

After expanding coverage, Mass. looks to cut costs

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(AP) -- Four years after Massachusetts embarked on the nation's most ambitious health care overhaul, Gov. Deval Patrick and legislative leaders are stepping up efforts to rein in spiraling insurance costs.

Those costs are threatening to undermine the 2006 [health care](#) law, which mandated nearly universal health coverage and provided a blueprint for the national health care overhaul pushed by President Obama.

The next big goal, supporters say, is to find a way to slow surging premiums while maintaining or improving the delivery of health care services.

It's a task of mind-boggling complexity requiring cooperation among doctors, hospitals, insurers, regulators, state lawmakers and the administration.

One way to head in that direction, supporters say, is to gradually move away from a system that pays doctors and hospitals for the number and type of tests and procedures they deliver and instead rewards them for maintaining the overall health of their patients.

Getting there may not be easy, given the sometimes competing interests of those involved in the process. Massachusetts already has the highest percentage of insured residents of any state, in large part because of the 2006 law.

"We don't want to break the system we have, but we want to bring the costs down," said Senate President Therese Murray, D-Plymouth, who has championed payment overhaul. "It is complicated. If you move one little piece, something pops up somewhere else."

Murray said lawmakers are keenly aware of not getting in between patients and their doctors. She hopes to file a bill designed in part to rewrite the way health care is paid for in Massachusetts early in the new two-year session that begins in January.

Patrick has also said that slowing the cost of [health insurance](#) is a top health care priority for his second term.

Monthly premiums for individuals in Massachusetts have increased dramatically in the past decade. From 2001 to 2009, the median monthly premium for individual health plans soared by 76 percent, from \$251 to \$442.

Health and Human Services Secretary Judyann Bigby said that while premium increases have eased from the earlier part of the decade, they are still climbing too quickly. She said moving away from the fee-for-service model won't be easy, but it's needed to curb costs.

She concedes that making such sweeping changes is a daunting task that requires the participation of all those involved in the delivery of health care.

"The issue is how quickly can you reform such a big system without having mistakes and unintended consequences," Bigby said.

Slowing the growth of health care premiums is also key for state and town governments struggling to pay for health coverage for police, firefighters and teachers.

A report released this week by the Boston Foundation found that from 2000 to 2007, annual health care premium costs in school budgets soared by \$1 billion, while state aid for schools grew by only \$700 million.

Doctors and insurers are urging caution.

"Whatever the process, it needs to be slow, it needs to be studied," said Dr. Alice Coombs, president of the Massachusetts Medical Society, which represents more than 23,000 doctors and students. "One size does not fit all."

Insurers are also recommending a cautious approach.

Massachusetts Association of Health Plans President Lora Pellegrini said before pushing a "global payment" system that mandates more coordination among a patient's physicians, nurses, hospitals and other care providers, the state needs to even out how much hospitals and doctors can charge.

In the same health care market, costs for similar tests and procedures can vary wildly. The state needs to create a more level playing field, she said.

"Our key goal as a commonwealth needs to be that we are actually going to lower the cost of health care," she said. "I think the jury is still out on the best way to get that."

Some insurers are already moving toward a global payment system.

Just this week, Blue Cross Blue Shield of Massachusetts and doctors at Beth Israel Deaconess Medical Center in Boston signed a "alternative quality contract" designed to lower costs by paying doctors and hospitals for the quality, not the quantity, of the care they provide, including helping patients control their diabetes and lowering their risk of heart

attacks.

Health care activists say lawmakers shouldn't delay too long.

Amy Whitcomb Slemmer, executive director for the Massachusetts advocacy group Health Care for All, said her group has seen a dramatic increase in the number of calls from people struggling to pay health premiums.

The status quo, she said, isn't sustainable.

"In Massachusetts, we have been in the forefront in providing health care for almost everyone," she said. "Now we have the opportunity to address the cost and quality of the care we are receiving."

Some critics of the 2006 law have argued that the soaring costs can be blamed in part on the law itself, which mandates that everyone who can afford insurance must have coverage or face tax penalties.

Glen Shor, executive director of the Commonwealth Health Insurance Connector Authority, which oversees the law, said finding a better way to deliver care will not only improve outcomes for patients but also lower costs.

Rolling back the 2006 law would be exactly the wrong approach, he said.

"The wrong way is to say that people shouldn't have coverage or to shrink coverage to the extent that it isn't real coverage," he said. "It's a moral commitment on the part of the commonwealth that everyone needs access to coverage and care. There's no escape valve."

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