



## Massachusetts Health Reform: The Facts

Since Massachusetts passed its landmark health care reform plan in April 2006, 428,000 people have gained quality, affordable health coverage. They are insured through a combination of expanded public programs, robust employer-sponsored plans, and more reasonably priced private policies. As a result, Massachusetts has the lowest rate of uninsurance in the nation—2.6 percent.

Fewer Massachusetts residents now report that cost prevents them from getting care. State costs for the uninsured are decreasing. Three-quarters of state residents support the state's reform plan, and the broad coalition of stakeholders that helped pass reform are working to ensure its long-term success.

### THE MODEL

The Massachusetts plan is based on the following elements:

1. A strong foundation of Medicaid and CHIP coverage
2. Subsidized insurance for the low-to-moderate-income uninsured, with sliding scale premiums
3. An insurance exchange, called the Massachusetts Health Connector, for private plans, setting standards and creating a source for comparison shopping for consumers
4. Guaranteed-issue private insurance, without restrictions based on health status, and strong limitations on the amount insurers can vary premiums
5. Individual responsibility, by requiring purchase of coverage if affordable
6. Employer responsibility, by mandating that employers pay an assessment if they do not offer coverage to their workers
7. Maintaining safety net hospitals and health centers

### COVERAGE

#### *Has Massachusetts reached universal coverage?*

- The goal of Massachusetts reform was near-universal coverage, which the state is achieving with an uninsurance rate of 2.6 percent. The state and advocates continue work to reduce additional barriers to coverage and ensure all eligible individuals enroll and retain coverage.
- The newly insured are spread across different types of coverage: 18 percent in the state's Medicaid program; 40 percent in the new subsidized plan, Commonwealth Care; 33 percent in employer-sponsored coverage; and 9 percent in non-group plans.

#### *How does the state ensure plans offer quality coverage?*

- Rules require everyone to obtain coverage that includes a broad range of medical services and prescription drugs. Acceptable plans must contain caps on deductibles, preventive care visits prior to the deductible, and a prohibition on annual coverage limits.

#### *Are employers dropping coverage or are workers moving onto the public plans?*

- Employer-based coverage is growing in Massachusetts, even as it declines in most states. In Massachusetts, 72 percent of employers now offer coverage; the national average was just 60 percent in 2007.

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## ACCESS

### *Do higher rates of insurance mean increased access to care?*

- In the last year, most Massachusetts residents (84 percent) had at least one visit to a doctor, and 76 percent had a preventive care visit. Both increased over the past two years.
- Tens of thousands of individuals who formerly received free care, or emergency coverage only, now have access to state-subsidized preventive care, as well as comprehensive benefits.
- Fewer insured individuals (11 percent) reported cost as a barrier to care in 2008 than in 2006 (17 percent).

### *Does Massachusetts have a sufficient medical workforce to cover the population?*

- Like every state in the country, Massachusetts has a primary care shortage. Prior to reform, it was particularly difficult to access care in certain regions of the state; the addition of over 400,000 insured people has increased this problem. However, a recent survey found that 91 percent of individuals reported having a primary care provider. The state is working to ease the shortage by expanding training for primary care doctors, forgiving their education loans, and permitting new clinics to operate in pharmacies.

### *Is the Safety Net secure?*

- Limited safety net services remain available for many of those who still can't afford insurance. However, usage has dropped, and the state has cut payments to safety net providers. All safety net institutions are currently stable, and the health care community is continuing to petition the legislature for full funding.

## AFFORDABILITY

### *Is insurance affordable?*

- The new subsidized plans have strong affordability protections. People with incomes under 150 percent of the poverty level pay no premium and low co-payments, and have access to comprehensive coverage. People between 150 percent and 300 percent of poverty have no deductible, and pay sliding scale premiums and co-payments.

### *Do safeguards for affordability exist?*

- In addition to premium subsidies, Massachusetts maintains an affordability schedule that defines the amount individuals, couples, and families in each income bracket are expected to contribute toward health insurance. If there is no plan available at that price, an individual is not penalized for not purchasing a plan. There is also a hardship waiver available for those who have trouble paying for insurance at any income level.
- Insurance premiums and cost-sharing remain high for older individuals and some families buying insurance on their own. Advocates are currently seeking to alter the affordability schedule to cap total premium costs at 10 percent of income for people with higher incomes.

## COST

### *Are costs for health reform higher than expected?*

- Enrollment initially grew more quickly than expected in the subsidized plans; this meant more money was needed for coverage. However, the monthly cost per person was less than expected. This year, the state negotiated rates with insurers to keep that monthly cost from rising. Enrollment has also stabilized.
- Massachusetts is known for having high health care costs, but insurance premiums are increasing more slowly here than nationally. Health care premiums in Massachusetts are

now only 8 percent more expensive than the national average, while the overall cost of living in Boston is 35 percent above the national average.

***What is being done to contain costs?***

- In 2008, Massachusetts passed a law designed to curb health costs in the long run. Because of this law, the state is expanding the primary care workforce, reducing hospital infections, promoting evidence-based prescribing of medicines, and holding hearings to review increases in insurance premiums. In addition, state officials and stakeholders are working together to overhaul how the state pays for health care.

***Who is paying for health reform?***

- A recently released report demonstrates that each of the major health care stakeholders—employers, individuals, and the government—is financially contributing to health coverage in the same proportion they were before reform.

**RESOURCES**

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- Community Catalyst, **Massachusetts Health Reform: What's the Real Story?** August 2008 [http://communitycatalyst.org/doc\\_store/publications/mass\\_health\\_reform\\_august\\_2008.pdf](http://communitycatalyst.org/doc_store/publications/mass_health_reform_august_2008.pdf)
- Massachusetts Division of Health Care Finance and Policy
  - **Estimates from the 2008 Massachusetts Health Insurance Survey**, updated March 2009 [http://www.mass.gov/Eeohhs2/docs/dhcfp/r/survey/08his\\_coverage\\_rev.ppt](http://www.mass.gov/Eeohhs2/docs/dhcfp/r/survey/08his_coverage_rev.ppt)
  - **Health Care in Massachusetts: Key Indicators**, May 2009 [http://www.mass.gov/Eeohhs2/docs/dhcfp/r/pubs/09/Key\\_Indicators\\_May\\_09.pdf](http://www.mass.gov/Eeohhs2/docs/dhcfp/r/pubs/09/Key_Indicators_May_09.pdf)
- Sharon Long, The Urban Institute, **The Impact of Health Reform on Underinsurance in Massachusetts: Do the Insured Have Adequate Protection?** October 2008 [http://www.urban.org/UploadedPDF/411771\\_mass\\_underinsurance.pdf](http://www.urban.org/UploadedPDF/411771_mass_underinsurance.pdf)
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- Robert Blendon et al, **Massachusetts Health Reform: A Public Perspective From Debate Through Implementation**, October 2008 <http://content.healthaffairs.org/cgi/content/abstract/27/6/w556?maxtoshow=&HITS=10&hits=10&RESULTFORMAT=&author1=blendon&andorexactfulltext=and&searchid=1&FIRSTINDEX=0&resourcectype=HWCIT>
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- Massachusetts Medical Society **Physician Workforce Study – 2008** [http://www.massmed.org/AM/Template.cfm?Section=Research\\_Reports\\_and\\_Studies2&TEMPLATE=/CM/ContentDisplay.cfm&CONTENTID=26107](http://www.massmed.org/AM/Template.cfm?Section=Research_Reports_and_Studies2&TEMPLATE=/CM/ContentDisplay.cfm&CONTENTID=26107)
- Robert Seifert and Paul Swoboda, **Shared Responsibility—Government, Business and Individuals: Who Pays What for Health Reform?** March 2009 [http://www.bcsmfoundation.org/foundationroot/en\\_US/documents/090406SharedResponsibilityFINAL.pdf](http://www.bcsmfoundation.org/foundationroot/en_US/documents/090406SharedResponsibilityFINAL.pdf)
- Massachusetts Taxpayers Foundation, **Massachusetts Health Reform: The Myth of Uncontrolled Costs**, May 2009 [http://masstaxpayers.org/publications/health\\_care/20090501/massachusetts\\_health\\_reform\\_the\\_myth\\_uncontrollable\\_costs](http://masstaxpayers.org/publications/health_care/20090501/massachusetts_health_reform_the_myth_uncontrollable_costs)

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