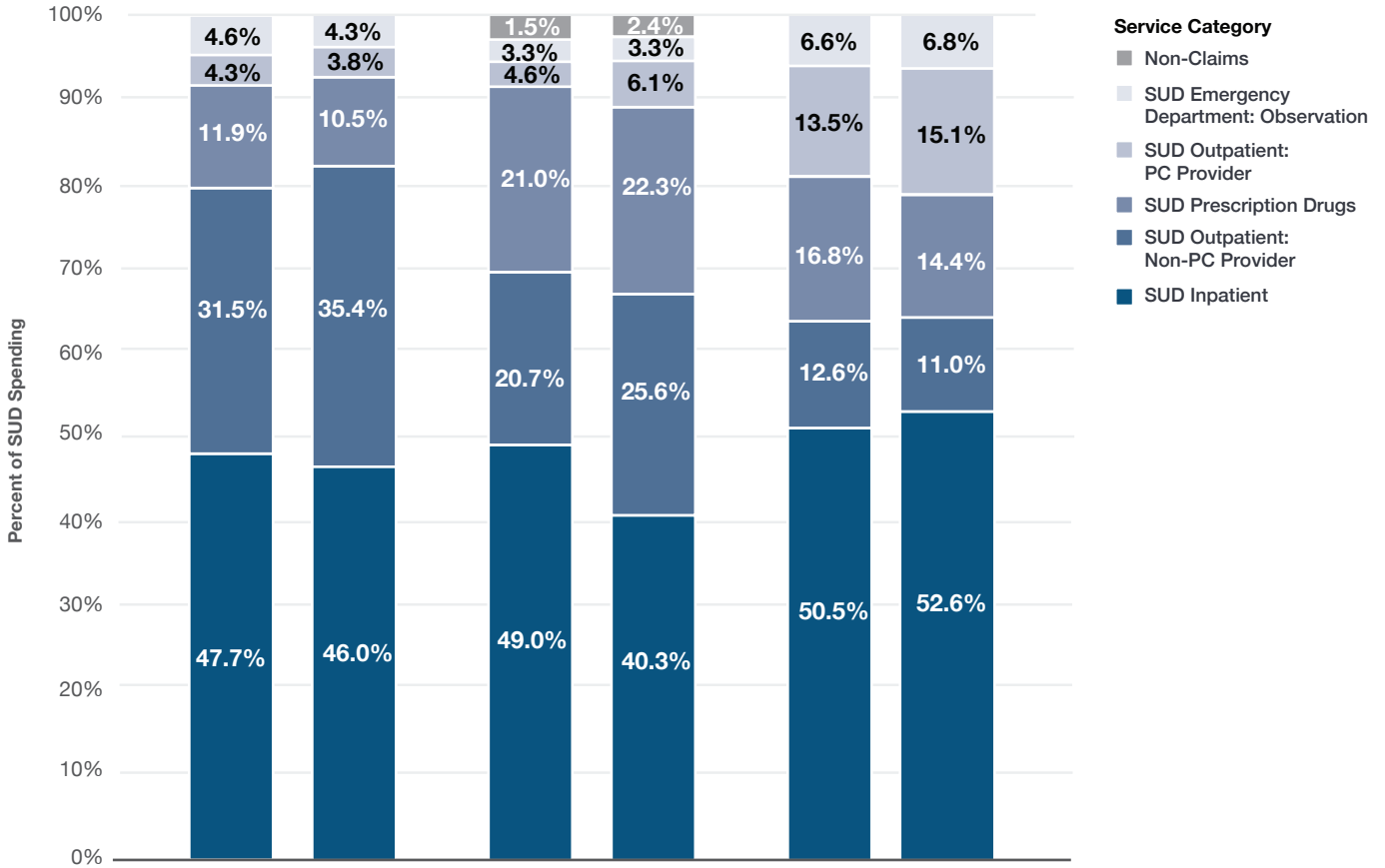
2021-2022

Compared with mental health, a greater proportion of SUD spending was attributed to inpatient services across all insurance categories. The distribution of spending across other SUD service categories varied by insurance category.

In 2022, among commercial health plans, inpatient services represented 46.0% of total SUD spending, followed by 35.4% of spending on outpatient services provided by a behavioral health provider.

For Medicaid MCO/ACO-A members, outpatient services provided by a behavioral health provider accounted for 25.6% of total SUD spending in 2022, a 4.9 percentage point increase from 2021; at the same time, the proportion of total SUD spending attributable to inpatient services (40.3% of total SUD spending) declined by 8.7 percentage points. MassHealth indicated that the decline in SUD inpatient service expenses may be linked to a decline in the number of beds available because of staffing shortages.

Inpatient services similarly represented the largest category of Medicare Advantage SUD spending, accounting for 52.6% in 2022. In contrast with commercial and Medicaid MCO/ACO-A, outpatient services delivered by a behavioral health provider accounted for only 11.0% of Medicare Advantage SUD spending. Outpatient services delivered by a primary care provider accounted for 15.1% of Medicare Advantage SUD spending.



	Commercial 2021	Commercial 2022	Medicaid MCO/ACO-A 2021	Medicaid MCO/ACO-A 2022	Medicare Advantage 2021	Medicare Advantage 2022
SUD Spending	$220.4M	$234.1M	$160.6M	$159.9M	$4.2M	$4.9M

Source: Payer-reported data to CHIA

Notes: For commercial partial-claim data where payers reported pharmacy carve-outs, CHIA estimated pharmacy spending by service type. Analysis represents data from payers that submitted CY2021 and CY2022 data: BCBSMA, Cigna, Fallon, HPHC, HPI, MGBHP, THPP, Tufts Medicare Advantage, and UniCare, representing approximately 72% of the commercial market, 60% of the MCO/ACO-A market, and 60% of the Medicare Advantage market. Due to payer exclusions, data may not tie to previously published data points. Data does not reflect aggregate statewide spending, and findings should not be extrapolated for that purpose. Totals may not sum due to rounding. See technical appendix for more information.

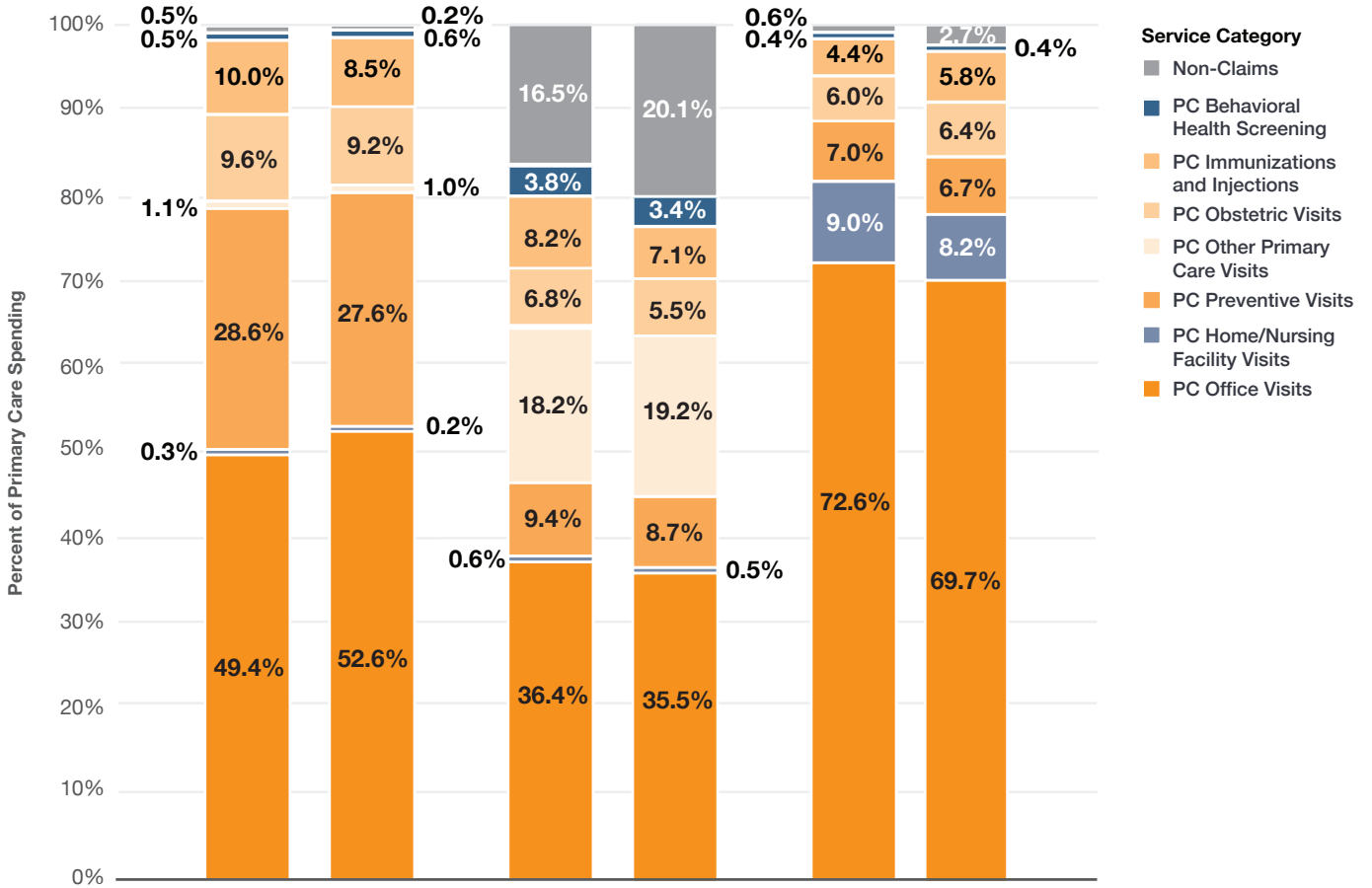
Primary Care Spending by Service Category

2021-2022

Commercial spending on primary care office visits, such as professional evaluation and management services in an office or outpatient setting, represented 52.6% of total commercial primary care spending, an increase of 3.2 percentage points from 2021. Preventive visits, including medical exams, screenings, and counseling delivered by a primary care provider, represented the next largest share of commercial primary care spending at 27.6% in 2022.

Medicaid MCO/ACO-A primary care spending varied the most compared with commercial and Medicare Advantage as non-claims spending, including capitation, represented 20.1% of primary care spending in 2022. As in other insurance categories, primary care office visits accounted for the largest percent of total primary care spending (35.5% in 2022).

Primary care office visits accounted for 69.7% of Medicare Advantage primary care spending in 2022, a decrease of 2.9 percentage points from 2021. Specific to the Medicare Advantage population, 8.2% of primary care spending was on primary care home or nursing facility visits in 2022, which reflect payments made for professional evaluation and management services provided by a primary care provider that can be delivered in a private home, rest home, or nursing facility.



	Commercial 2021	Commercial 2022	Medicaid MCO/ACO-A 2021	Medicaid MCO/ACO-A 2022	Medicare Advantage 2021	Medicare Advantage 2022
Primary Care Spending	$1,283M	$1,283M	$184.1M	$208.1M	$95.3M	$107.9M

Source: Payer-reported data to CHIA

Notes: For commercial partial-claim data where payers reported pharmacy carve-outs, CHIA estimated pharmacy spending by service type. Analysis represents data from payers that submitted CY2021 and CY2022 data: BCBSMA, Cigna, Fallon, HPHC, HPI, MGBHP, THPP, Tufts Medicare Advantage, and UniCare, representing approximately 72% of the commercial market, 60% of the MCO/ACO-A market, and 60% of the Medicare Advantage market. Due to payer exclusions, data may not tie to previously published data points. Data does not reflect aggregate statewide spending, and findings should not be extrapolated for that purpose. Totals may not sum due to rounding. See technical appendix for more information.

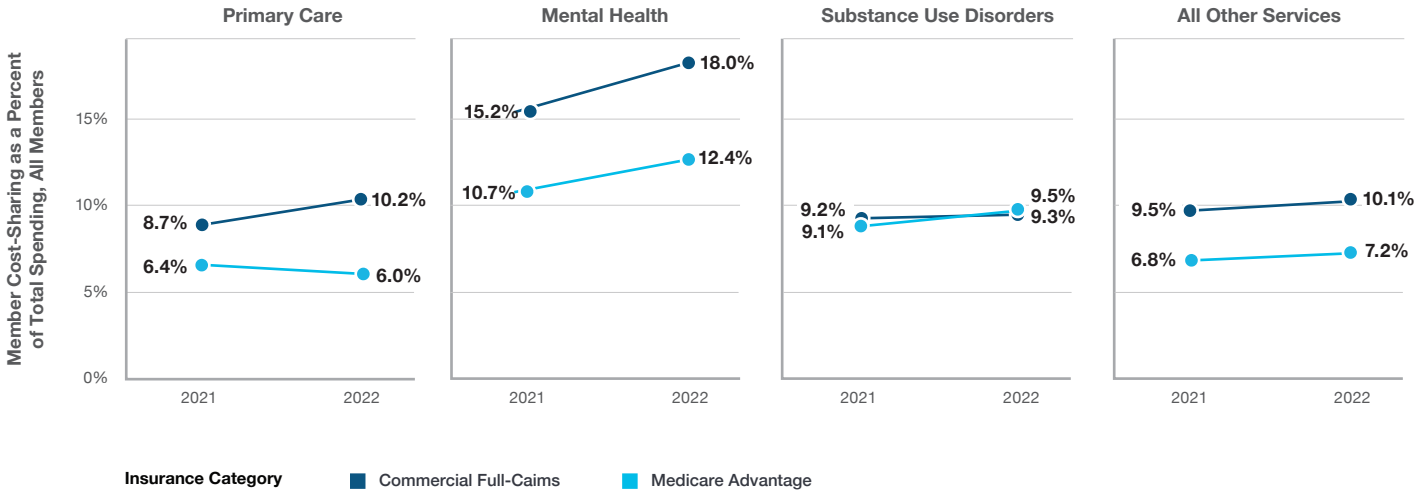
Service Type Member Cost-Sharing by Insurance Category

2021-2022

Between 2021 and 2022, the percentage of expenses that commercial members paid out-of-pocket (in the form of copays, coinsurance, and deductibles, known as cost-sharing) increased for all service types. Commercial member cost-sharing for mental health services had the greatest increase at 2.8 percentage points, followed by primary care at 1.5 percentage points. As of July 1, 2021, member cost-sharing was reinstated for non-COVID-19-related telehealth services, including mental health. Cost-sharing responsibilities as a percentage of total expenses were highest for mental health services at 18.0% in 2022.[4]

For Medicare Advantage members, member cost-sharing as a share of total expenses increased for all service types except for primary care services, which declined 0.4 percentage points. Like commercial, mental health was the service type where Medicare Advantage members had the greatest cost-sharing increase, at 1.7 percentage points between 2021 and 2022, as well as the highest proportion of member cost-sharing (12.4% in 2022).

Member cost-sharing responsibilities are substantially lower for Medicaid MCO/ACO-A members (not shown) because of federal and state limits. Medicaid MCO/ACO-A member cost-sharing represented 0.1% of total spending across service types.



Total Cost-Sharing PMPM

		2021	2022
Commercial Full-Claims	Primary Care	$4	$4
	Mental Health	$6	$7
	Substance Use Disorders	$1	$1
	All Other Services	$49	$54
Medicare Advantage	Primary Care	$3	$3
	Mental Health	$3	$3
	Substance Use Disorders	$0	$0
	All Other Services	$69	$77

Source: Payer-reported data to CHIA

Notes: Analysis represents data from payers that submitted CY2021 and CY2022 data: BCBSMA, Cigna, Fallon, HPHC, HPI, MGBHP, THPP, and Tufts Medicare Advantage. In this analysis, commercial full-claim members only represent approximately 46% of the commercial market, 60% of the MCO/ACO-A market, and 60% of the Medicare Advantage market. Due to payer exclusions, data may not tie to previously published data points. Data does not reflect aggregate statewide spending, and findings should not be extrapolated for that purpose. See technical appendix for more information.

Commercial Member Cost-Sharing by Service Category

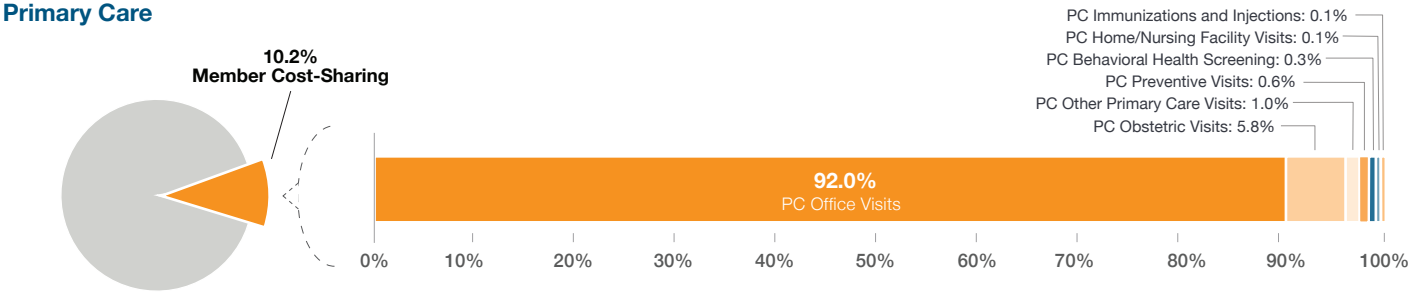
2022

In 2022, private commercial members were responsible for 10.2% of commercial primary care spending. Of primary care member cost-sharing, 92.0% was for office visits, which include professional evaluation and management services, followed by obstetric visits (5.8%). The remaining primary care service categories, including preventive visits, behavioral health screening (during primary care visits), and immunizations and injections, each reflected less than 1% of total primary care member cost-sharing.[5]

Commercial member cost-sharing for mental health services was 18.0% of total commercial mental health spending. Mental health outpatient (non-primary care provider) services accounted for the largest share of mental health member cost-sharing (53.5%) in 2022, followed by prescription drugs (36.1%), outpatient care from a primary care provider (5.3%), inpatient care (3.6%), and emergency department observation services (1.4%).

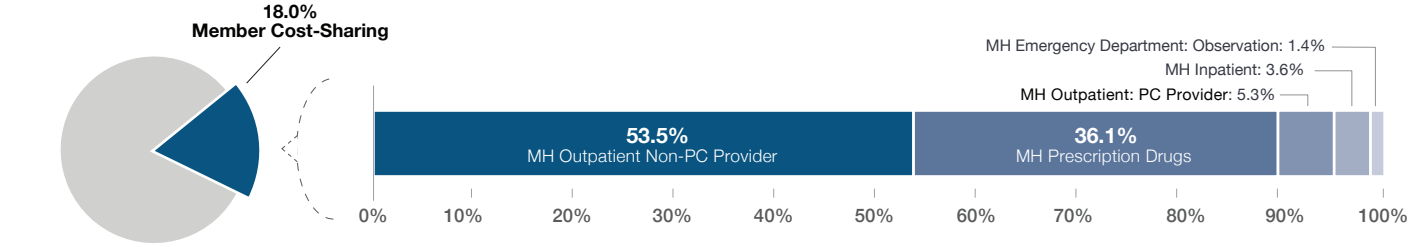
SUD member cost-sharing represented 9.3% of total commercial SUD spending in 2022. Among SUD service categories, inpatient services represented 39.6% of SUD member cost-sharing, followed by outpatient care by a non-primary care provider (28.7%), and prescription drugs (17.2%). Member cost-sharing for SUD outpatient services by a primary care provider accounted for 7.5% of private commercial SUD member cost-sharing while emergency department: observation represented 7.0% in 2022.

Primary Care



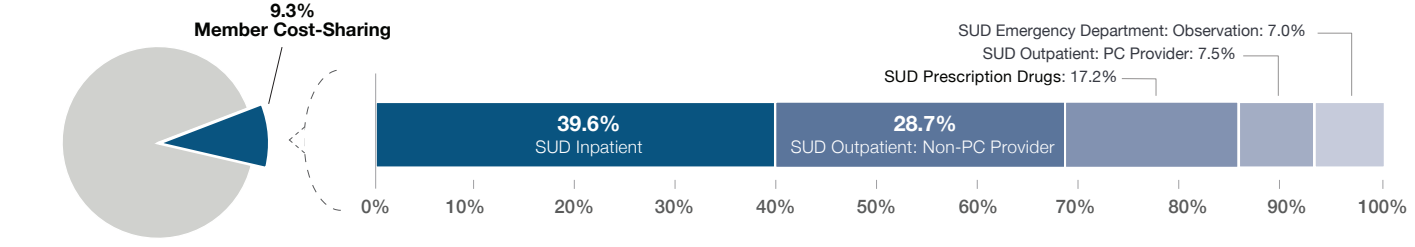
Total Primary Care Spending | **Percent of Primary Care Member Cost-Sharing**

Mental Health



Total Mental Health Spending | **Percent of Mental Health Member Cost-Sharing**

Substance Use Disorders



Total SUD Spending | **Percent of SUD Member Cost-Sharing**

Source: Payer-reported data to CHIA

Notes: Analysis represents commercial full-claims data reported by commercial payers that submitted CY2021 and CY2022 data: BCBSMA, Cigna, Fallon, HPHC, HPI, MGBHP, and THPP, representing approximately 46% of the commercial market. Due to payer exclusions, data may not tie to previously published data points. Data does not reflect aggregate statewide spending, and findings should not be extrapolated for that purpose. Totals may not sum due to rounding. See technical appendix for more information.

Medicare Advantage Member Cost-Sharing by Service Category

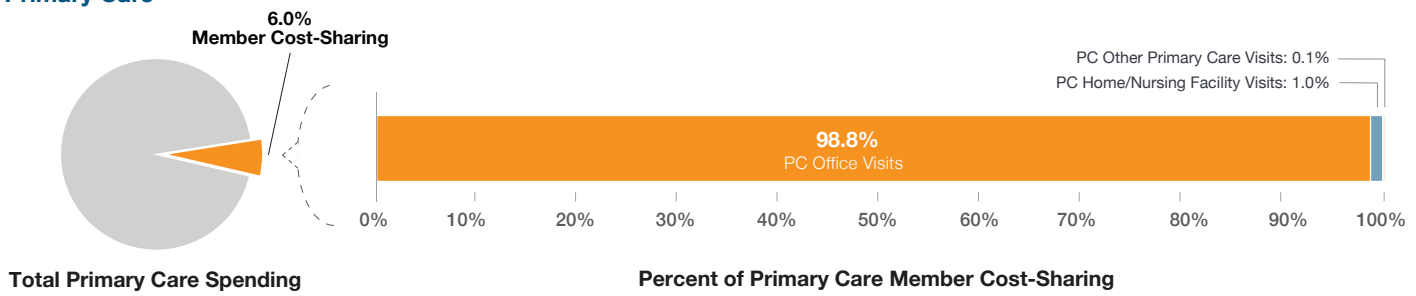
2022

Medicare Advantage member cost-sharing for primary care services represented 6.0% of Medicare Advantage primary care spending. Similar to commercial plans, Medicare Advantage primary care cost-sharing was primarily for office visits (98.8%), followed by home/nursing facility visits at 1.0%. The remaining service categories each represented less than 1% of member cost-sharing for primary care services.

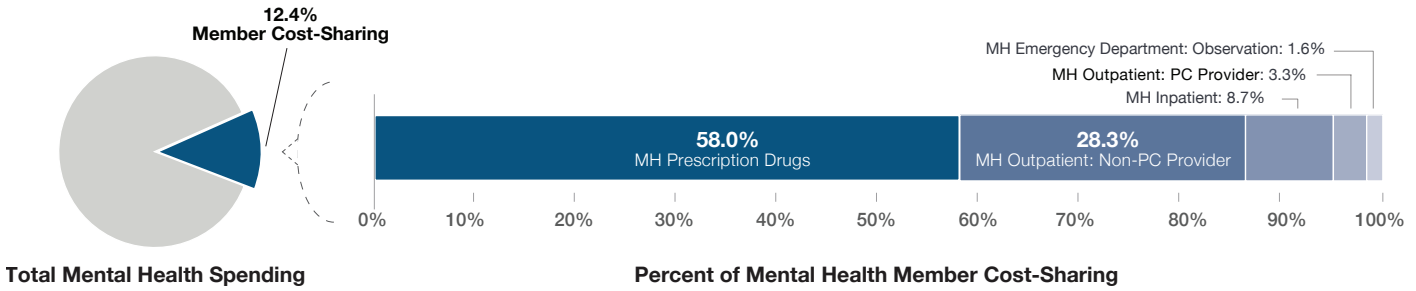
For mental health services, Medicare Advantage member cost-sharing represented 12.4% of mental health spending in 2022. Among mental health service categories, prescription drugs accounted for the largest portion of member cost-sharing at 58.0%, followed by outpatient care from non-primary care providers at 28.3%.

SUD member cost-sharing for Medicare Advantage members represented 9.5% of total SUD spending. Like the private commercial population, inpatient services accounted for the largest share of Medicare Advantage SUD member cost-sharing (50.2%) in 2022. Of the remaining service categories, outpatient (non-primary care providers), outpatient (primary care providers), and prescription drugs represented similar proportions of total SUD member cost-sharing (15.3%, 14.9%, and 14.5%, respectively).

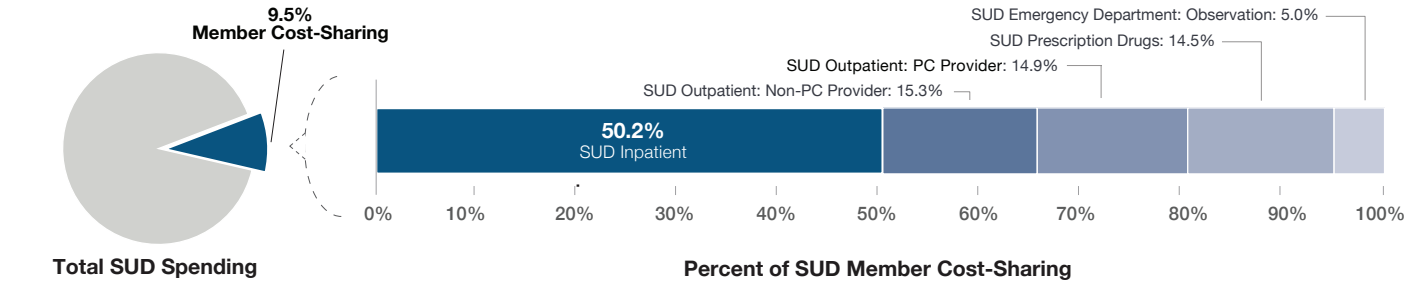
Primary Care



Mental Health



Substance Use Disorders



Source: Payer-reported data to CHIA

Notes: Analysis represents data from payers that submitted CY2021 and CY2022 data: BCBSMA, Cigna, Fallon, HPHC, HPI, MGBHP, THPP, and Tufts Medicare Advantage, representing approximately 60% of the Medicare Advantage market. Due to payer exclusions, data may not tie to previously published data points. Data does not reflect aggregate statewide spending, and findings should not be extrapolated for that purpose. Totals may not sum due to rounding. See technical appendix for more information.

Integrated Primary Care Service Category Spending

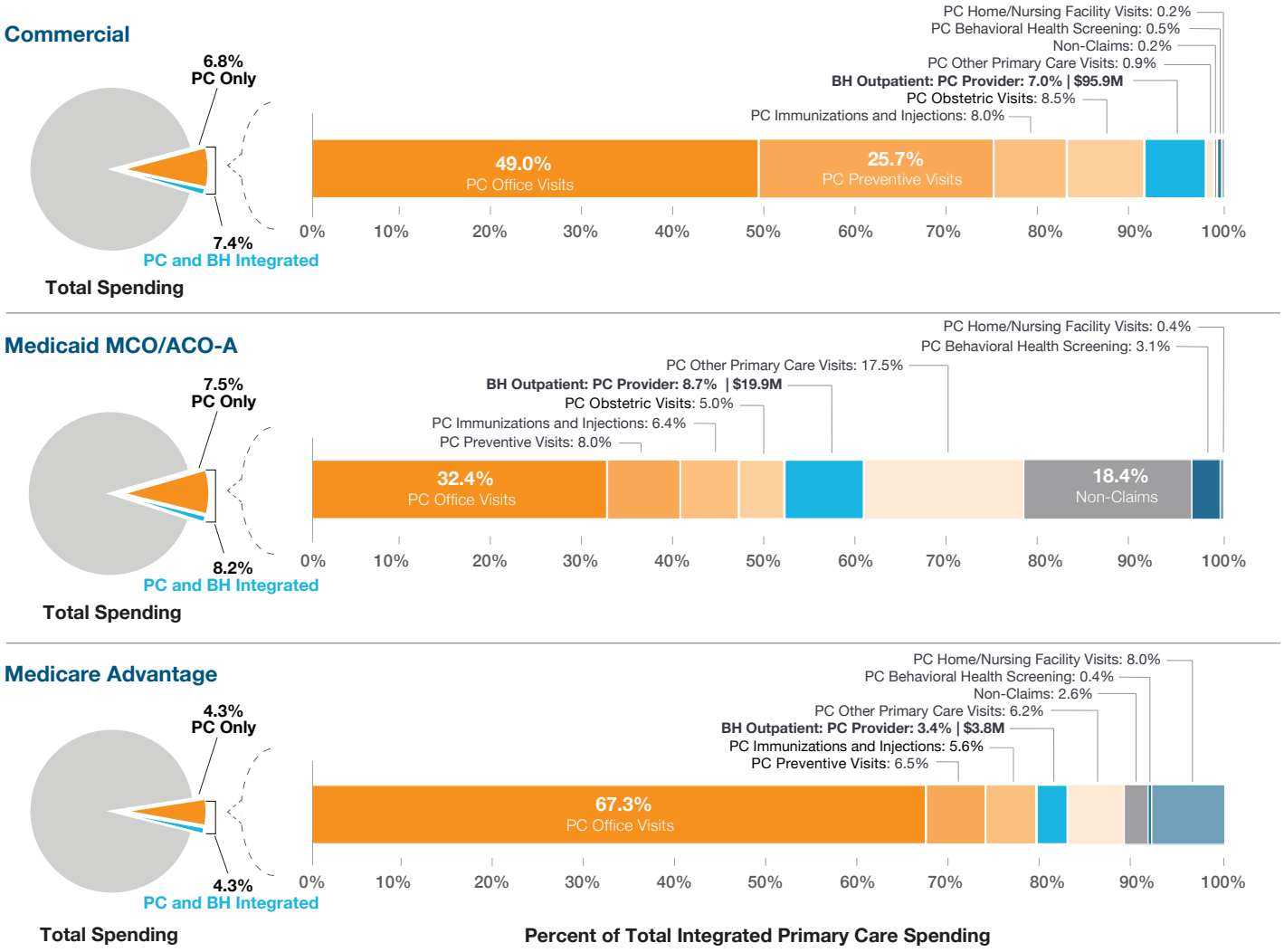
2022

New to this publication, CHIA defined categories for behavioral health services delivered in primary care settings to better reflect the integration of behavioral health services during primary care visits. Payers reported "Outpatient: PC Provider" spending under behavioral health because those services require a primary diagnosis of a behavioral health condition; however, it could also be categorized as primary care.

Under an integrated methodology, where Outpatient: PC Provider spending is incorporated into primary care instead of behavioral health, reported primary care spending would represent 7.4% of total commercial spending in 2022. Of this spending, behavioral health Outpatient: PC Provider spending would represent 7.0% of the primary care spend.

Integration under Medicaid MCO/ACO-A plans represented the largest shift in percent of total spending, from 7.5% to 8.2% in 2022. Within the 8.2% of spending, behavioral health outpatient services delivered by a primary care provider represented 8.7% of primary care spending.

Medicare Advantage plan spending on primary care services remained consistent, representing 4.3% of total spending with and without integration. Behavioral health outpatient spending offered by a primary care provider represented 3.4% of total primary care spending, the smallest portion of spending among all offered plans.



Source: Payer-reported data to CHIA

Notes: For commercial partial-claim data where payers reported pharmacy carve-outs, CHIA estimated pharmacy spending by service type. Analysis represents data from payers that submitted CY2021 and CY2022 data: BCBSMA, Cigna, Fallon, HPHC, HPI, MGBHP, THPP, Tufts Medicare Advantage, and UniCare, representing approximately 72% of the commercial market, 60% of the MCO/ACO-A market, and 60% of the Medicare Advantage market. Due to payer exclusions, data may not tie to previously published data points. Data does not reflect aggregate statewide spending, and findings should not be extrapolated for that purpose. Totals may not sum due to rounding. See technical appendix for more information.

Integrated Behavioral Health Service Category Spending

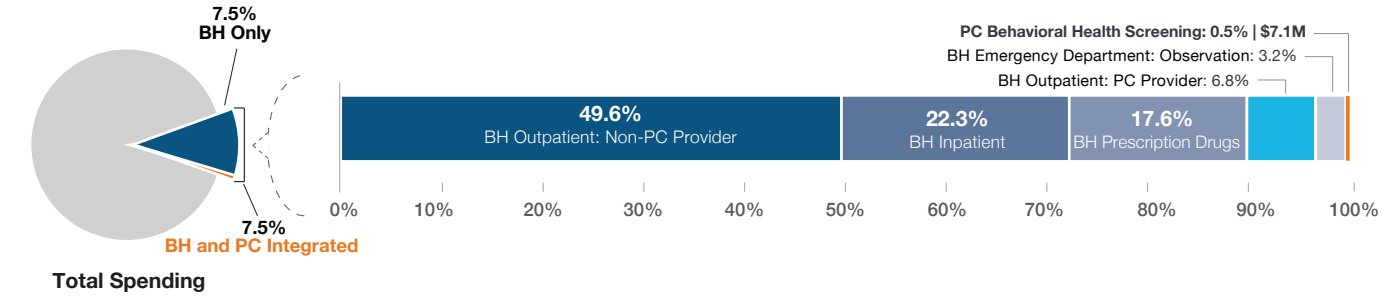
2022

CHIA modeled another integrated methodology that includes behavioral health screenings in the primary care setting within the definition of behavioral health. Including these screenings within the behavioral health service type would not change the proportion of total commercial spending allocated to behavioral health, which was 7.5% in 2022 under both the standard methodology and an integrated behavioral health definition. Spending on PC Behavioral Health Screening would account for the smallest share of integrated BH spending at 0.5% in 2022.

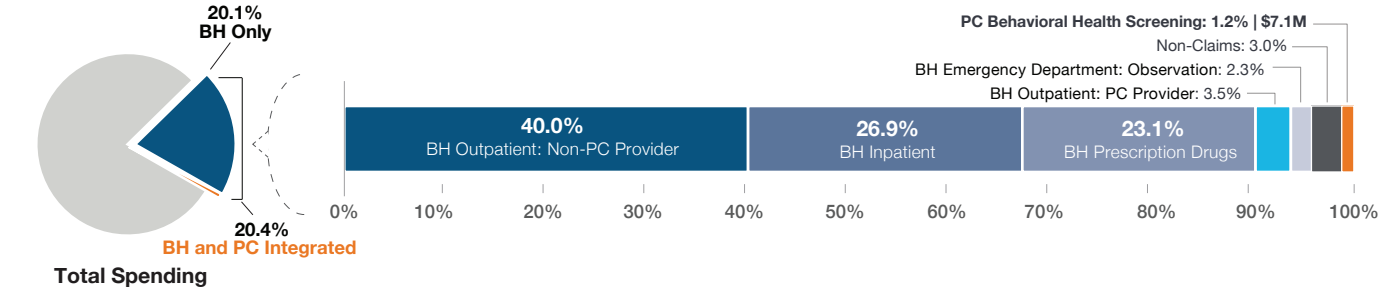
Under CHIA's standard reporting methodology, behavioral health services represented 20.1% of Medicaid MCO/ACO-A total 2022 spending. Classifying spending on Behavioral Health Screenings administered by a primary care provider as behavioral health care would increase reported behavioral health spending to 20.4% of total Medicaid MCO/ACO-A spending. Within this integrated model, PC Behavioral Health Screening spending would account for 1.2% of behavioral health spending.

As with commercial insurance, integrating primary care behavioral health screenings into the behavioral health service type would not change the percentage of total 2022 Medicare Advantage spending allocated to behavioral health (2.2% under both the standard and integrated reporting methodologies). Under the integrated model, primary care behavioral health screenings would account for just 0.7% of behavioral health spending.

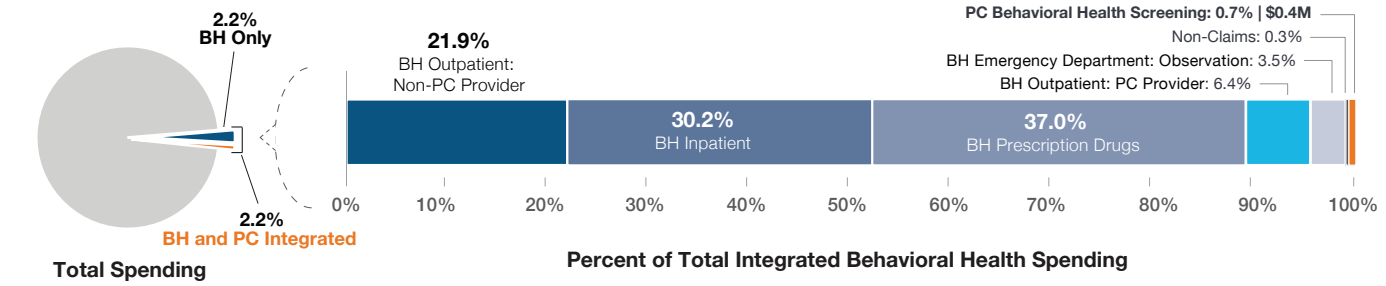
Commercial



Medicaid MCO/ACO-A



Medicare Advantage



Source: Payer-reported data to CHIA

Notes: For commercial partial-claim data where payers reported pharmacy carve-outs, CHIA estimated pharmacy spending by service type. Analysis represents data from payers that submitted CY2021 and CY2022 data: BCBSMA, Cigna, Fallon, HPHC, HPI, MGBHP, THPP, Tufts Medicare Advantage, and UniCare, representing approximately 72% of the commercial market, 60% of the MCO/ACO-A market, and 60% of the Medicare Advantage market. Due to payer exclusions, data may not tie to previously published data points. Data does not reflect aggregate statewide spending, and findings should not be extrapolated for that purpose. Totals may not sum due to rounding. See technical appendix for more information.

SECTION 4:

Health Plan and Managing Physician Group Overview

In addition to market-level analyses presented in this report, CHIA examined primary care and behavioral health spending by health plan (payer) and managing physician group. Commercial payers in this report include Fallon, HPI, MGBHP, Cigna, THPP, HPHC, and BCBSMA. Health plans with Medicaid MCO/ACO-A lines of business in this report include MGBHP, Fallon, and THPP. Medicare Advantage payers include BCBSMA, Fallon, HPHC, and Tufts Medicare Advantage.

Data presented at the health plan and physician group level represents 46% of the commercial market (commercial full-claim only), 60% of the Medicaid MCO/ACO-A market, and 60% of the Medicare Advantage market in 2022. The spending data presented in this report is not risk-adjusted and does not account for differences among payers and physician groups in member health status and expected medical costs. CY2021 data for physician groups is available in the databook for comparison with CY2022 data presented in this report. ■

Commercial Primary Care and Behavioral Health Spending by Payer

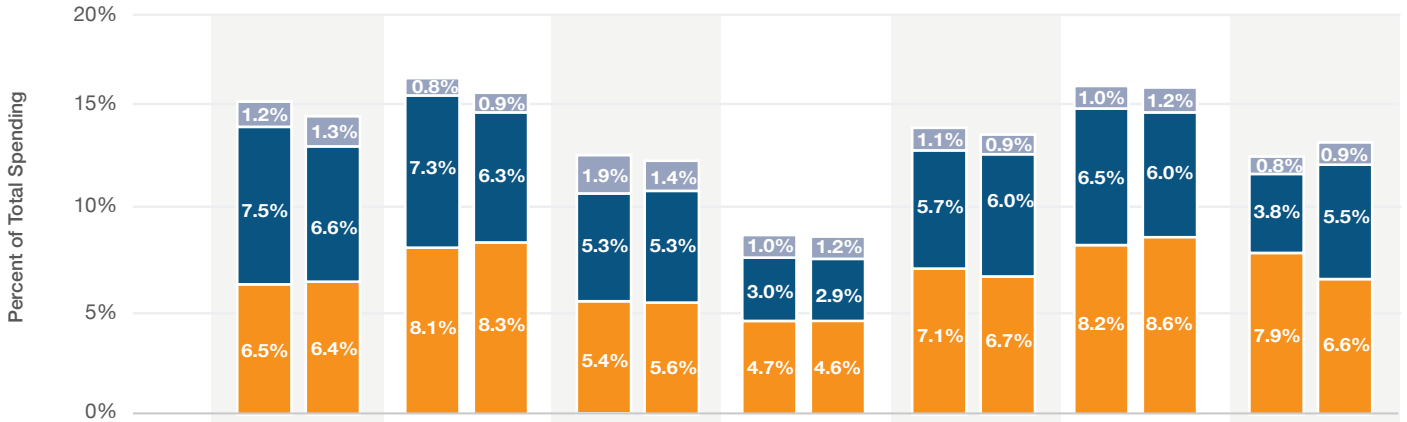
2021-2022

Spending on primary care varied among commercial payers. HPI had the highest proportion of primary care spending in 2022 at 8.6% ($61 PMPM), followed by HPHC at 8.3% ($44 PMPM). Cigna had the lowest proportion of primary care spending in 2022 (4.6%, $26 PMPM).

Between 2021 and 2022, Fallon's primary care spending as a percentage of total expenses declined 1.3 percentage points, from 7.9% to 6.6%, which was the largest decline reported by any payer. This decline was driven by population changes as Fallon largely left the commercial market in 2022, reducing its commercial membership by more than half. For all other commercial payers, primary care spending as a proportion of total expenses varied by no more than 0.6 percentage points in 2022.

There was more variability in mental health spending as a percentage of total expenses across commercial plans. In 2022, BCBSMA spent the highest proportion of total expenses on mental health (6.6%), measuring $41 PMPM. Meanwhile, Cigna's mental health spending as a proportion of its total expenses was the lowest among commercial plans (2.9%), measuring $17 PMPM in 2022.

For each payer, SUD spending reflected less than 2.0% of total expenses, with spending ranging from $6 to $9 PMPM in 2022.



	BCBSMA		HPHC		THPP		Cigna		MGBHP		HPI		Fallon	
	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022
Member Months*	10.5M	10.6M	2.6M	2.4M	2.1M	1.8M	1.5M	1.5M	1.0M	1.0M	0.9M	0.9M	0.7M	0.3M
SUD PMPM	$7	$8	$6	$6	$8	$6	$6	$7	$7	$7	$7	$9	$5	$6
Mental Health PMPM	$45	$41	$50	$44	$23	$24	$16	$17	$39	$43	$45	$43	$25	$37
Primary Care PMPM	$39	$40	$56	$58	$23	$25	$26	$26	$49	$48	$57	$61	$52	$44

Service Type Primary Care Mental Health Substance Use Disorders

*From left to right, payers are ordered largest to smallest by member months.

Source: Payer-reported data to CHIA

Notes: Analysis represents commercial full-claims data reported by commercial payers that submitted CY2021 and CY2022 data: BCBSMA, Cigna, Fallon, HPHC, HPI, MGBHP, and THPP, representing approximately 46% of the commercial market. The spending data presented in this report is not risk-adjusted and does not account for differences among payers in member health status and expected medical costs. Totals may not sum due to rounding. See technical appendix for more information.

Medicaid MCO/ACO-A Primary Care and Behavioral Health Spending by Payer

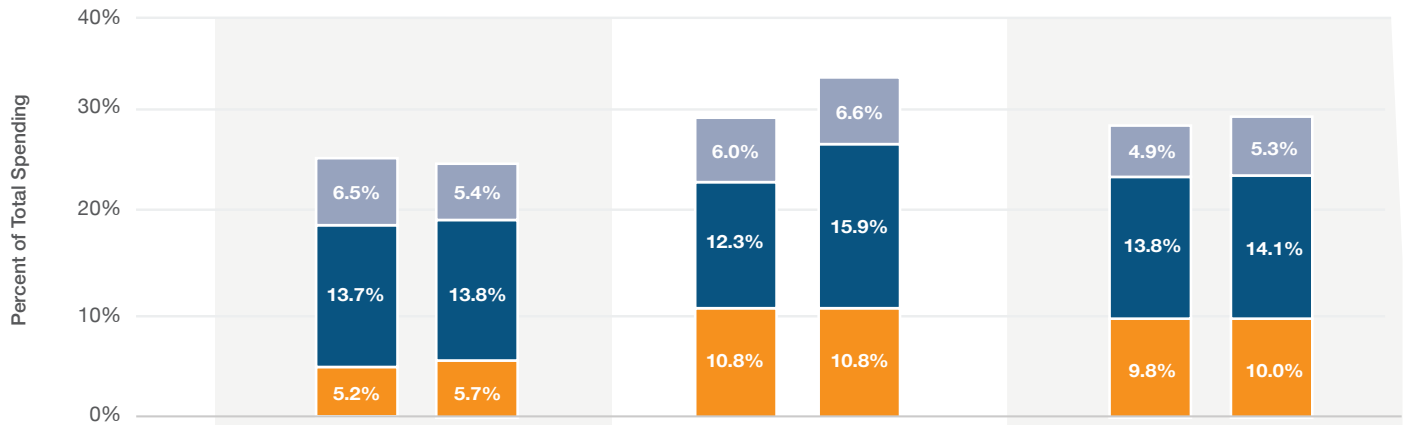
2021-2022

Among Medicaid MCO/ACO-A payers, Fallon had the highest proportion of primary care spending in 2022 at 10.8%, spending $57 PMPM, followed by MGBHP at 10.0% ($43 PMPM). THPP, the largest Medicaid MCO/ACO-A payer, reported the lowest percentage of primary care spending at 5.7% ($26 PMPM).[5,6]

Variations in primary care spending among Medicaid MCO/ACO-A plans may be attributed to differences in the participating primary care providers within each ACO, such as the mix of community health centers, hospitals, and physician organizations. Each of these provider types has a different fee schedule, which can drive differences in spending levels.[7] Other factors that can influence payment levels include the types of patient populations being served, patient acuity, utilization of care, and use of alternative payment methodologies.

Fallon's mental health spending as a percentage of its total expenses and PMPM was higher than the other Medicaid MCO/ACO-A plans in 2022 (15.9% and $84 PMPM). Fallon's mental health spending increased 3.6 percentage points ($21 PMPM) between 2021 and 2022, the largest change across these plans.

In 2022, all Medicaid MCO/ACO-A plans reported that SUD spending represented between 5% to 7% of total spending.



	THPP		Fallon		MGBHP	
	2021	2022	2021	2022	2021	2022
Member Months*	3.7M	3.9M	1.4M	1.5M	0.5M	0.5M
SUD PMPM	$29	$25	$30	$35	$21	$23
Mental Health PMPM	$62	$63	$63	$84	$58	$61
Primary Care PMPM	$23	$26	$56	$57	$41	$43

Service Type Primary Care Mental Health Substance Use Disorders

*From left to right, payers are ordered largest to smallest by member months.

Source: Payer-reported data to CHIA

Notes: Analysis represents Medicaid MCO/ACO-A data reported by commercial payers that submitted CY2021 and CY2022 data: Fallon, MGBHP, and THPP, representing approximately 60% of the MCO/ACO-A market. The spending data presented in this report is not risk-adjusted and does not account for differences among payers in member health status and expected medical costs. Totals may not sum due to rounding. See technical appendix for more information.

Health Plan and Managing Physician Group Overview

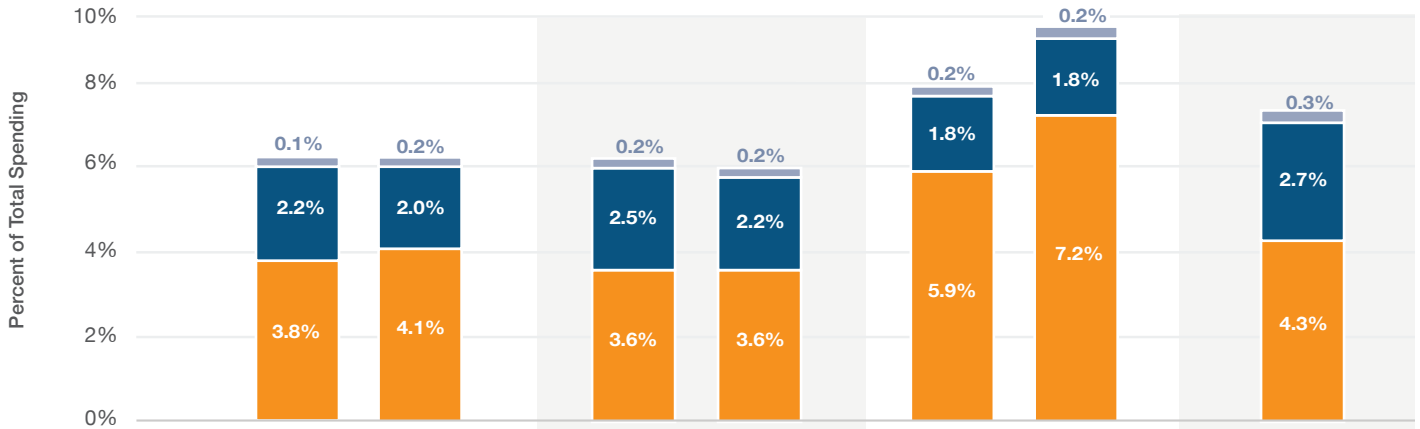
Among Medicare Advantage payers, Fallon had the highest proportion of primary care spending at 7.2%, followed by Tufts Medicare Advantage at 4.1%. Fallon and Tufts Medicare Advantage had the highest 2022 PMPM primary care spending at $87 PMPM and $50 PMPM, respectively. In 2022, BCBSMA reported the lowest percentage of primary care spending at 3.6% ($37 PMPM). Effective January 1, 2022, HPHC discontinued its Medicare Advantage plans due to the integration of HPHC and THP under their parent company Point32Health.

Contrary to primary care, BCBSMA had the highest proportion of behavioral health spending at 2.4% in 2022 ($23 mental health PMPM and $2 SUD PMPM). Tufts Medicare Advantage had the highest PMPM mental health spending in 2022, despite decreasing from $26 PMPM in 2021 to $24 PMPM in 2022.

Fallon reported the lowest percentage of behavioral health spending at 2.1% with 1.8% representing mental health ($22 PMPM) and 0.2% representing substance use disorders ($3 PMPM) in 2022. SUD spending was similar across all Medicare Advantage payers and data years.

Medicare Advantage Primary Care and Behavioral Health Spending by Payer

2021-2022



	Tufts Med Adv		BCBSMA		Fallon		HPHC
	2021	2022	2021	2022	2021	2022	2021
Member Months*	1.2M	1.3M	0.8M	0.9M	0.2M	0.1M	0.1M
SUD PMPM	$2	$2	$2	$2	$2	$3	$3
Mental Health PMPM	$26	$24	$24	$23	$20	$22	$30
Primary Care PMPM	$44	$50	$35	$37	$67	$87	$48

Service Type Primary Care Mental Health Substance Use Disorders

*From left to right, payers are ordered largest to smallest by member months.

Source: Payer-reported data to CHIA

Notes: Analysis represents Medicare Advantage data reported by commercial payers that submitted CY2021 and CY2022 data: BCBSMA, Fallon, HPHC, and Tufts Medicare Advantage, representing approximately 60% of the Medicare Advantage market. The spending data presented in this report is not risk-adjusted and does not account for differences among payers in member health status and expected medical costs. Totals may not sum due to rounding. See technical appendix for more information.

Health Plan and Managing Physician Group Overview

Managing physician groups, multispecialty practices including primary care providers (PCPs), are responsible for coordinating the care of their members. The 10 largest managing physician groups represented 52.8% of commercial full-claim member months in 2022.

Mass General Brigham (MGB), the largest managing physician group among commercially insured members, had the highest primary care PMPM spending among top 10 physician groups at $57 PMPM in 2022, accounting for 6.8% of their total expenses. MGB had the highest combined behavioral health spending at $55 PMPM in 2022. MGB's mental health and SUD spending represented 5.7% and 0.8% of their total expenses, respectively.

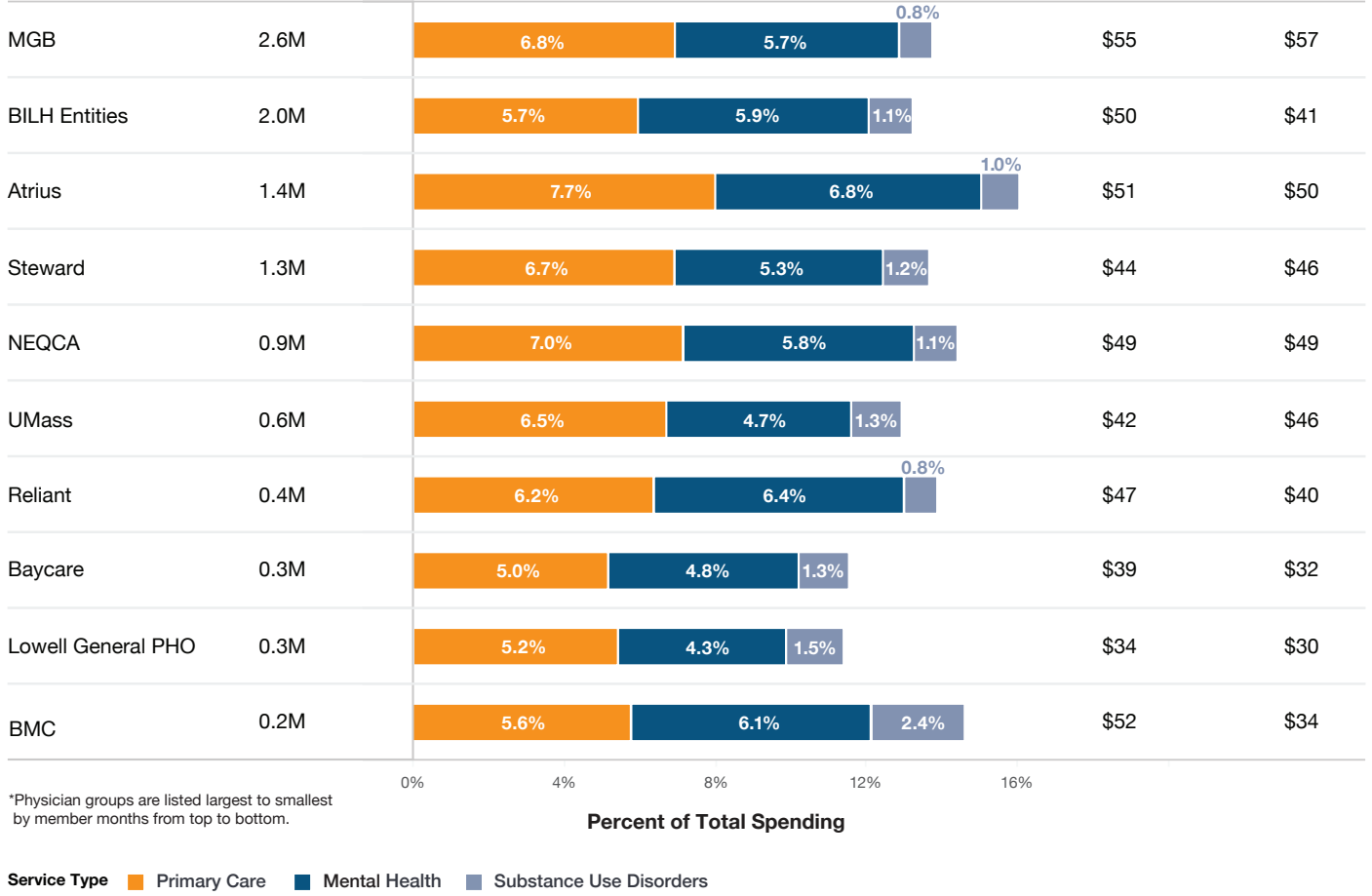
In 2022, Atrius had the highest proportion of both primary care spending at 7.7% and mental health spending at 6.8%. Baycare had the lowest percentage of primary care spending at 5.0%, while Lowell General PHO had the lowest percentage of mental health spending at 4.3%.

The composition of members, risk profiles, provider reimbursement rates, and payment types may vary across managing physician groups, impacting service type and total health care spending levels. CY2021 data is available in the primary care and behavioral health databook for comparison.

Commercial Primary Care and Behavioral Health Spending by Top 10 Managing Physician Groups

2022

Physician Group*	Managed Member Months	Behavioral Health PMPM	Primary Care PMPM
MGB	2.6M	$55	$57
BILH Entities	2.0M	$50	$41
Atrius	1.4M	$51	$50
Steward	1.3M	$44	$46
NEQCA	0.9M	$49	$49
UMass	0.6M	$42	$46
Reliant	0.4M	$47	$40
Baycare	0.3M	$39	$32
Lowell General PHO	0.3M	$34	$30
BMC	0.2M	$52	$34



*Physician groups are listed largest to smallest by member months from top to bottom.

Source: Payer-reported data to CHIA

Notes: Analysis represents commercial full-claims data reported by commercial payers that submitted CY2021 and CY2022 data: BCBSMA, Cigna, Fallon, HPHC, HPI, MGBHP, and THPP, representing approximately 46% of the commercial market. Totals may not sum due to rounding. The top 10 managing physician groups were identified by commercial full-claim membership totals in 2022.The spending data presented in this report is not risk-adjusted and does not account for differences among physician groups in member health status and expected medical costs. See technical appendix for more information.

Notes

1. Data is reported to CHIA pursuant to 957 CMR 2.00: Payer Data Reporting. In accordance with the data specification manual, health plans reported summary-level data related to spending on behavioral health and primary care services.
2. In recent years, the Commonwealth has expanded the types of behavioral health services and providers that must be covered by commercial health plans. Beginning 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. Accessed July 2024.
3. "Commercial full-claim" is a subset of the commercial health insurance plans and refers to members for whom the payer had access to and is able to report all claims and non-claims expenses.
4. Blue Cross Blue Shield of Massachusetts Foundation. August 31, 2021. "Telehealth coverage reminders." Accessed August 20, 2024.
5. The Patient Protection and Affordable Care Act (PPACA) requires health plans to cover certain types of preventive health services with no member cost-sharing. For more information, see HealthCare.gov, "Health benefits & coverage." Accessed August 2024.
6. MassHealth members may enroll in a variety of managed care plans, including those administered by private commercial payers such as Medicaid managed care organizations (MCOs) or Accountable Care Organizations (ACOs). In 2021, Fallon, Health New England (HNE), and MGBHP enrolled members in MassHealth ACO-A plans only, while BMC HealthNet Plan (BMCHP) and THPP offered both ACO-A and MCO plans to MassHealth members.
7. For example, an outpatient hospital can receive a facility payment in addition to a professional claim payment; safety net hospitals and critical access hospitals have different fee schedules that account for their unique role in the delivery system; ACOs are required to pay CHCs according to specific federal rules, which results in a higher payment rate.

For more information, please contact:

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