

Privately Insured Report, 2017

Commission Meeting
June 20, 2019



Background

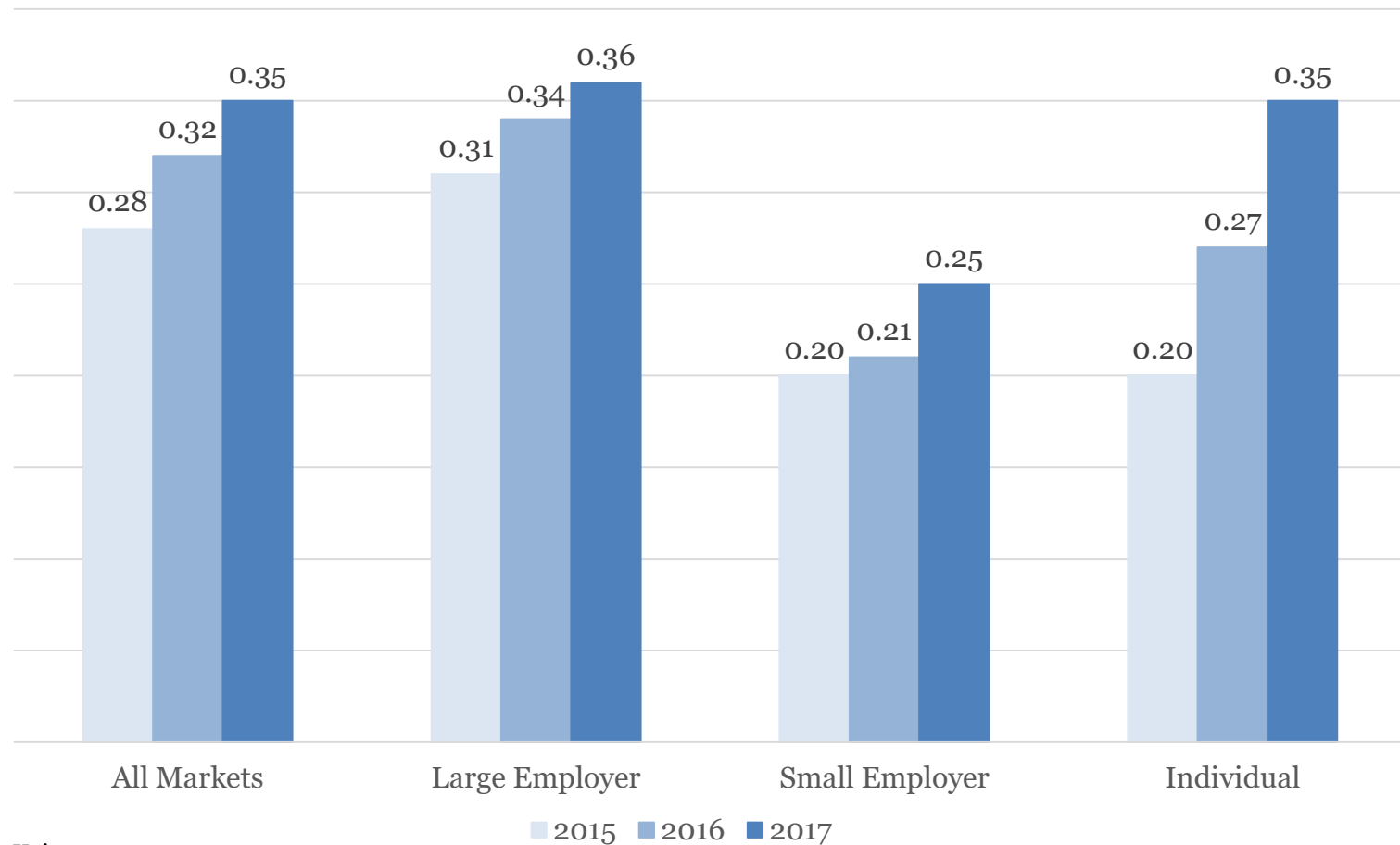
- MHCC is required to report annually on healthcare spending and utilization
 - Source: Medical Care Data Base includes data submitted by health insurance carriers, Third Party Administrators, and Pharmacy Benefits Managers for 2015, 2016 and 2017.
 - Fully-insured and Self-insured private plans, Maryland residents
 - Study variation by market segment, geography, age, and service category

Takeaway - PMPM in spending in 2017 grew at about the same rate across all markets as a year ago

- Total Per Member Per Month (PMPM) spending across all markets for all services, grew by about 6% in 2017 compared to about 5% in 2016.
- Individual market spending increased at a faster rate in 2017 (up 16%) than in 2016 which had about an 11% increase.
- Small group spending increased by about 6% in 2017 compared to no increase in 2016
- Large group spending increased by about 5% in 2017. This increase did not change from 2016.
- Illness burden across all market segments worsened from 2015 to 2017.

Median Expenditure Risk Scores by Market Segment (2015 to 2017)

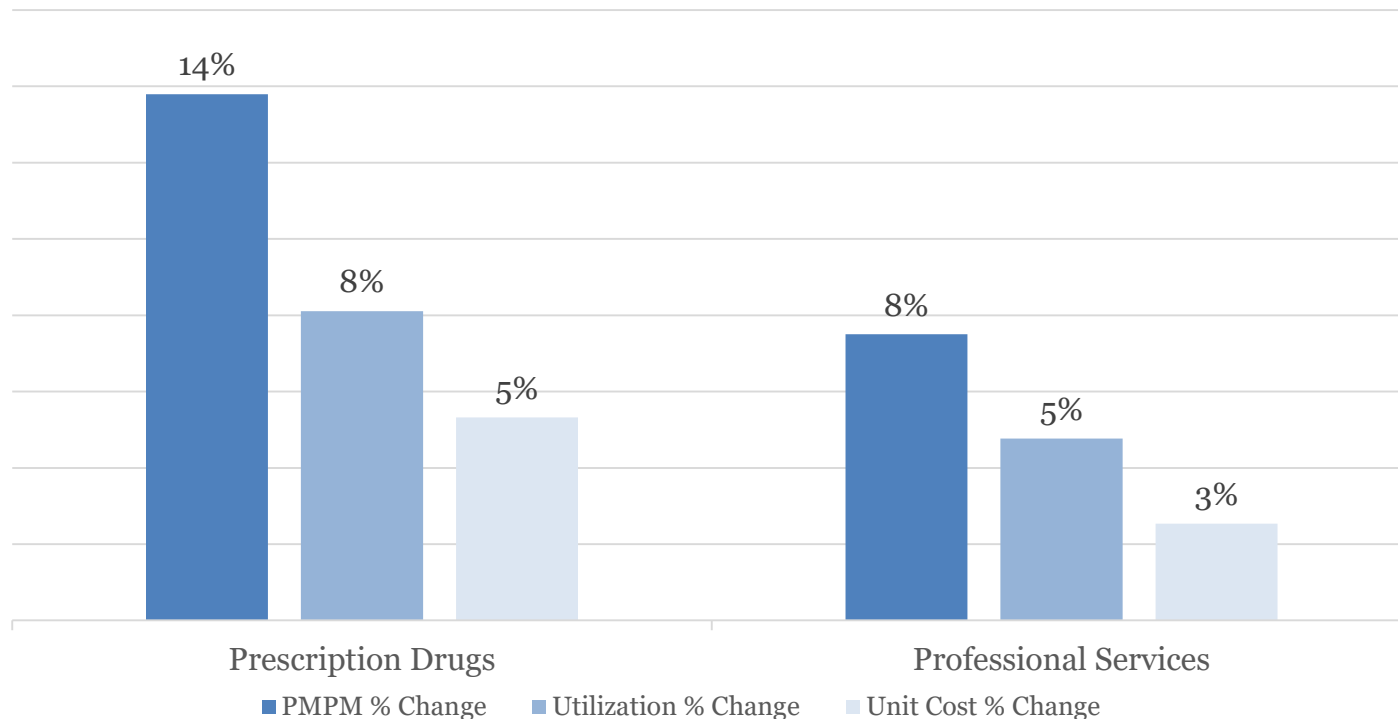
- Illness burden across all market segments worsened from 2015 to 2017



Excludes Kaiser

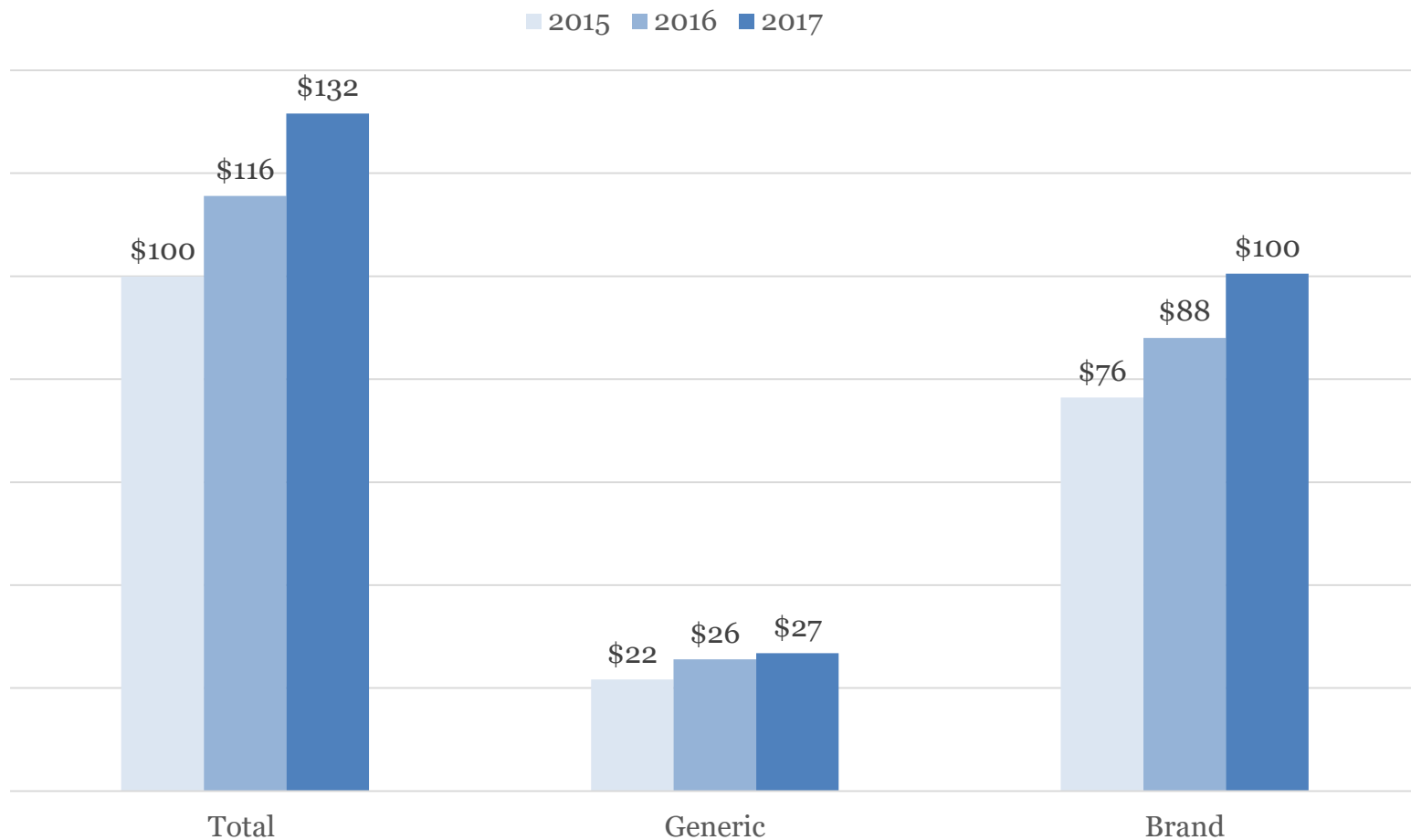
Increases in Prescription Drug and Professional Services were the main contributors to the 6% increase in spending in 2017

- Prescription drug spending increased by about 14% across all markets
- Professional services spending increased by 8% across all markets



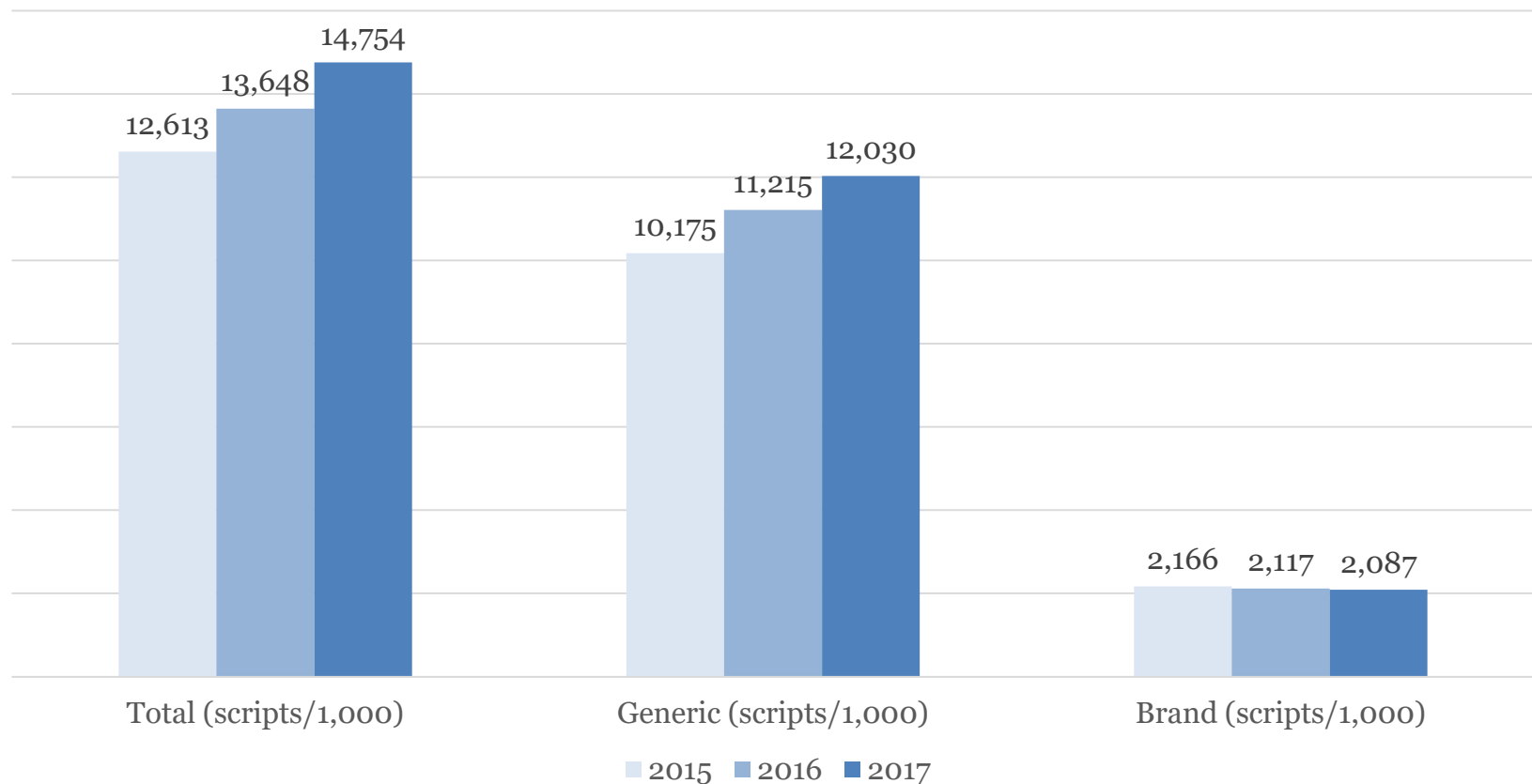
Prescription Drug PMPM spending Generic vs Brand All Markets Combined 2015 - 2017

- Increases in Prescription drug spending is dominated by brand name drugs



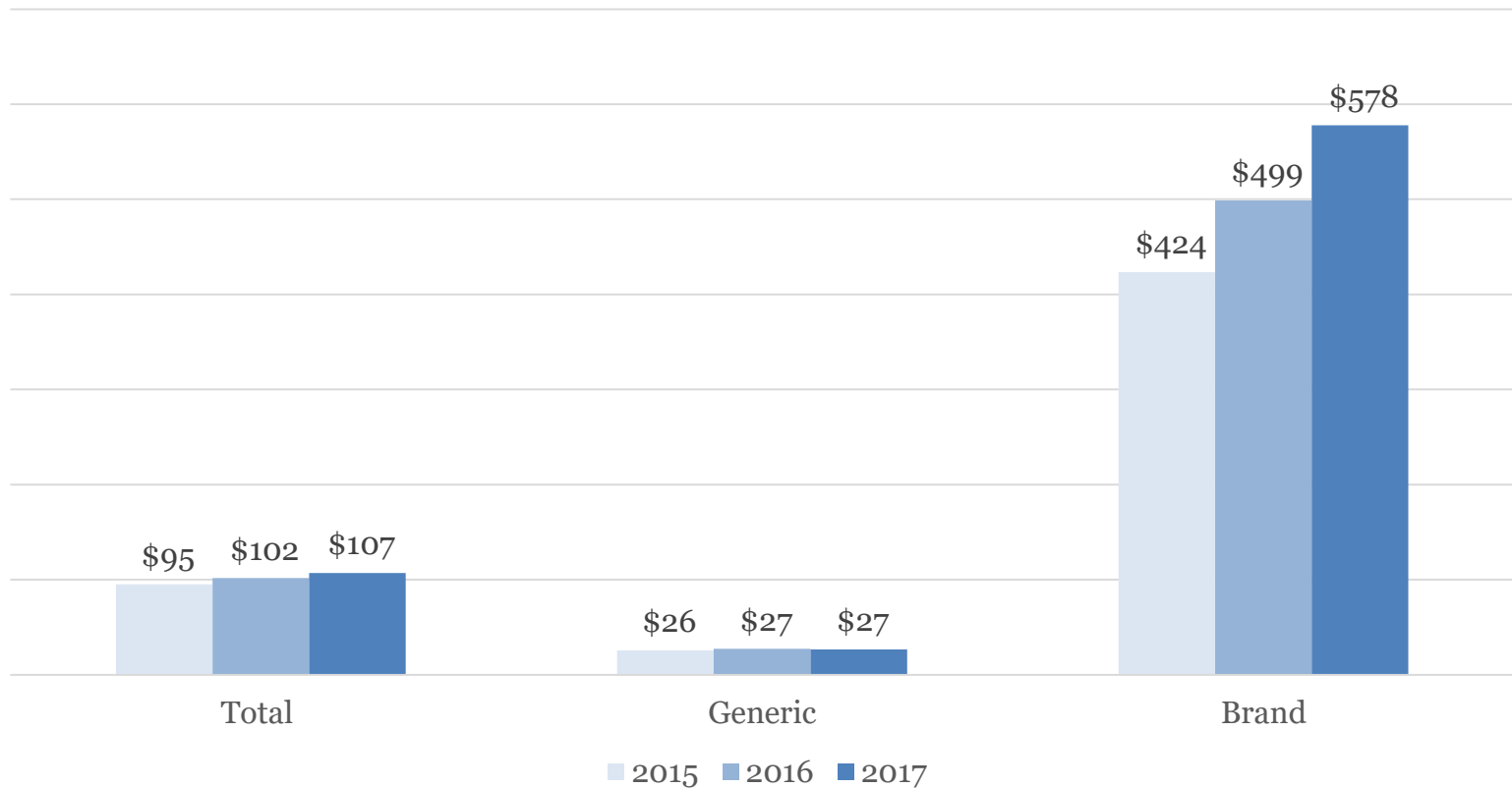
Prescription Drug Use Generic vs Brand All Markets Combined 2015 - 2017

- Increases in Prescription drug use is influenced by increases in utilization for generic drugs.
- Brand drugs showed declines in utilization.



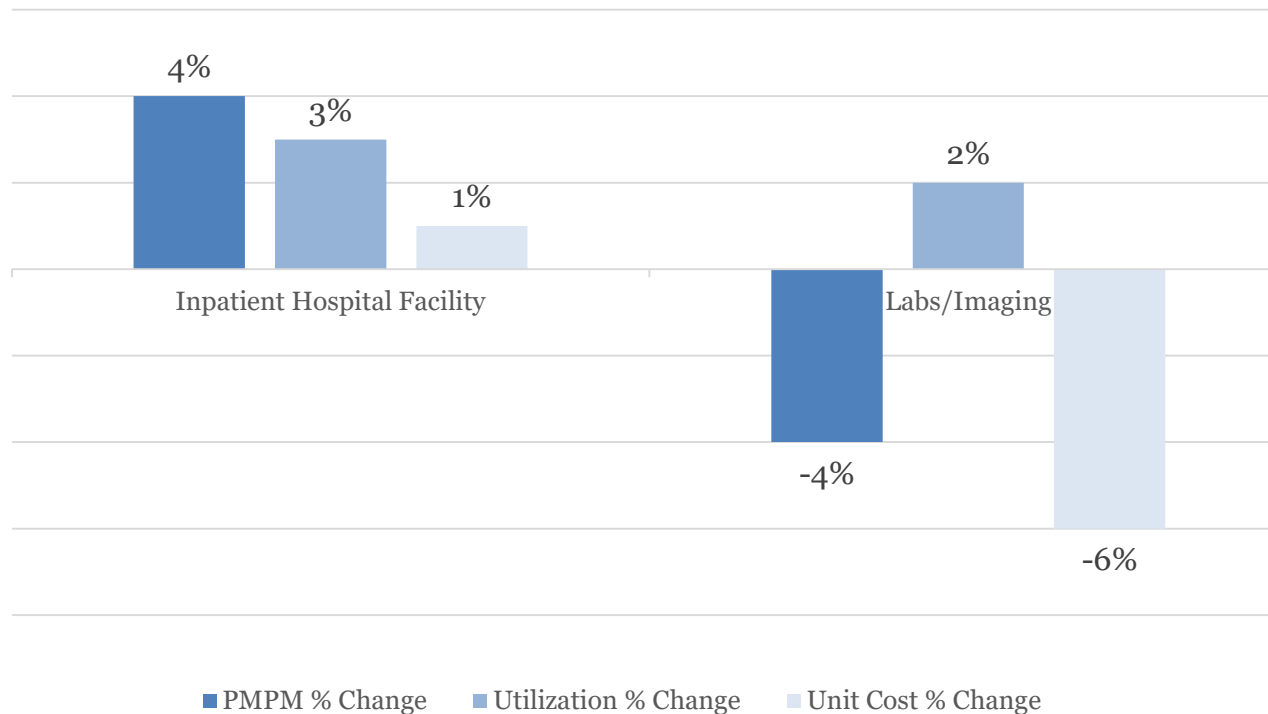
Prescription Drug Unit Cost Generic vs Brand All Markets Combined 2015 - 2017

- Increases in Prescription drug cost per script is largely influenced by increases in brand name drug unit costs.
- Generic drug unit costs changes were flat.



Other Service Category PMPM Spending Changes Across All Markets, 2017

- Inpatient Hospital Facility rate of spending grew faster in 2017 than in 2016
- Labs/Imaging was the only service category that show a decrease in spending



How Privately Insured Per Capita Spending in Maryland Compares Nationally (Medical Only)

- Maryland's per capita spending for privately insured medical is lower than National Health Expenditures' (NHE) results.
 - Per capita spending shows similar growth for 2017. However, national results show a sharp rise in spending for 2016 compared to Maryland.
- Health Care Cost Institute (HCCI) per capita spending results are very close to the MCDB per capita results.

Benchmarking Per Capita Costs: MCDB v. National Health Expenditures (NHE) from CMS									
Medical Only (2015 to 2017)									
	MCDB			NHE (CMS)			% Diff (MCDB over NHE)		
	2015	2016	2017	2015	2016	2017	2015	2016	2017
Medical	\$3,492	\$3,516	\$3,672	\$3,924	\$4,211	\$4,403	-11.0%	-16.5%	-16.6%
Medical %Δ		0.7%	4.4%		7.3%	4.6%			

Benchmarking Per Capita Costs: MCDB v. 2017 Health Care Cost and Utilization Report (from HCCI)									
Medical Only (2015 to 2017)									
	Per Capita Spending			Difference Between MCDB & HCCI			% Difference Between MCDB & HCCI		
	2015	2016	2017	2015	2016	2017	2015	2016	2017
MCDB	\$3,449	\$3,436	\$3,575						
HCCI-MD	\$3,410	\$3,533	\$3,732	\$39	-\$97	-\$157	1.1%	-2.7%	-4.2%

Questions?