



Health Care in Massachusetts: Key Indicators

August 2010

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Commonwealth of Massachusetts

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Lieutenant Governor



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Division of Health Care Finance and Policy

Key Indicators

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About this Report

Health Care in Massachusetts: Key Indicators is a quarterly report from the Division of Health Care Finance and Policy (DHCFP). *Key Indicators* provides an overview of the Massachusetts health care landscape through data reported by providers, health plans, government, and surveys of Massachusetts residents and employers.

In this edition, DHCFP found that between December 31, 2009 and March 31, 2010, approximately 16,000 additional residents obtained health insurance, bringing the total number of insured residents since the implementation of health reform to over 410,000. Approximately 25% of that growth in newly insured (103,000) has been in private group coverage (i.e., through employers) or individual purchase. During the quarter ending March 31, 2010, MassHealth enrollment increased by an additional 13,000 members. Enrollment in private group also increased slightly but individual purchase and Commonwealth Care enrollment remained flat during the period.

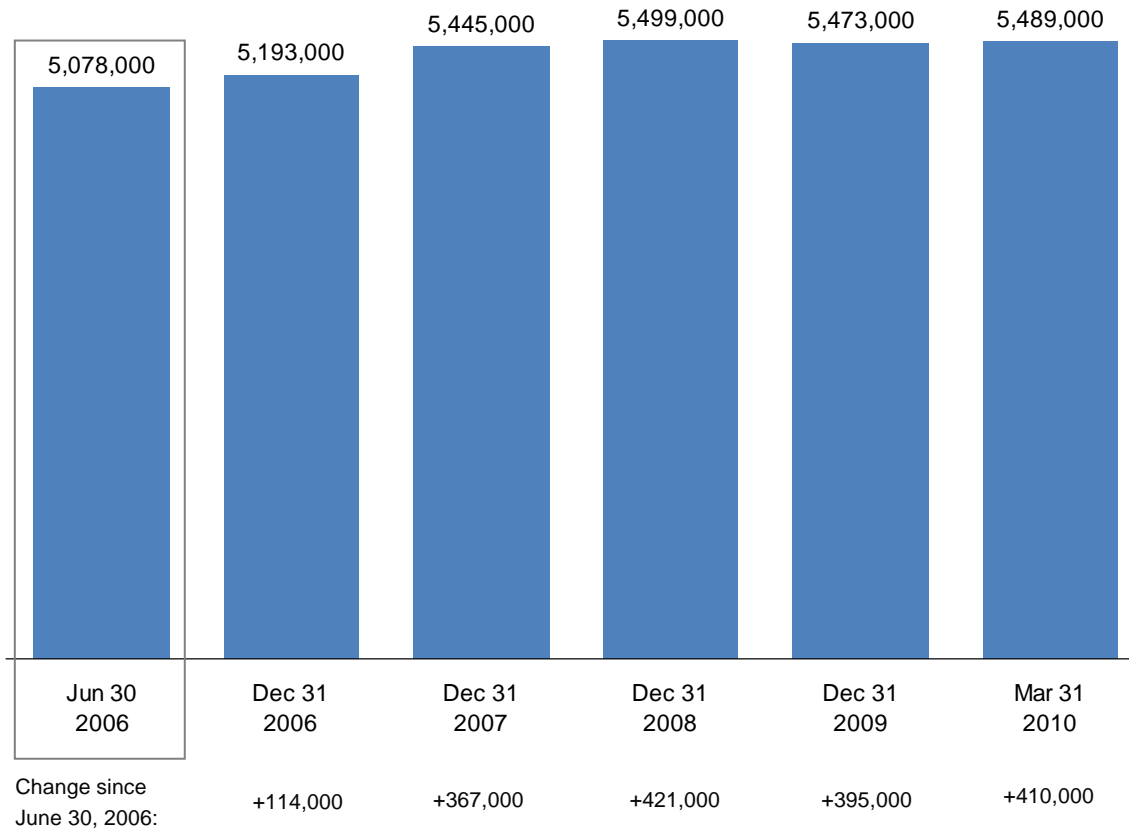
In this edition, information on cost trends in health insurance premiums compared to the Health Connector affordability schedule for 2010 is updated. This edition also updates health plan financial performance during the first quarter of 2010, acute hospital financial performance during the second quarter of 2010, and community health center financial performance for fiscal year 2009. Other updates include MassHealth members ages 65 and older and enrollment in Prescription Advantage.

This edition of the report does not update the following: health insurance offer and take-up rates from the DHCFP employer survey; Health Safety Net; insurance coverage and access measures from DHCFP's household survey; and access to health care measures from the Behavioral Risk Factor Surveillance System (BRFSS). These data are carried over from the previous *Key Indicators* report and will be updated for future editions.



Individuals with Health Insurance

Excludes Medicare Enrollees

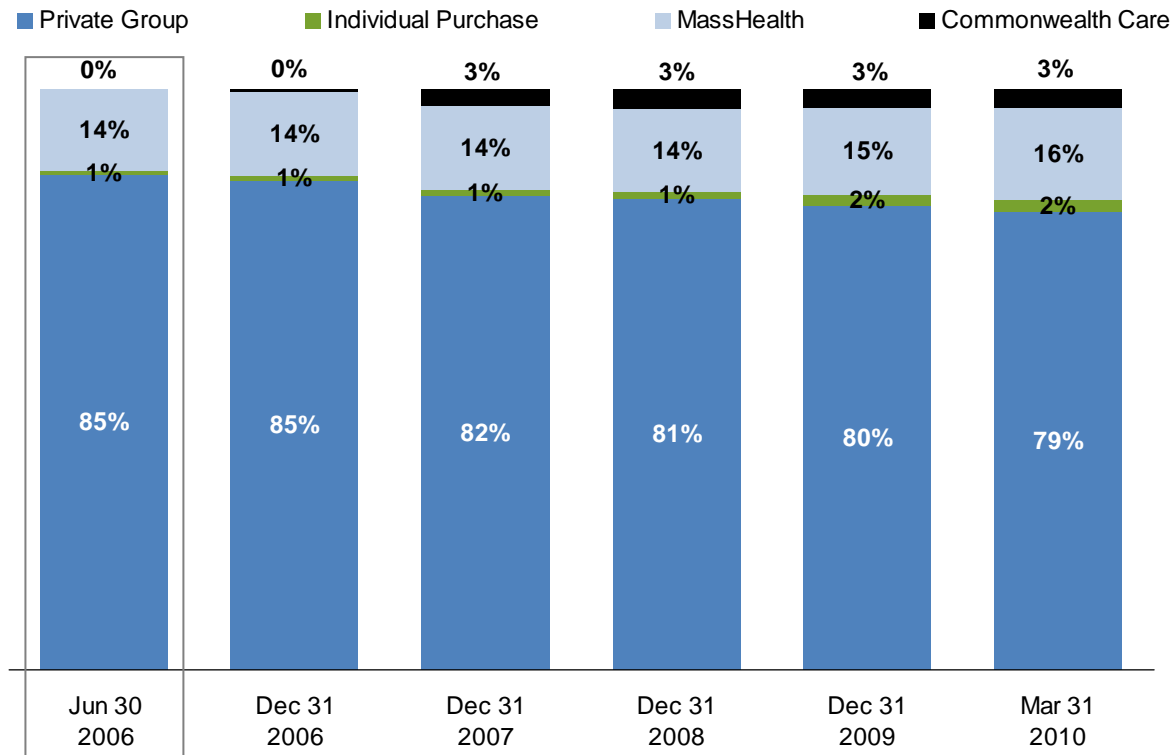


Approximately 16,000 additional residents obtained health insurance in the three months between December 31, 2009 and March 31, 2010, bringing total number of newly insured residents since reform to 410,000, a 4% increase over data reported at the end of calendar year 2009.

Notes: Data reflect total enrollment, rounded to the nearest thousand, as of the specified date. Totals include Massachusetts residents enrolled in health insurance products offered by the following health plans and their affiliates: Aetna Health, Blue Cross Blue Shield (BCBSMA, HMO Blue and Massachusetts residents insured through other Blue Cross Association plans), Boston Medical Center HealthNet Plan, CeltiCare, CIGNA, ConnectiCare, Fallon, Great-West Health Care, Harvard Pilgrim Health Care, HealthMarkets (MEGA Life and Health Insurance Company, Mid-West National Life Insurance Company of Tennessee, and the Chesapeake Life Insurance Company), Health New England, MassHealth, Neighborhood Health Plan, Network Health, Tufts, UniCare and UnitedHealthcare. Data exclude the following insured Massachusetts residents: federal employees not insured through a commercial carrier, active duty military personnel and their families who receive services through Champus/Tricare only, and inmates of the Department of Correction. Numbers may not match previous editions of Key Indicators, as health plans may revise enrollment information in previous quarters. Numbers may not sum due to rounding. Sources: Membership reported to DHCFP by health plans, and MassHealth; Commonwealth Care enrollment data are from the Health Connector.

Insured Population by Type of Insurance

Excludes Medicare Enrollees



Most residents in Massachusetts are enrolled in private group insurance. While private group enrollment saw a modest gain (+2,000 enrollees) between the end of 2009 and the first quarter of 2010, growth was greater for public coverage; over 13,000 new members enrolled in MassHealth during the period.*

*Quarterly results may not be indicative of year-end performance.

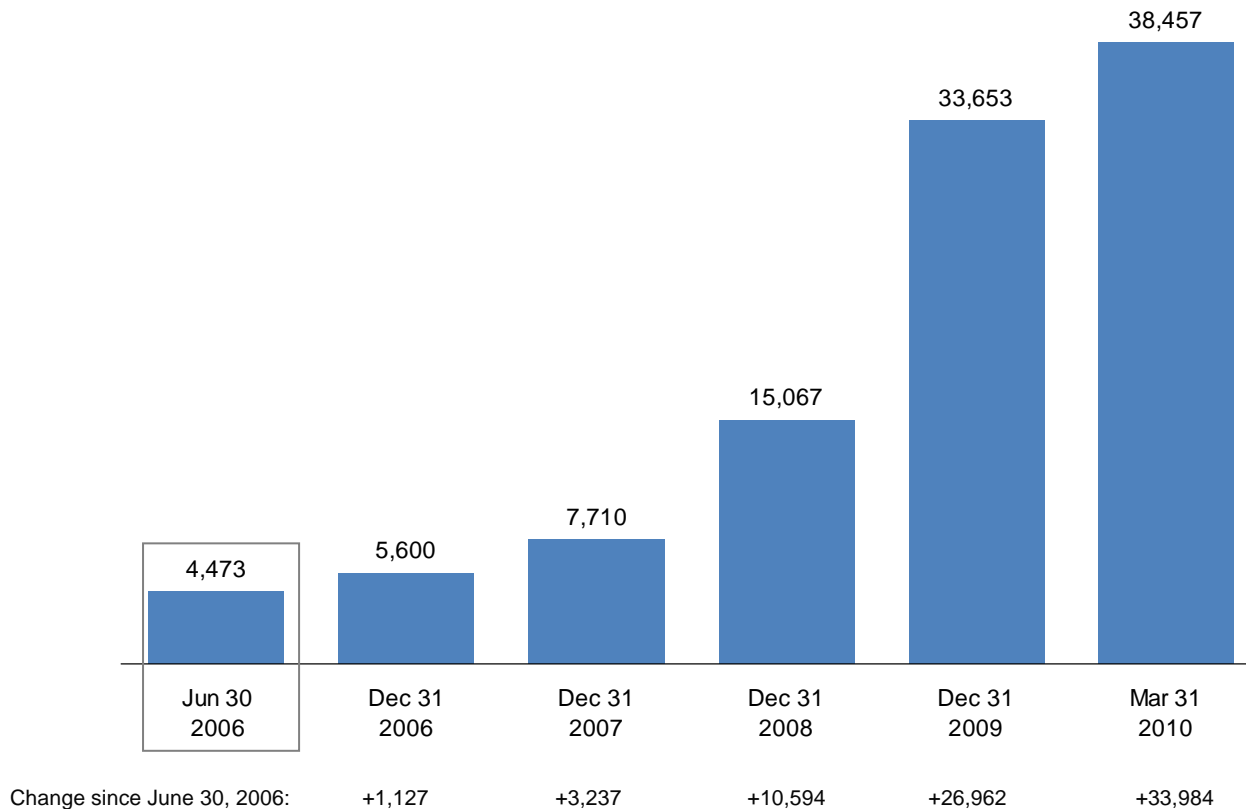
Number of Members (rounded to the nearest thousand):	Jun 30 2006	Dec 31 2006	Dec 31 2007	Dec 31 2008	Dec 31 2009	Mar 31 2010	Change since 6/30/06:
Private Group	4,333,000	4,395,000	4,457,000	4,474,000	4,359,000	4,361,000	+28,000
Individual Purchase	40,000	39,000	65,000	81,000	115,000	115,000	+75,000
MassHealth	705,000	741,000	765,000	781,000	849,000	862,000	+157,000
Commonwealth Care	0	18,000	158,000	163,000	151,000	151,000	+151,000
Total Members	5,078,000	5,193,000	5,445,000	5,499,000	5,473,000	5,489,000	+410,000

Notes: Private group includes large group, small group, and self-insured members reported by the health plans listed on page 6. Individual purchase includes Commonwealth Choice and residual non-group market. MassHealth enrollment does not include members with partial coverage or premium assistance; they are counted in the private plans. These members include Seniors, MassHealth Limited, individuals with third party liability (e.g., disabled with Medicare), and Family Assistance/Insurance Partnership. Commonwealth Care includes enrollment in Boston Medical Center HealthNet Plan, Fallon, Neighborhood Health Plan, and Network Health. Data reflect total enrollment, rounded to the nearest thousand, as of the specified date. Totals include Massachusetts residents enrolled in health insurance products offered by the following health plans and their affiliates: Aetna Health, Blue Cross Blue Shield (BCBSMA, HMO Blue and Massachusetts residents insured through other Blue Cross Association plans), Boston Medical Center HealthNet Plan, CeliCare, CIGNA, ConnectiCare, Fallon, Great-West Health Care, Harvard Pilgrim Health Care, HealthMarkets (MEGA Life and Health Insurance Company, Mid-West National Life Insurance Company of Tennessee, and the Chesapeake Life Insurance Company), Health New England, MassHealth, Neighborhood Health Plan, Network Health, Tufts, UniCare and UnitedHealthcare. Data exclude the following insured MA residents: federal employees not insured through a commercial carrier, active duty military personnel and their families who receive services through Champus/Tricare only and inmates of the Department of Correction. Numbers may not match previous editions of *Key Indicators*, as health plans may revise enrollment information in previous quarters. Numbers may not sum due to rounding.

Sources: Membership reported to DHCFFP by health plans, and MassHealth; Commonwealth Care enrollment data are from the Health Connector.



Medical Security Program Enrollment Unemployment Claimants and Dependents



The Medical Security Program (MSP) is a health care plan for low- and moderate-income Massachusetts residents receiving unemployment insurance benefits.

MSP enrollment, which began to increase rapidly at the end of 2007, went up by 14% (about 5,000 new members) during the first quarter of 2010.

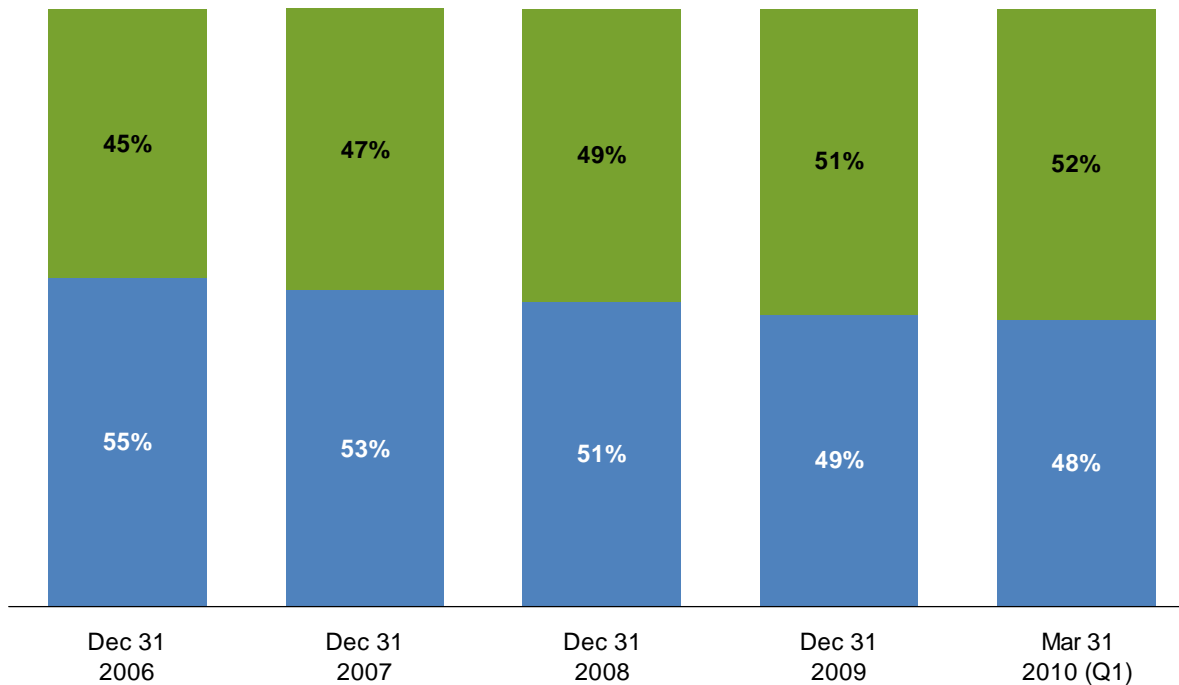
MSP offers two types of coverage: premium assistance for COBRA-eligible individuals, and direct coverage for individuals who do not qualify for COBRA. Premium assistance members are counted in the private group market and direct purchase enrollees are included in individual purchase on page 4. MSP enrollees are included in the total enrollment on page 3 and are reflected in total enrollment by insurer on page 7.

More information on COBRA can be found at www.dol.gov/ebsa/cobra

Notes: Data reflect total enrollment including unemployment insurance enrollees and their dependents.
Source: Massachusetts Division of Unemployment Assistance.

Private Group Enrollment Excludes Medicare Advantage

■ Fully-Insured
■ Self-Insured



Membership in self-insured products has grown steadily since December 2006 and recently began to account for more than half of private group enrollment.

Self-insured products are an arrangement in which an employer provides health benefits to employees and assumes the insurance risk for claims payment. Unlike in the case of fully-insured products, the health plan acts as a third party administrator for self-insured products and is not at risk for medical costs.

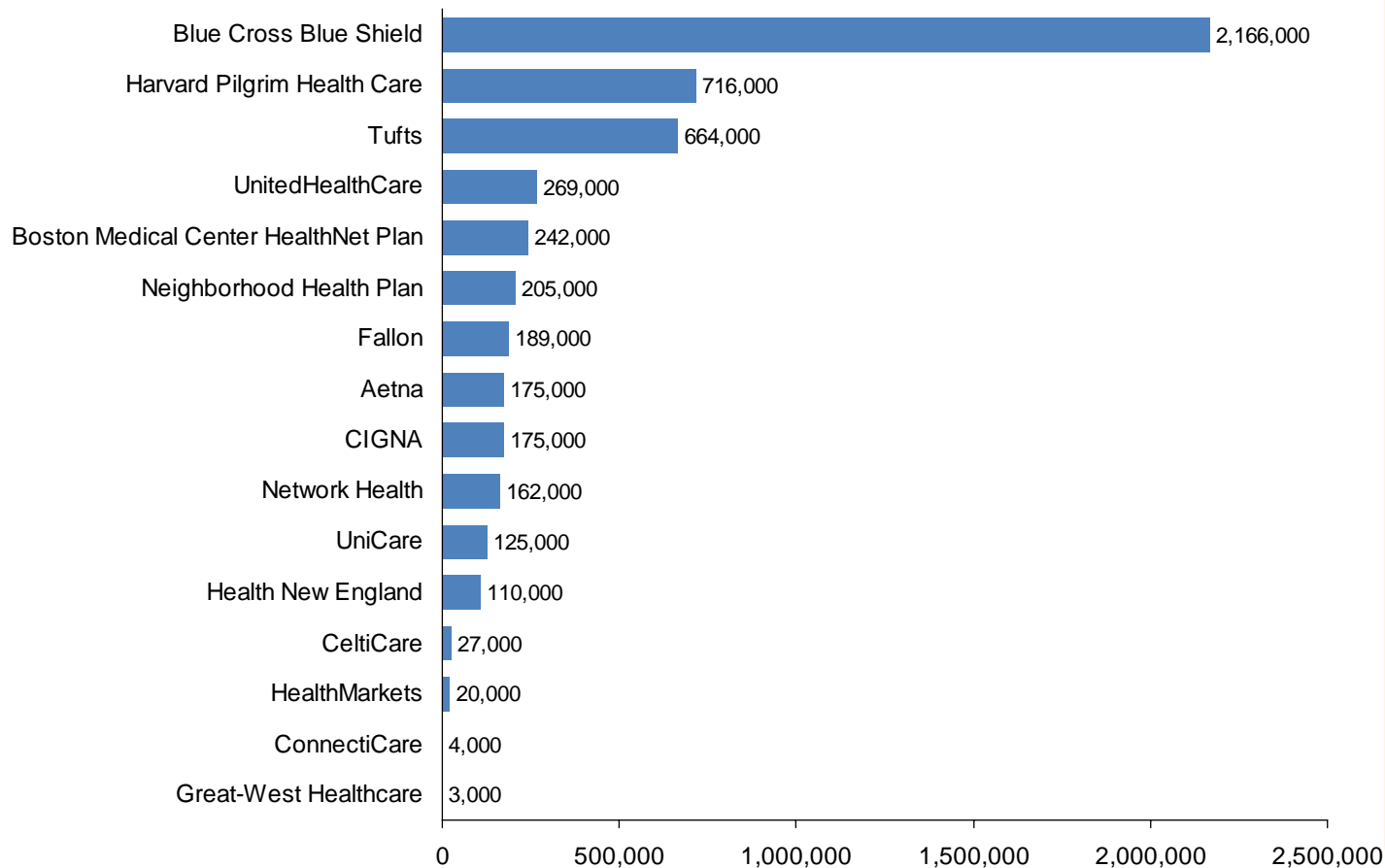
The Employee Retirement Income Security Act (ERISA) exempts self-insured plans from most state oversight and regulations.

Notes: Data reflect enrollment in large and small group health insurance, rounded to the nearest thousand, as of the specified date. Self-insured products are those reported by health plans listed on page 7 and do not include self-administered or third-party administered plans. As a result, the number of self-insured members may be understated. Totals include Massachusetts residents enrolled in health insurance products offered by the following health plans and their affiliates: Aetna Health, Blue Cross Blue Shield (BCBSMA, HMO Blue and Massachusetts residents insured through other Blue Cross Association plans), CIGNA, ConnectiCare, Fallon, Great-West Health Care, Harvard Pilgrim Health Care, HealthMarkets (MEGA Life and Health Insurance Company, Mid-West National Life Insurance Company of Tennessee, and the Chesapeake Life Insurance Company), Health New England, Neighborhood Health Plan, Tufts and UniCare. UnitedHealthcare does not report information on fully- and self-insured membership and data are not included on this page.

Sources: Membership reported to DHCFP by health plans.

Enrollment by Insurer

As of Mar 31, 2010 (Includes Medicare Advantage)



Enrollment figures by insurer include all Massachusetts residents enrolled in health insurance products offered by the identified insurer and its affiliates. MassHealth, Medicare Advantage, and Commonwealth Care enrollment are included in addition to fully- and self-insured group and direct purchase products.

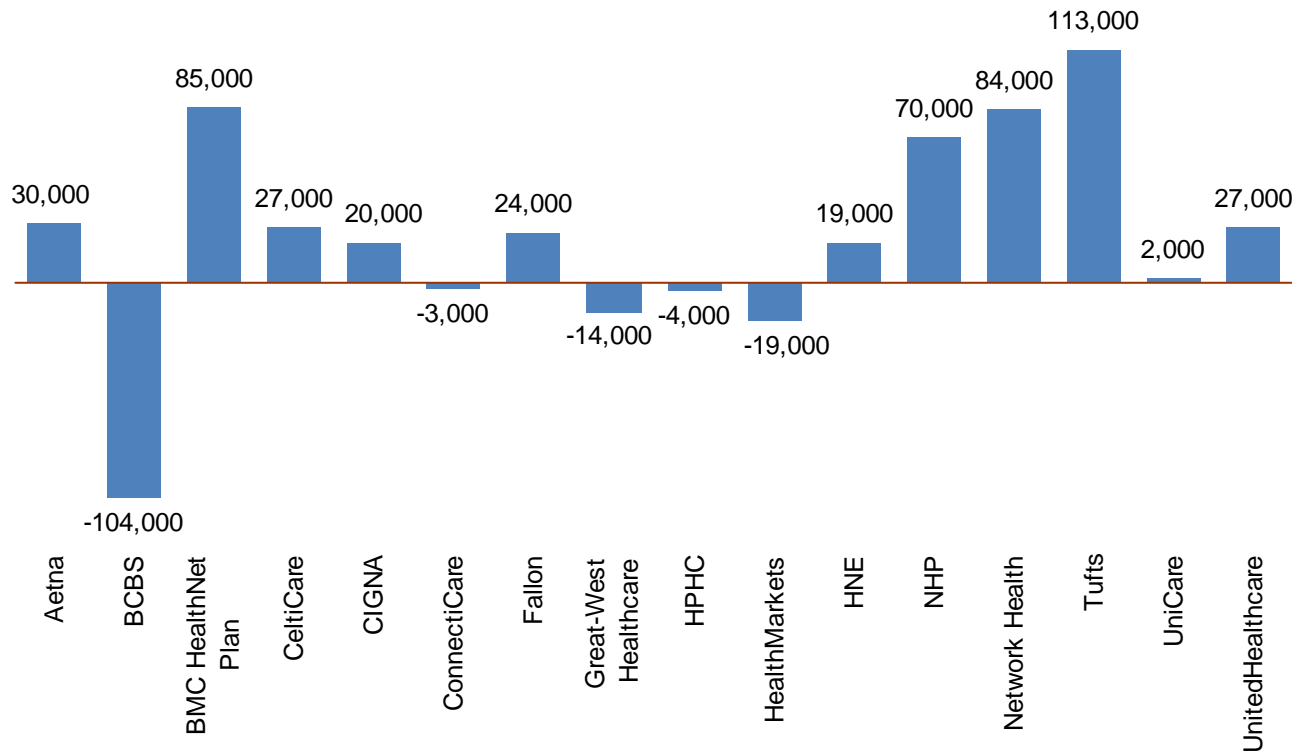
Blue Cross Blue Shield (BCBS) plans provide coverage to more than 41% of Massachusetts residents insured by health plans, down one percentage point from the end of 2009.*

*Quarterly results may not be indicative of year-end performance.

Notes: Data reflect total enrollment as of March 31, 2010. Figures by plan include Massachusetts residents who are enrolled in health insurance products administered by the listed insurer and all of its affiliates. Enrollment includes group, non-group, Commonwealth Choice direct purchase, FEHBP, student health insurance, MassHealth, Medicare Advantage, Commonwealth Care, and fully- and self-insured members. Products offering limited health benefits or supplemental coverage are not included. Joint ventures between health plans are reported by the primary administrator. Blue Cross Blue Shield includes HMO Blue, BCBSMA, Massachusetts residents enrolled in out-of-state association plans that subcontract with BCBSMA, and Massachusetts residents enrolled in other out-of-state association plans. Total numbers of people with health insurance presented on pages 3 and 4 include MassHealth members not enrolled in private plans and exclude Medicare Advantage. Therefore, numbers by insurer will not sum to totals on pages 3 and 4 of this report. UniCare data, previously reported by GIC, are directly from UniCare and include both GIC and other fully- and self-insured products. As DHCFCP identifies self-insured members and enrollment in affiliated plans, numbers are not comparable to enrollment or financial information reported in quarterly and annual statements by health maintenance organizations to the Massachusetts Division of Insurance. Sources: Membership reported to DHCFCP by health plans, MassHealth, and the Health Connector.

Change in Enrollment by Insurer

Since June 2006 (Includes Medicare Advantage)



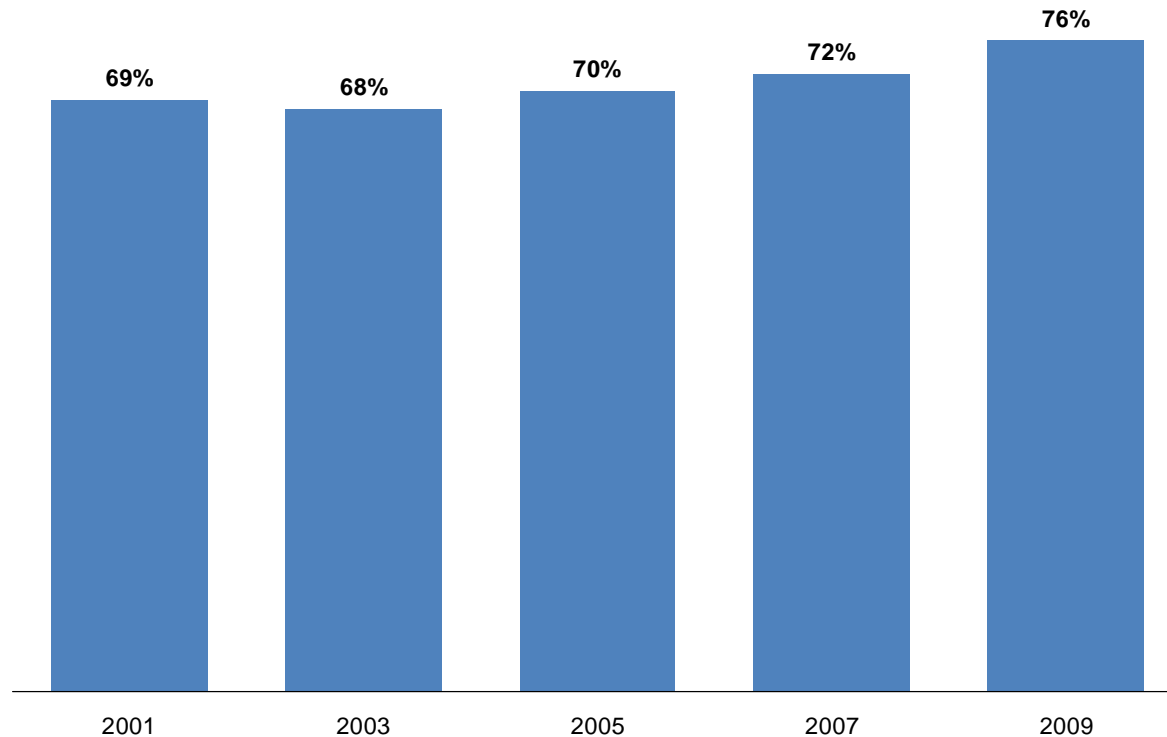
The majority of health plans have seen growth in enrollment since implementation of health care reform, with significant increases occurring for Boston Medical Center HealthNet Plan, Neighborhood Health Plan, Network Health, and Tufts Health Plan.

Notes: Data reflect the change in total enrollment between June 30, 2006 and March 31, 2010. Figures by plan include Massachusetts residents who are enrolled in health insurance products administered by the listed insurer and all of its affiliates. Enrollment includes group, non-group, Commonwealth Choice direct purchase, FEHBP, student health insurance, MassHealth, Medicare Advantage, Commonwealth Care, and fully- and self-insured members. Products offering limited health benefits or supplemental coverage are not included. Joint ventures between health plans are reported by the primary administrator. HPHC losses include enrollees in a plan that is jointly administered by UnitedHealthcare and are included in UnitedHealthcare's enrollment tally. Blue Cross Blue Shield includes HMO Blue, BCBSMA, Massachusetts residents enrolled in out-of-state association plans that subcontract with BCBSMA, and Massachusetts residents enrolled in other out-of-state association plans. Total numbers of people with health insurance presented on pages 3 and 4 include MassHealth members not enrolled in private plans and exclude Medicare Advantage. Therefore, numbers by insurer will not sum to totals on pages 3 and 4 of this report. UniCare data previously reported by GIC, are directly from UniCare and include both GIC and other fully- and self-insured products. As DHCFCP identifies self-insured members and enrollment in affiliated plans, numbers are not comparable to enrollment or financial information reported in quarterly and annual statements by health maintenance organizations to the Massachusetts Division of Insurance.

Sources: Membership reported to DHCFCP by health plans, MassHealth, and the Health Connector.

Employers Offering Health Insurance

Percent of Employers



More than three-quarters of Massachusetts employers offer health insurance to their employees. The Massachusetts employer offer rate increased to 76% in 2009 from 69% in 2001 as the national rate declined to 60% from 68% during the same time period.

Employers offering health insurance represents the proportion of all employers in Massachusetts who make health insurance available to employees. Changes in the employer offer rate do not reflect employment and/ or unemployment fluctuations in the state's economy.

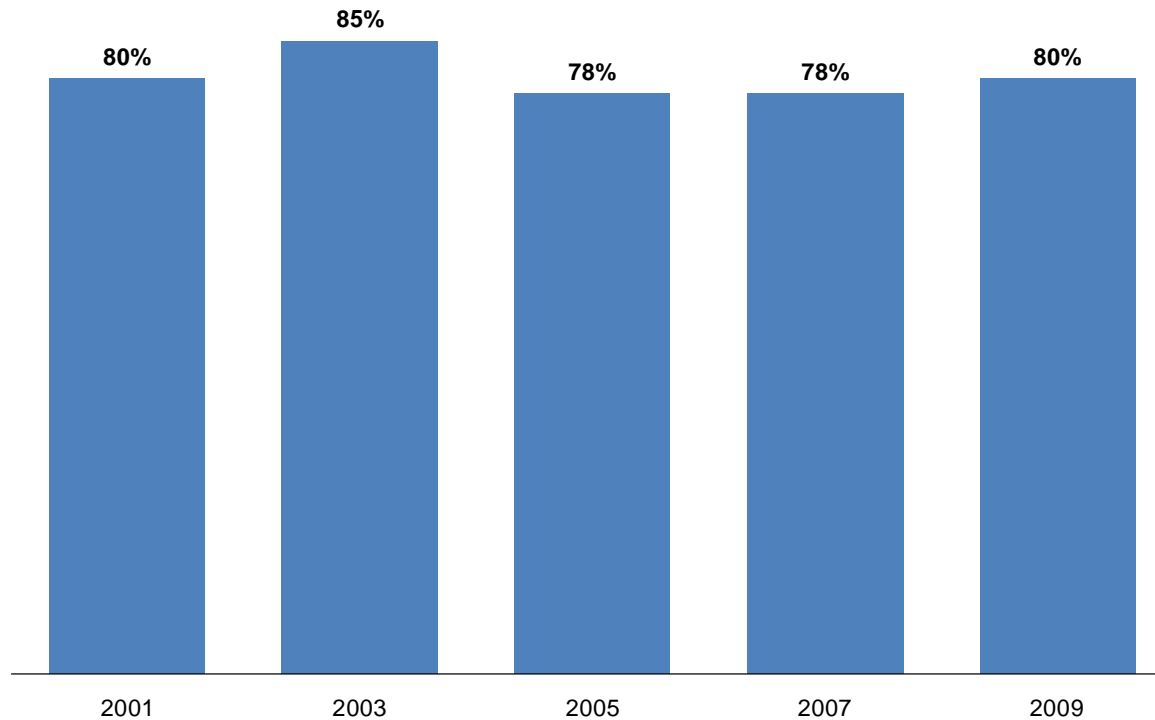
Note: The changes from year to year are not statistically significant.

Sources: DHCFP Employer Survey for 2001, 2003, 2005, 2007, and 2009. National data from the Henry J. Kaiser Family Foundation/Health Research and Educational Trust (HRET) Employer Benefits Survey, 2001-2009. For further information on the 2009 Employer Survey Report, visit www.mass.gov/dhcfp and follow the "Publications and Analyses" link.



Employees Enrolled in Health Insurance

Percent of Eligible Employees



Eighty percent of employees eligible for health insurance enrolled in their employer's health plan in 2009. This rate is comparable to the national rate of 81% for the same period, as reported in the Kaiser/HRET survey.

Employee take-up rate of employer-sponsored insurance may be affected by changes in the employment status if, for example, someone who had been covered under an employer plan and purchasing family coverage loses his or her job, an employed spouse who may have previously opted out of coverage, may choose to opt into employer coverage to cover the family.

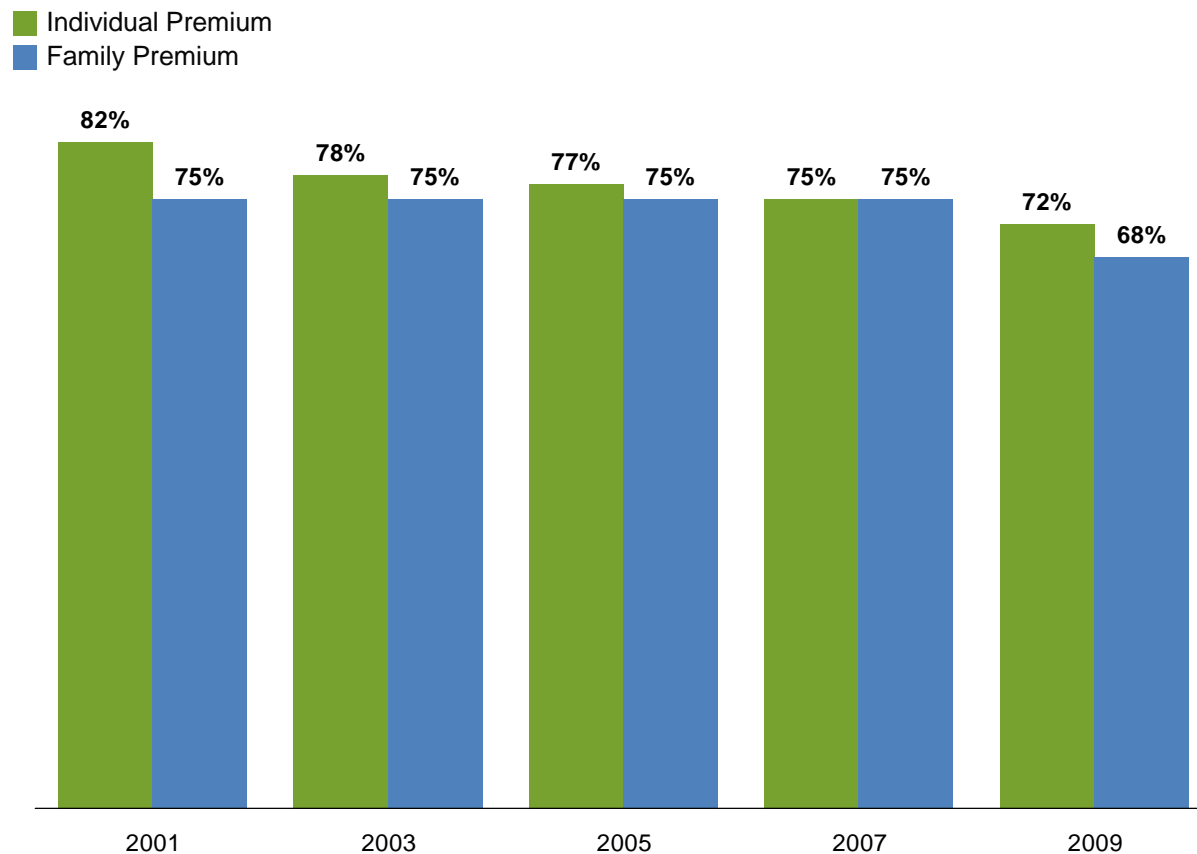
Note: Data reflect medians.

Sources: DHCFCP Employer Survey for 2001, 2003, 2005, 2007, and 2009. National data from the Henry J. Kaiser Family Foundation/Health Research and Educational Trust (HRET) Employer Benefits Survey, 2001-2009. For further information on the 2009 Employer Survey Report, visit www.mass.gov/dhcfp and follow the "Publications and Analyses" link.



Employer Contributions to Health Insurance

Percent of Individual and Family Premiums



From 2007 to 2009, employers' percentage contributions to individual and family health insurance premiums declined in Massachusetts, with contributions toward family premiums declining by 7 percentage points. Nationally, employers contributed higher percentages toward individual and family premiums in 2009 (83% and 73%, respectively).

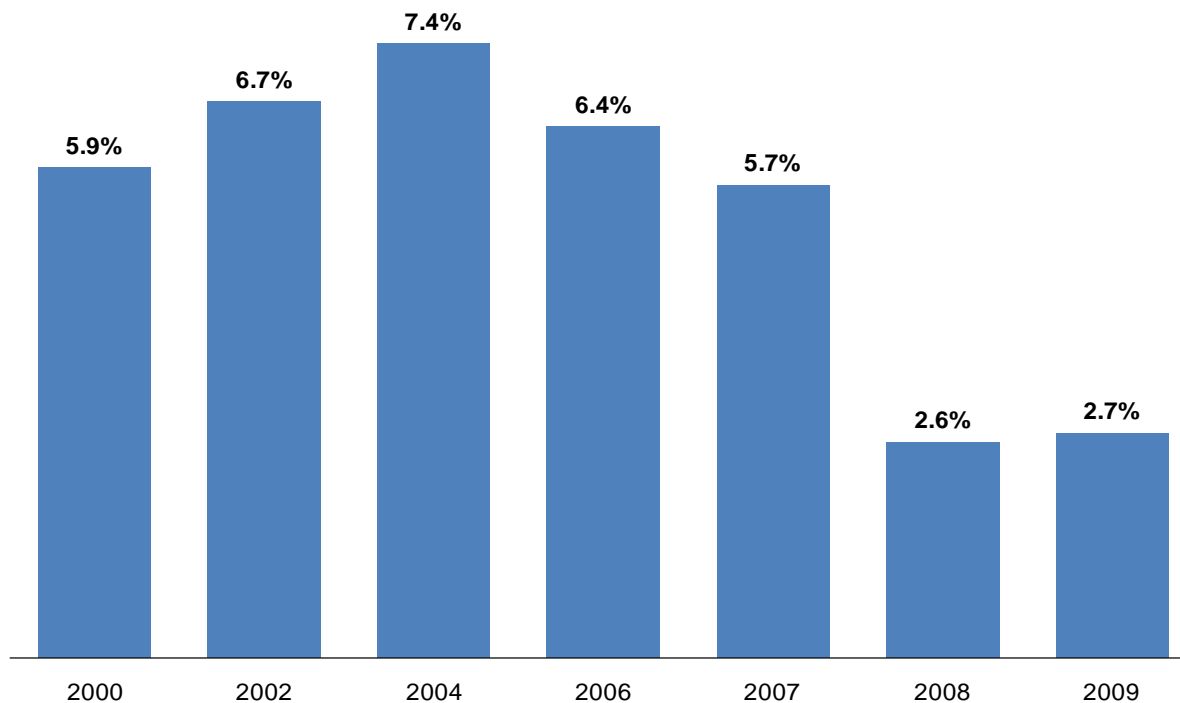
Note: Data reflect medians.

Sources: DHCFCP Employer Survey for 2001, 2003, 2005, 2007, and 2009. National data from the Henry J. Kaiser Family Foundation/Health Research and Educational Trust (HRET) Employer Benefits Survey, 2001-2009. For further information on the 2009 Employer Survey Report, visit www.mass.gov/dhcfp and follow the "Publications and Analyses" link.



People without Health Insurance

Percent of All Massachusetts Residents



Uninsurance was low among Massachusetts residents, with less than 3% uninsured at the time of the survey in both 2008* and 2009. This corresponds to roughly 171,000 people in 2009 and 165,000 people in 2008.† The 2009 estimate of the uninsurance rate is not significantly different from the estimate for 2008.

DHCFP implemented a new survey methodology beginning in 2008, therefore some caution should be taken when comparing 2008 and 2009 results to previous years because of methodological inconsistency.

* The national uninsured rate was 15.4% in 2008.

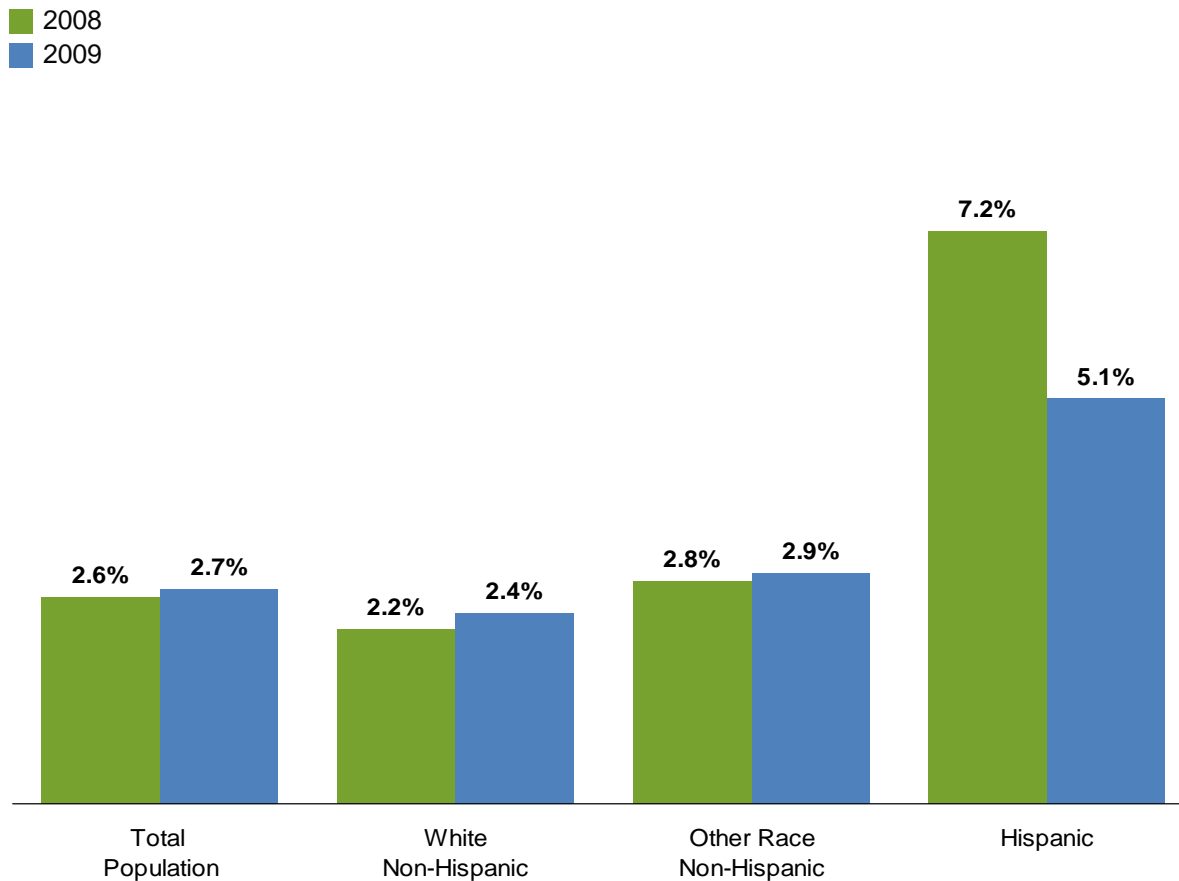
† These population estimates are based on estimates of the total civilian non-institutionalized population in Massachusetts from the March Current Population Survey for the relevant year.

Sources: DHCFP Household Surveys for 2000, 2002, 2004, 2006, and 2007; surveys from 2000 through 2006 were conducted February through June of the survey year; survey for 2007 was conducted January through July of 2007. 2008 and 2009 data is from the Urban Institute tabulations on the 2008 and 2009 Massachusetts Health Insurance Survey which was conducted June through August of 2008. For more information, please visit www.mass.gov/dhcfp. Click on "Publications and Analyses" then go to "Household Health Insurance Survey." National uninsured rate is as reported by the US Census Bureau in "Income, Poverty, and Health Insurance Coverage in the United States: 2008." Online at <http://www.census.gov/prod/2009pubs/p60-236.pdf>



Uninsured by Race and Ethnicity

Percent of All Massachusetts Residents



Hispanic residents in Massachusetts were more likely to be uninsured than residents in other racial/ethnic groups. While estimated uninsurance rate for Hispanics is lower in 2009 than 2008, estimates for the two periods are not significantly different.

In some cases, what appear to be relatively large differences in estimates between 2008 and 2009 are not statistically significant. This arises because estimates based on small subgroups of the overall population have larger variances, making point estimates less precise.

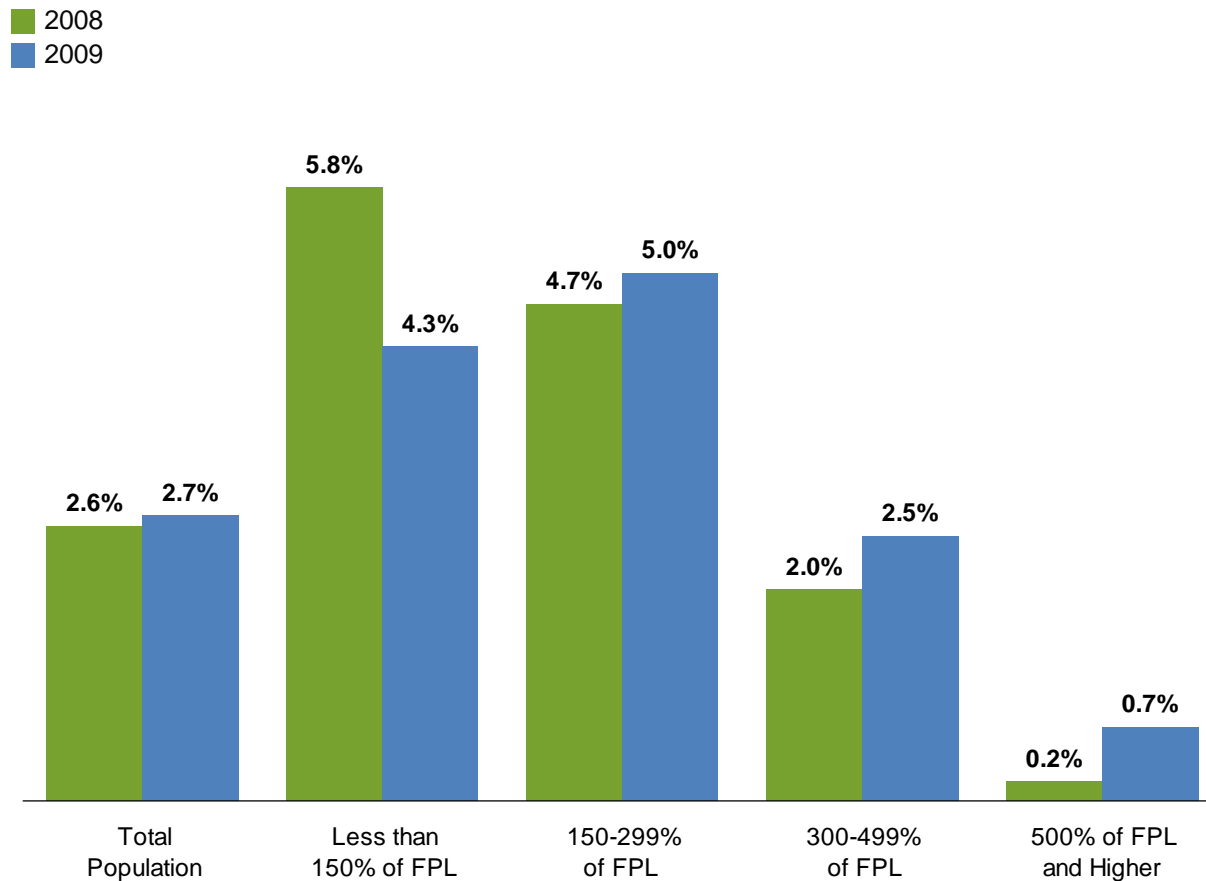
Note: Other race, non-Hispanic includes black and Asian in addition to other races.

Source: Urban Institute tabulations on the 2008 and 2009 Massachusetts Health Insurance Survey. For more information, please visit www.mass.gov/dhcfp. Click on "Publications and Analyses" then go to "Household Health Insurance Survey."



Uninsured by Federal Poverty Level

Percent of All Massachusetts Residents



Massachusetts residents with income less than 300% of the federal poverty level (FPL) were more likely to be uninsured than with higher incomes. There was a small, but statistically significant, increase in the uninsurance rate among residents with income at 500% FPL or higher.*

In some cases, what appear to be relatively large differences in estimates between 2008 and 2009 are not statistically significant. This arises because estimates based on small subgroups of the overall population have larger variances, making point estimates less precise.

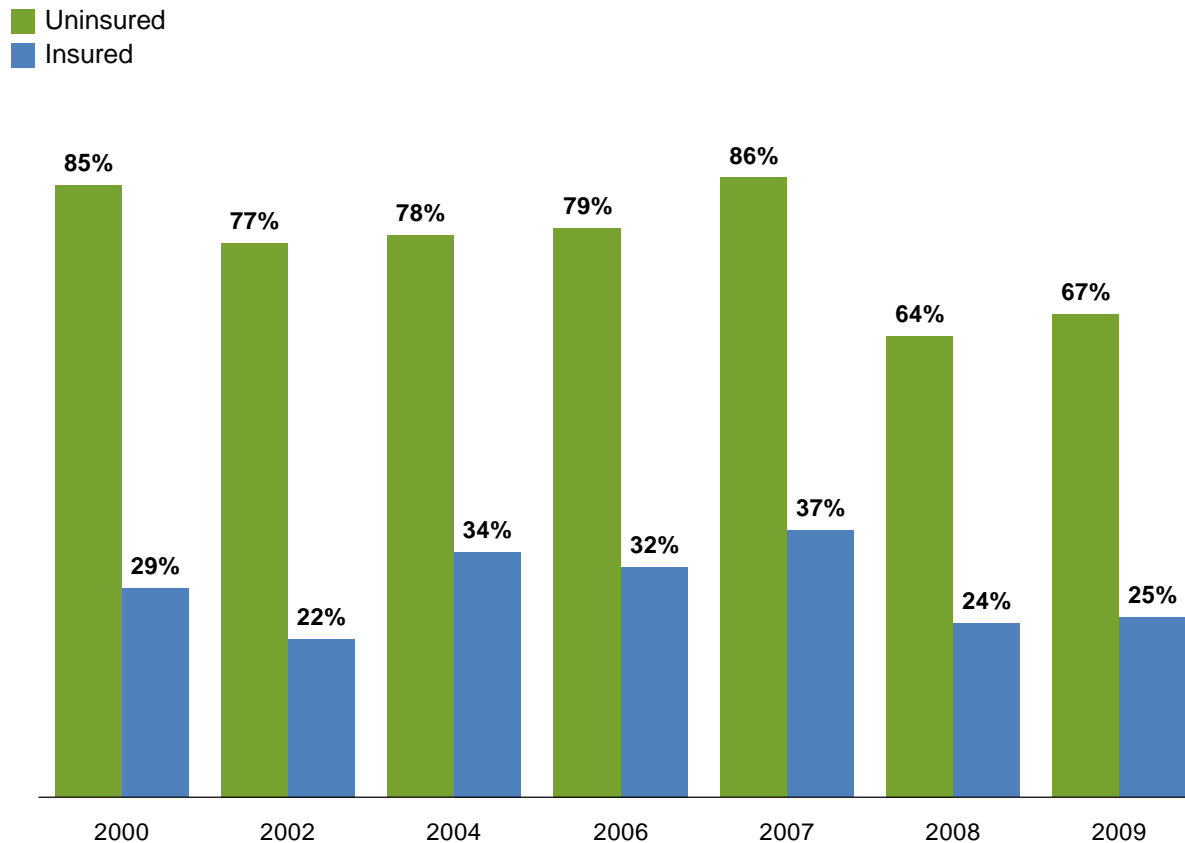
*The 2009 estimate is significantly different from the 2008 estimate at the 5% level, two-tailed test.

Source: Urban Institute tabulations on the 2008 and 2009 Massachusetts Health Insurance Survey. For more information, please visit www.mass.gov/dhcfp. Click on "Publications and Analyses" then go to "Household Health Insurance Survey."



Needed Care but Cost Was an Obstacle

Percent of Adults Ages 19-64

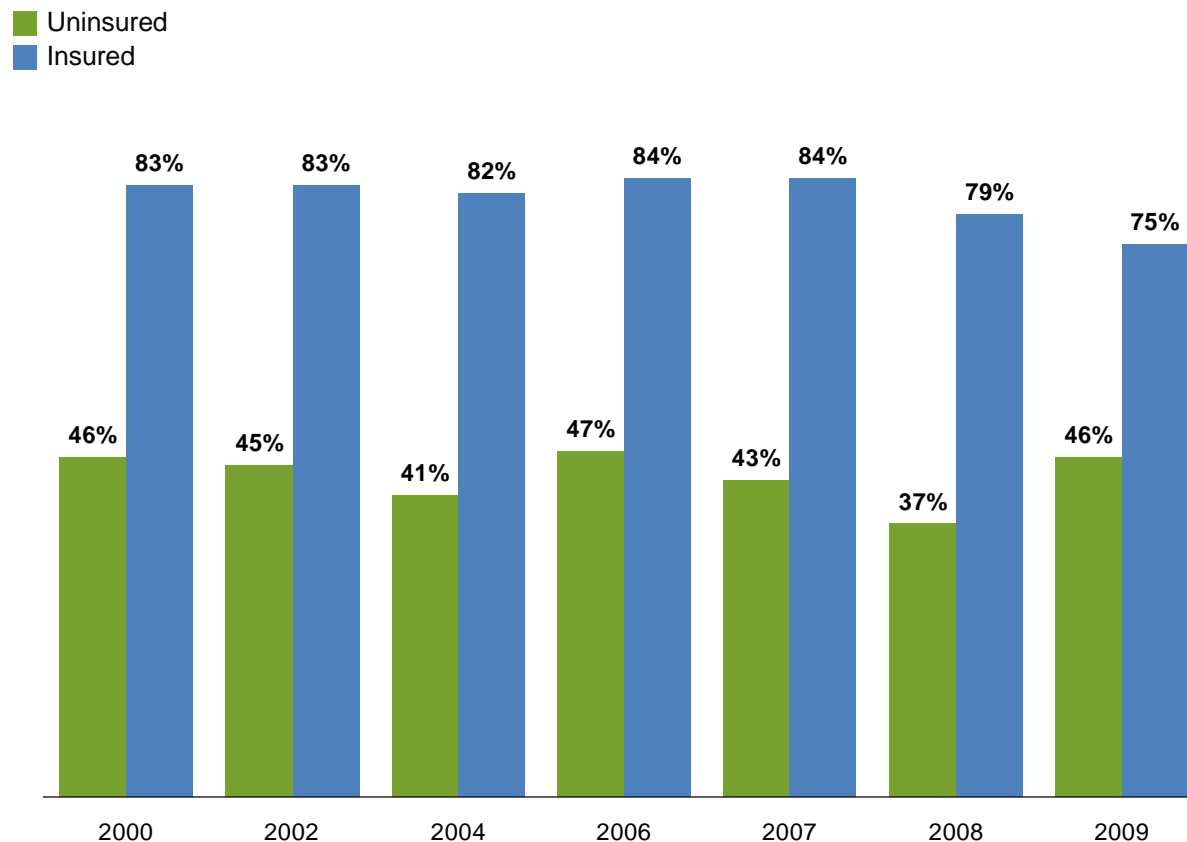


Since 2007, cost has become less of an obstacle to accessing health care for Massachusetts residents, but remains a significant barrier for people without health coverage.

In the 2009 household survey, among adults aged between 19 and 64 years, 67% of uninsured residents (compared to 25% of insured residents) reported that cost affect their ability to access care.

Notes: Beginning in 2008, DHCFP contracted with a new vendor for the Massachusetts household survey on health insurance. The 2008 survey had a number of methodological changes from prior year surveys which may affect comparability of the results to prior years. The differences between insured and uninsured residents are statistically significant for 2002, 2004, and 2007. Sources: DHCFP Household Survey for 2000, 2002, 2004, 2006, and 2007. The surveys from 2000 through 2006 are conducted from February through June of the survey years. The 2007 survey was conducted from January through July of the survey year. The 2008 and 2009 data are from the Urban Institute tabulations on the Massachusetts Health Insurance Survey. For more information, please visit www.mass.gov/dhcfp. Click on "Publications and Analyses" then go to "Household Health Insurance Survey."

Reported Having a Dental Visit in the Past Year, Percent of Adults Ages 19-64



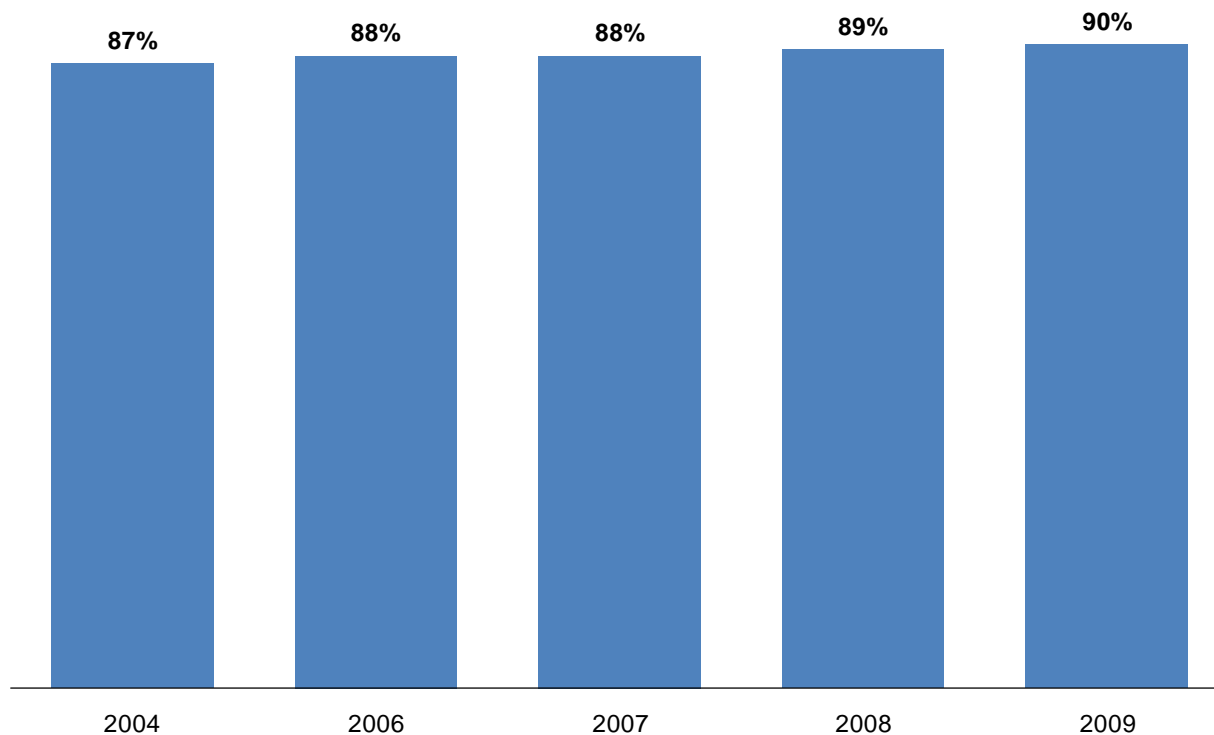
The rate of uninsured Massachusetts residents who reported getting dental care in the past year was 24% higher in 2009 than in 2008 (46% versus 37%, respectively).

DHCFP implemented a new survey methodology beginning in 2008, therefore some caution should be taken when comparing 2008 and 2009 results to previous years because of methodological inconsistency.

Notes: Beginning in 2008, DHCFP contracted with a new vendor for the Massachusetts household survey on health insurance. The 2008 survey had a number of methodological changes from prior year surveys which may affect comparability of the results to prior years. The differences between insured and uninsured residents are statistically significant for 2002, 2004, and 2007. Sources: DHCFP Household Survey for 2000, 2002, 2004, 2006, and 2007. The surveys from 2000 through 2006 are conducted from February through June of the survey years. The 2007 survey was conducted from January through July of the survey year. The 2008 and 2009 data are from the Urban Institute tabulations on the Massachusetts Health Insurance Survey. For more information, please visit www.mass.gov/dhcfp. Click on "Publications and Analyses" then go to "Household Health Insurance Survey."

Have a Personal Health Care Provider

Percent of Adults Ages 18+



Percent of adults ages 18+ by race/ethnicity (95% confidence interval):

	2004	2006	2007	2008	2009
White	89% (87%-90%)	89% (88%-90%)	90% (90%-91%)	90% (89%-91%)	91% (90%-92%)
Black	90% (85%-94%)	89% (85%-92%)	84% (80%-87%)	83% (78%-88%)	84% (80%-88%)
Hispanic	75% (71%-79%)	75% (71%-79%)	76% (72%-80%)	80% (77%-83%)	82% (78%-85%)
Asian	88% (84%-93%)	83% (76%-90%)	86% (82%-91%)	84% (78%-90%)	84% (76%-92%)

Note: Percentages are age adjusted to 2000 US population to control for difference in age distributions among race groups.

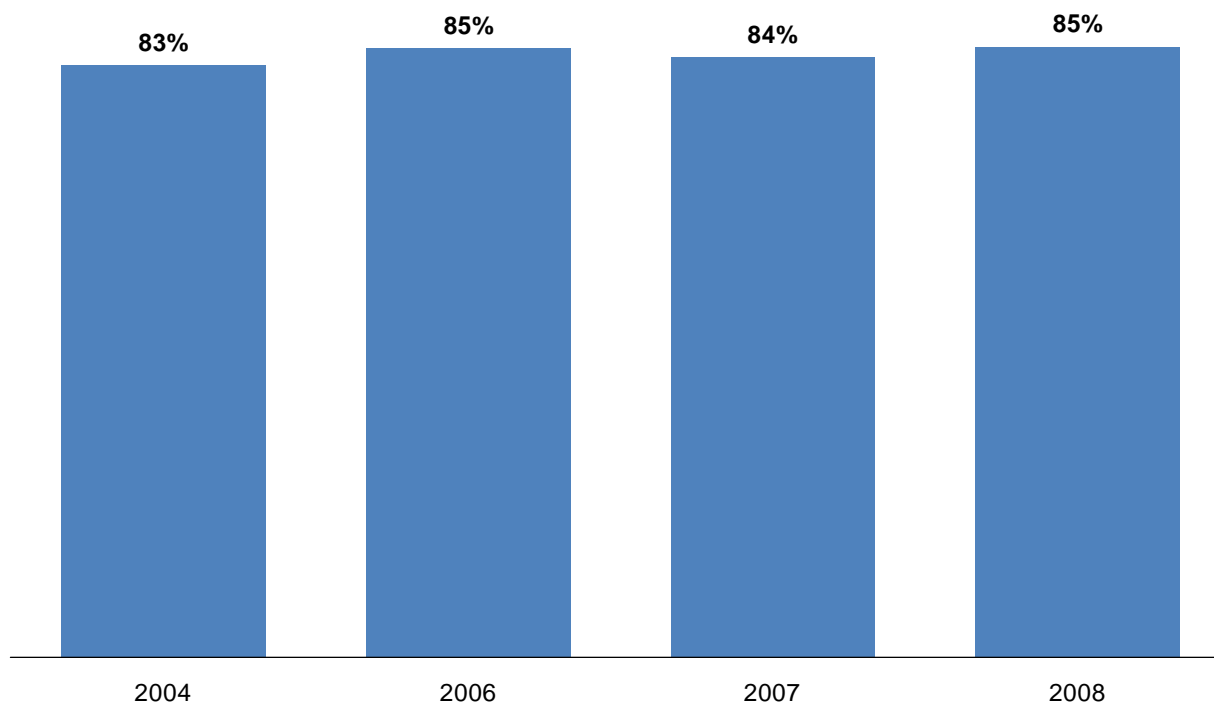
Source: Behavioral Risk Factor Surveillance System (BRFSS) for 2004, 2006, 2007, 2008 and 2009; Massachusetts Department of Public Health (DPH), Health Survey Program, Bureau of Health Statistics. The BRFSS is an annual survey conducted throughout the year.

Since 2004, there has been a slight increase in Massachusetts adults aged 18 and over with a personal health care provider (or a primary care doctor).

In 2009 the proportion of black, Hispanic, and Asian adults with a personal health care provider was between 82% to 84%, compared to 91% of White adults.



Had a Mammogram in the Past 2 Years, Percent of Women Ages 40+



Percent of women ages 40+ by race/ethnicity (95% confidence interval):

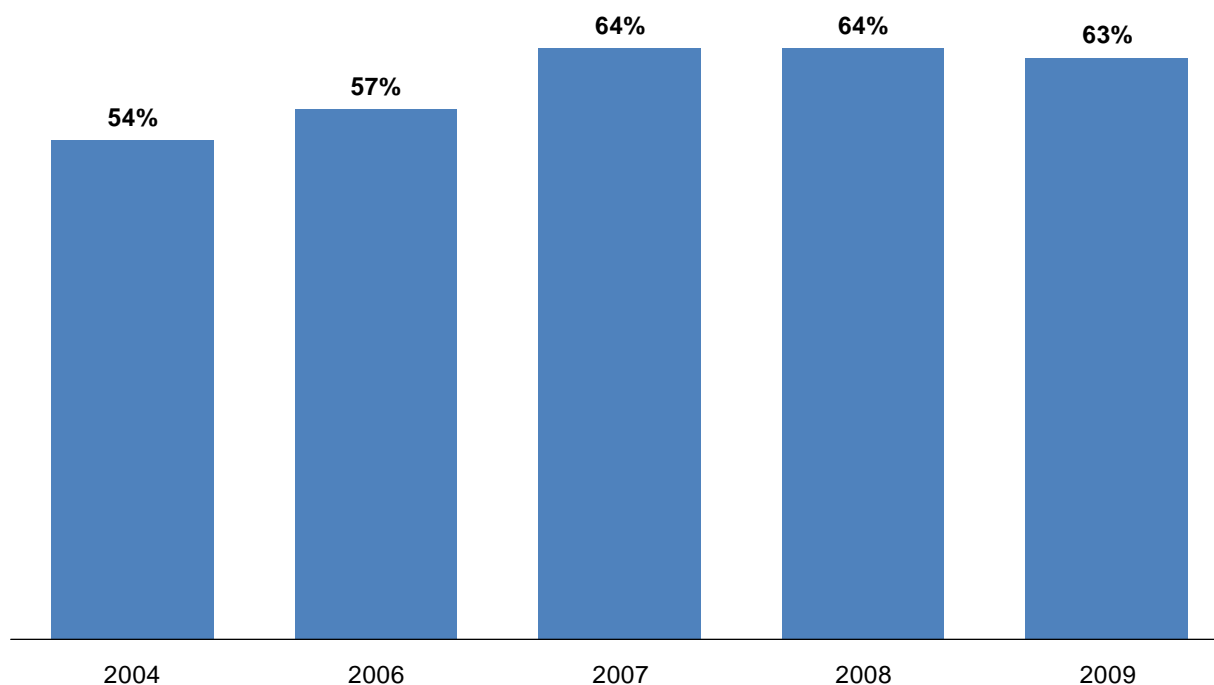
Race/Ethnicity	2004	2006	2007	2008
White	82% (81%-84%)	85% (84%-87%)	84% (82%-86%)	85% (84%-86%)
Black	80% (64%-95%)	80% (71%-89%)	84% (75%-93%)	87% (82%-91%)
Hispanic	88% (82%-93%)	87% (82%-92%)	80% (69%-91%)	89% (85%-92%)
Asian	Insufficient Data	Insufficient Data	Insufficient Data	86% (77%-95%)

Most Massachusetts female residents ages 40 and older reported having a mammogram to screen for breast cancer in the last two years.

In 2008, there was not a significant difference among racial groups for women who reported having had a mammogram.

Note: The 2009 BRFSS survey did not measure the proportion of respondents who had a mammogram screening thin the past 2 years. For this metric data from the 2008 survey is the most current available information. Percentages are not age-adjusted and data presented for 2004 – 2007 will not match previous editions of *Key Indicators*.
Source: Behavioral Risk Factor Surveillance System (BRFSS) for 2004, 2006, 2007 and 2008; Massachusetts Department of Public Health (DPH), Health Survey Program, Bureau of Health Statistics. The BRFSS is an annual survey conducted throughout the year.

Had a Sigmoidoscopy or Colonoscopy in the Past 5 Years, Percent of Adults Ages 50+



Percent of adults ages 50+ by race/ethnicity (95% confidence interval):

Race/Ethnicity	2004	2006	2007	2008	2009
White	55% (52%-57%)	58% (56%-60%)	64% (62%-67%)	64% (63%-66%)	63% (61%-66%)
Black	54% (41%-66%)	60% (51%-69%)	74% (62%-85%)	60% (52%-67%)	85% (77%-92%)
Hispanic	51% (41%-61%)	49% (40%-58%)	56% (43%-70%)	57% (50%-63%)	56% (43%-69%)
Asian	Insufficient Data	Insufficient Data	Insufficient Data	56% (39%-72%)	Insufficient Data

Note: Percentages are not age-adjusted and data presented for 2004 – 2007 will not match previous editions of *Key Indicators*.

Source: Behavioral Risk Factor Surveillance System (BRFSS) for 2004, 2006, 2007, 2008, and 2009; Massachusetts Department of Public Health (DPH), Health Survey Program, Bureau of Health Statistics. The BRFSS is an annual survey conducted throughout the year.

In 2009, nearly two-thirds of Massachusetts residents aged 50 and over indicated they've had a Sigmoidoscopy or Colonoscopy in the past five years.

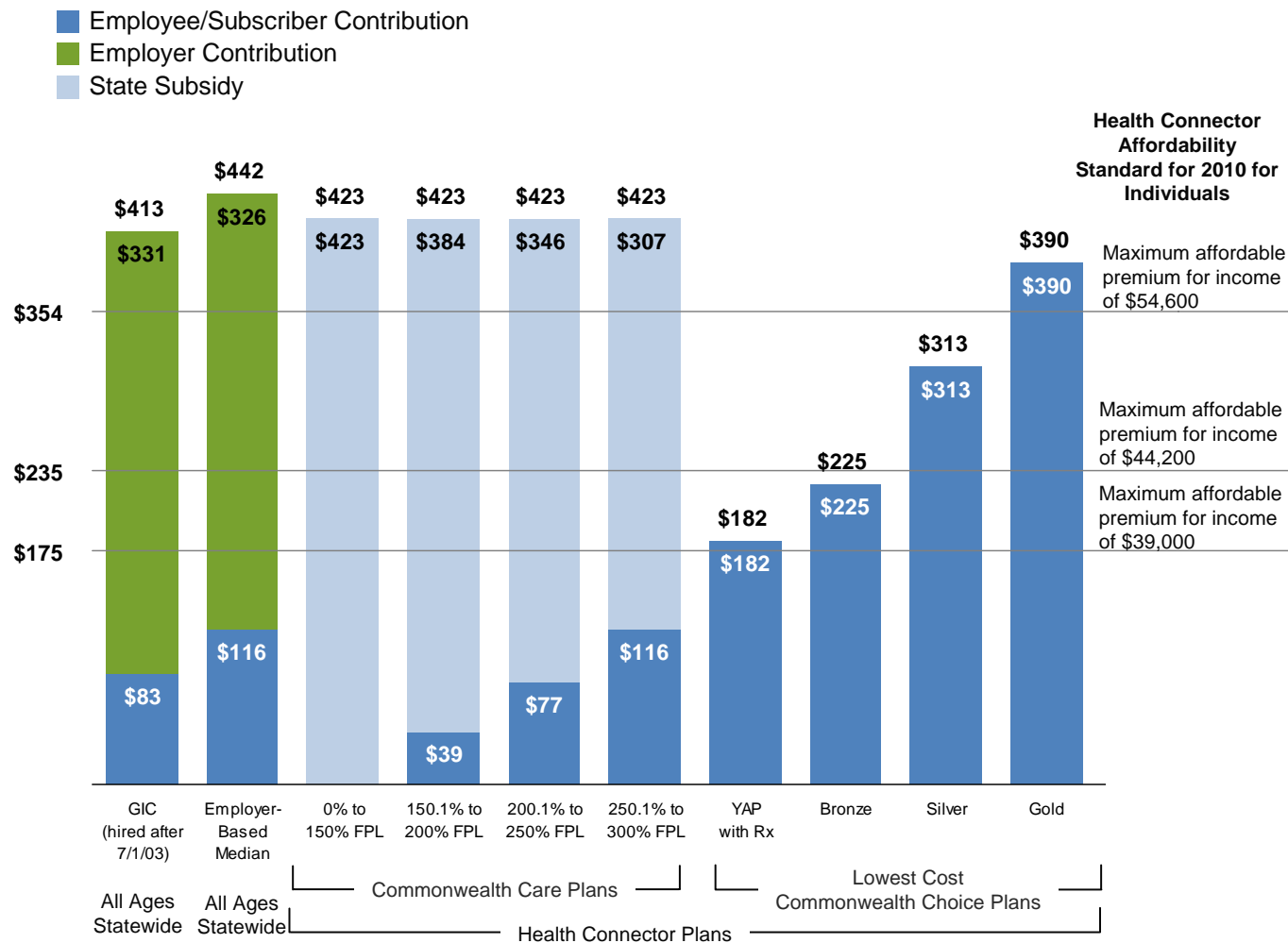
Sigmoidoscopy is a medical examination of the large intestine to screen for colorectal cancer. Colonoscopy is a test that examines the colon, and is intended to screen for colon cancer.

Compared to previous years, the estimate for 2009 is based on a smaller sample size due to a change in survey design. This produces higher variability in estimates, especially for minorities such as Blacks. Data, therefore, may not be indicative of an upward trend for Blacks. Caution should be exercised when interpreting data as more data and years of observation may be needed to make inferences about this group.



Monthly Cost of Health Insurance

Employer and Health Connector Plans for Individuals



Subscriber contributions to Commonwealth Care plans is comparable to the median employee contribution for employer-based coverage as estimated in the 2009 Employer Survey. All Commonwealth Choice products compare favorably to the median total cost of employer-based insurance.

Employer-based premiums, Commonwealth Choice plan, GIC premiums, and Commonwealth Care plan premiums were compared to the affordability schedule that was established by the Health Connector effective for the calendar year 2010. For more details, please visit: www.MAhealthconnector.org.

Notes: The calculation of median premiums for private, employer-based insurance does not include premiums paid by government employees. Commonwealth Care premiums reflect average composite FY2011 capitation rates for the total Commonwealth Care population. There is variation in actual capitation amounts across plan types and managed care organizations based on member demographics. The premium for Commonwealth Choice YAP with Rx plan was calculated for a 25-year-old individual living in Boston. Premiums for Commonwealth Choice Bronze, Silver, and Gold are the lowest priced plans available for a 35-year-old individual living in Boston. All Bronze, Silver and Gold plans include Rx. Data are rounded to the nearest whole dollar. Sources: 2009-2010 GIC Benefit Decision Guide; 2009 DHCFP Employer Survey; Health Connector Affordability Schedule for 2010; Health Connector for Commonwealth Choice plan premiums as of August 1, 2010 and Commonwealth Care premiums as of February 1, 2010.

Monthly Cost of Health Insurance

Employer and Health Connector Plans for Families



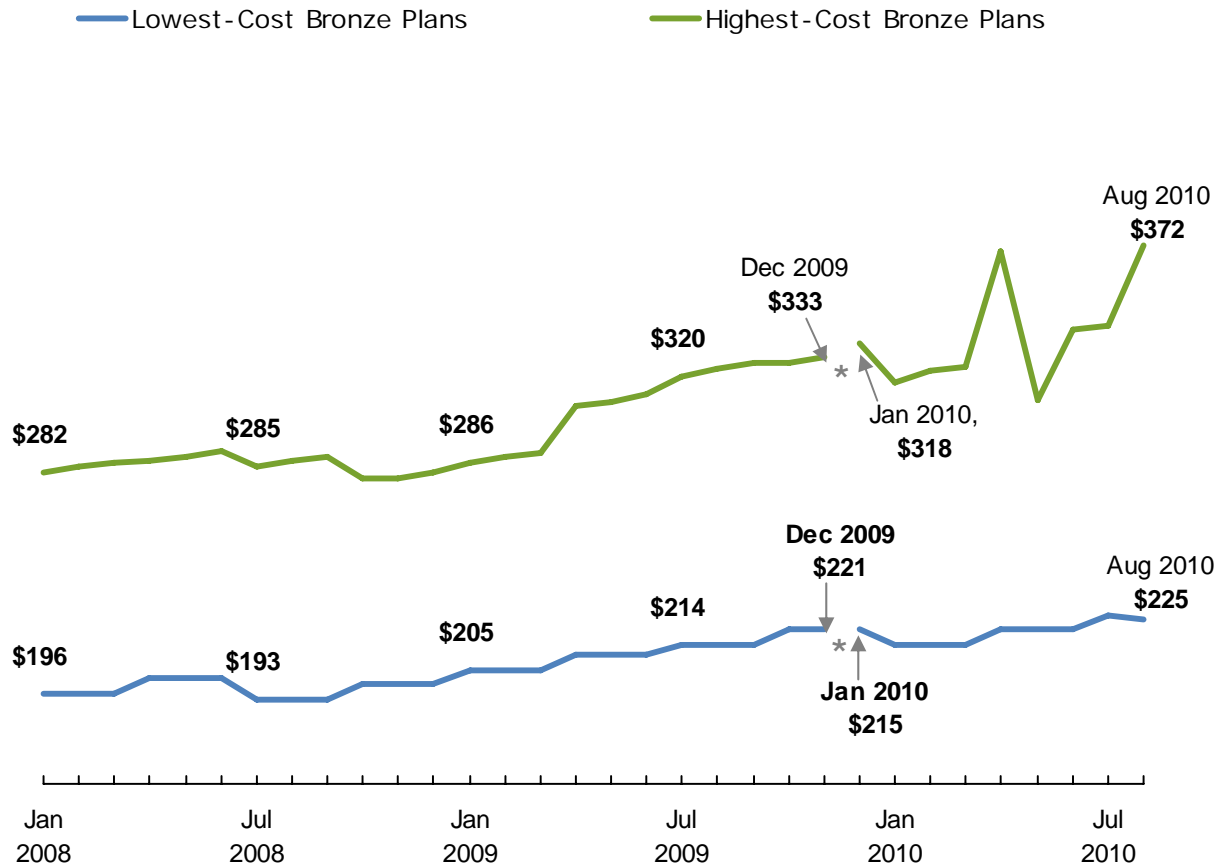
Commonwealth Choice premium contributions for families are higher than the median employee contribution for employer-based family coverage estimated in the 2009 Employer Survey. Commonwealth Choice Silver and Bronze family premiums are comparable to the median total cost of employer-based insurance.

Commonwealth Choice plan premiums and GIC premiums were compared to the affordability schedule that was established by the Health Connector effective for the calendar year 2010. For more details, please visit: www.MAhealthconnector.org.

Notes: Commonwealth Care plans provide coverage for adult individuals only and, therefore, do not have family plans. The calculation of median premiums for private employer-based insurance does not include premiums paid by government employees. Premiums for Commonwealth Choice Bronze, Silver, and Gold plans are the lowest price for a family of four, with two 35-year-old parents and two children living in Boston. All Bronze, Silver and Gold plans include Rx. Data are rounded to the nearest whole dollar. Sources: 2009-2010 GIC Benefit Decision Guide; 2009 DHCFP Employer Survey; Health Connector Affordability Schedule for 2010; Health Connector for Commonwealth Choice plan premiums effective February 1, 2010.

Commonwealth Choice Bronze Premiums

Highest- and Lowest-Cost Plans (with Rx coverage)

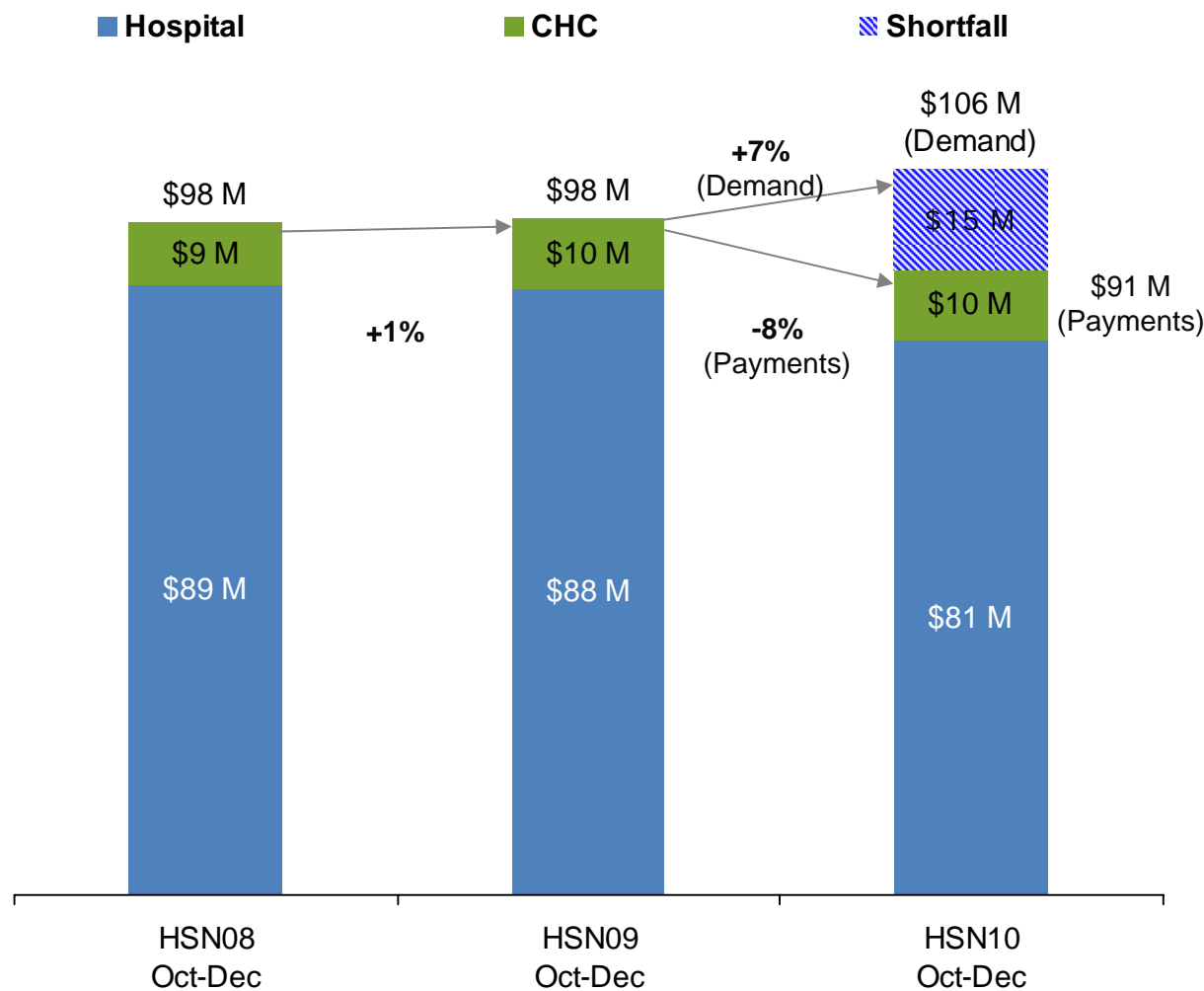


Premiums for the lowest-cost Commonwealth Choice Bronze plans have slowly increased since January 2010, while premiums for the highest cost plans within Commonwealth Choice Bronze fluctuated during the period.

***Beginning in January 2010**, premiums for Commonwealth Choice plan benefit packages changed to create three tiers within Bronze. Reported here are the highest- and lowest-cost for the Bronze Low Tier.

Notes: Premiums are for a 35-year-old individual living in Boston. As of January 2008, Bronze products are no longer offered without Rx coverage. Monthly premium costs are selected from the highest- and lowest-priced products in the given month therefore trend lines do not track the same product from the same carrier over time. Premiums effective January 2010 and after represent significantly different health benefits packages and may not be comparable to data reported on periods preceding this date. Beginning January 2010, Bronze plans are offered in three tiers; lowest and highest premiums shown are selected from the Bronze Low Tier. Prior to January 2010, lowest and highest premiums represent the lowest and highest in the single Bronze category.
Source: Health Connector

HSN Total Demand and Payment Trends



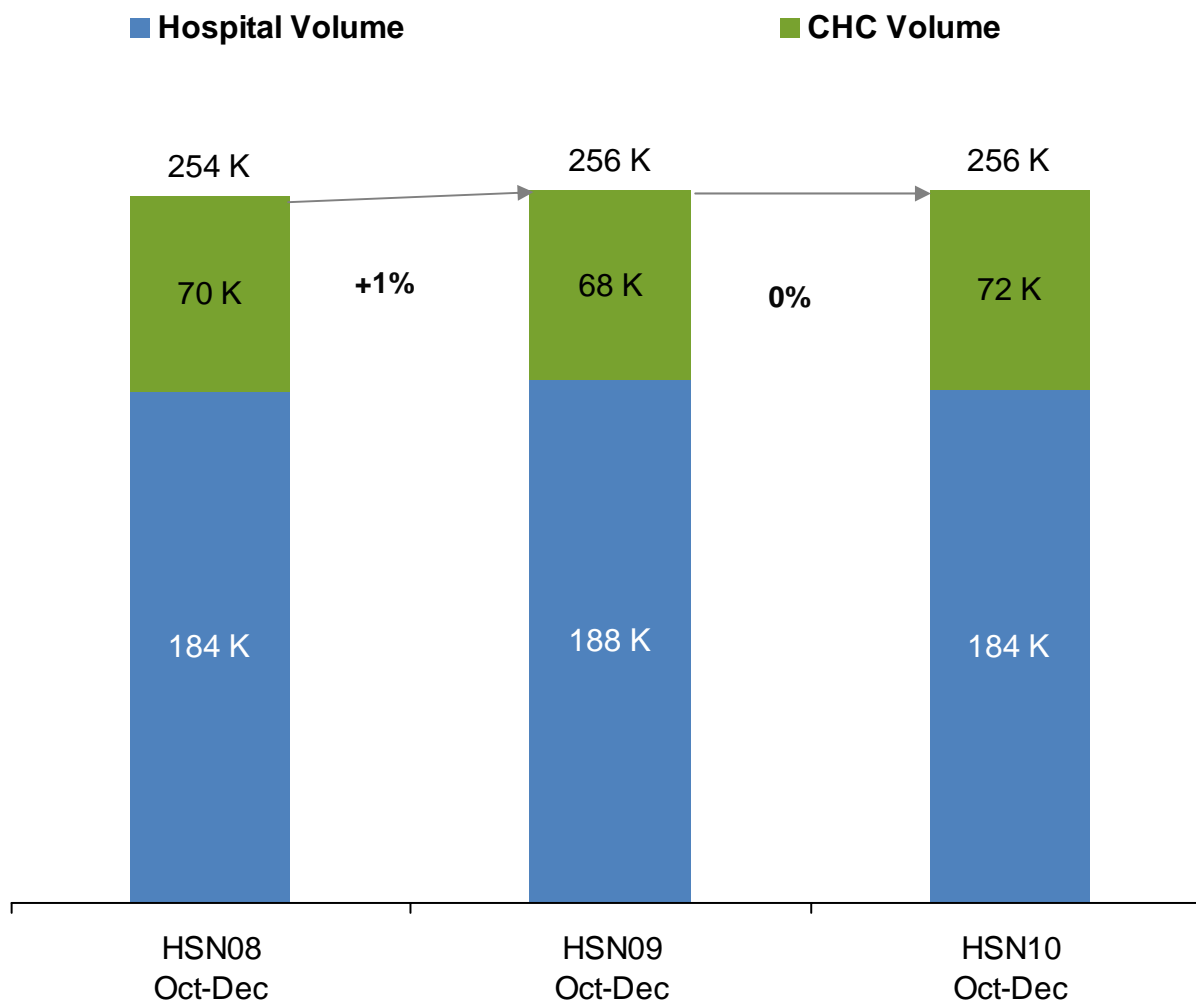
Health Safety Net (HSN) payments for hospitals and community health centers declined by 8% in the first three months of Health Safety Net fiscal year 2010 (HSN10) compared to the same period in the prior year, while demand increased by 7%.

Demand represents the amount that providers would have been paid in the absence of a funding shortfall. HSN10 demand is expected to exceed available HSN10 funding, resulting in a \$15 million shortfall during the first three months of HSN10.

Notes: The Health Safety Net fiscal year runs from October 1 through September 30 of the following year. Hospital and community health center payments are reported in the month in which payment was made. HSN09 Oct-Dec hospital payments include adjustments to emergency room bad debt payments to account for transition period claims adjudication changes that excluded emergency room bad debt claims during the first three months of HSN09. Numbers are rounded to the nearest million and may not sum due to rounding; percent changes are calculated prior to rounding. Data are from an unpublished HSN Q1 2010 Report.

Source: DHCFCP Health Safety Net Data Warehouse as of 2/4/10. For further information on the most recent Health Safety Net Report visit www.mass.gov/dhcfp and follow the "Publications and Analyses" link.

HSN Total Service Volume Trends



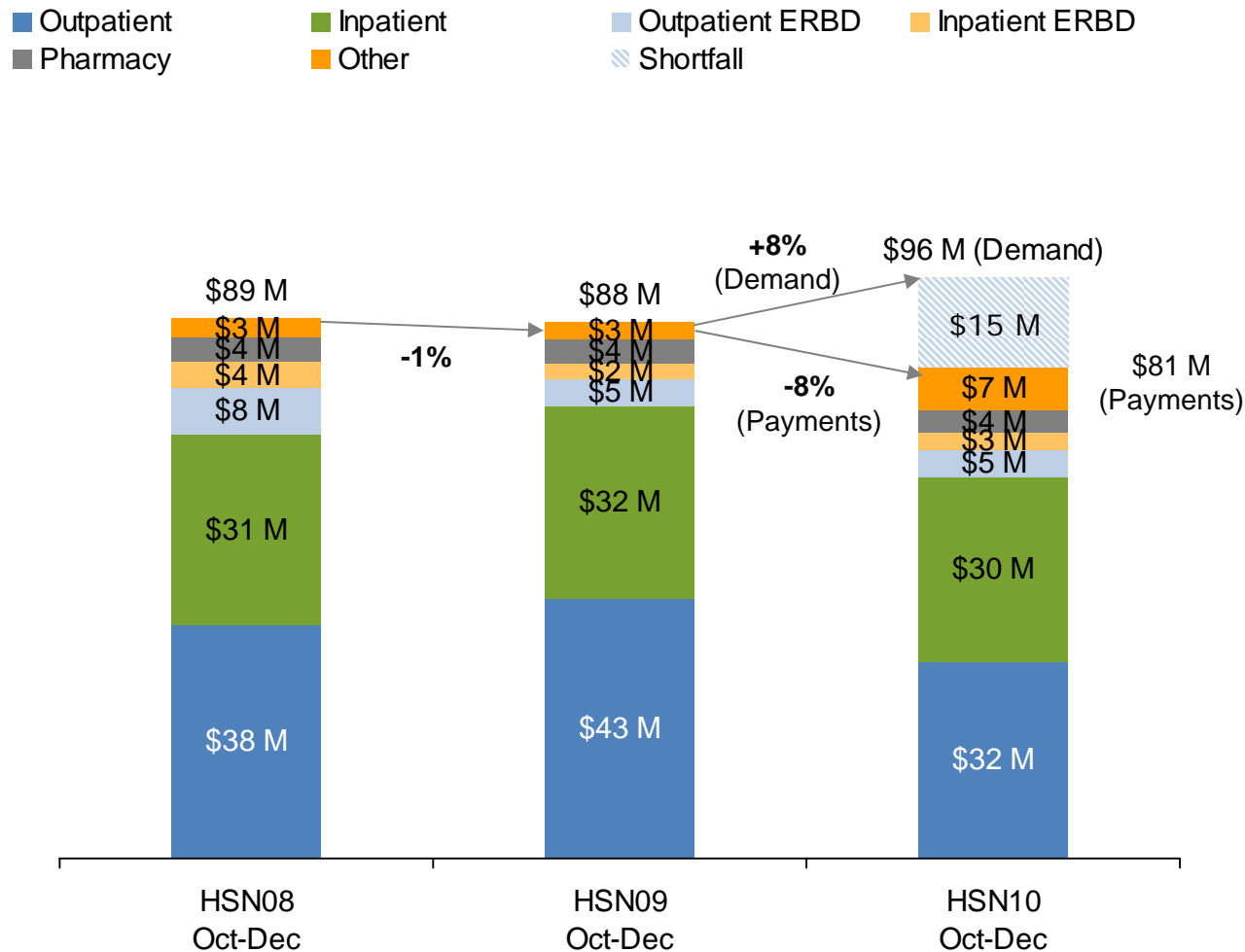
Health Safety Net (HSN) total volume for hospitals and community health centers remained unchanged in the first three months of Health Safety Net fiscal year 2010 (HSN10) compared to the same period in the prior year.

Notes: The Health Safety Net fiscal year runs from October 1 through September 30 of the following year. Hospital volume is the sum of inpatient discharges and outpatient visits for which payments were made to hospital providers in the months shown. HSN09 Oct-Dec hospital volume includes adjustments to emergency room bad debt volume to account for transition period claims adjudication changes that excluded emergency room bad debt claims during the first three months of HSN09. Community health center volume is the sum of visits for which payments were made to community health center providers in the months shown. For the first three months of HSN10, community health center volume is projected based on payments made to community health center providers in the months shown. Hospital and community health center volume exclude pharmacy claims. Numbers are rounded to the nearest thousand and may not sum due to rounding; percent changes are calculated prior to rounding. Data are from an unpublished HSN Q1 2010 Report.

Source: DHCFCP Health Safety Net Data Warehouse as of 2/17/10. For further information on the most recent Health Safety Net Report visit www.mass.gov/dhcfp and follow the "Publications and Analyses" link.



HSN Hospital Demand and Payment Trends

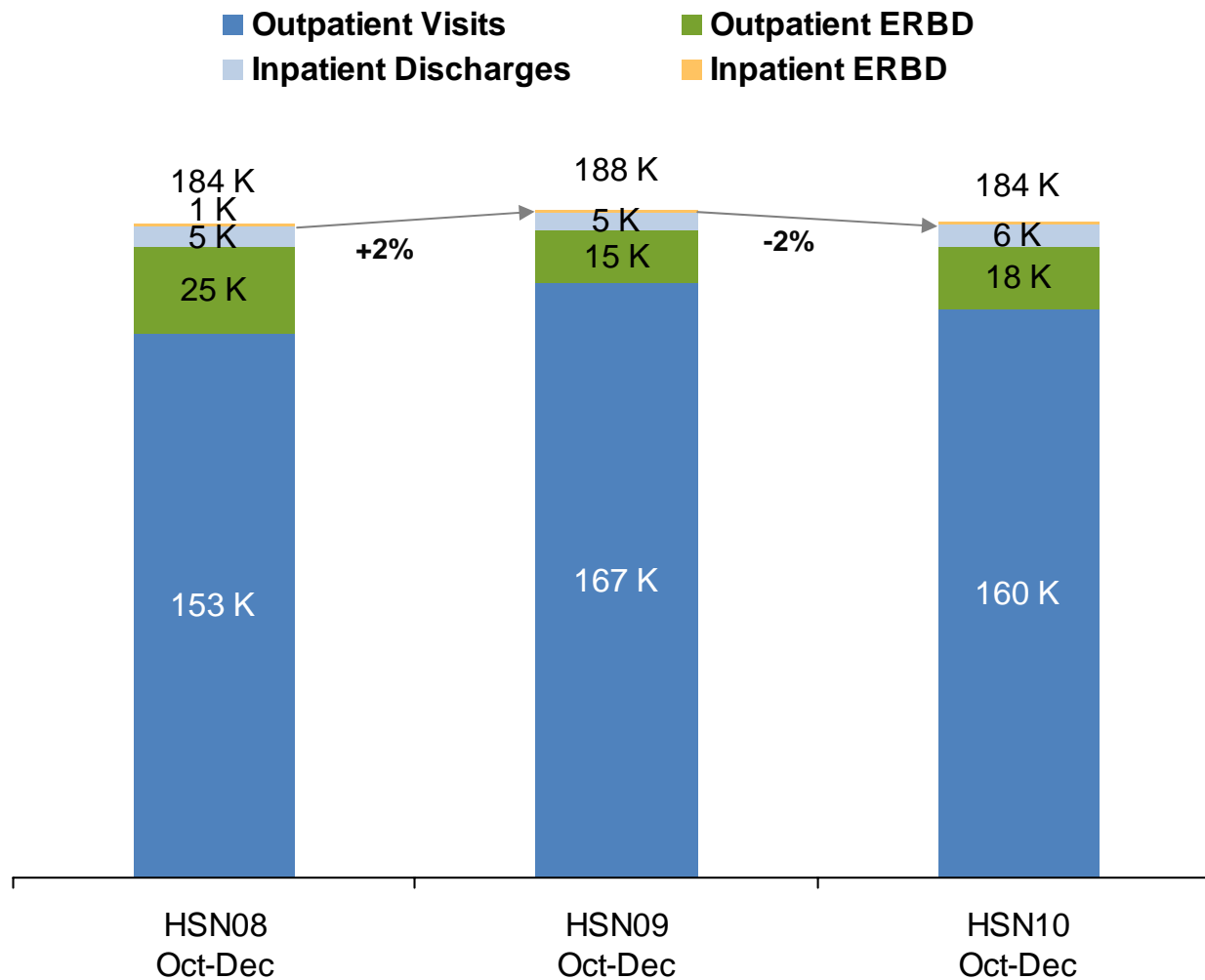


Hospital payments declined by 8% in the first three months of Health Safety Net fiscal year 2010 (HSN10) compared to the same period the prior year, while hospital demand increased by 8%.

Demand represents the amount that providers would have been paid in the absence of a funding shortfall. HSN10 demand is expected to exceed available HSN10 funding, resulting in a \$15 million shortfall during the first three months of HSN10.

Notes: The Health Safety Net fiscal year runs from October 1 through September 30 of the following year. Other HSN Payments include payment adjustments that are not attributable to a service category. Hospital payments are reported in the month in which payment was made. HSN09 Oct-Dec hospital payments include adjustments to emergency room bad debt payments to account for transition period claims adjudication changes that excluded emergency room bad debt claims during the first three months of HSN09. The HSN10 shortfall allocation is distributed proportionally by service type. Numbers are rounded to the nearest million and may not sum due to rounding; percent changes are calculated prior to rounding. Data are from an unpublished HSN Q1 2010 Report. **Source:** DHCFP Health Safety Net Data Warehouse as of 2/4/10. For further information on the most recent Health Safety Net Report visit www.mass.gov/dhcfp and follow the "Publications and Analyses" link.

HSN Hospital Service Volume Trends

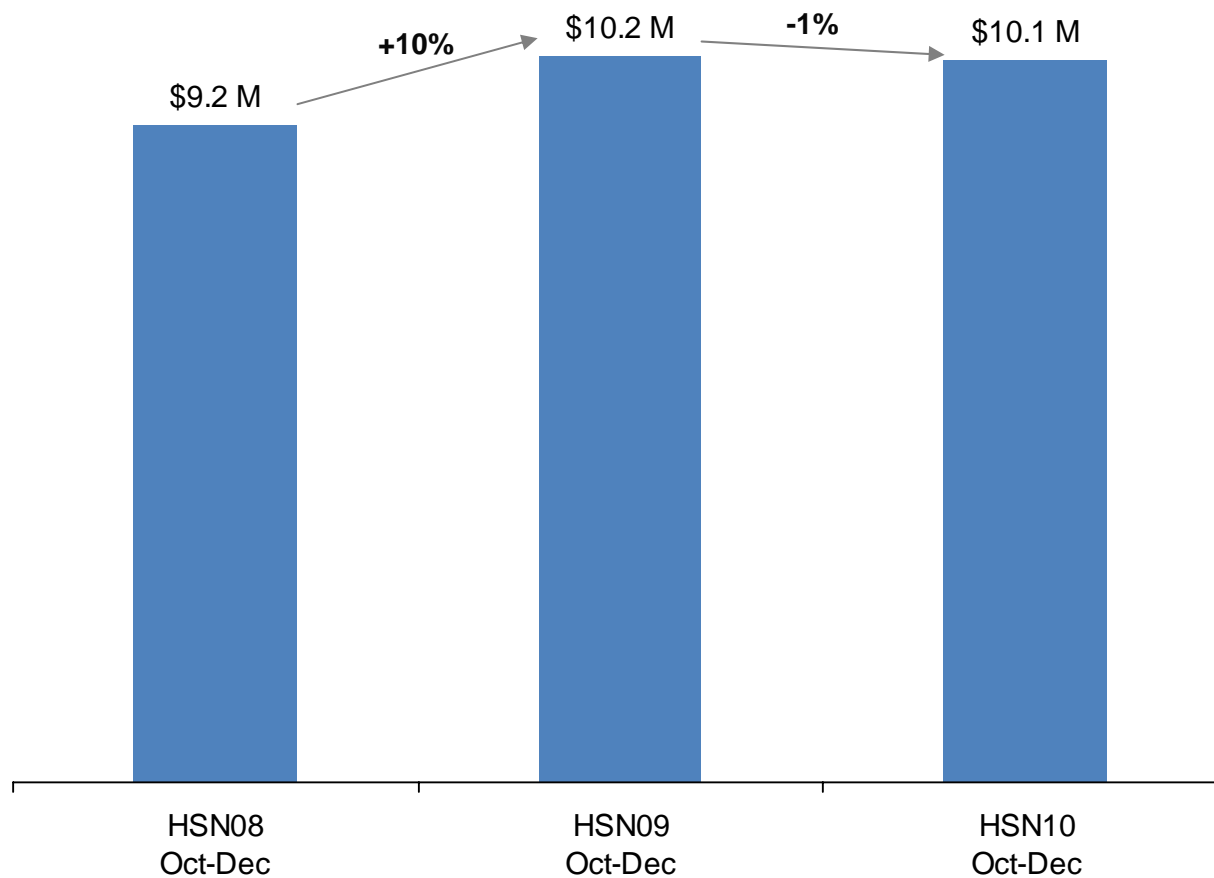


Hospital volume declined by 2% in the first three months of Health Safety Net fiscal year 2010 (HSN10) compared to the same period in the prior year.

During the first three months of HSN10, total outpatient volume declined while total inpatient volume increased compared to the same period in the prior year.

Notes: The Health Safety Net fiscal year runs from October 1 through September 30 of the following year. Hospital volume is the sum of inpatient discharges and outpatient visits for which payments were made to hospital providers in the months shown. HSN09 Oct-Dec volume includes adjustments to emergency room bad debt volume to account for transition period claims adjudication changes that excluded emergency room bad debt claims during the first three months of HSN09. Numbers are rounded to the nearest thousand and may not sum due to rounding; percent changes are calculated prior to rounding. Data are from an unpublished HSN Q1 2010 Report.
Source: DHCFP Health Safety Net Data Warehouse as of 1/29/10. For further information on the most recent Health Safety Net Report visit www.mass.gov/dhcfp and follow the "Publications and Analyses" link.

HSN Community Health Center Payment Trends



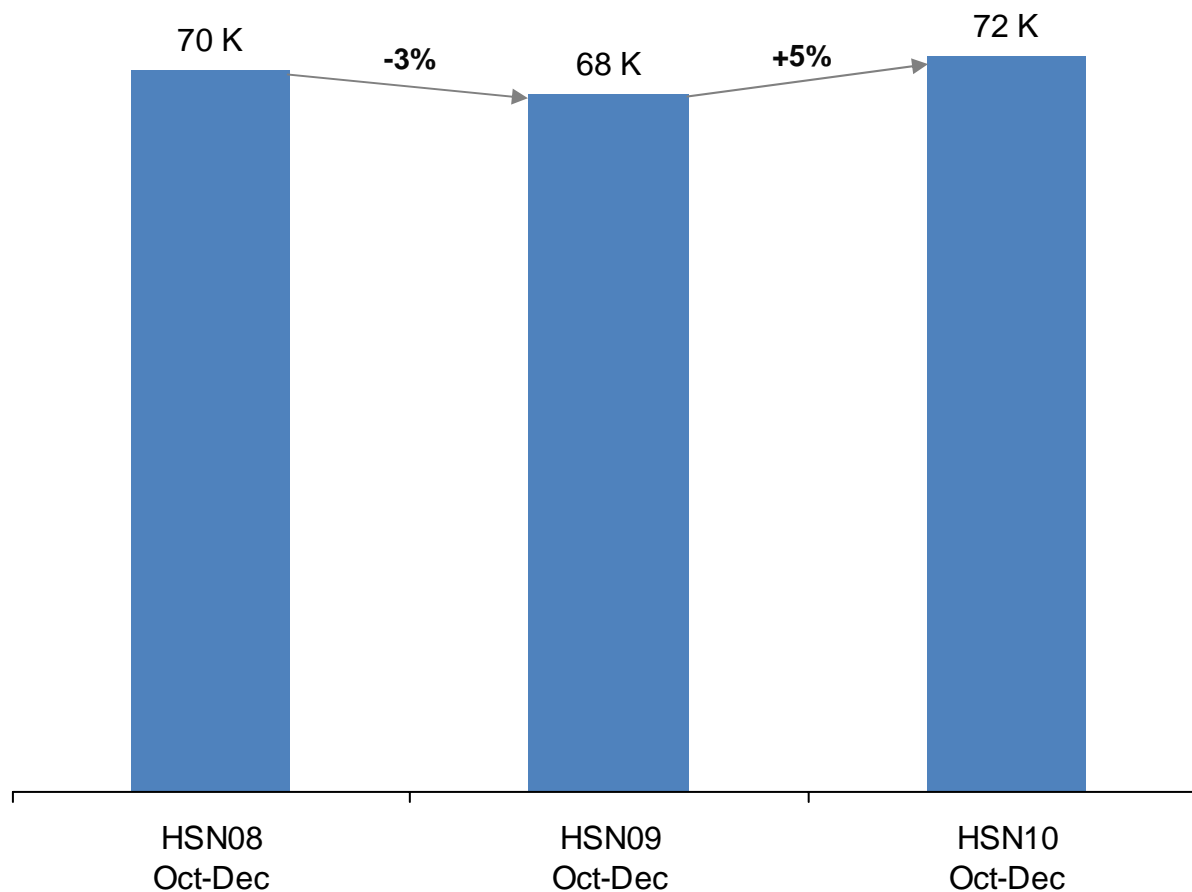
Community health center (CHC) payments declined by 1% in the first three months of Health Safety Net 2010 (HSN10) compared to the same period in the prior year.

Notes: The Health Safety Net fiscal year runs from October 1 through September 30 of the following year. Community health center payments are reported in the month in which payment was made. Numbers are rounded to the nearest million and may not sum due to rounding; percent changes are calculated prior to rounding. Data are from an unpublished HSN Q1 2010 Report.

Source: DHCFP Health Safety Net Data Warehouse as of 1/6/10. For further information on the most recent Health Safety Net Report visit www.mass.gov/dhcfp and follow the "Publications and Analyses" link.



HSN Community Health Center Service Volume Trends



Community health center (CHC) volume increased 5% in the first three months of Health Safety Net fiscal year 2010 (HSN10) compared to the same period in the prior year.

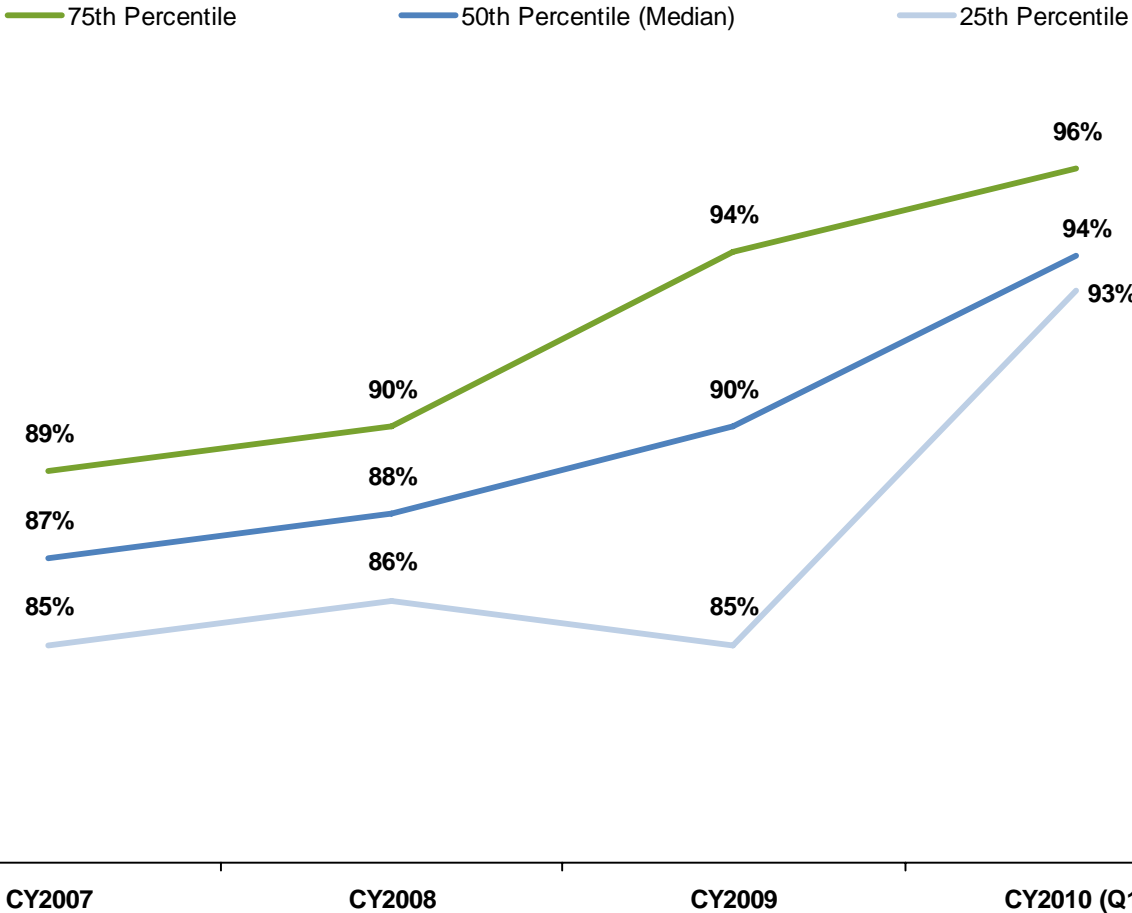
CHC visits have increased more than payments within the first three months of HSN10.

Notes: The Health Safety Net fiscal year runs from October 1 through September 30 of the following year. Community health center volume is the sum of visits for which payments were made to community health center providers in the months shown. Community health center volume excludes pharmacy claims. For the first three months of HSN10, community health center volume is projected based on payments made to community health center providers in the months shown. CHCs have been moving from a voucher-based to a claims-based adjudication and payment system since April 2009; this transition may result in shifts in volume that is expected to stabilize once all CHCs have transitioned to the new system. Numbers are rounded to the nearest thousand and may not sum due to rounding; percent changes are calculated prior to rounding. Data are from an unpublished HSN Q1 2010 Report

Source: DHCFP Health Safety Net Data Warehouse as of 3/29/10. For further information on the most recent Health Safety Net Report visit www.mass.gov/dhcfp and follow the "Publications and Analyses" link.



Trends in Medical Expense Ratio 2007-2010



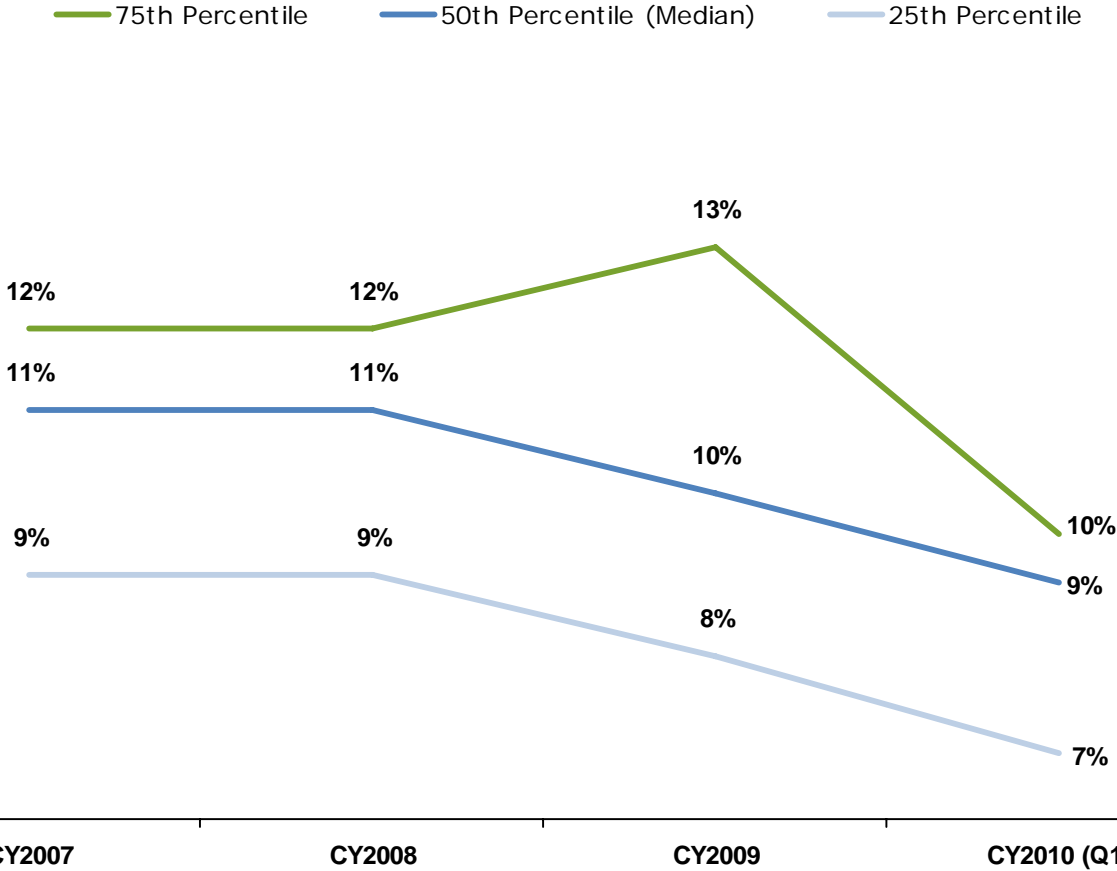
Overall, health plans reported an increase in the proportion of total health care related revenue used to pay for medical services received by members (as opposed to administrative costs) during the first quarter of 2010.*

*Quarterly results may not be indicative of year-end performance.

Health plan financial information is derived from quarterly and annual statements that health plans self-report to the Division of Insurance. Percentile represents a value below or above which a certain percent of all values fall. For example, a 50th percentile value of 90% means that one half of all health plans for whom data are reported had a medical expense ratio of less than 90% and one-half had a ratio above 90%.

Notes: Medical expense ratio is calculated by dividing the total hospital and medical expenses by revenue. In accordance with NAIC reporting standards, revenue here includes premium income and aggregate write-ins for other health care related revenues. It does not include write-ins for non-health revenues or investment income. Information is self-reported by plans to the Massachusetts Division of Insurance (DOI) and represents both in-state and out-of-state business in private insurance products, Medicare, MassHealth and Commonwealth Care. Information is limited to the health maintenance organizations (HMOs) licensed with DOI or under contract with MassHealth. HMOs registered with DOI but with less than 10,000 covered lives are excluded from this analysis as financial information for these companies is more volatile. CeltiCare is a health plan that began providing coverage for Massachusetts residents in October 2009. Licensing of CeltiCare increased the number of plans for whom financial data are reported from 12 in 2007/2008 to 13 in 2009. However, financial ratios for CeltiCare are not included in this analysis. As health plan expenses may change over time, it is likely for a plan to move across percentiles from one period to the next. MassHealth 4B reports were used to calculate financial ratios for Network Health during calendar year 2009. Blue Cross Blue Shield of Massachusetts (BCBSMA) includes the combined performance of BCBSMA and HMO Blue. Sources: DOI annual financial statements as self-reported by carriers. Network Health data are from MassHealth 4B insolvency reports.

Trends in Administrative Expense Ratio 2007-2010



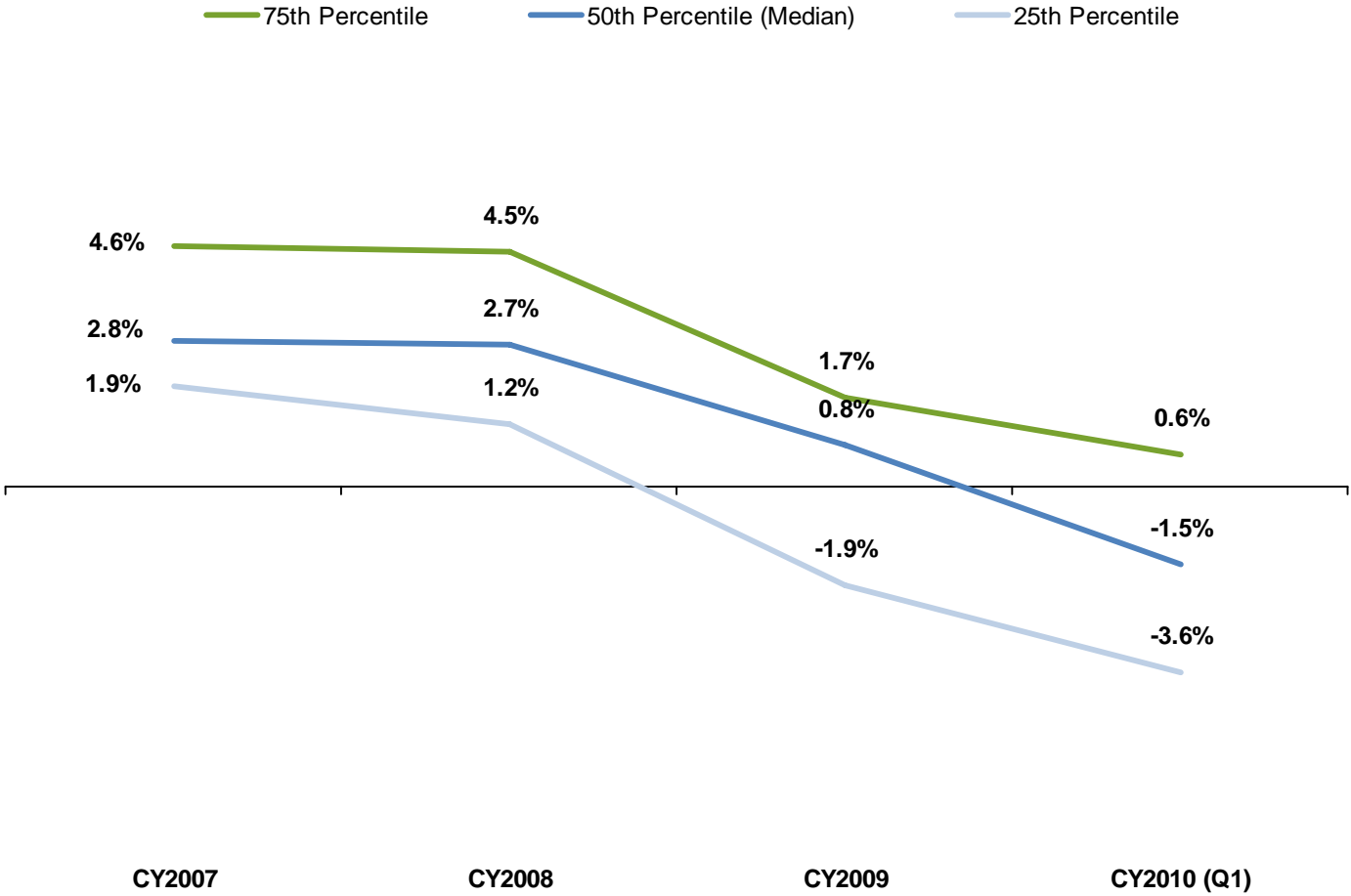
Health plans report spending more of total health care related revenue on medical services received by members, indicating a decline in the share of health care related revenue committed to plan administration.*

*Quarterly results may not be indicative of year-end performance.

Health plan financial information is derived from quarterly and annual financial statements that health plans self-report to the Division of Insurance. Percentile represents a value below or above which a certain percent of all values fall. For example, a 50th percentile value of 12% means that one half of all health plans for whom data are reported had an administrative expense ratio of less than 12% and one-half had a ratio above 12%.

Notes: Administrative expense ratio is calculated by dividing the total administrative expenses (including claims adjustment and general administrative expenses) by revenue. In accordance with NAIC reporting standards, revenue here includes premium income and aggregate write-ins for other health care related revenues. It does not include write-ins for non-health revenues or investment income. Massachusetts Division of Insurance (DOI) financial information represents both in-state and out-of-state business in private insurance products, Medicare, MassHealth and Commonwealth Care. Information is limited to the health maintenance organizations licensed with DOI or under contract with MassHealth. HMOs registered with DOI but with less than 10,000 covered lives are excluded from this analysis as financial information for these companies is more volatile. CeltiCare is a plan that began providing coverage for Massachusetts residents in October 2009. Licensing of CeltiCare increased the number of health plans for whom data are reported from 12 in 2007/2008 to 13 in 2009. However, financial ratios for CeltiCare are not included in this analysis. As plan expenses may change over time, it is possible for a health plan to move across percentiles from one period to the next. MassHealth 4B reports were used to calculate financial ratios for Network Health during calendar year 2009. Blue Cross Blue Shield of Massachusetts (BCBSMA) includes the combined performance of BCBSMA and HMO Blue. Sources: DOI annual financial statements. Network Health data are from MassHealth 4B insolvency reports.

Trends in Profit Margin 2007-2010



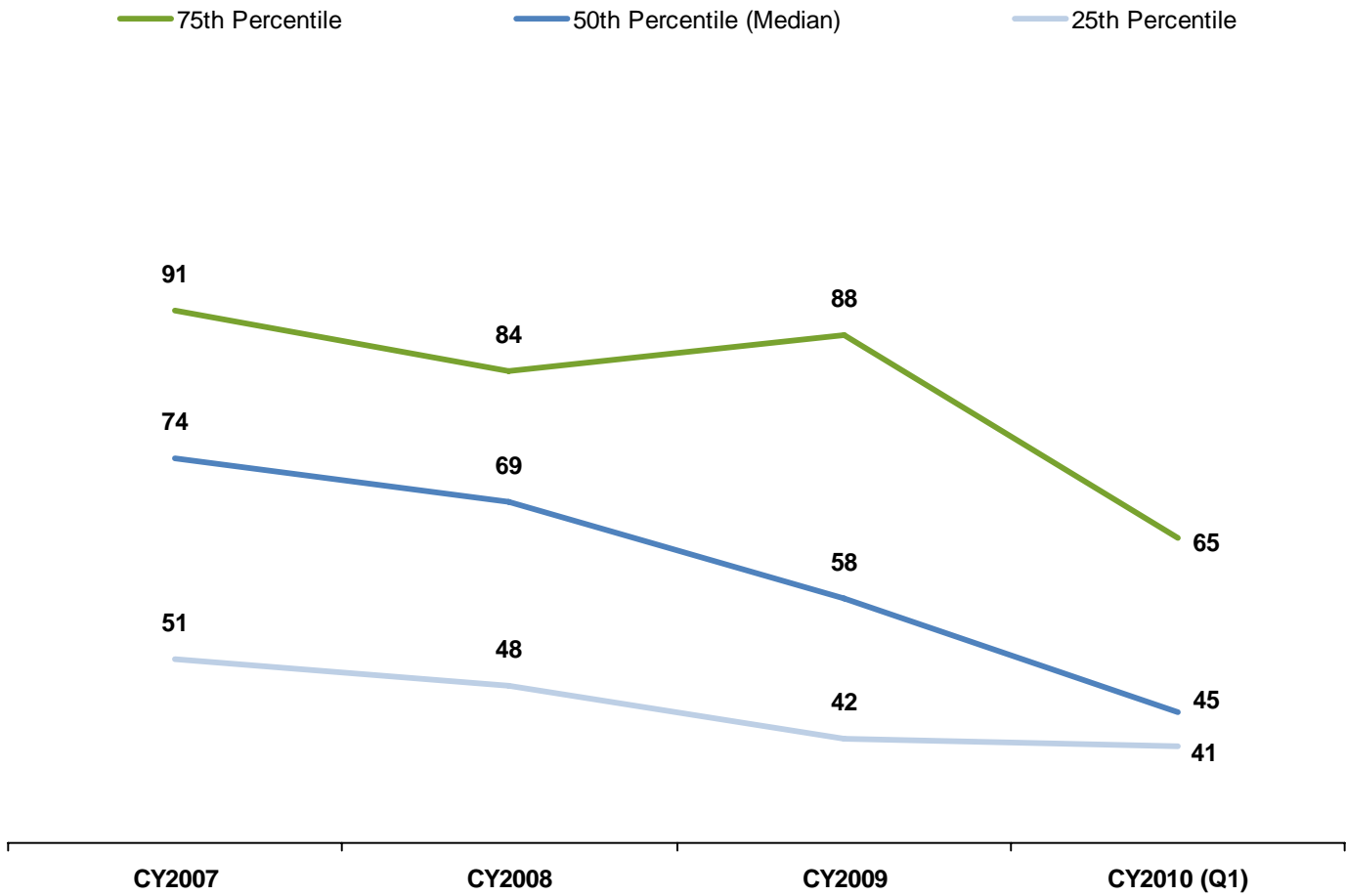
Profit margin represents resources available to health plans for other purposes after paying medical claims and administrative costs for the year. Financial information reported by health plans to the Division of Insurance indicate that since 2007 and through the first quarter of 2010, there has been a consistent decline in health plan profit margins.*

*Quarterly results may not be indicative of year-end trends.

Health plan financial information is derived from quarterly and annual financial statements that health plans self-report to the Division of Insurance. Percentile represents a value below or above which a certain percent of all values fall. For example, a 50th percentile value of 0.8% means that one half of all health plans for whom data are reported had a profit margin ratio of less than 0.8% and one-half had a ratio above 0.8%.

Notes: Profit margin is calculated by dividing net income by total revenue. Total revenue here includes premium income, aggregate write-ins for other health care related revenues, and investment gain/loss. It does not include write-ins for non-health revenues. Massachusetts Division of Insurance (DOI) financial information represents both in-state and out-of-state business in private insurance products, Medicare, MassHealth and Commonwealth Care. Information is limited to the health maintenance organizations licensed with DOI or under contract with MassHealth. HMOs registered with DOI but with less than 10,000 covered lives are excluded from this analysis as financial information for these companies is more volatile. CeltiCare is a health plan that began providing coverage for Massachusetts residents in October 2009. Licensing of CeltiCare increased the number of health plans for whom financial data are reported from 12 in 2007/2008 to 13 in 2009. However, financial ratios for CeltiCare are not included in this analysis. As health plan expenses may change over time, it is likely for a health plan to move across percentiles from one period to the next. MassHealth 4B reports were used to calculate financial ratios for Network Health during calendar year 2009. Blue Cross Blue Shield of Massachusetts (BCBSMA) includes the combined performance of BCBSMA and HMO Blue.
Sources: DOI annual financial statements. Network Health data are from MassHealth 4B insolvency reports.

Trends in Days in Reserve 2007-2010



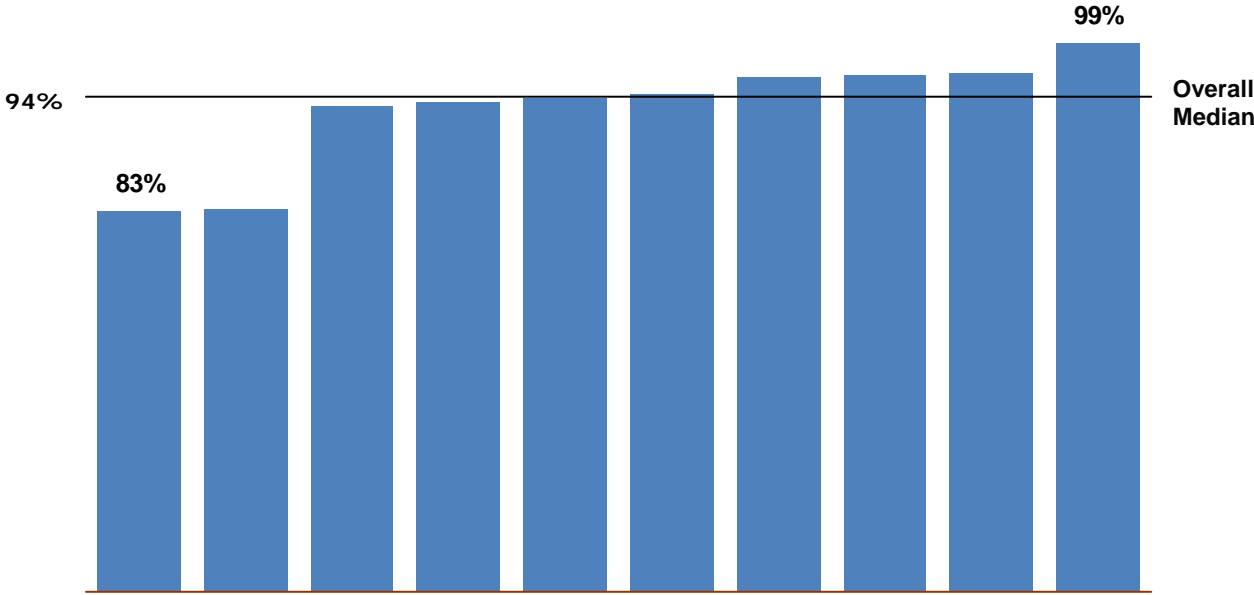
Days in reserve is a measure of financial solvency. It reflects the number of days a plan could fund medical expenses from its net worth. Based on self-reported health plan financial information, overall, the number of days that health plans could fund medical expenses from their net worth (reserves) has declined since 2007, reflecting lower margins for health plans.

Health plan financial information is derived from quarterly and annual financial statements that health plans self-report to the Division of Insurance. Percentile represents a value below which, or above which, a certain percent of all values fall. For example, a 50th percentile value of 69 means that one half of all health plans for whom data are reported had more than 69 days in reserve and one-half had less than 69 days in reserve.

Notes: Days in reserve is calculated by dividing net worth (including total capital and surplus) by the result of dividing total medical and administrative expenses by the number of days in the year. Massachusetts Division of Insurance (DOI) financial information represents both in-state and out-of-state business in private insurance products, Medicare, MassHealth and Commonwealth Care. Information is limited to the health maintenance organizations licensed with DOI or under contract with MassHealth. HMOs registered but with less than 10,000 covered lives are excluded from this analysis as financial information for these companies is more volatile. CeltiCare is a health plan that started providing coverage for Massachusetts residents in October 2009. Licensing of CeltiCare increased the number of health plans for whom financial data are reported from 12 in 2007/2008 to 13 in 2009. However, financial ratios for CeltiCare are not included in this analysis. As health plan expenses may change over time, it is likely for a health plan to move across percentiles from one period to the next. MassHealth 4B reports were used to calculate financial ratios for Network Health during calendar year 2009. Blue Cross Blue Shield of Massachusetts (BCBSMA) includes the combined performance of BCBSMA and HMO Blue.

Sources: DOI annual financial statements. Network Health data are from MassHealth 4B insolvency reports.

Medical Expense Ratio by Health Plan, First Quarter of 2010



In general, health plans report committing a greater proportion of total health care related revenue towards paying for medical services received by members. The median medical expense ratio, as calculated from health plan financial statements, improved from 90% at the end of 2009 to 94% during the first quarter of 2010.*

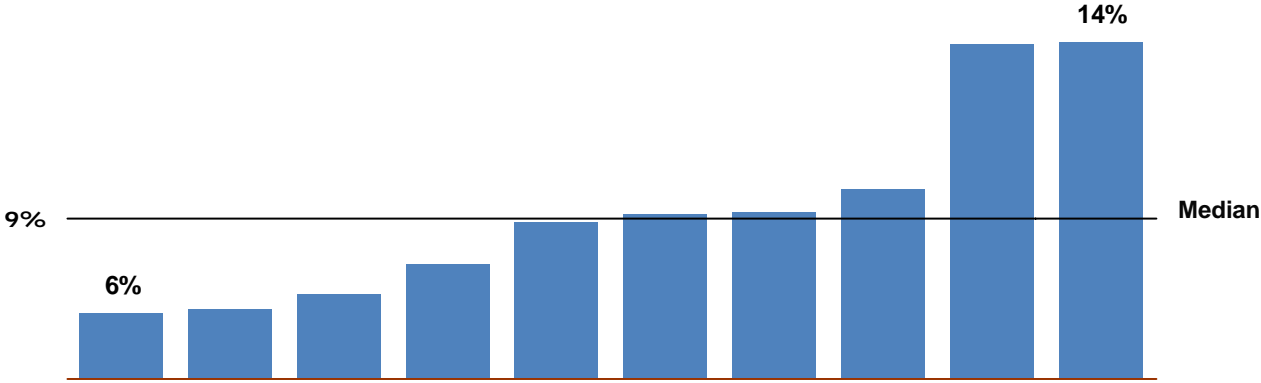
*Quarterly results may not be indicative of year-end performance.

Health plan financial information is derived from quarterly and annual financial statements that health plans self-report to the Division of Insurance. For detailed information on health plan financials by plan, see [Study of the Reserves and Surpluses of Health Insurers in Massachusetts](#).

Notes: Medical expense ratio is calculated by dividing the total hospital and medical expenses by revenue. In accordance with NAIC reporting standards, revenue here includes premium income and aggregate write-ins for other health care related revenues. It does not include write-ins for non-health revenues or investment income. Massachusetts Division of Insurance (DOI) financial information represents both in-state and out-of-state business in private insurance products, Medicare, MassHealth and Commonwealth Care. Information is limited to the health maintenance organizations (HMOs) licensed with DOI or under contract with MassHealth. HMOs registered with DOI but with less than 10,000 covered lives are excluded from this analysis as financial information for these companies is more volatile. CeltiCare is a health plan that began providing coverage for Massachusetts residents in October 2009. Licensing of CeltiCare increased the number of plans for whom financial data are reported from 12 in 2007/2008 to 13 in 2009. However, financial ratios for CeltiCare are not included in this analysis. MassHealth 4B reports were used to calculate financial ratios for Network Health during calendar year 2009. Blue Cross Blue Shield of Massachusetts (BCBSMA) includes the combined performance of BCBSMA and HMO Blue.

Sources: DOI annual financial statements. Network Health data are from MassHealth 4B insolvency reports.

Administrative Expense Ratio by Health Plan, First Quarter of 2010



Increases in medical expense ratios indicate that plans are committing smaller proportions of total health care related revenue toward plan administration. The median administrative expense ratio declined from 10% at the end of 2009 to 9% during the first quarter of 2010.*

*Quarterly results may not be indicative of year-end performance.

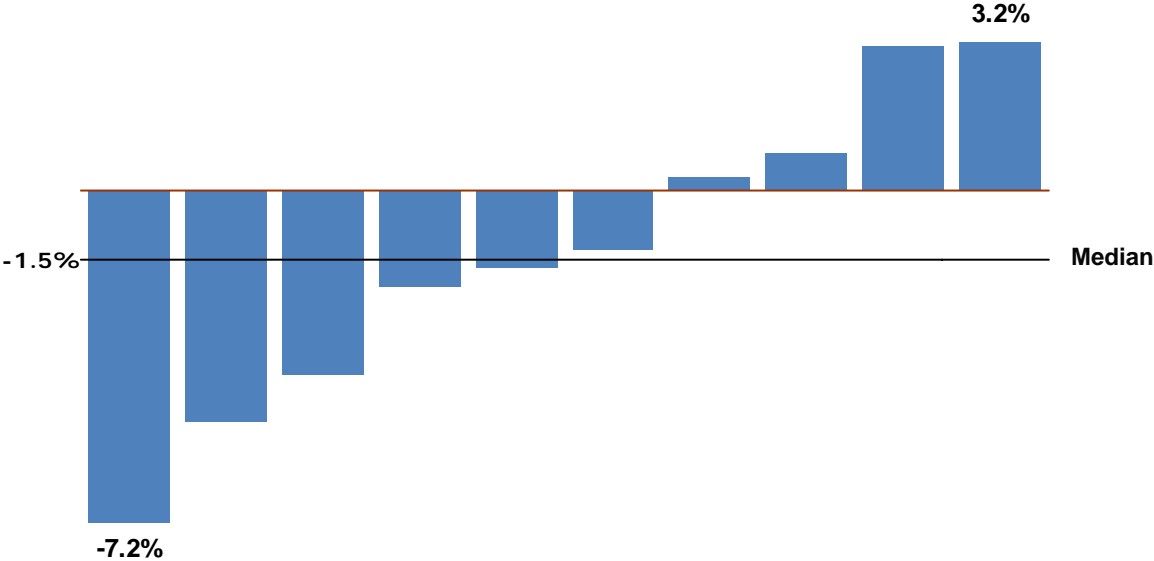
Health plan financial information is derived from quarterly and annual financial statements that health plans self-report to the Division of Insurance. For detailed information on health plan financials by plan, see [Study of the Reserves and Surpluses of Health Insurers in Massachusetts](#).

Notes: Administrative expense ratio is calculated by dividing the total administrative expenses (including claims adjustment and general administrative expenses) by revenue. In accordance with NAIC reporting standards, revenue here includes premium income and aggregate write-ins for other health care related revenues. It does not include write-ins for non-health revenues or investment income. Massachusetts Division of Insurance (DOI) financial information represents both in-state and out-of-state business in private insurance products, Medicare, MassHealth and Commonwealth Care. Information is limited to the health maintenance organizations licensed with DOI or under contract with MassHealth. HMOs registered with DOI but with less than 10,000 covered lives are excluded from this analysis as financial information for these companies is more volatile. CeltiCare is a plan that began providing coverage for Massachusetts residents in October 2009. Licensing of CeltiCare increased the number of health plans for whom data are reported from 12 in 2007/2008 to 13 in 2009. However, financial ratios for CeltiCare are not included in this analysis. MassHealth 4B reports were used to calculate financial ratios for Network Health during calendar year 2009. Blue Cross Blue Shield of Massachusetts (BCBSMA) includes the combined performance of BCBSMA and HMO Blue.

Sources: DOI annual financial statements. Network Health data are from MassHealth 4B insolvency reports.



Profit Margin by Health Plan, First Quarter of 2010



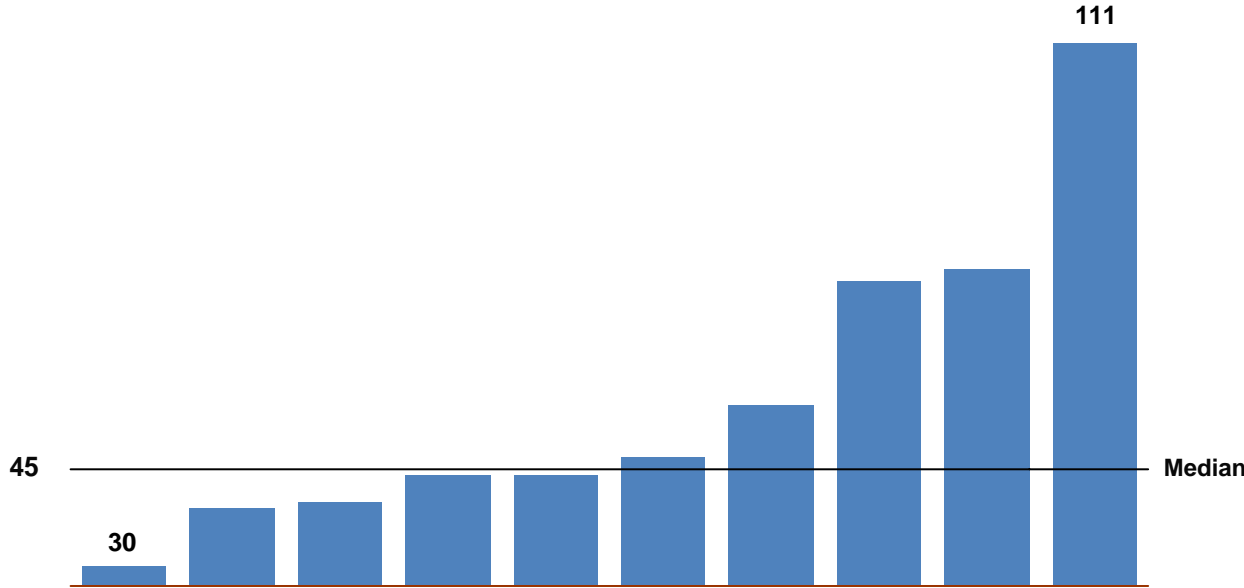
Overall, the median profit margin for health plans declined from +0.8% at the end of 2009 to -1.5% during the first quarter of 2010; 60% of the plans reported negative margins for the current quarter.*

*Quarterly results may not be indicative of year-end performance.

Health plan financial information is derived from quarterly and annual financial statements that health plans self-report to the Division of Insurance. For detailed information on health plan financials by plan, see [Study of the Reserves and Surpluses of Health Insurers in Massachusetts](#).

Notes: Profit margin is calculated by dividing net income by total revenue. Total revenue here includes premium income, aggregate write-ins for other health care related revenues, and investment gain/loss. It does not include write-ins for non-health revenues. Massachusetts Division of Insurance (DOI) financial information represents both in-state and out-of-state business in private insurance products, Medicare, MassHealth and Commonwealth Care. Information is limited to the health maintenance organizations licensed with DOI or under contract with MassHealth. HMOs registered with DOI but with less than 10,000 covered lives are excluded from this analysis as financial information for these companies is more volatile. CeltiCare is a health plan that began providing coverage for Massachusetts residents in October 2009. Licensing of CeltiCare increased the number of health plans for whom financial data are reported from 12 in 2007/2008 to 13 in 2009. However, financial ratios for CeltiCare are not included in this analysis. MassHealth 4B reports were used to calculate financial ratios for Network Health during calendar year 2009. Blue Cross Blue Shield of Massachusetts (BCBSMA) includes the combined performance of BCBSMA and HMO Blue. Sources: DOI annual financial statements. Network Health data are from MassHealth 4B insolvency reports.

Days in Reserve by Health Plan, First Quarter of 2010



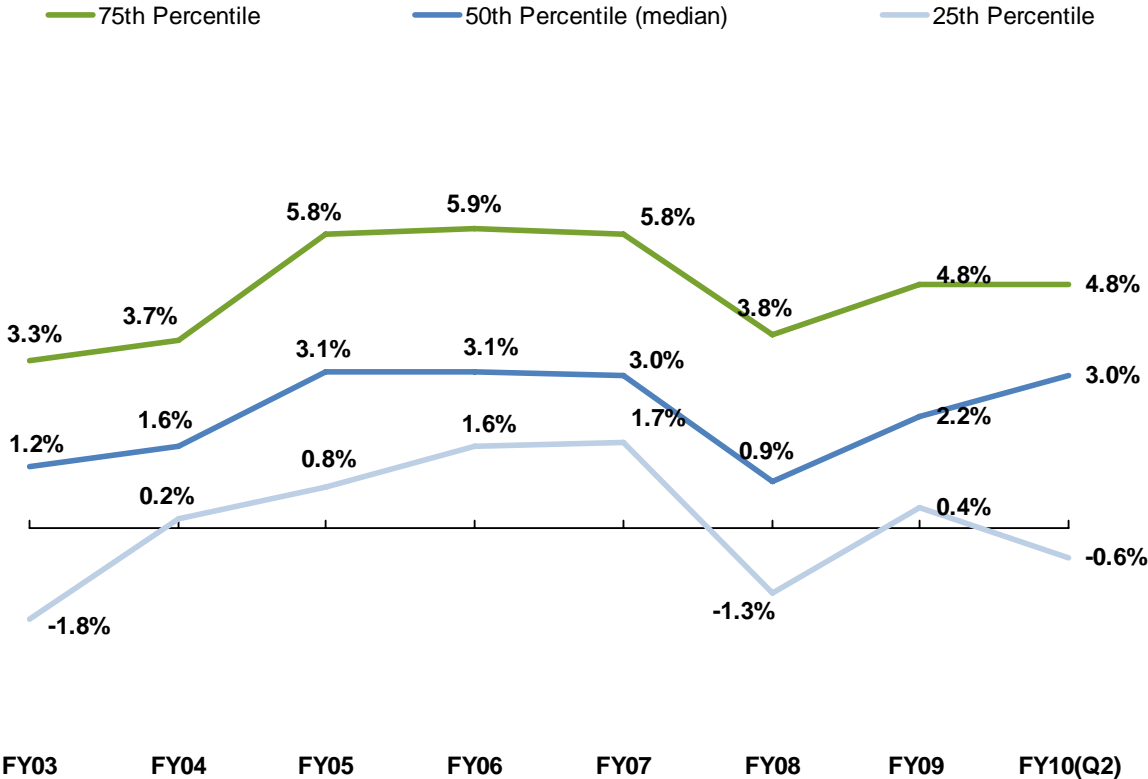
The median number of days in reserve declined from 58 days at the end of 2009 to 45 days during the first quarter of 2010.*

*Quarterly results may not be indicative of year-end performance.

Health plan financial information is derived from quarterly and annual financial statements that health plans self-report to the Division of Insurance. For detailed information on health plan financials by plan, see [Study of the Reserves and Surpluses of Health Insurers in Massachusetts](#).

Notes: Days in reserve is calculated by dividing net worth (including total capital and surplus) by the result of dividing total medical and administrative expenses by the number of days in the year. Massachusetts Division of Insurance (DOI) financial information represents both in-state and out-of-state business in private insurance products, Medicare, MassHealth and Commonwealth Care. Information is limited to the health maintenance organizations licensed with DOI or under contract with MassHealth. HMOs registered but with less than 10,000 covered lives are excluded from this analysis as financial information for these companies is more volatile. CeltiCare is a health plan that started providing coverage for Massachusetts residents in October 2009. Licensing of CeltiCare increased the number of health plans for whom financial data are reported from 12 in 2007/2008 to 13 in 2009. However, financial ratios for CeltiCare are not included in this analysis. MassHealth 4B reports were used to calculate financial ratios for Network Health during calendar year 2009. Blue Cross Blue Shield of Massachusetts (BCBSMA) includes the combined performance of BCBSMA and HMO Blue.
Sources: DOI annual financial statements. Network Health data are from MassHealth 4B insolvency reports.

Total Margin Trend by Fiscal Year



In the second quarter of FY2010 (FY10Q2), nineteen out of sixty-five hospitals (29%) reported a total loss compared to thirteen hospitals (20%) during FY09. Although more hospitals reported losses, margins for hospitals in the 50th percentile improved in the second quarter of FY2010 (FY10Q2) compared to the 2009 fiscal year.

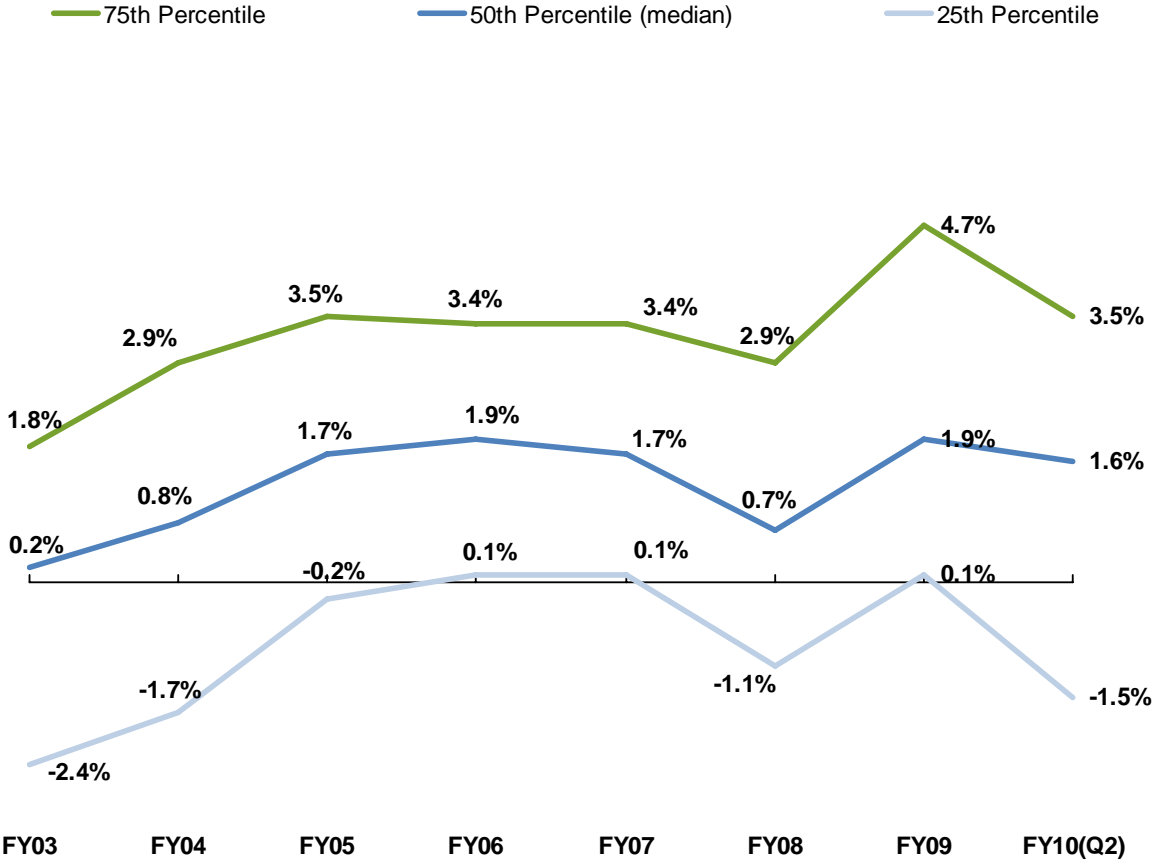
Benchmark: Northeast US median FY08 = 0.9%

Benchmark Source: 2010 Almanac of Hospital Financial and Operating Indicators, INGENIX

Percentile represents a value below or above which a certain percent of all values fall. For example, a 50th percentile value of 3.0% means that one half of all hospitals for whom data are reported had total margin ratio of less than 3.0% and one-half had a ratio above 3.0%.

Notes: Total margin is calculated by dividing total income by total revenue. Fiscal year ends (FYE) vary across hospitals. Source: DHCFP Acute hospital financial data, for more information, please visit <http://www.mass.gov/dhcfp>. Click on "Publications and Analyses" then go to "Hospital Financial Reports."

Operating Margin Trend by Fiscal Year



Through FY10Q2, the industry’s losses are predominantly due to operating losses. For one-third of the hospitals, operating expenses were greater than operating income.

Twenty-two hospitals (34%) reported a loss from operations in FY10Q2, compared to fourteen hospitals (22%) in 2009.

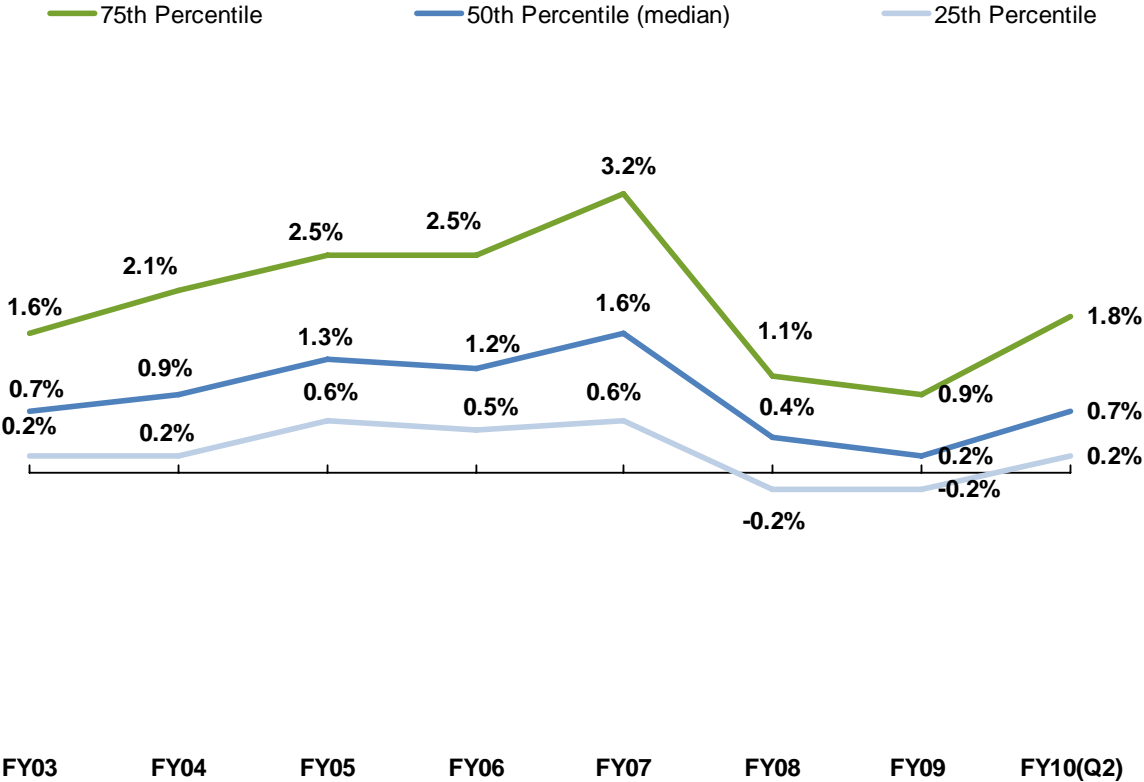
Benchmark: Northeast US median FY08 = 0.9%

Benchmark Source: INGENIX Consulting based on the hospital financial database used for the 2010 Almanac of Hospital Financial and Operating Indicators, INGENIX

Percentile represents a value below or above which a certain percent of all values fall. For example, a 50th percentile value of 1.9% means that one half of all hospitals for whom data are reported had an operating margin ratio of less than 1.9% and one-half had a ratio above 1.9%.

Notes: Operating margin is calculated by dividing operating income by total revenue. Fiscal year ends (FYE) vary across hospitals. Source: DHCFP Acute hospital financial data, for more information, please visit <http://www.mass.gov/dhcfp>. Click on "Publications and Analyses" then go to "Hospital Financial Reports."

Non-Operating Margin Trend by Fiscal Year



During the first two quarters of 2010, many hospitals reported improved non-operating income compared with 2009.

Only four hospitals (6%) reported a non-operating loss in FY10Q2 compared to twenty two hospitals (34%) in FY09.

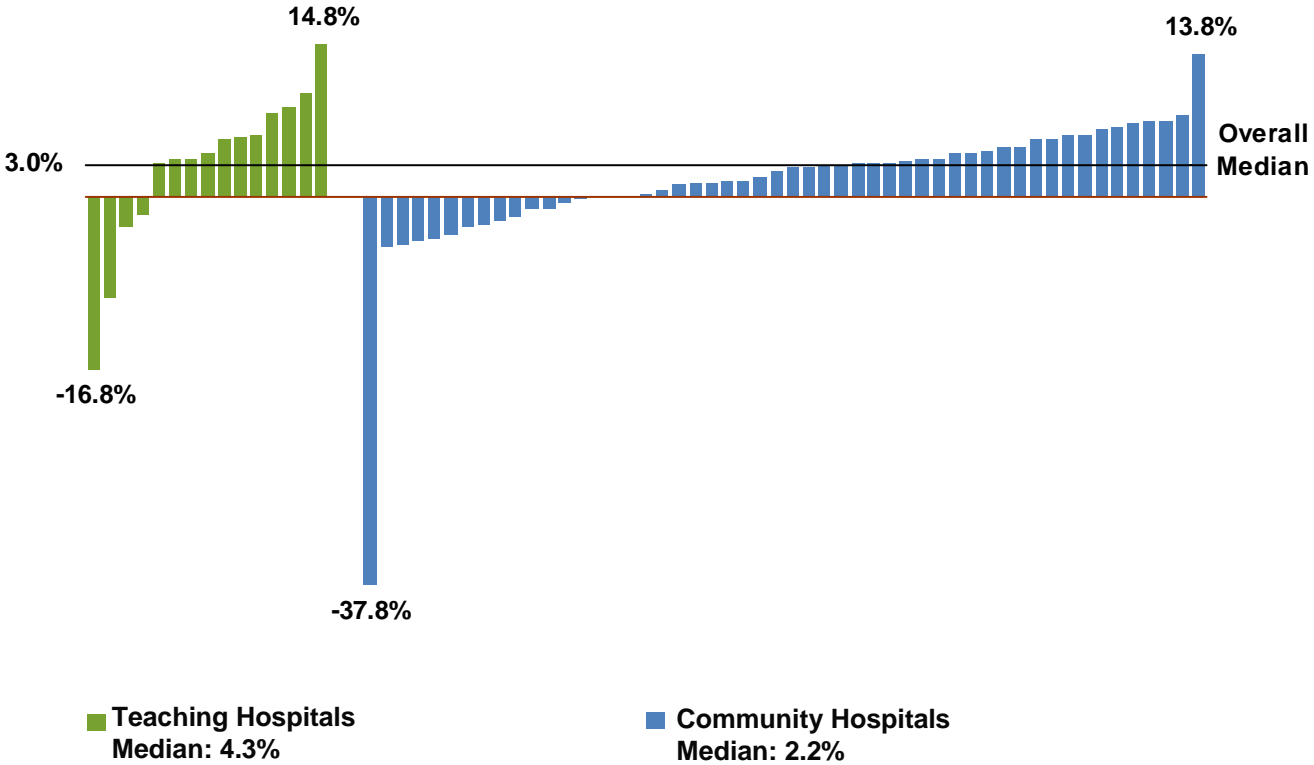
Benchmark: Northeast US median FY08 = 0.07%

Benchmark Source: INGENIX Consulting based on the hospital financial database used for the 2010 Almanac of Hospital Financial and Operating Indicators, INGENIX

Percentile represents a value below or above which a certain percent of all values fall. For example, a 50th percentile value of 1.6% means that one half of all hospitals for whom data are reported had a non-operating margin ratio of less than 1.6% and one-half had a ratio above 1.6%.

Notes: Non-operating margin is calculated by dividing non-operating income by total revenue. Fiscal year ends (FYE) vary across hospitals. Source: DHCFP Acute hospital financial data, for more information, please visit <http://www.mass.gov/dhcfp>. Click on "Publications and Analyses" then go to "Hospital Financial Reports."

Total Margin by Teaching Status, Second Quarter of 2010



The overall financial performance of acute hospitals varies widely by teaching status.

Four teaching hospitals (20%) reported losses during the first two quarters of 2010, the same proportion as in 2009. On the other hand, fifteen community hospitals (30%) reported losses in the second quarter of FY2010 compared to ten (21%) in FY2009.

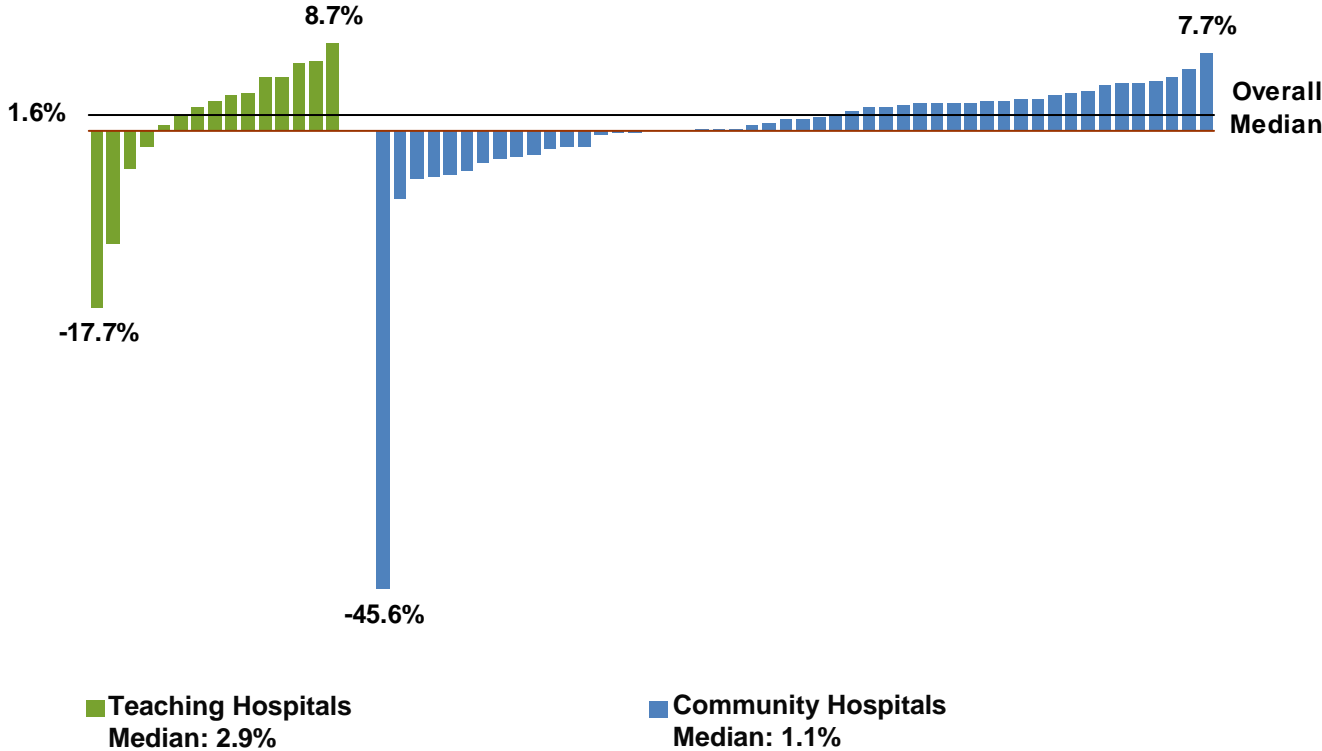
Benchmark: Northeast US median FY08 = 0.9%

Benchmark Source: 2010 Almanac of Hospital Financial and Operating Indicators, INGENIX

For detailed information on hospital financials by hospital, see the Division's [Study of the Reserves and Surpluses of Hospitals in Massachusetts](#).

Notes: Total margin is calculated by dividing total income by total revenue. Fiscal year ends (FYE) vary across hospitals. Source: DHCFP Acute hospital financial data, for more information, please visit <http://www.mass.gov/dhcfp>. Click on "Publications and Analyses" then go to "Hospital Financial Reports."

Operating Margin by Teaching Status, Second Quarter, 2010



Operating margin performance varied widely by teaching status during the first two quarters of 2010.

Four teaching hospitals (27%) and eighteen community hospitals (36%) reported operating losses in FY10Q2.

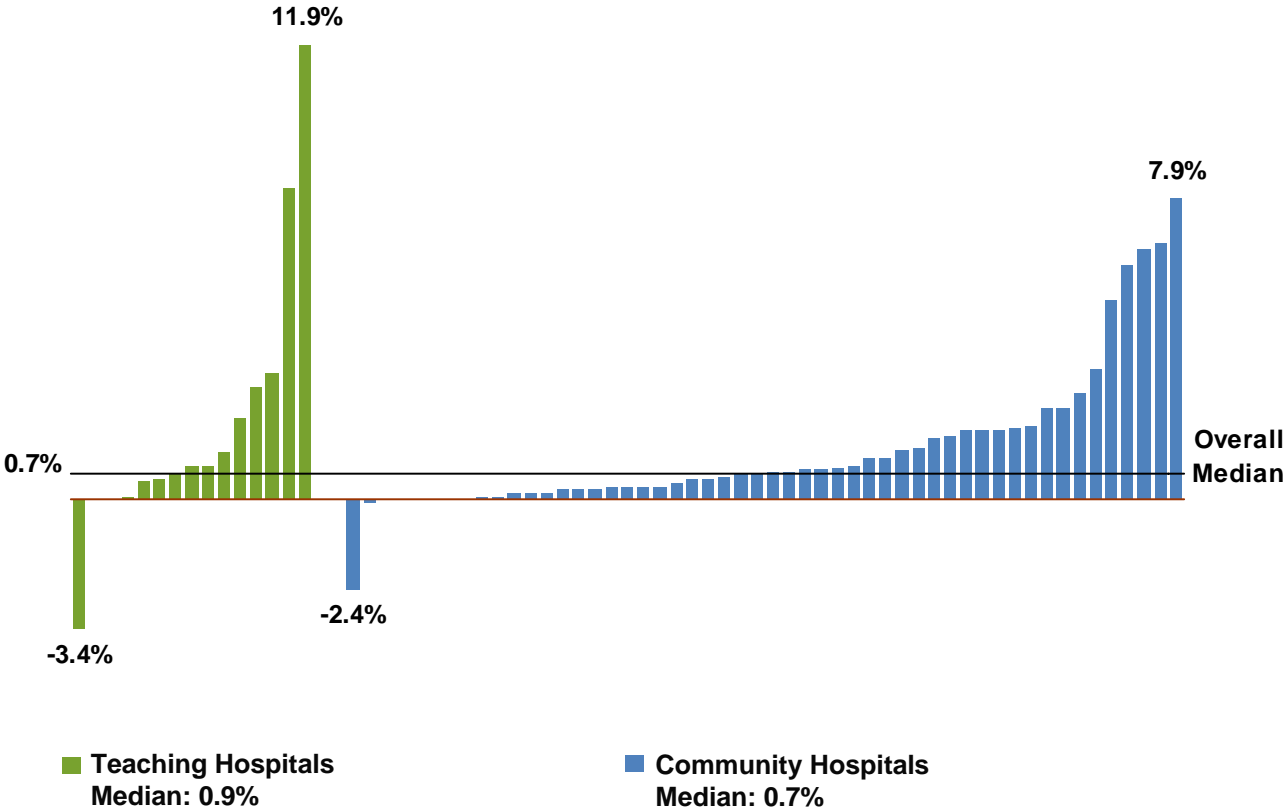
Benchmark: Northeast US median FY08 = 0.9%

Benchmark Source: INGENIX Consulting based on the hospital financial database used for the 2010 Almanac of Hospital Financial and Operating Indicators, INGENIX

For detailed information on hospital financials by hospital, see the Division's [Study of the Reserves and Surpluses of Hospitals in Massachusetts](#).

Notes: Operating margin is calculated by dividing operating income by total revenue. Fiscal year ends (FYE) vary across hospitals. Source: DHCFP Acute hospital financial data, for more information, please visit <http://www.mass.gov/dhcfp>. Click on "Publications and Analyses" then go to "Hospital Financial Reports."

Non-Operating Margin by Teaching Status, Fiscal Year 2009



Many hospitals reported more favorable non-operating margins during quarter two of 2010 compared with FY09. Only one teaching hospital and three community hospitals reported non-operating losses in FY10Q2 compared with four teaching hospitals (27%) and nineteen community hospitals (39%) in FY09.

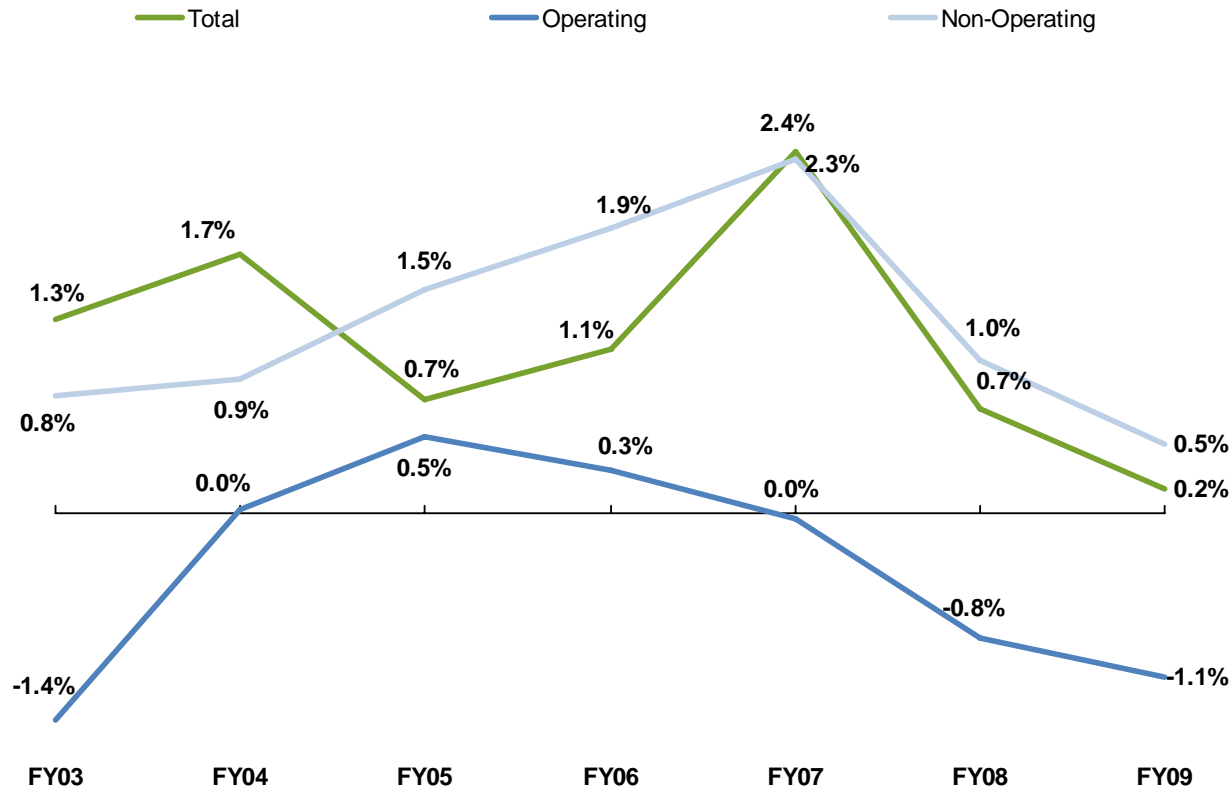
Benchmark: Northeast US median FY08 = 0.07%

Benchmark Source: INGENIX Consulting based on the hospital financial database used for the 2010 Almanac of Hospital Financial and Operating Indicators, INGENIX

For detailed information on hospital financials by hospital, see the Division's [Study of the Reserves and Surpluses of Hospitals in Massachusetts](#).

Notes: Non-operating margin is calculated by dividing non-operating income by total revenue. Fiscal year ends (FYE) vary across hospitals. Source: DHCFP Acute hospital financial data, for more information, please visit <http://www.mass.gov/dhcfp>. Click on "Publications and Analyses" then go to "Hospital Financial Reports."

CHC Median Financial Margins by Fiscal Year



Total margins for community health centers (CHCs) have remained positive in the seven years to FY09, largely due to positive non-operating margins. In FY09, 33 out of the 37 CHCs for whom data are reported had positive non-operating margins.

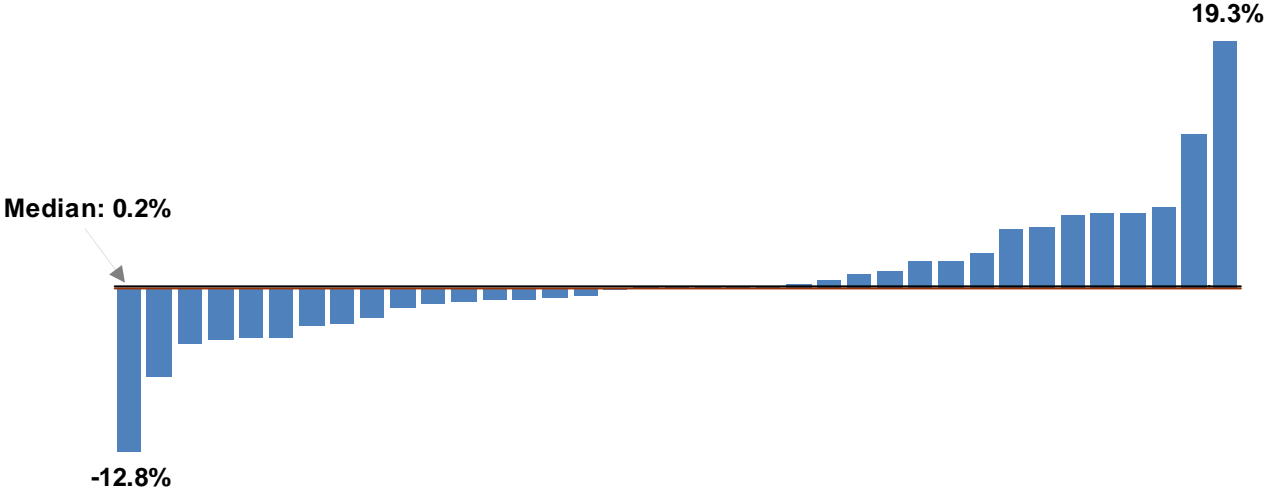
CHCs experienced an overall decline in financial performance from FY08 to FY09.

Median represents a value below or above which a certain percent of all values fall. A median value of 2.4% means that one half of all CHCs for whom data are reported had a margin of less than 2.4% and one-half had a margin above 2.4%.

Notes: Fiscal year ends (FYE) vary across CHCs: of 37 CHCs, 30 have a June 30 FYE, four have a September 30 FYE, two have a December 31 FYE, and one has a July 31 FYE. Source: CHC audited financial statements for freestanding CHCs from FY03 through FY08.

CHC Total Margin Fiscal Year 2009

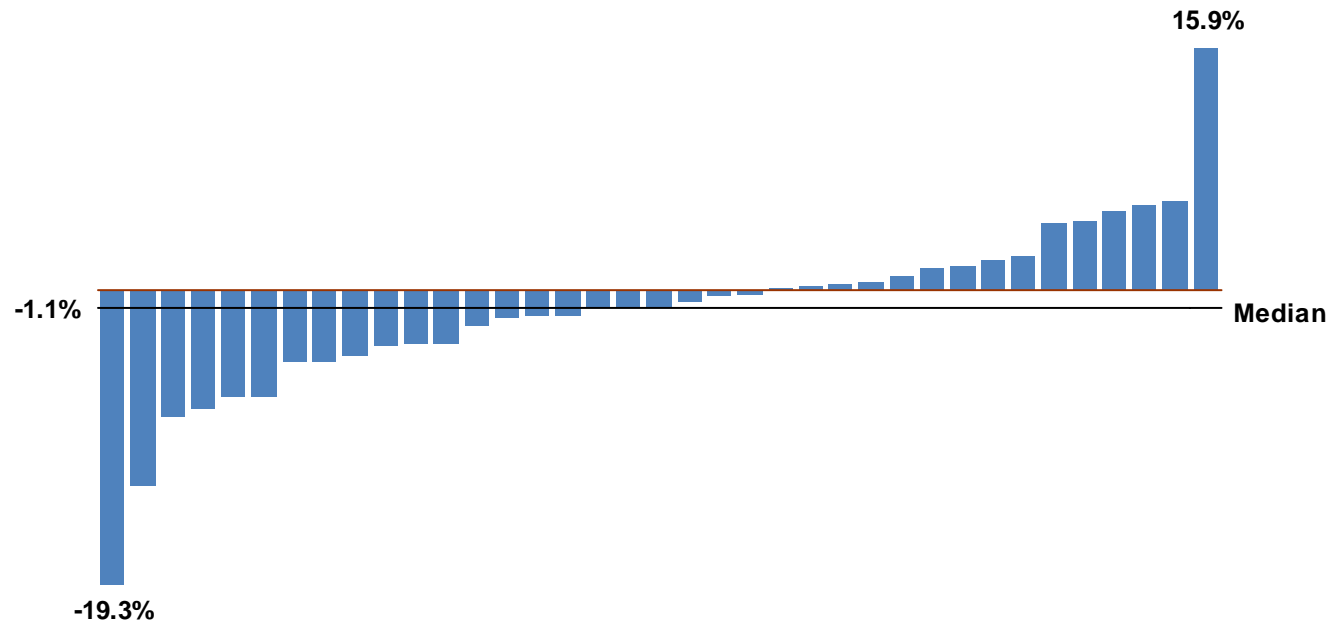
Total margin for community health centers (CHCs) ranged from -12.8% to +19.3% in their 2009 fiscal year. Over half of CHC's (20 of 37) experienced positive total margins.



Notes: Total margin is calculated by dividing total income by total revenue. Fiscal year ends (FYE) vary across CHCs: of 37 CHCs, 30 have a June 30 FYE, four have a September 30 FYE, two have a December 31 FYE, and one has a July 31 FYE. Source: CHC audited financial statements for 37 freestanding CHCs in FY08.

CHC Operating Margin

Fiscal Year 2009

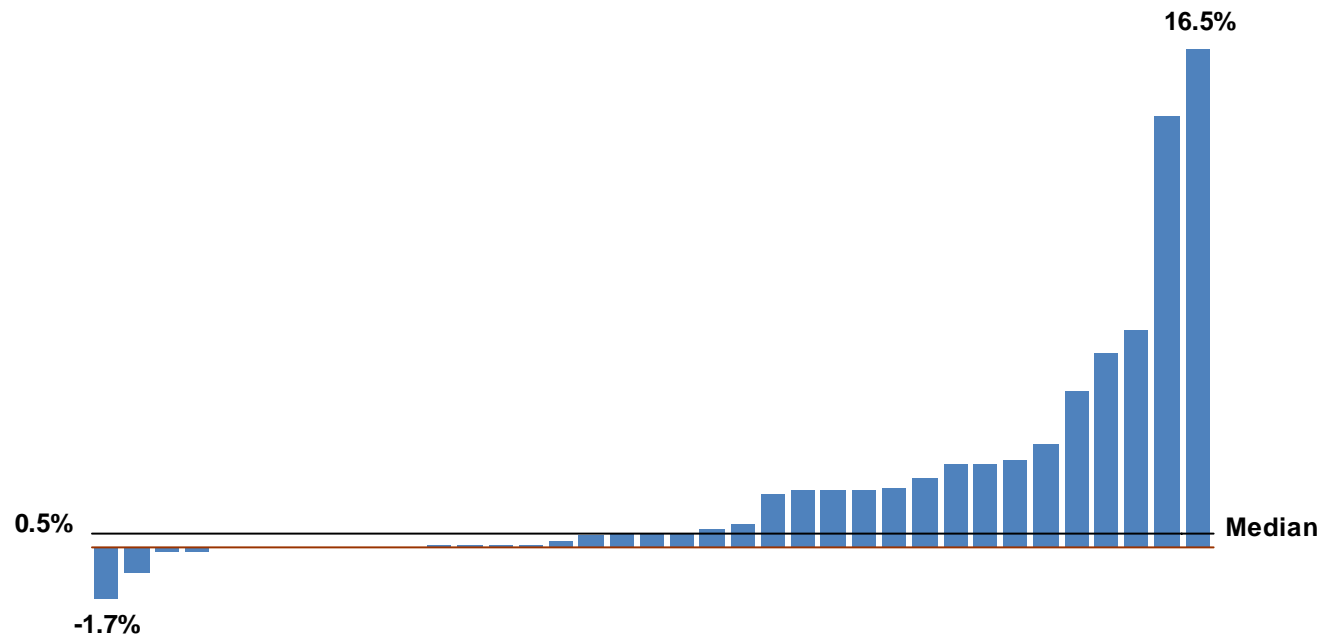


Operating margins for community health centers (CHCs) ranged from -19.3% to +15.9% in their 2009 fiscal year. The majority of health centers lost money on operations.

Notes: Operating margin is calculated by dividing operating income by total revenue. Fiscal year ends (FYE) vary across CHCs: of 37 CHCs, 30 have a June 30 FYE, four have a September 30 FYE, two have a December 31 FYE, and one has a July 31 FYE. Source: CHC audited financial statements for 37 freestanding CHCs in FY08.

CHC Non-Operating Margin Fiscal Year 2009

Non-operating margins for community health centers (CHCs) ranged from -1.7% to +16.5% during the 2009 fiscal year.



Note: Non-operating margin is calculated by dividing non-operating income by total revenue. Fiscal year ends (FYE) vary across CHCs: of 37 CHCs, 30 have a June 30 FYE, four have a September 30 FYE, two have a December 31 FYE, and one has a July 31 FYE. Source: CHC audited financial statements for 37 freestanding CHCs in FY08.

Community Health Center Financial Performance

Fiscal Year 2009

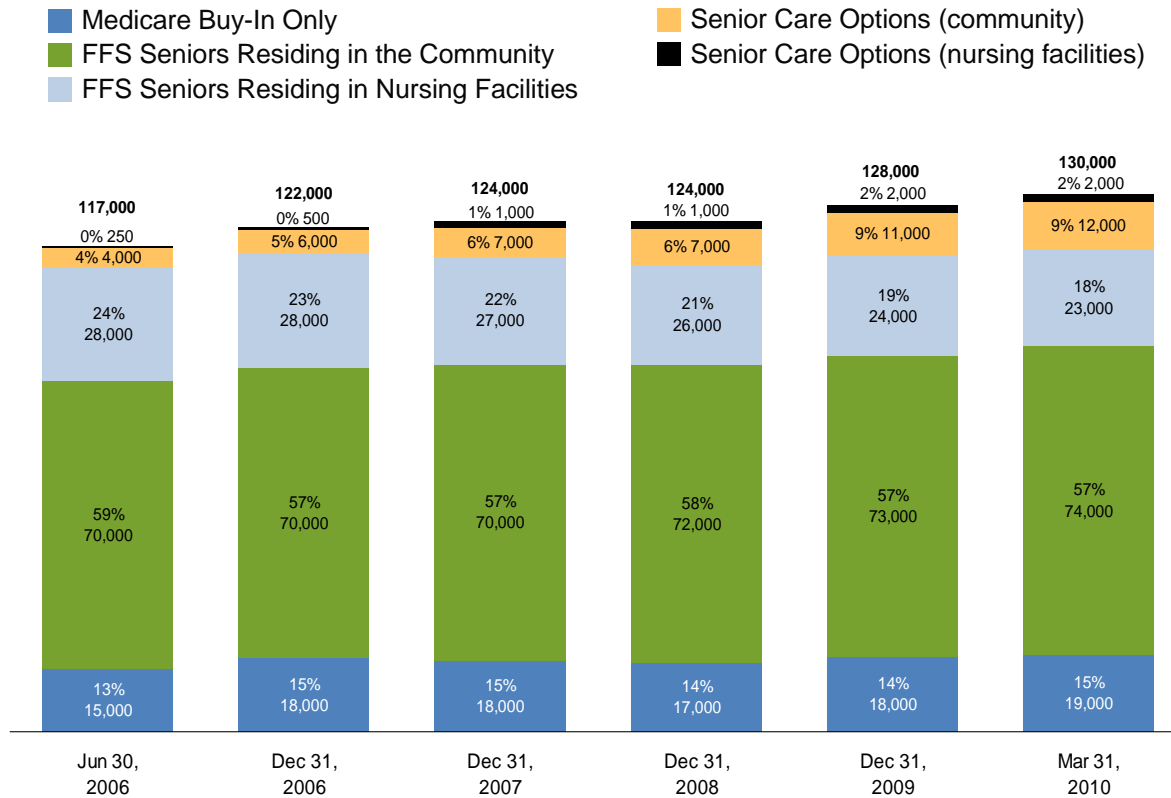
Community Health Center	Operating Margin	Non-Op Margin	Total Margin	Profit (Loss)
Boston Health Care for the Homeless Program	1.9%	-1.7%	0.2%	\$47,000
Brockton Neighborhood Health Center	-3.6%	-0.8%	-4.4%	(\$705,000)
Caring Health Center, Inc.	-0.8%	0.1%	-0.8%	(\$99,000)
Community Health Center of Cape Cod	-8.3%	7.2%	-1.0%	(\$61,000)
Community Health Center of Franklin County, Inc.	-3.5%	0.6%	-3.0%	(\$148,000)
Community Health Connections Family Health Center	5.6%	0.1%	5.8%	\$1,069,000
Community HealthLink	-0.2%	0.0%	-0.2%	(\$86,000)
Community Health Partners Health Center	0.3%	-0.1%	0.2%	\$15,000
Dimock Community Health Center	-7.8%	6.4%	-1.3%	\$382,000
Duffy Health Center	-4.6%	2.3%	-2.3%	(\$82,000)
Family Health Center of Worcester	0.1%	0.1%	0.2%	\$57,000
Fenway Community Health Center	-2.3%	14.3%	12.0%	\$4,441,000
Great Brook Valley Health Center	0.9%	1.8%	2.7%	\$707,000
Greater Lawrence Family Health Center, Inc.	5.2%	0.4%	5.7%	\$2,389,000
Greater New Bedford Community Health Center, Inc.	4.6%	0.0%	4.6%	\$702,000
Harbor Health Services, Inc.	1.6%	0.5%	2.2%	\$858,000
Harvard Street Neighborhood Health Center	2.2%	0.0%	2.2%	\$199,000
HealthFirst Family Care Center, Inc.	-7.0%	2.9%	-4.0%	(\$209,000)
Hilltown Community Health Centers, Inc.	5.9%	-2.8%	5.9%	\$347,000

Community Health Center	Operating Margin	Non-Op Margin	Total Margin	Profit (Loss)
Holyoke Health Center, Inc.	-4.3%	0.5%	-3.9%	\$837,000
Island Health Care	0.5%	0.1%	0.6%	\$6,000
Joseph M. Smith Community Health Center	4.4%	1.9%	6.3%	\$699,000
Lowell Community Health Center	-1.1%	0.5%	-0.6%	\$119,000
Lynn Community Health Center	0.4%	-0.1%	0.2%	\$72,000
Manet Community Health Center, Inc.	-1.8%	1.9%	0.1%	\$13,000
Mattapan Community Health Center	-19.3%	16.5%	-2.8%	(\$155,000)
North End Community Health Center	-4.7%	0.8%	-3.8%	\$346,000
North Shore Community Health, Inc.	-1.7%	2.0%	0.3%	\$22,000
Outer Cape Health Services, Inc.	-1.7%	2.8%	1.1%	\$76,000
River Valley Counseling Center	1.4%	0.0%	1.4%	\$92,000
Roxbury Comprehensive Community Health Center	-7.0%	0.0%	-7.0%	(\$630,000)
Sidney Borum, Jr. Health Center	-12.8%	0.0%	-12.8%	(\$265,000)
South Cove Community Health Center	15.9%	3.4%	19.3%	\$4,724,000
South End Community Health Center	-1.1%	0.2%	-1.0%	(\$84,000)
Stanley Street Treatment and Resources	-3.5%	1.9%	-1.6%	(\$238,000)
Upham's Corner Health Center	-1.1%	0.0%	-1.1%	(\$257,000)
Whittier Street Health Center	-0.4%	5.2%	4.8%	\$629,000

Source: CHC audited financial statements for 37 freestanding CHCs in FY08.



MassHealth Members Ages 65+

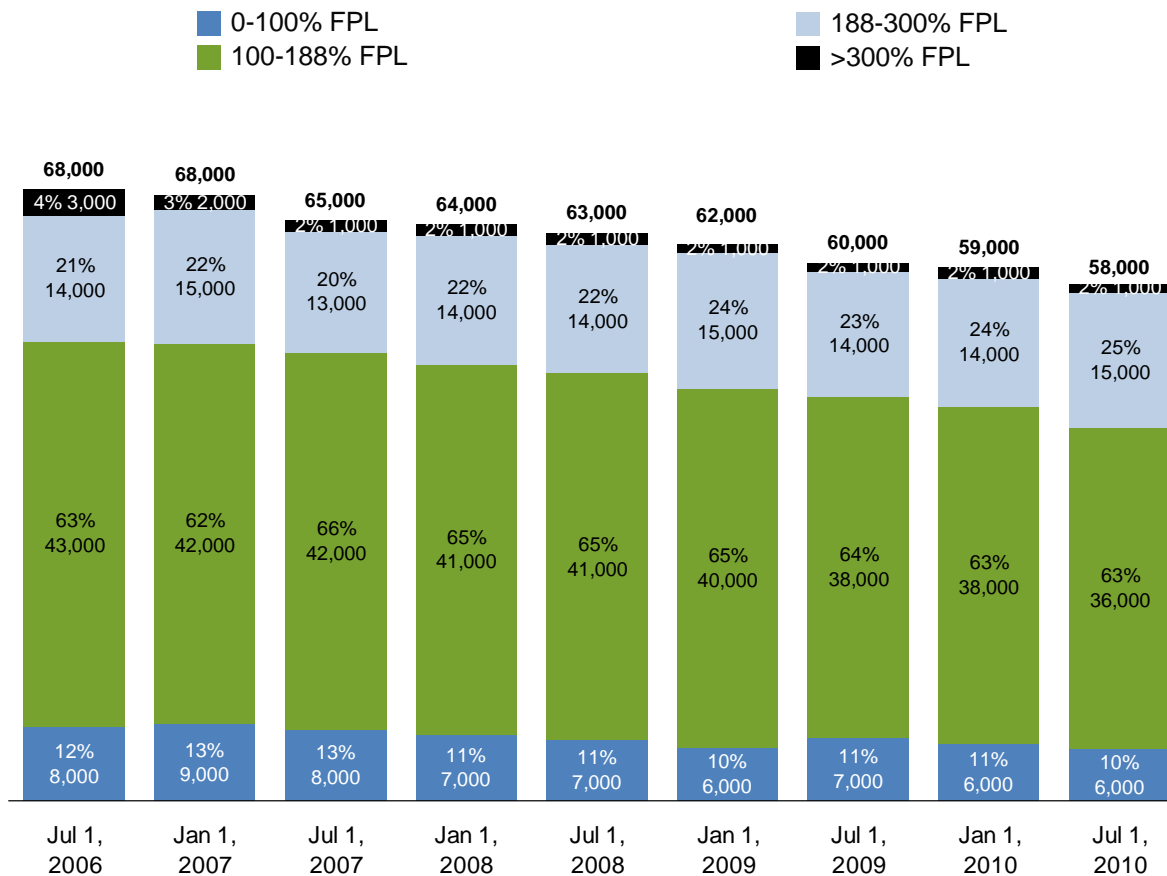


From the end of June 2006 to March 31, 2010 the proportion of MassHealth members ages 65 and older enrolled in Senior Care Options (SCO) nearly tripled. SCO enrollment grew from 4% to 11% during the period. Growth may be attributed, in part, to the program’s focus on integrated care for members, which brings together Medicare, MassHealth, and home care services in one place, with care coordinated through a primary care doctor.

The proportion of seniors with MassHealth coverage residing in nursing facilities (including both SCO and non-SCO enrollees) declined from 24% to 18% over the same period.

Notes: "FFS"= fee for service. Numbers may not sum to totals due to rounding.
Source: MassHealth Monthly Enrollment Snapshot Report as of December 2009.

Enrollees in Prescription Advantage Ages 65+ by Percent FPL



Nearly three-quarters of those enrolled in Prescription Advantage (73%) have incomes below 188% of the federal poverty level (FPL). Total enrollment in PA has declined by 15% between July 2006 and July, 2010.

Prescription Advantage (PA) is a prescription drug insurance plan available to Massachusetts residents age 65 and older. The plan is also available to younger individuals with disabilities who meet income and employment eligibility. PA offers two types of coverage: income-based supplemental assistance for individuals with Medicare, and assistance with plan copayments for members enrolled in creditable coverage plans.

Note: Numbers are rounded to the nearest thousand and may not sum to totals. Sources: Massachusetts Executive Office of Elder Affairs; US Census estimates are used to calculate the percent of Massachusetts residents ages 65 and older enrolled in Prescription Advantage; as of July 1, 2008, 871,098 people ages 65 and older estimated to be living in Massachusetts.



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