



2004
and
2007



2003 and
2004



2008

Health Reform in Massachusetts

**Progress So Far, Challenges Ahead,
and Some Lessons for Kansas**

Nancy Turnbull, Harvard School of Public Health

	KS	MA
Population	2.7 m	6.3 m
Median income	\$47k	\$58 k
% population below 100% FPL	15%	16%
below 200% FPL	33%	31%
% of population Black/Latino/"other"	19%	20%
% uninsured (<age 65)	14%	9%
% population with		
--Employer-sponsored coverage	63%	68%
--Medicaid	13%	17%
% of pvt. sector firms offering HI	53%	66%
% of firms <50	40%	56%
Annual avg premium ESI-individual	\$3,833	\$4,448
Health care spending per capita	\$5,382	\$6,683
% population in non-metro areas	36%	3%

Source: www.statehealthfacts.org Accessed October 23, 2008

2

April 2006

Chapter 58
is signed!



3

Approaches to Get to “Near Universal” Coverage

- Subsidize insurance for low and moderate income
 - Medicaid expansions
 - *Commonwealth Care* (for people up to 300% FPL)
- Reform the non-group/individual market
 - Merger of individual and small group markets
 - Health Insurance “Connector”
 - Young Adult Products
- Require individuals age 18+ to have health insurance
- Require employers w/ 11+ FTE-employees to
 - Make a “Fair Share” contribution
 - Offer a pre-tax, payroll deduction plan

4

Subsidized Insurance: Commonwealth Care



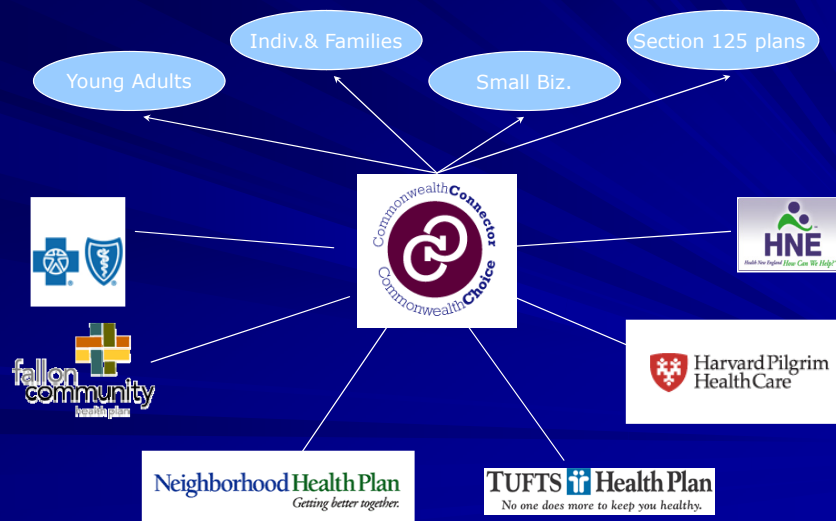
Monthly Premium Schedule

FPL	Individual	Couple	Couple with children
<151%	\$0	\$0	\$0
150.1 - 200%	\$39	\$78	\$78
200.1 - 250%	\$77	\$154	\$154
250.1 - 300%	\$116	\$232	\$232

300% FPL ~ \$31,000 for individual;
\$62,000 for family of three

5

The Connector in Massachusetts: The “Travelocity” of Health Insurance



6

One Stop Shopping at www.mahealthconnector.org



7

Individual Mandate

- Applies to all MA adult residents as of July 1, 2007
 - As long as “affordable” coverage is available
- Minimum acceptable benefit package (“Minimum Creditable Coverage”) set by Connector
- Standard of affordability set by the Connector
- Enforced through state tax system

8

Minimum Creditable Coverage in Massachusetts

■ **Benefits**

- “Broad range of medical services”
 - preventive and primary care (at least 3 visits prior to deductible)
 - emergency services, hospitalization benefits, ambulatory patient services, mental health services, prescription drug coverage

■ **Cost-sharing**

- Deductible capped at \$2,000 for individual coverage and \$4,000 for family coverage
- Separate drug deductible may not exceed \$250/\$500
- Maximum out-of-pocket spending capped at \$5,000/\$10,000

■ MCC will be phased in until 2010

9

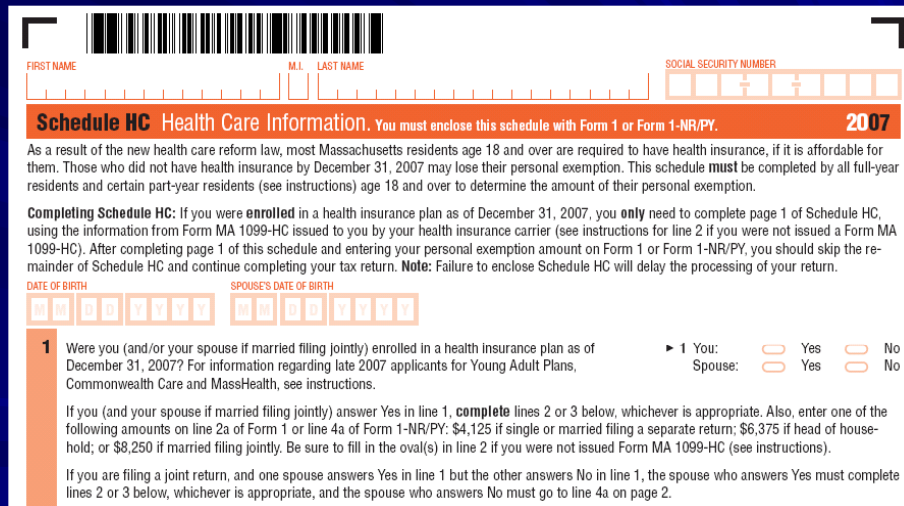
Individual Mandate: The 2008 Affordability Schedule

SINGLES	
Annual Income	Monthly Premium
\$0 - \$15,612	\$0
\$15,613 - \$20,808	\$39
\$20,809 - \$26,016	\$77
\$26,017 - \$31,212	\$116
\$31,213 - \$37,500	\$165
\$37,501 - \$42,500	\$220
\$42,501 - \$52,500	\$330
Over \$52,500	Affordable

↑
**COMM
CARE**

10

Individual Mandate: The Tax Form



Schedule HC Health Care Information. You must enclose this schedule with Form 1 or Form 1-NR/PY. 2007

As a result of the new health care reform law, most Massachusetts residents age 18 and over are required to have health insurance, if it is affordable for them. Those who did not have health insurance by December 31, 2007 may lose their personal exemption. This schedule **must** be completed by all full-year residents and certain part-year residents (see instructions) age 18 and over to determine the amount of their personal exemption.

Completing Schedule HC: If you were **enrolled** in a health insurance plan as of December 31, 2007, you **only** need to complete page 1 of Schedule HC, using the information from Form MA 1099-HC issued to you by your health insurance carrier (see instructions for line 2 if you were not issued a Form MA 1099-HC). After completing page 1 of this schedule and entering your personal exemption amount on Form 1 or Form 1-NR/PY, you should skip the remainder of Schedule HC and continue completing your tax return. **Note:** Failure to enclose Schedule HC will delay the processing of your return.

1 Were you (and/or your spouse if married filing jointly) enrolled in a health insurance plan as of December 31, 2007? For information regarding late 2007 applicants for Young Adult Plans, Commonwealth Care and MassHealth, see instructions.

► 1 You: ☐ Yes ☐ No
Spouse: ☐ Yes ☐ No

If you (and your spouse if married filing jointly) answer Yes in line 1, **complete** lines 2 or 3 below, whichever is appropriate. Also, enter one of the following amounts on line 2a of Form 1 or line 4a of Form 1-NR/PY: \$4,125 if single or married filing a separate return; \$6,375 if head of household; or \$8,250 if married filing jointly. Be sure to fill in the oval(s) in line 2 if you were not issued Form MA 1099-HC (see instructions).

If you are filing a joint return, and one spouse answers Yes in line 1 but the other answers No in line 1, the spouse who answers Yes must complete lines 2 or 3 below, whichever is appropriate, and the spouse who answers No must go to line 4a on page 2.

11

Individual Mandate: The Tax Penalties

■ Tax year 2007: \$219 penalty

■ Tax year 2008

– <150% FPL	No penalty
– 150-200%	\$210
– 201-250%	\$420
– 251-300%	\$630
– >300% FPL	
■ Age 18-26	\$672
■ Age 27+	\$912

12

Outreach and Messaging Campaigns



Good thing he's got health insurance.

Having health insurance is required in Massachusetts—and now there are increasing penalties if you don't. The state's Health Connector website is the easiest place to compare the widest range of affordable plans that well-known insurance companies offer. Visit our site, choose the plan you like best, and get covered—medically and financially. Do it today, because if it's not "you" it happens.

What it could cost you if you don't have health insurance:
Broken arm — \$2,070
Broken leg — \$11,277
Appendectomy — \$14,565
Tax penalties: up to \$912 this year

1-877-MA-ENROLL
MAhealthconnector.org




Good thing he's got health insurance.

Avoid tax penalties: up to \$912 this year.
Sign up today.



1-877-MA-ENROLL **MAhealthconnector.org**

13

Even the ultimate endorsement



PRESS RELEASE

05/22/2007 11:29 AM ET

Connector teams up with Red Sox to build enrollment in new health insurance plans

Other corporate/civic partnerships announced as part of public education campaign

14

Employer Responsibilities

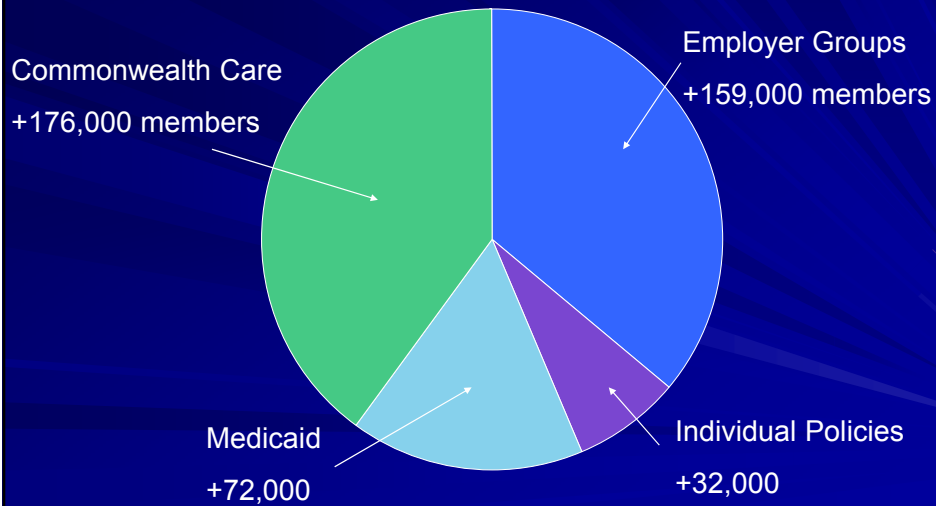
- Fair Share Contribution
 - Make “fair and reasonable” contribution to health insurance or pay assessment (no more than \$295 per employee per year)
 - Employee take-up rate of 25% or more
 - Offer to pay 33% toward cost of individual coverage
- “Either” for small employers
- “And” for large employers
- Safe harbor for employers with 75% take-up rate

15

How Is It Going?



439,000 Newly Insured (of ~600,000 uninsured before reform)

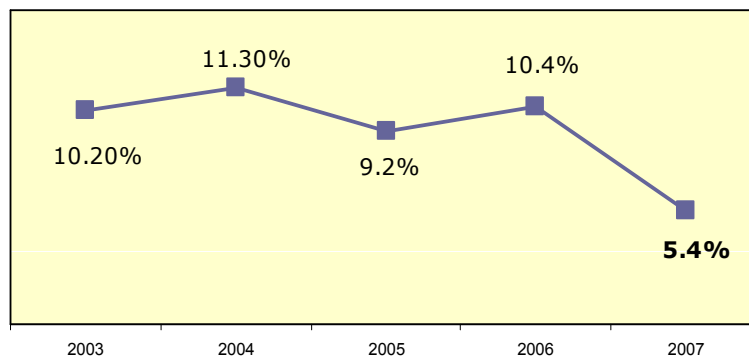


Source: Division of Health Care Finance and Policy

17

Lowest Rate of Uninsurance in the Country

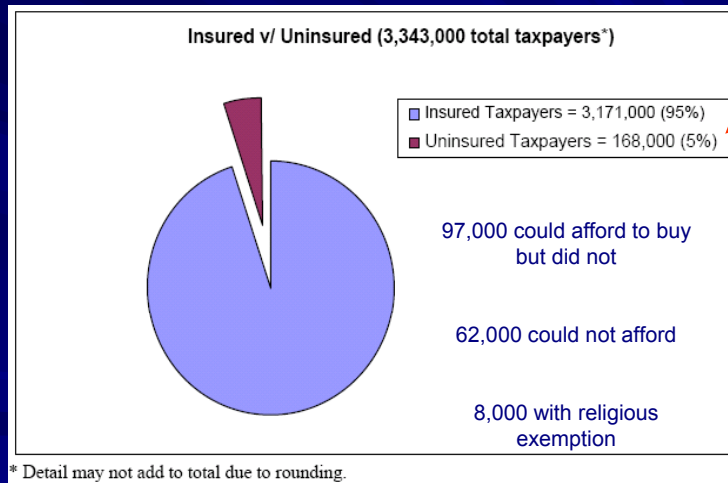
Massachusetts: Uninsured as % of Population



Source: Current Population Survey, 2003-2008, US Census Bureau

18

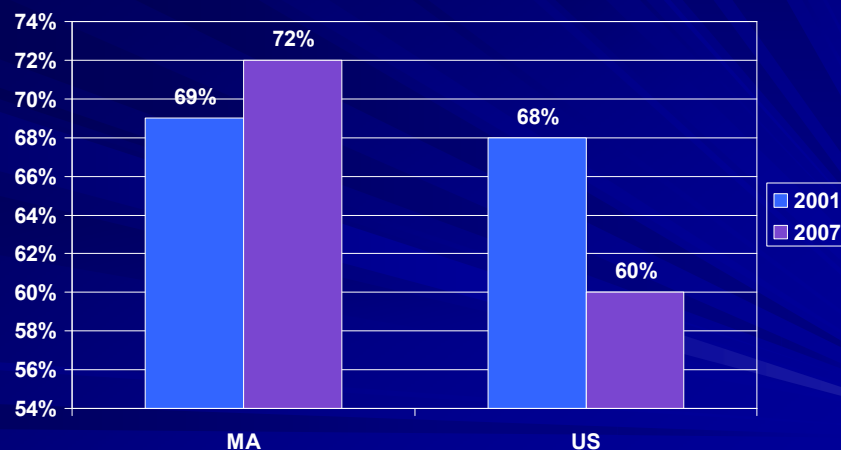
Confirmed by Massachusetts state income tax returns for 2007...



Source: Mass Department of Revenue, June 2008

19

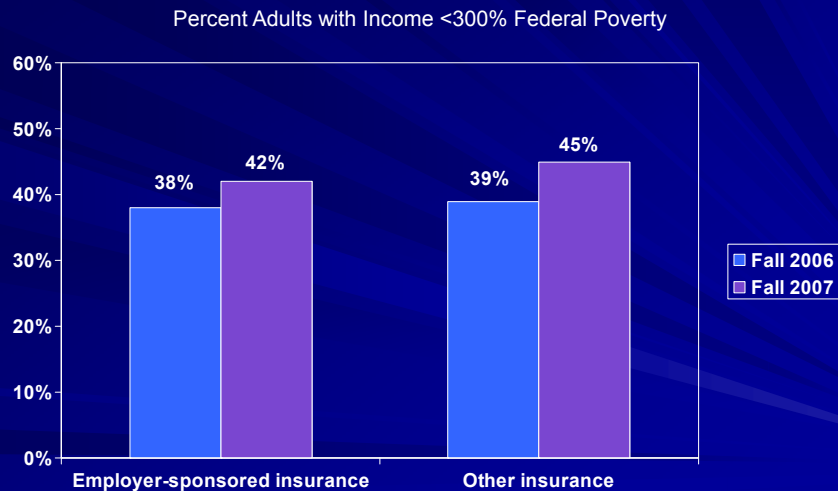
No Evidence of Decline in Proportion of Employers Offering Health Insurance



Sources: DHCFF and KFF annual survey

20

No evidence of crowd-out of employer insurance for low-income adults



Source: Urban Institute, June 2008

21

Early indications of improvements in Access and Costs

(Urban Institute survey comparing Fall 2006 and 2007)

- Uninsurance among working-age adults reduced by almost half
 - Greatest gains among males, young adults, people of color
- Access to care has improved
 - More likely to have usual source of care
 - More likely to have health care visits
 - Less likely to have unmet need for care
- Health care is more affordable
 - Out-of-pocket health care costs are down
 - Problems paying medical bills and medical debt are down
- Underinsurance has declined
 - Greatest among lower income adults and those with health problems

22

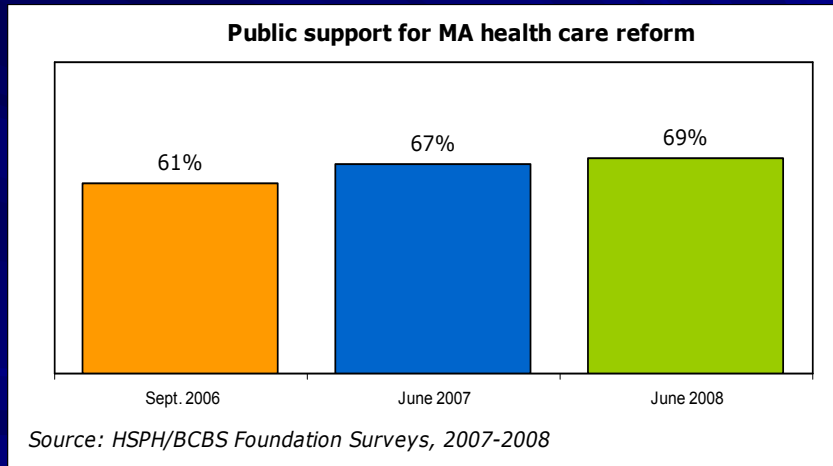
Urban Institute's Conclusions

- “These findings ... suggest that health reform in Massachusetts is both providing new coverage for many of those who were previously uninsured and improving the quality of coverage for those with insurance coverage in the state. At the end of roughly one year under health reform, not only has health reform increased health insurance coverage in Massachusetts, but it has also increased the level of protection that is afforded by the health insurance that is available.”
- “Do the Insured Have Adequate Protection” and “Who Gained the Most Under Massachusetts Health Reform?” Sharon Long, Urban Institute, October 2008

23



Public support has stayed strong



25

What's Ahead?



26

Challenges

- State budget
- Keeping employer coverage strong (in a recession)
- Ensuring access for the newly insured
 - But not in emergency departments
- Getting coverage for those left out
- Sustaining public support
- And.....

27

The Major Challenge Ahead



28

Ten Lessons from Massachusetts

1. The past is prologue
2. Don't let health care reform become a "holy war"
3. Feds must be partners
4. Leadership is critical
5. Reform is a journey not a destination
6. Don't decide all details in the law
7. Individual mandate is more important than many thought...including me!
8. ERISA is a constant pain in the neck
9. Timing is everything
10. States can lead but cannot solve the problem

29