



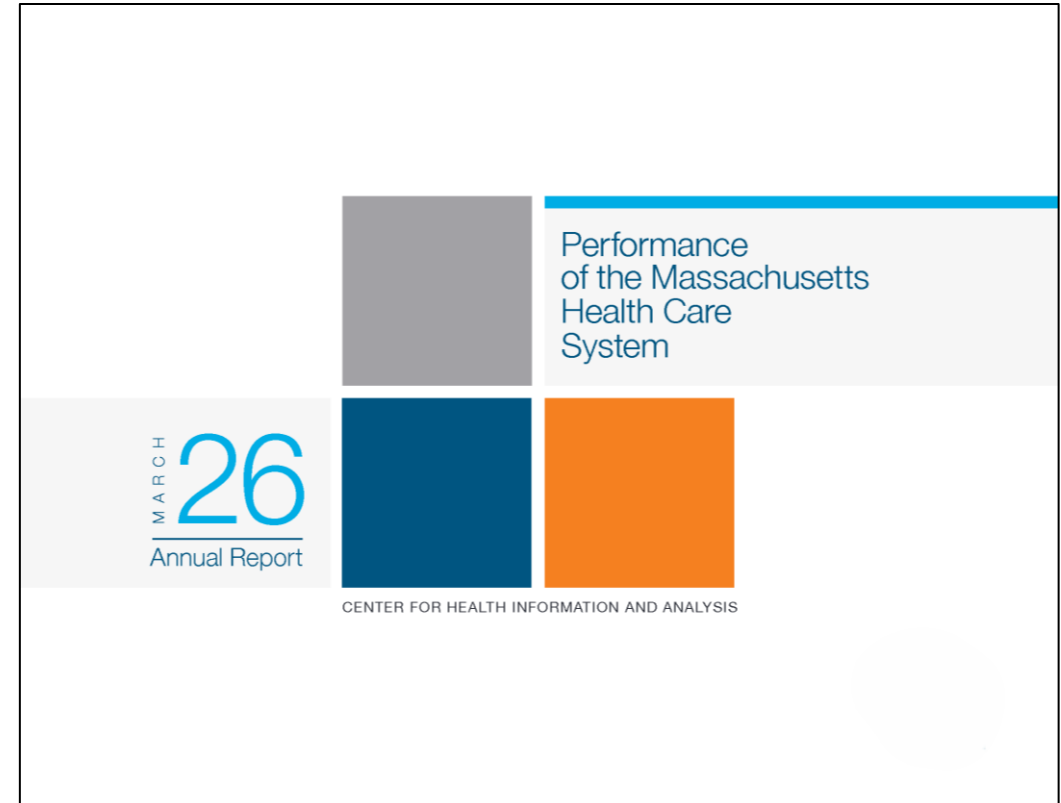
Report on the Performance of the MA Health Care System

Key Findings From CHIA's
March 2026 Annual Report

Annual Report Released March 2026

DATA PERIOD 2024

- Comprehensive look at MA health care system performance
- **Consequential events:**
 - Post-pandemic recalibration
 - MassHealth redeterminations
 - ConnectorCare expansion pilot
 - Steward Hospital bankruptcy
- Increased pressure on residents, employers, payers, and providers





\$83.3 Billion

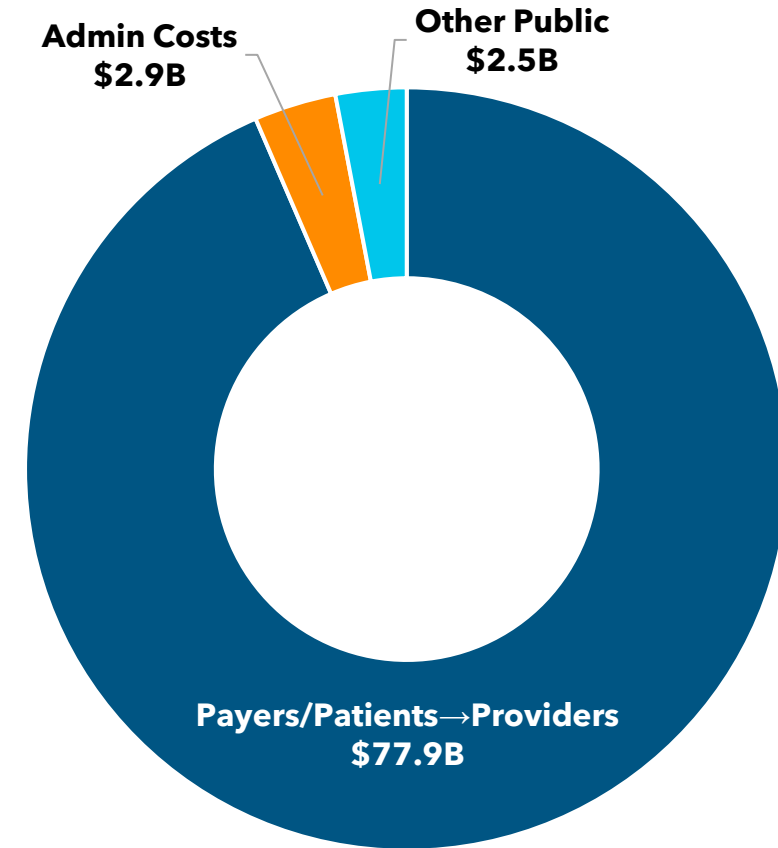
total health care expenditures, 2024



\$83.3 Billion

TOTAL HEALTH CARE EXPENDITURES, 2024

- ✓ Payments from payers/patients to providers
- ✓ Health plan administration costs
- ✓ Other public health care programs
- ✓ Impacted by utilization, price, market leverage, payment design
- ✗ *Does not include over-the-counter or payments for non-covered services*



Total Spending \$83.3B



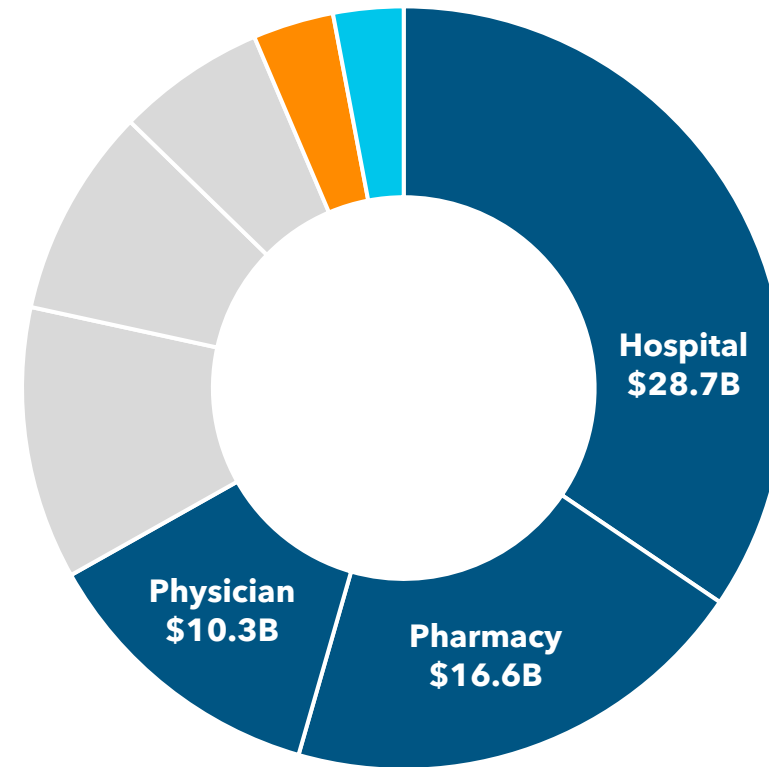
\$83.3 Billion



TOTAL HEALTH CARE EXPENDITURES, 2024

Highest spending categories:

- Hospital (outpatient + inpatient)
- Pharmacy
- Physician





\$83.3 Billion

TOTAL HEALTH CARE EXPENDITURES, 2024

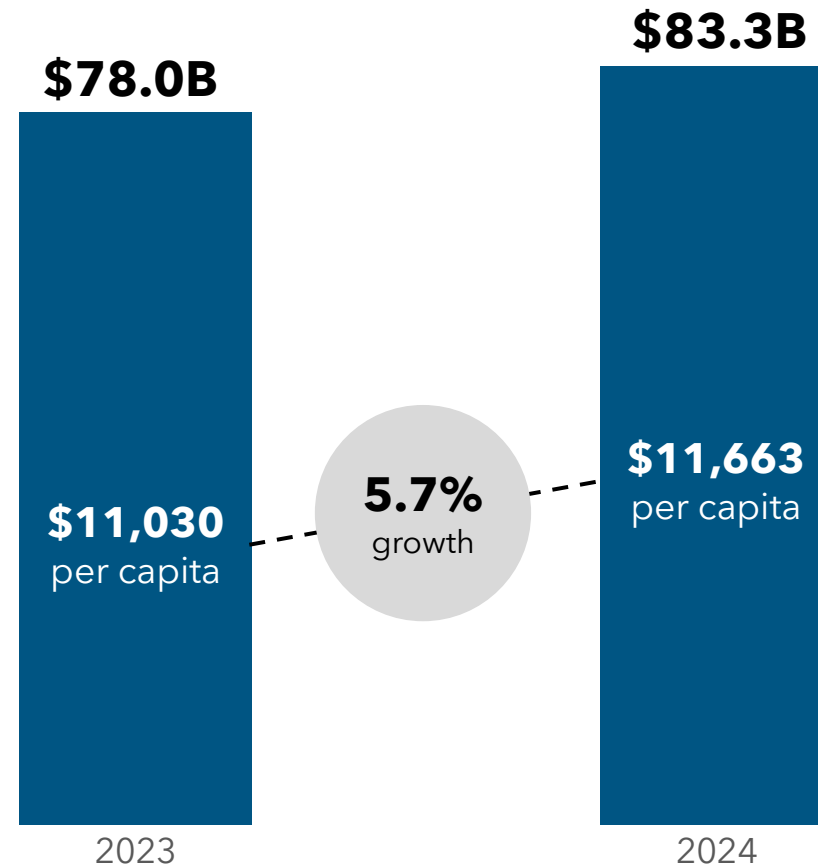
\$11,663 spending per person

For a family of 4, could cover one or more major annual expenses:

- Housing
- Childcare
- Groceries + transportation

5.7% growth from 2023

- Exceeded health care cost growth benchmark (3.6%)





4 Years Running

exceeded health care cost growth benchmark

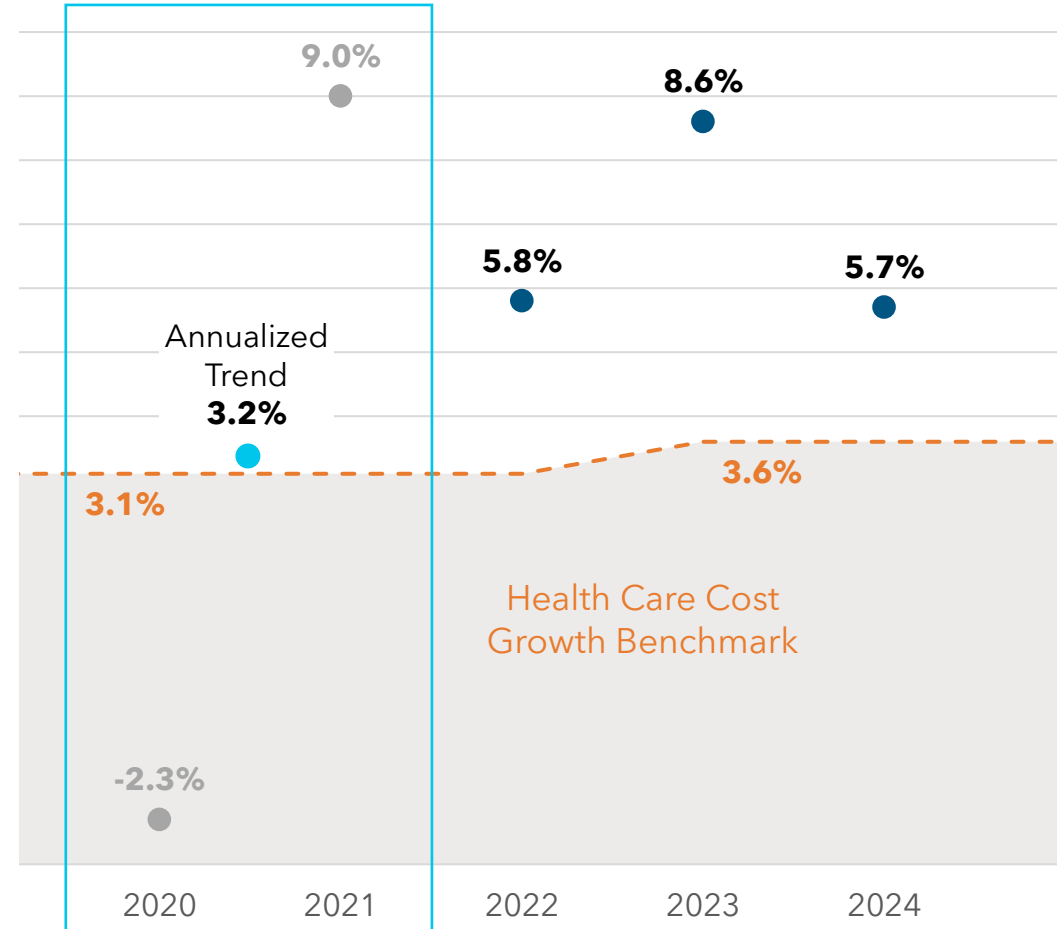


4 Years Running



EXCEEDED HEALTH CARE COST GROWTH BENCHMARK

- THCE per capita growth above target fourth year in a row in 2024
- Outside of pandemic period, benchmark not met since 2017





More Than 4%

increase in premiums and cost-sharing



More Than 4%

INCREASE IN PREMIUMS AND COST-SHARING

4.8% rise in ESI premiums

- Impacts nearly one-third of residents with commercial health insurance





More Than 4%

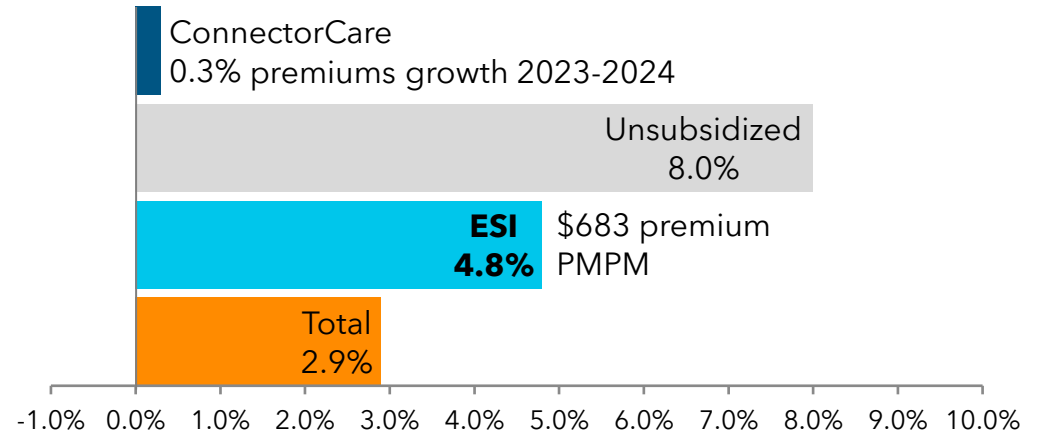
INCREASE IN PREMIUMS AND COST-SHARING

4.8% rise in ESI premiums

- Impacts nearly one-third of residents with commercial health insurance

Lower overall premium trend driven by ConnectorCare

- Increased enrollment
 - MassHealth redeterminations
 - ConnectorCare expansion pilot
- Minimal change in premiums





More Than 4%



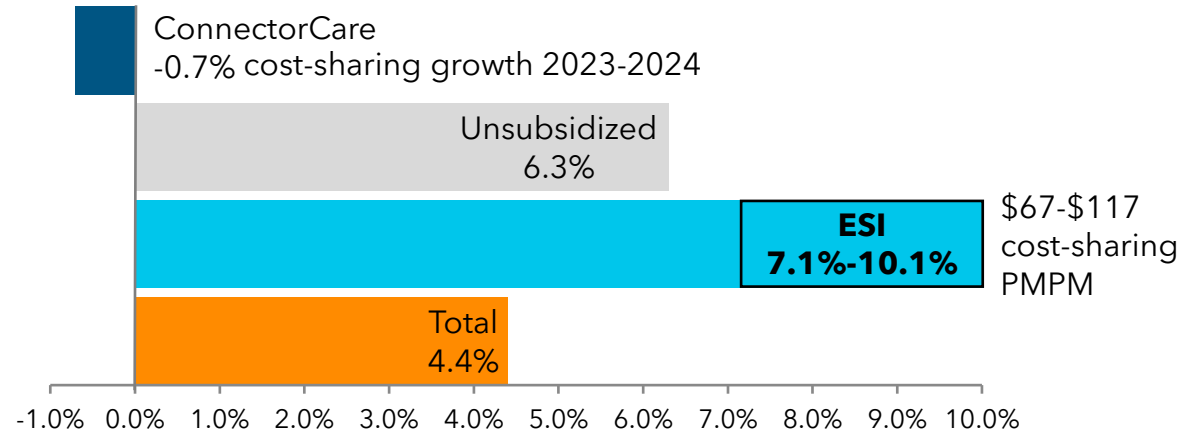
INCREASE IN PREMIUMS AND COST-SHARING

4.4% rise in member cost-sharing

- Significantly higher for ESI members

Bottom line:

- Residents paid more
- Employer costs increased
- Plans lost money and hospital margins were narrow





More Than 4%

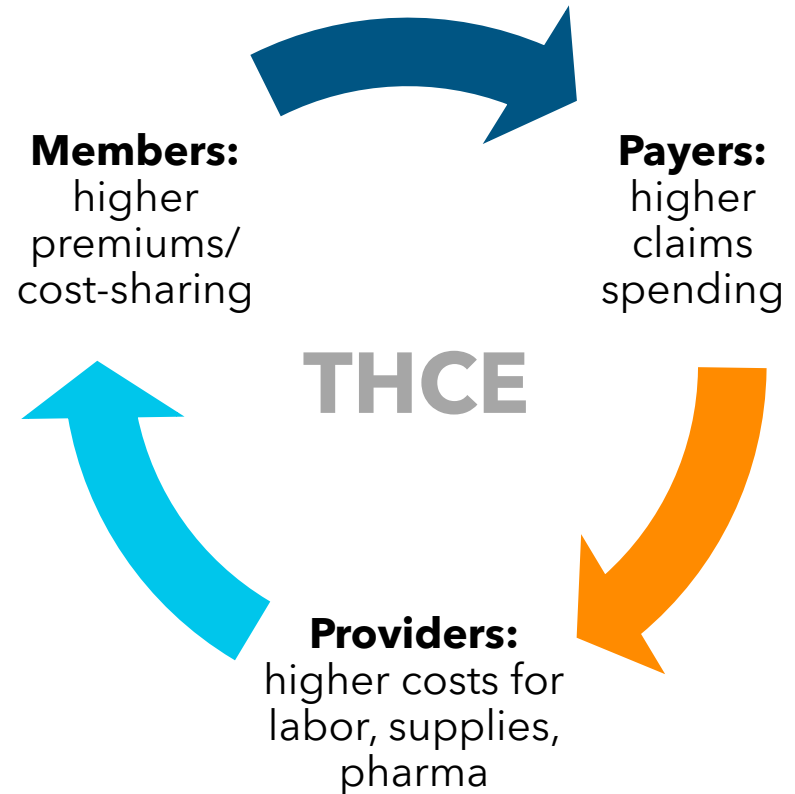
INCREASE IN PREMIUMS AND COST-SHARING

Health Plans (Payers)

- Collected more in premiums
- Spent more than expected on medical claims
- Average \$13 loss PMPM

Hospitals (Providers)

- Billed more for medical claims
- Had higher labor and material costs
- Median operating margin -2.0%





40% of Residents

experience affordability issues within the family

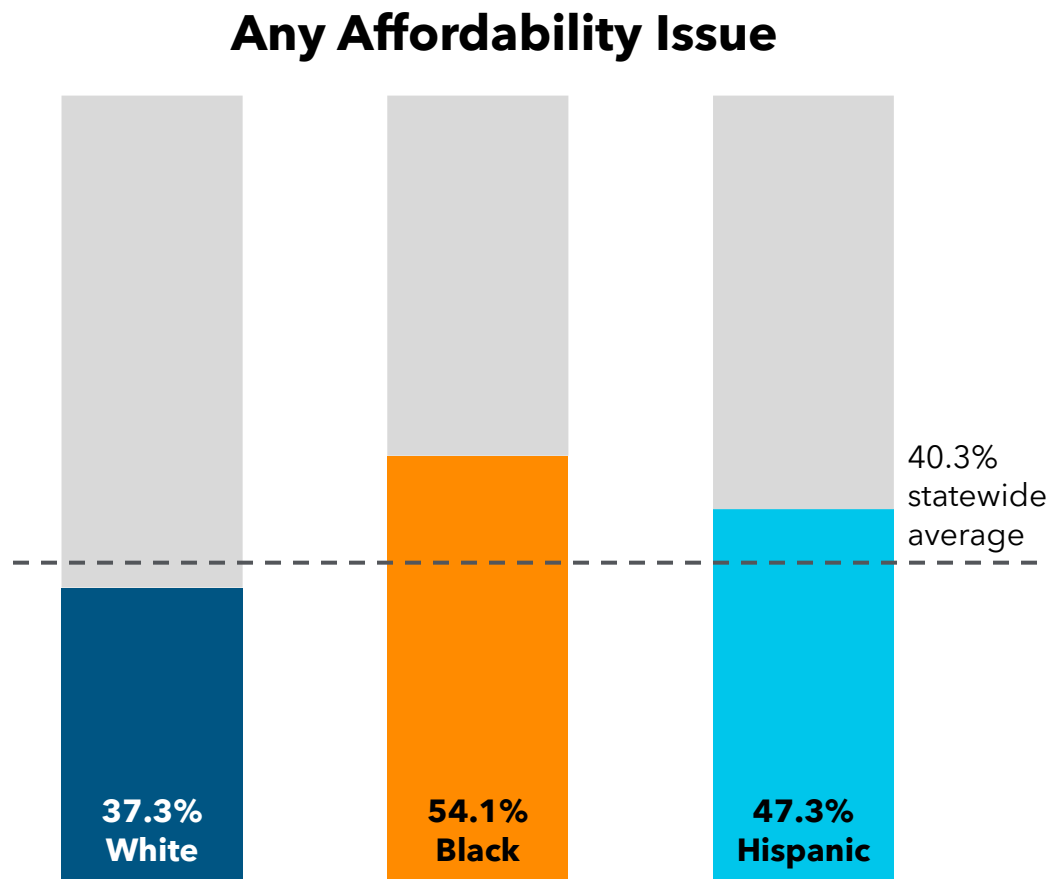
40% of Residents

EXPERIENCE AFFORDABILITY ISSUES WITHIN THE FAMILY

2 in 5 residents statewide:

- Have problems paying medical bills
- Forgo needed care due to cost
- Spend high share of income on out-of-pocket costs

Black/Hispanic residents shoulder more of the burden



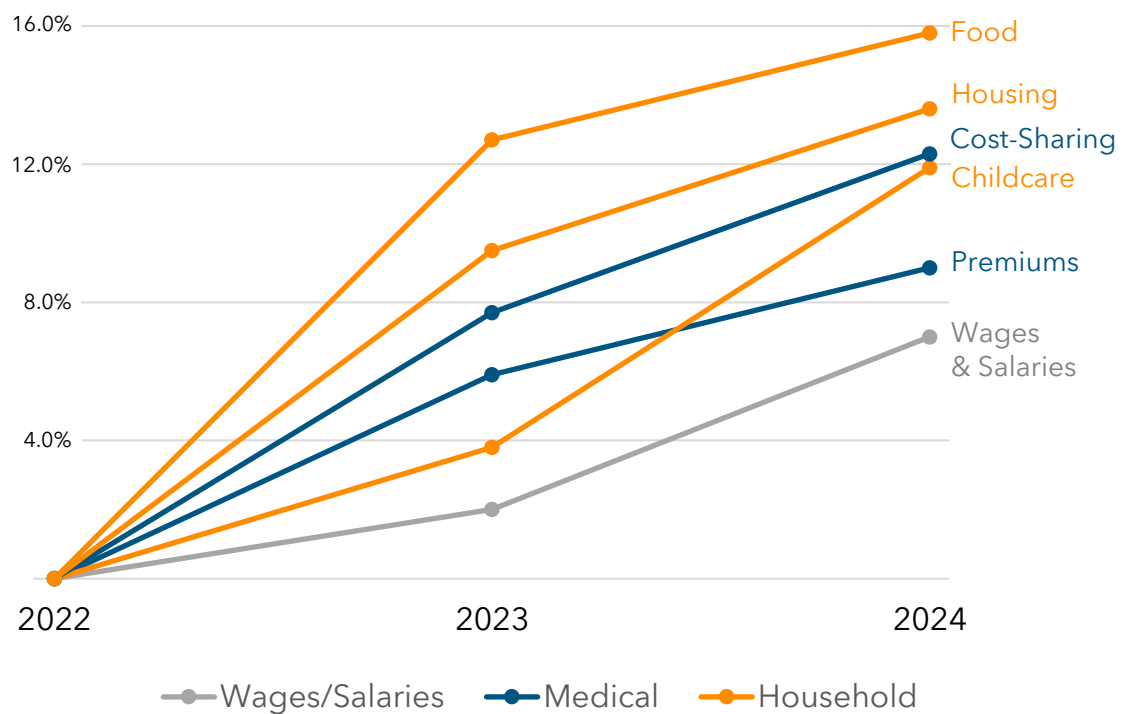
40% of Residents

EXPERIENCE AFFORDABILITY ISSUES WITHIN THE FAMILY

Medical expenses (premiums, cost-sharing) grew faster than wages/salaries

Household expenses (childcare, housing, food) also grew faster than wages/salaries

Growth in Common Expenses





\$83.3B

2024 total
health care
expenditures

4 Years

exceeded
cost growth
benchmark

>4%

increase in
premiums and
cost-sharing

40%

residents with
affordability
issues



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