

# From Mass.: Health care reform 'dos and don'ts'

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(AP) -- Three years into its experiment with near-universal health care, Massachusetts has some "dos and don'ts" for the nation as it grapples with the best way to cover tens of millions of uninsured Americans.

Do require that virtually everyone have [health insurance](#), the overriding goal in Massachusetts. Don't ignore rising costs, the single greatest threat to the law's long-term affordability.

Those who designed and implemented the nation's most ambitious [health care](#) overhaul make those suggestions and more: get employers to help pay for the plan, ask taxpayers to subsidize insurance for the poor, and embrace some new regulation.

The landmark 2006 law requires every Massachusetts resident who can afford health insurance obtain it, either through their employer, a private plan, or - for low-income residents - through a new subsidized state program. Those who don't are fined.

The law allowed Kathy Riley, 59, to get a state-subsidized plan for \$51 a month after losing her insurance when she cut back her hours to care for her ailing mother.

"This was absolutely perfect," the Wilmington resident said. "Otherwise I wouldn't have any insurance."

The law has been a success in getting 97 percent of residents in health

plans, compared with 94 percent before it took effect. But costs to the state have been climbing, thousands have paid tax penalties for being uninsured, and some of the newly insured are struggling to find doctors.

"As we look at [health care reform](#) nationally, it's very important to look at what has worked on the ground," Health and Human Services Secretary Kathleen Sebelius said during a recent visit.

A key part of the state plan, and an element federal lawmakers are considering, is the "individual mandate" - the requirement that everyone who can afford health care be insured or face a penalty.

President [Barack Obama](#), who has made universal health care his top domestic priority, said Wednesday he favors an individual mandate as long as it includes a hardship exemption. Massachusetts exempts those who can't find affordable plans.

And like Massachusetts' law, Obama said he hopes his plan will end up covering nearly everyone.

"The overwhelming majority of Americans want health care, but millions of them can't afford it," Obama said. "The basic idea should be that in this country, if you want health care, you should be able to get affordable health care."

The individual mandate has irked some Massachusetts residents who argue they shouldn't be fined for being uninsured. The penalty is now about \$1,000 for those who are uninsured for an entire year.

But backers say the mandate distributes risk over a wider population and ensures everyone has a stake in their care.

"Clearly there are some things here that we think have worked and can

work nationally," said Jon Kingsdale, executive director of the Massachusetts Health Care Connector, which oversees the law. "One is the whole concept of shared responsibility."

That includes asking employers to contribute to their workers' coverage and asking taxpayers to help cover low-income people, he said.

But Massachusetts' plan has been dogged by rising costs.

In its first year, the budget for Commonwealth Care, the subsidized insurance, soared from \$472 million to \$628 million as the uninsured flooded into the program faster than anticipated. After leveling off, enrollment has begun creeping up again as the state's jobless numbers grow.

"We have never really been able to put the program on autopilot," said Connector Authority Board Chairman Leslie Kirwan, adding the state "clearly made the decision to go forward with access before wrestling with cost."

The law is starting to show other signs of strain.

The Connector board has been forced to make some budget cuts and a major Boston hospital has sued, claiming the state illegally reduced the amount it pays the hospital for treating a Medicaid patient to help cover the cost of the health care law.

Michael Tanner, a senior fellow at the Cato Institute, faulted Massachusetts for not addressing costs early on, and said the nation should avoid the same mistake.

"The goal of health care reform at the national level shouldn't be measured in whether we can get a piece of paper in everyone's hand

saying they are insured," he said.

The business-backed Massachusetts Taxpayers Foundation said health care costs are not out of control. In a recent report, the group said the cost of the law has been "relatively modest and well within early projections."

To control costs, Massachusetts is now weighing a change in the system it uses to pay doctors, so they would be rewarded for keeping patients healthy, not performing more tests.

Former Gov. Mitt Romney, who signed the law, said one important lesson was Massachusetts' decision not to create a separate government insurance plan - an option Obama strongly favors to compete with private insurers to reduce costs.

"That's the biggest flaw in President Obama's proposal," said Romney, a former Republican presidential contender who is mulling a 2012 run.

Instead, Massachusetts created a subsidized insurance program for those earning up to three times the federal poverty level. A second, non-subsidized program lets those earning more to choose from an array of lower cost private plans.

Commonwealth Care, the subsidized plan, now covers about 181,000 adults.

Romney also said any national plan should also avoid mandating specific benefits, such as prescription drug or mental health coverage, something Massachusetts does. Romney said insurers should instead be allowed to offer a wider range of benefits in their plans.

Massachusetts's experience also shows the importance of regulating the

insurance market, according to Sen. Edward Kennedy, who said insurers shouldn't be allowed to avoid covering the sick, while competing for the healthy.

A final lesson from Massachusetts was the decision not to nail down every last detail before forging ahead.

"This is a gargantuan task. It cannot all be thought out in one piece of legislation," Kingsdale said. "Three years into it, we're still learning."

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