CATALYST CENTER
IMPROVING FINANCING OF CARE for Children & Youth WITH SPECIAL HEALTH CARE NEEDS

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The Massachusetts CommonHealth Medicaid Buy-in Program at 20 A Retrospective and Celebration

Introduction

Two years ago, the Commonwealth of Massachusetts implemented its landmark reform plan providing almost universal healthcare coverage to its citizens. However, Massachusetts has been on the forefront of efforts to address inequities in healthcare coverage for many years.

Two decades ago, thousands of working-age adults with disabilities faced a difficult dilemma. They could either choose to be unemployed and therefore eligible to receive the comprehensive healthcare benefits the needs-based state Medicaid program offered or take a job and lose their healthcare benefits because the corresponding increase in income from work made them ineligible. This created a disincentive to employment and reinforced the link between poverty and disability. In 1988, a coalition of advocates came together and partnered with legislators and Medicaid staff to create the CommonHealth program, which allowed working adults with disabilities (and also families of children with disabilities) to 'buy-in' to the Medicaid program by paying a premium. This brief describes and celebrates the successful impact of the CommonHealth program.

What is the CommonHealth program?

The CommonHealth program currently offers healthcare benefits through the state Medicaid program (known as MassHealth) to adults and children with disabilities whose income is too high to qualify for 'traditional' needs-based Medicaid. There are 3 CommonHealth benefit plans: the CommonHealth Children's plan, the CommonHealth Working Adults plan and the CommonHealth Non-working adults plan. Benefits under each of these include:

- Inpatient and outpatient hospital services
- Doctor, nurse practitioner, nurse midwife, and clinic visits

- Well-child visits including immunizations
- Early intervention
- Pharmacy services
- Mental health and substance abuse services
- Audiologist services and hearing aids
- Vision care including eyeglasses and magnifying aids
- Chiropractor services
- Podiatrist services and orthotics
- Prosthetic services
- Abortion and family planning services
- Rehabilitation and therapy services (physical, occupational, speech)
- Renal dialysis
- Smoking cessation services
- Home health care
- Personal care and private duty nurse services
- Hospice services
- X-rays and laboratory work
- Medical equipment and supplies
- Oxygen and respiratory equipment
- Adult foster care, adult day health care, and day habilitation services
- Dental services for children and adults including checkups, cleanings, fillings, dentures, and other approved procedures
- Ambulance and transportation services

Premiums for the CommonHealth program are based on a sliding fee scale and there is no asset test or income limit. A person (either an adult or the family of a disabled child) with existing health insurance may buy-in at a lower premium rate to supplement their private coverage. For the CommonHealth Benefit Plan for Working Adults, beneficiaries are required to demonstrate employment of 40 hour or more each month. For the children's benefit plan and the benefit plan for adults who do not meet the work requirement, a beneficiary's household income must exceed the financial eligibility for the MassHealth Standard program.

How did the CommonHealth program come about?

In the United States, for most people employment and access to health insurance are linked. Prior to the implementation of the CommonHealth program, poverty and disability in Massachusetts were inextricably linked because of the need of many people with disabilities to access their coverage through the Medicaid program. Since Medicaid is a needs-based program, a

person's income must be limited in order to qualify. So why did people with disabilities turn to Medicaid, knowing it would prevent them from working? The structure of the private insurance market posed significant barriers, including but not limited to:

- Restrictions on access to coverage due to preexisting conditions;
- Expensive premiums for a relatively thin benefit package, leaving people with significant out-of-pocket expenses for such vital supports and services as durable medical equipment, prescription drug coverage and personal care assistance; and,
- Lifetime caps on benefits

In the late 1980s, a broad, committed coalition of disability advocacy groups came together as part of Governor Michael Dukakis' early health care reform effort. Their vision of equal access to engagement in the workforce helped create the CommonHealth program. It was the first Medicaid buy-in program in the nation; part of the proud history that Massachusetts continues today in modeling healthcare reform.

What are some of the benefits of the CommonHealth Program?
Adults can access the dignity of work without losing their vital health insurance. The following gives an example of a working adult's positive experience with the CommonHealth program.

I was a college student at UMass Boston twenty years ago when I heard about a new Medicaid Buy-In program that the state was starting up. The program allowed people with disabilities to go to work and keep their insurance coverage to fund personal care attendants (PCAs). The day after I heard about this, I took myself off a federal public benefit program and went to the student employment office on campus and got my first job. I'll never forget how I felt when I got my first paycheck - it was for $37.00, but it may as well have been for a million dollars because it represented not only my hard work but my future independence. Now, after two decades of utilizing CommonHealth, I am a fully independent, successfully employed homeowner. I believe this program was the key to my success, and I know how positively it has affected other people with disabilities as well.

Families of children with disabilities also benefit from the CommonHealth program. They can work, stay married and not have to fear being forced to relinquish custody of their children with special health care needs in order to

access Medicaid for them. Here is one family's story: *"In 1987, my daughter Sarah was born with a complex genetic disorder. At the time, we were covered by private insurance through my husband's employer. The benefit package was very generous; for example, there was no limit on the number of physical, speech and occupational therapy visits she could have. However, our out-of-pocket expenses quickly became overwhelming. Sarah needed special therapies beyond the scope offered by our Early Intervention program. We had a co-pay of $15 per visit. With four visits a week, that added up to almost $3,200 a year out-of-pocket and that was just one component of her care; she also had multiple doctor visits, hospitalizations, prescription medications and more – all with their own deductibles and co-pays. We were quickly sliding into significant medical debt; our savings were gone, our credit cards were maxed out, we had already borrowed against what little equity we had in our house and she was only two years old at the time. I was petrified that we would have to make a choice between losing our home and Sarah's health. It was at this critical moment when I heard about the CommonHealth program through Early Intervention. For about $40 a month (or $480 a year), my family could 'buy-in' to the Medicaid program for Sarah's uncovered co-pays, deductibles and additional uncovered services (like eyeglasses). As a result, we stopped our downward slide into debt and bankruptcy. I sincerely believe that Sarah is doing as well as she is medically because we've never had to make a choice between what she needs and what we could afford. My heart breaks for those families who have not had this kind of opportunity."*

In addition to individual working adults and families, society in general benefits as well. People who work pay taxes and participate in the local economy (buying products and services). They also depend less on tax payer-funded supports such as housing, food and fuel subsidies. It is a win-win for everyone.

How does CommonHealth serve as a model for other national healthcare expansion efforts?

The political courage and vision of that original group of advocates, along with their state agency and legislative partners, has benefited not only people in Massachusetts but across the country. The success of the CommonHealth program in helping Massachusetts citizens with disabilities to engage in the workforce led in part to the creation in 1999 of the Ticket to Work and Work Incentives Improvement Act (TTWWIIA). This federal legislation allows Medicaid programs in other states to establish two new optional eligibility categories: for working people between the ages of 16 and 65 with disabilities which meet the Supplemental Security Income (SSI) eligibility guidelines and for those who are employed and had previously met the SSI disability guidelines but who have

shown an improvement in their medical status. As of 2007 over 80,000 individuals in 32 states were covered under these new eligibility groups. Senator Edward Kennedy (D-MA), a long-time advocate for both the disabled and expanded health care coverage, sponsored the law. Senator Charles Grassley (R-IA), a fiscally conservative Republican, was his co-sponsor. The Presidents' New Freedom Initiative of 2001 enhanced the TTWWIIA with additional tools and funding in support of its goals.

Grassley and Kennedy, building on the success of the TTWWIIA for adults, next turned their attention to families of children with disabilities. Together, they co-sponsored the Family Opportunity Act (FOA), one component of which gives states the option to allow families with income under 300 % of the Federal Poverty Level and whose children meet the SSI disability criteria to 'buy-in' to Medicaid for that particular child. It passed in 2006. Four states have begun buy-in programs through the FOA for families of children with special health care needs, including North Dakota, Louisiana, Iowa and Illinois. At least three other states than Massachusetts offer Medicaid buy-in programs for families of children with disabilities outside the FOA criteria, including Vermont, Pennsylvania and Ohio.

As mentioned previously, Massachusetts has a long and proud history of being on the cutting edge of healthcare reform efforts. As the Commonwealth gains knowledge and experience with the current plan, how might a Medicaid buy-in program like CommonHealth continue to play an important role? Given the fiscal reality and the many competing demands we all live with, there will always be a limit to the resources we can dedicate to any one problem. The 'pot' of money available to support the healthcare reform plan is finite – in order to achieve the goal of covering as many people as possible, some compromises in the depth of the benefit package had to be made. CommonHealth provides an important safety net for those whose healthcare needs require a more comprehensive benefit package, given the shared funding of the Medicaid program between the Commonwealth and the federal government. With the federal match, the state's dollars go farther and more people can be covered.

There is currently discussion in national policy circles about how to improve and expand the reach of the Medicaid buy-in programs that CommonHealth inspired. The success of the CommonHealth program will continue to serve as a model for those engaged in these discussions and to inform their efforts to increase the availability and effectiveness of the Medicaid buy-in programs on a national level.

What is next for the CommonHealth program?

In its Community First Olmstead Plan released on September 12, 2008, the Commonwealth of Massachusetts indicated that it would work to further enhance the CommonHealth program's role as a work incentives program. Some of the issues under consideration include the cost of premiums for working middle class members and their families, along with the CommonHealth program's requirement that members purchase their employers' health insurance, in addition to paying a supplemental premium. The Commonwealth plans to examine issues such as these to determine how they can be addressed in a fiscally responsible manner.

Summary

The benefits of the program to the people of the Commonwealth of Massachusetts are significant and of interest to those in other states who seek to expand work opportunities and healthcare coverage options for people with disabilities. Its solid track record of success over the last twenty years is truly something to celebrate.

About the Catalyst Center

The Catalyst Center: Improving Financing of Care for Children and Youth with Special Health Care Needs is a national center funded by the Maternal and Child Health Bureau (MCHB) of the Health Resources and Services Administration (HRSA), and is located at the Boston University School of Public Health. The Catalyst Center provides support to the efforts of stakeholders at the federal, state and local levels in assuring adequate health insurance coverage and financing to meet the diverse needs of children and youth with special health care needs and their families.

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