



## **The Real Cost of Massachusetts Health Reform**

### **Health reform in Massachusetts significantly expanded health insurance coverage, while minimizing additional costs to the Commonwealth**

- With its thoughtful approach to health care reform, Massachusetts has achieved the lowest rate of uninsurance in the country – 2.6 percent.
- The expansion of coverage has been balanced. The newly insured include 180,000 in the sliding scale subsidized insurance program, Commonwealth Care; 149,000 in employer-based coverage; and 41,000 additional people purchasing individual coverage on their own.
- The cost of health reform has been close to initial budget projections. Unfortunately, the recent, unprecedented decline in state revenues led to pressure to reduce costs through program cuts.

### **Massachusetts has taken a number of steps to ensure cost containment**

- Using competitive bidding and innovative purchasing, the state has held annual premium increases to less than 5 percent in subsidized plans, well below the state and national average.
- Working collaboratively with health care providers, the private insurer community, and consumers, Massachusetts officials are examining ways to lower health costs, including:
  - Payment reform - the commission tasked with this recently recommended moving from the current fee-for-service model to global payments to provider groups to manage care
  - Risk sharing models
  - Informing consumers to support their search for high value providers and plans
  - Reducing the influence of inappropriate prescription drug marketing

### **The number of new public dollars spent on health reform has been limited**

- According to an analysis by the independent Mass Taxpayers Foundation, in the four years since health care reform, the state has spent an average of \$88 million per year in new dollars to support health insurance - a relatively small amount given the significant coverage expansion.
- Existing funding for the state's hospital charity care program has been reallocated to new health insurance programs, shifting patients from episodic care, often in emergency rooms, to managed care plans focused on primary care and wellness.
- Individual and employer incentives have resulted in stable rates of employer-offered insurance.

### **Health care reform highlighted cost challenges; it did not cause them**

- Since more people are insured and the state supports some of the cost, Massachusetts has shifted greater focus on containing cost increases in health care.
- All parties are working collaboratively to identify and implement solutions that improve the health care delivery system, minimize new costs, maintain access and continue to ensure high quality care for all.