



Massachusetts Health Reform and the Emerging National Health Reform Opportunity

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Health Care For All: Who We Are

- Just Massachusetts
- We Run Coalitions to Improve Health Policy
 - Affordable Care Today (ACT!!)
 - Children's Health Access Coalition (CHAC)
 - Racial & Ethnic Health Disparities Action Network (DAN)
 - Oral Health Advocacy Task Force
 - Consumer Health Quality Council
 - e-Health Consumer Council
- We Run Programs to Help Consumers
 - Consumer Helpline (telephone/email), Outreach & Enrollment, Health Law Advocates
- We Communicate to Inform Everyone
 - www.hcfa.org, email updates, Healthy Blog



Brief History of MA Health Reform

- Eight Key Statutes: 1985 to 2006
 - Three major ones – 1988, 1996, 2006
 - Continuous Policy Improvement
 - Medicaid/MassHealth Expansions
 - Uncompensated Care Pool (now Health Safety Net Trust Fund)
 - Small Group Reform/Nongroup Reform
 - Patient Bill of Rights
 - 1988: Universal Health Care Law
 - \$1680 Pay or Play Employer Mandate
 - Delayed three times/Repealed 1996
 - CommonHealth, Student Insurance Mandate, Medical Security Plan, Healthy Start
 - 1996: Chapter 203/MassHealth Waiver
 - Medicaid->MassHealth; Enrollee growth from 670,000 ('95) to 1,020,000 ('01)
 - Uninsurance Drop: 680,000 to 365,000
 - Coverage for all children – CMSP
 - Senior Pharmacy Program
 - Both reform waves inspired national action
 - 1988 Leads to state-based innovations
 - 1996 Leads to Creation of SCHIP



Chapter 58 – Insurance Connector and Commonwealth Care

- Health Insurance Connector Authority – 10 member board
 - Commonwealth Care (subsidized <300%fpl)
 - Subsidized coverage for uninsured 300% of poverty
 - No premium <150%fpl; sliding scale 150-300% fpl
 - Commonwealth Choice (non-subsidized >300%fpl)
 - Private plans for uninsured >300% fpl and small employers
 - Define “affordability” for individual mandate and “minimum creditable coverage”
- Implementation Update
 - 132,000+ enrolled in CommCare by 11/1/07
 - 10,000+ enrolled CommChoice plans by 10/1/07
 - Affordability and “MCC” standards set
 - Connector website allows “apples to apples” comparisons



Chapter 58 – MassHealth Expansions and Restorations

- **MassHealth:**

- Kids' coverage from 200 to 300% fpl (\$60K family of 4)
- MassHealth enrollment caps lifted
 - Essential, CommonHealth, HIV
- Optional Benefits Restored: dental, dentures, eyeglasses +
- New smoking cessation and wellness benefits
- \$3M outreach/enrollment grants
- \$270M (\$90 per year) rate hikes to hospitals and physicians
 - Tied to Pay for Perf./Racial Ethnic Disparities benchmarks

- **Implementation Update:**

- MassHealth enrollment up 55K+ as of 10/1/07



<http://www.MAhealthconnector.org>

- **Welcome to the Health Connector!**
- **Learn. Compare. Select a health plan.**
- Big changes are happening in Massachusetts health care. Most adults must now carry health insurance. We give you the tools and the [facts](#) you need to [find the right health plan](#).
- We work to bring you health benefits at better prices. There are choices here for everyone. And if you qualify for a plan at no or low cost, we'll let you know.
- Health insurance is an important decision. We are here to help.
- Your **Connection** to Good Health
- **To avoid a tax penalty, enroll in a health plan by November 15th.**



Chapter 58– Individual & Employer Responsibility

- Individual Mandate
 - Beginning 7/1/07, all 18+ must obtain health insurance
 - Penalties if “affordable” coverage available
 - 2007: loss of personal tax exemption if no coverage 12/31/07
 - 2008+: tax penalty= up to ½ cost of affordable plan per month
- Employer Mandate
 - “Fair Share” Employer Contribution
 - Non-offering employers (11+ workers) must pay \$295 per worker
 - Employers 11+ must create Section 125 “cafeteria plans”
 - “Free Rider Surcharge”
 - Non-offering Employers (11+ workers) with frequent Uncompensated Care Pool users may be charged up to 55% of costs over \$50K
 - No charge on non-offering firms with 125 plans
- Implementation Update
 - IM rules set; enforcement getting underway
 - EM requirements in effect; collection-enforcement



Chapter 58– Insurance Market and Other Reforms

- Small/Nongroup Insurance Market Reforms
 - Individual market merged with small group market on 7/1/07
 - Young adults (19-25) can stay on parents’ plans for 2 years
 - Reduced-benefit plans for 19-26
- Other Reforms
 - \$20M Public Health/Prevention Restorations
 - Diabetes, cancer, infection control, more
 - Quality and Cost Council
 - Sets cost and quality benchmarks; Produces website
 - Racial/Ethnic Health Disparities
 - Computerized Prescription Order Entry – \$5 million
- Implementation Update
 - Market merger in effect – dramatic individual savings
 - Quality/Cost Council in operation
 - Disparities Council formation in process



How Did It Happen? Key Players

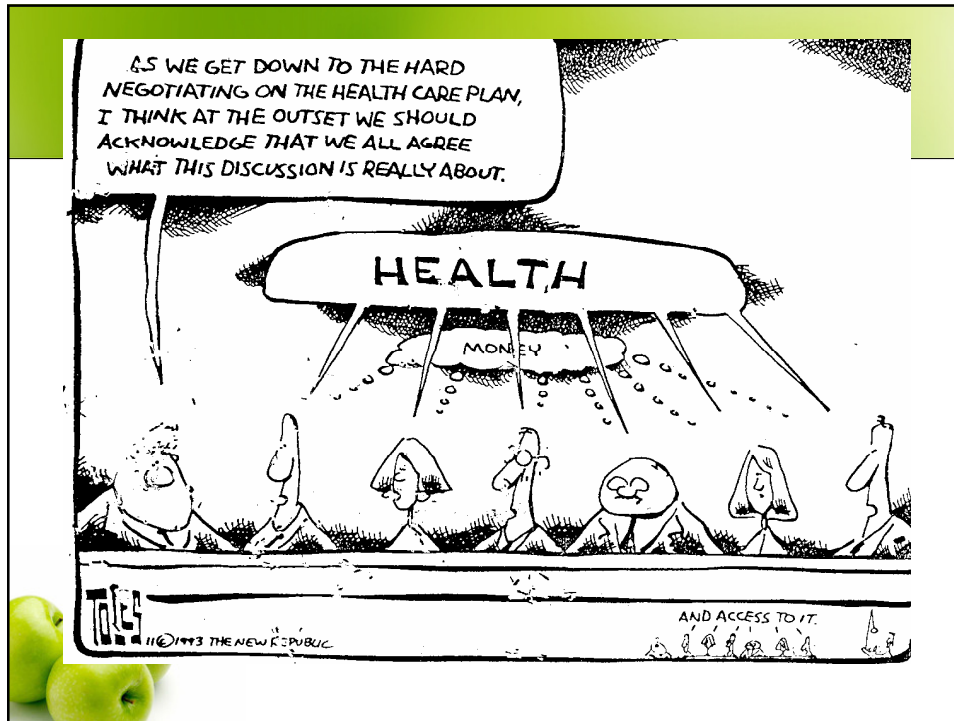
- Blue Cross Blue Shield Access Foundation
 - Roadmap to Coverage Initiative/Urban Institute
- Gov. Mitt Romney
- Advocacy Community
 - Patients/Consumers, Providers, Labor, Business Leaders
 - Affordable Care Today Coalition (ACT!) – legislative coalition
 - Ballot Initiative Committee (MassACT!) – 120,000 citizen sigs
- Sen. Pres. Robert Travaglini + Senate
- House Speaker Sal DiMasi + House
- Federal Government – 1115 Medicaid Waiver
 - \$385M supplemental payments at risk
 - Breaking the “Altman Rule” – Status Quo was not an option
- Business Groups



Coverage Advances to Date: 11/1/07

- New Public Program Enrollment:
 - 55,000 – MassHealth
 - 132,000 – Commonwealth Care
 - 10,000 – Commonwealth Choice
- Unknowns:
 - 30,000+ – CommChoice Look-alikes
 - ?????? – Workers accepting employer coverage offers
 - Including Section 125 Plan enrollees





Major Challenges Ahead

- Paying for Health Reform Long-term
 - Renegotiation of CommCare contracts
 - Renegotiation of Federal 1115 Waiver
 - Continuing medical/premium inflation
 - Higher number of uninsured
- Implementing the Individual Mandate
 - Political response to penalties
- Addressing Employer Responses
 - Substitution/Crowd-out



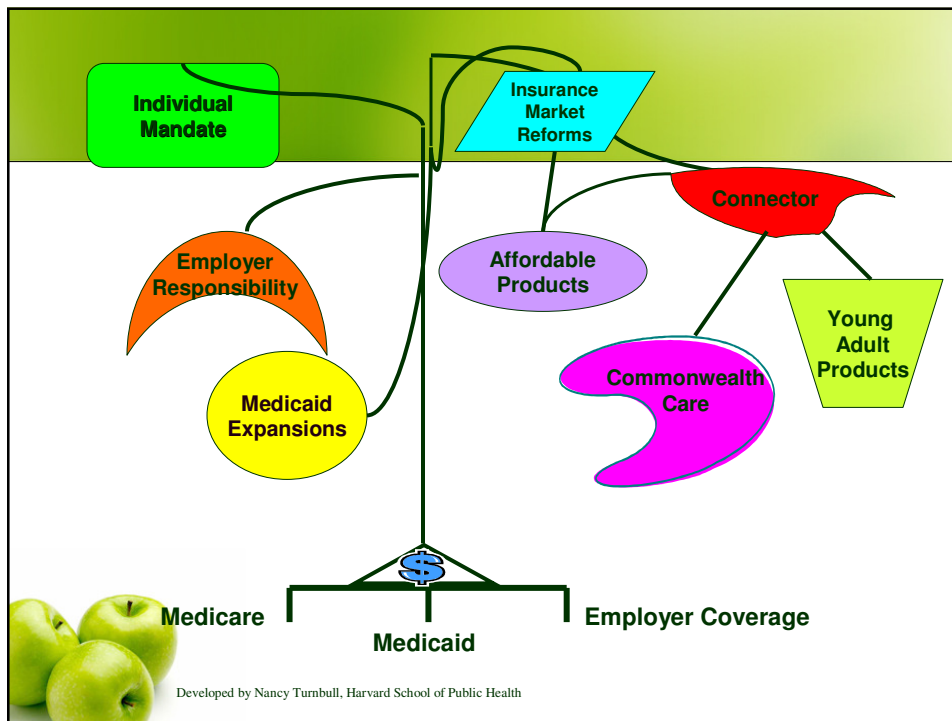
Is Chapter 58 a National Model...?

- Reasons why not...

- Different makeup of uninsured population
 - Lower proportion of uninsured
 - Lower proportion of lower-income uninsured
- Highly regulated insurance market
 - Guaranteed issue, prohibition on medical underwriting, modified community rating
 - Essential for individual responsibility
- Robust Safety Net/Deep Federal Financing

- Reasons why...

- Individual/Employer/Government responsibility resonates
- Confronting the affordability challenge
- Confronting the "voluntary" myth
- MA plan less a policy blueprint – More a political one



The New Health Reform Window of Opportunity

- State Policy Action – 2007-08
 - New, invigorated conversation
 - Expansions/Reforms in 06-07 in 40+ states
 - Comprehensive Discussions in 12 states
- Congressional Action – 2007
 - SCHIP expiration
 - Reauthorize or 5-6M kids lose coverage
- 2008 Presidential Campaign – 2007-08
 - Changed dynamic for Democrats
 - Clinton/Edwards/Obama all resemble key part of MA
 - Changed dynamic for Republicans
 - No candidate can ignore reform – still little primary juice

If it comes together...

- The real action starts in DC in 1/09

