

# Congress can learn from Mass., Tenn. health plans

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(AP) -- Laid off from her job in Massachusetts, Danielle Marks thought immediately about losing her health insurance. How could she afford the medication and physical therapy she needed to heal after shoulder surgery?

Valerie Nash, laid off in Tennessee, thought about her diabetes. Could she stock up enough test strips and [insulin](#) before her coverage expired?

The two women, both briefly uninsured, got covered again thanks to their home states' 3-year-old experiments in expanding [health insurance](#) coverage. And while both are mostly pleased with the coverage and low cost of their new state-backed plans, their futures hold plenty of doubt.

Congressional lawmakers can look north to Massachusetts and south to Tennessee for guidance as they craft a national plan to restrain costs and cover the nation's estimated 50 million uninsured.

In Massachusetts, nearly every resident has health insurance, but doctors are turning away new patients, costs to the state are climbing and thousands have paid tax penalties for being uninsured. In Tennessee, that state's much smaller program hasn't cramped the budget, but few people are buying the new insurance even though premiums are as cheap as a monthly cell phone bill.

"The belief that we should all have [health insurance coverage](#) is broadly held," said Alan Weil of the nonpartisan National Academy for State

Health Policy. "But there are tremendous differences around the country in beliefs on how to achieve that goal."

A Massachusetts-style requirement for individuals to obtain health insurance is likely to emerge as part of the health overhaul taking shape in Congress, although details remain unsettled. A variation of Tennessee's practice of charging higher premiums to [smokers](#) and those who are overweight also may emerge; some in Congress are discussing a lifestyle tax on alcohol and sugar-sweetened drinks to help finance the national plan.

In Plymouth, Mass., Marks and her husband, Tad, now pay just \$78 a month for state-subsidized insurance that covers doctor visits, prescriptions and hospital stays. Because she's pregnant, Marks, who worked as an administrative assistant until her layoff, pays nothing for her checkups, medicine and vitamins.

But pared-down benefits may lie ahead in Massachusetts because throngs of the newly insured swelled costs of Commonwealth Care to \$628 million last year.

And the demand for care is outstripping the number of doctors. One in five Massachusetts adults said a doctor's office or clinic told them they weren't taking new patients with their type of insurance, or they weren't accepting new patients at all, according to a new study published Thursday in the journal *Health Affairs*.

Massachusetts chose to cover virtually everyone. It set high standards for minimum health insurance and decided to deal with costs later. Soon a state commission expects to call for fundamental changes in the way doctors and hospitals are paid, a plan that amounts to putting them on a financial diet.

"Once you start down the moral path to universal coverage, you inevitably confront costs," said Jon Kingsdale, who directs the board that oversees the state's plan. He and others said Congress can learn the Massachusetts way: coverage first, then cost control.

"If you get everybody covered first, it's easier to deal with costs," Kingsdale said. "If you're going to hold the uninsured hostage to containing costs, you have more than doubled the height to get up this hill."

Tennessee, on the other hand, chose to get just a few more people bare-bones insurance at a budget price with limits on how much plans would pay for hospital stays.

In Chattanooga, Tenn., Nash, who had worked at a car dealership, and her husband, Larry, now pay \$193 a month for their state-subsidized coverage, called CoverTN. Their doctor visits and generic drugs are covered, but the plan pays only \$10,000 a year on hospital bills. A serious medical crisis could bankrupt them.

"My husband and I barely squeak by as it is now," Valerie Nash said. "It would be a devastating blow."

Compared to Massachusetts, Tennessee is similar in population size, but has more uninsured adults of working age and higher rates of diabetes, childhood obesity, low birth weight and smoking.

What set the stage for Tennessee's go-slow approach was the state's history with expanding health insurance during the 1990s, said Gov. Phil Bredesen.

A state program built around Medicaid, called TennCare, "got totally out of control. It was growing at 15 percent a year. Tennessee had the most

expensive Medicaid program in the country," Bredeesen said. "Our experience with trying to do universal coverage ended up being a disaster."

When Bredeesen took office in 2003, he inherited soaring state health care spending. In 2005, he cut 170,000 adults from TennCare. He reduced benefits for thousands more.

His new initiative, CoverTN, takes "baby steps" toward covering more people. It targets workers at small businesses, the self-employed and the recently unemployed. The cost of monthly premiums is shared by the state, the individual and employers. No one is forced to participate.

Bredeesen said the plan design reflects what uninsured Tennesseans want - primary care, not catastrophic care - in a trimmed-down package. Only eight people have exceeded the annual maximum for inpatient hospital costs since the program began.

"This is not the insurance for someone who's going to get into a motorcycle accident," Bredeesen said.

The program costs less than anticipated and a fraction of Massachusetts' cost - \$10.9 million last year, in part because only about 19,000 have signed up so far.

"I've dreamed about 100,000," Bredeesen said. "I'm always amazed, however, when you actually charge someone for health insurance, how many fewer people are willing to sign up for it, than are willing to demand affordable health care."

Mostly it's the "young invincibles" who are staying away. Those are young adults who "don't feel like they're going to get sick," said Laurie Lee, who directs CoverTN and other state health benefits programs.

"We've been surprised by that," she said. Older people with chronic conditions are signing up.

Massachusetts officials boast of adding 432,000 to the insured population; 187,000 of those got insurance through their employers or individual purchase. A state survey last year found fewer than 4 percent of working age adults remained uninsured.

Tennessee's uninsured rate for working-age adults probably is not much lower than it was before CoverTN, roughly 20 percent. New census data on the uninsured comes out later this year.

"We learn from Massachusetts that a bold objective matters. If it can be sustained, that's terrific," said Weil, who's lived in both states and said the plans reflect the states' different political cultures. "It would be nice if you had a southern state that had achieved universal coverage and did it in a different way, but we don't have that."

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