

Health Reform in Massachusetts: Overview and Results

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Key Elements of the “Exchange” in MA

Overall Goal: Reduce Number of Uninsured

- **Health Care Reform:** shared responsibility
- **Connector:** public/private partnership
- **CommChoice:** “Travelocity” for commercial, ***unsubsidized*** health insurance (web site is central to program’s value)
- **CommCare:** hybrid model of ***subsidized*** insurance (borrows elements from Medicaid and commercial insurance world)

History of Health Reform in Massachusetts

Key legislative and regulatory changes

Guaranteed issue and renewal of insurance policies

1988

Insurance rating rules that mitigate impact of age on premiums

1992

No medical underwriting (sick people aren't penalized)

1996

Highly regulated non-group market with severely limited plan design options

2000

Mandate and creation of MA Health Connector

2006

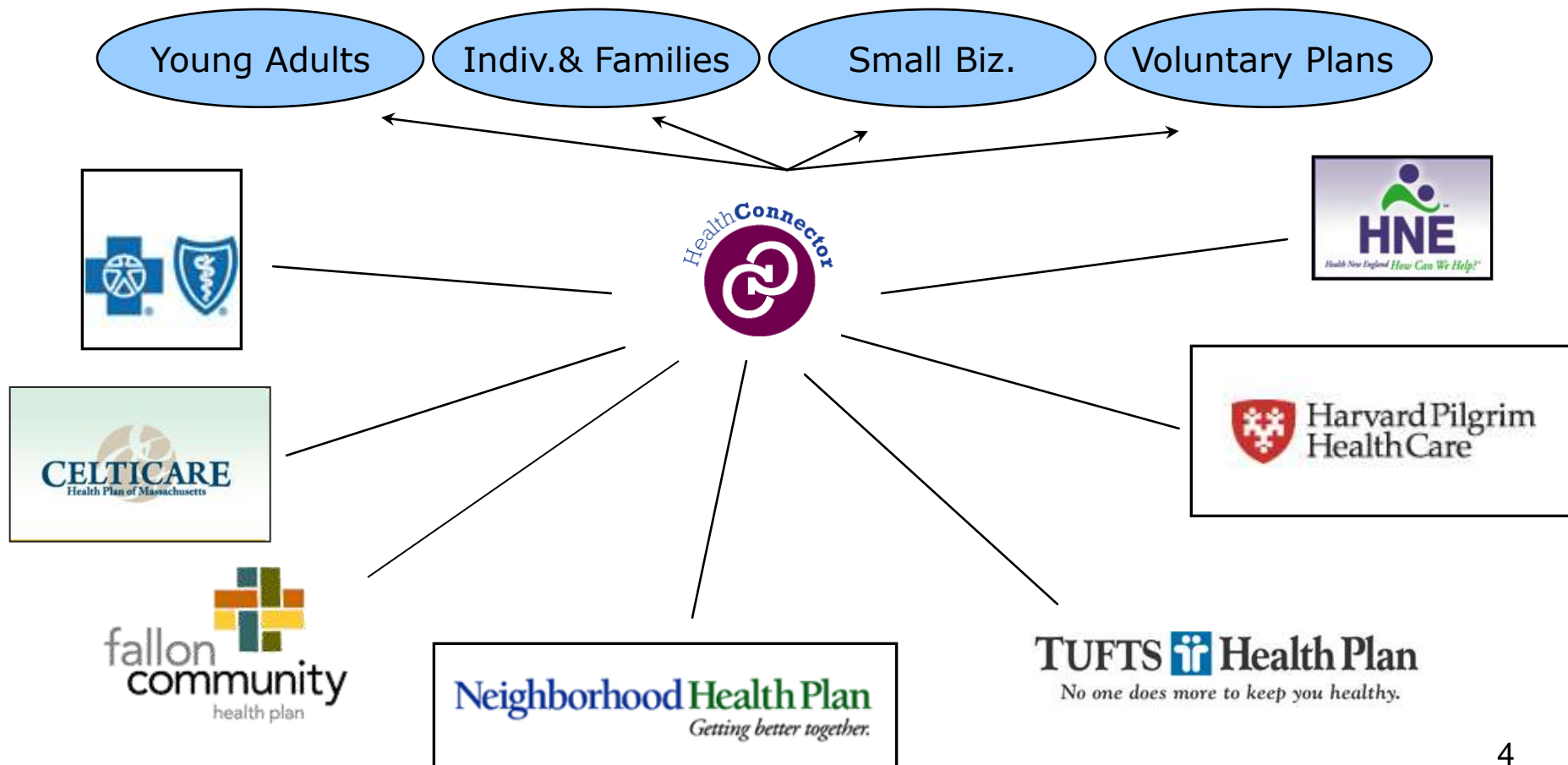
- Governor with presidential ambitions
- Majority support from Legislature
- No broad coalition of support
- Employer requirement perceived as unfair

- Governor with presidential ambitions
- Near-unanimous support from Legislature
- Strong coalition of support – especially from business
- Shared responsibility embraced
- Potential loss of federal funds (\$385 million)

Political context

Exchanges create a marketplace for private insurers to sell directly to consumers

Massachusetts created the Connector, an “exchange” that brings the market together through its Commonwealth Choice program.



CommCare offers subsidized plans to qualified residents

Subsidy varies by income level

Income Percent FPL	Min. mo premium Dollars
0 - 150	0
150 - 200	39
200 - 250	77
250 - 300	116

Consumers choose from up to 5 plans

BOSTON MEDICAL CENTER
HealthNet Plan

NETWORK HEALTH

CELTICARE
Health Plan of Massachusetts

Neighborhood Health Plan

fallon community
health plan

>150,000 members enrolled

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CommChoice offers individuals 4 unsubsidized plan tiers from 7 approved carriers

7 approved carriers



TUFTS Health Plan
No one does more to keep you healthy.



Neighborhood Health Plan
Getting better together.



4 approved benefit tiers



Young adult

- Only 18-26 year-olds
- Lowest monthly costs but higher costs when you receive medical services



Bronze

- Lower monthly costs but higher costs when you receive medical services



Silver

- Higher monthly cost than Bronze but lower costs when you receive medical services

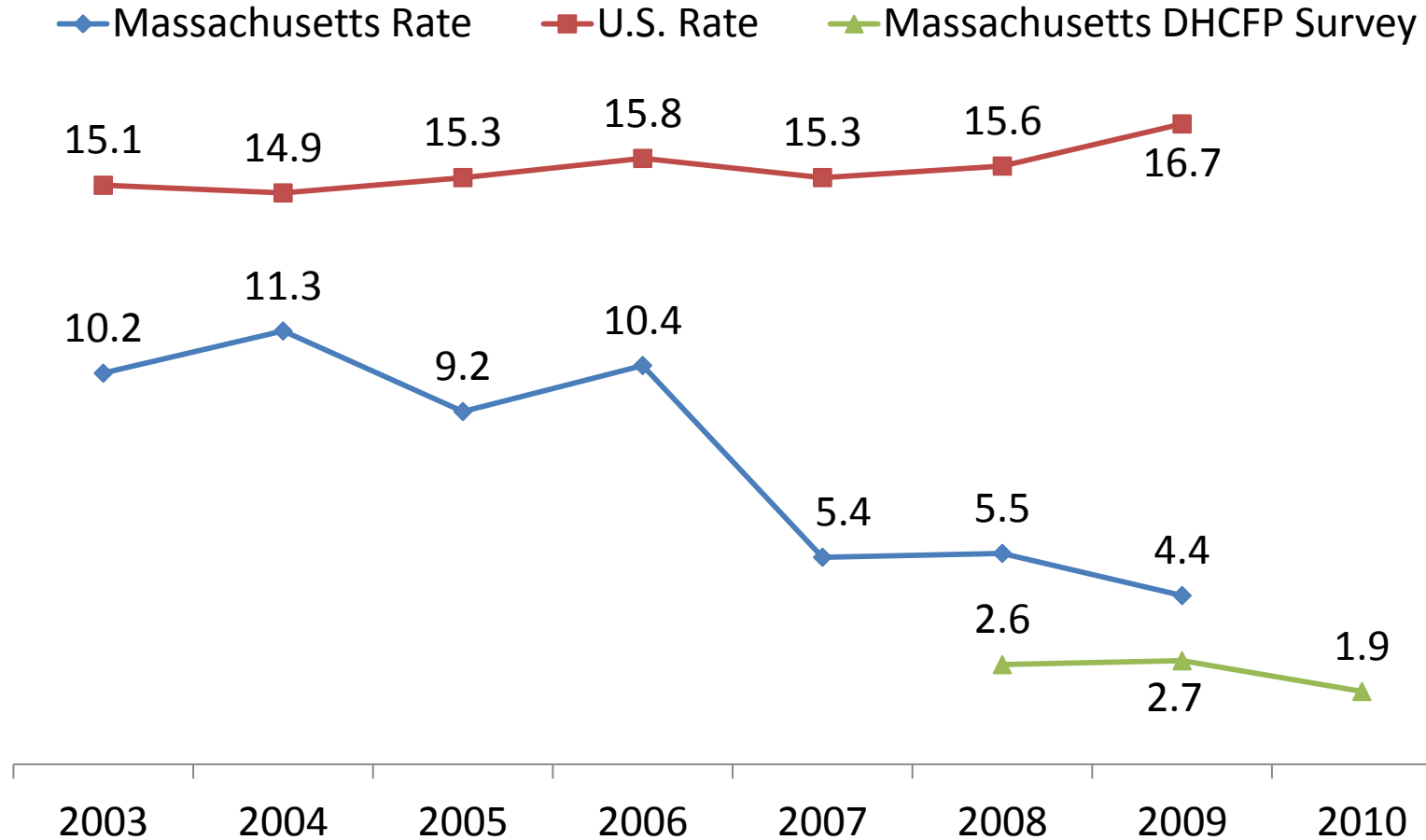


Gold

- Highest monthly cost but lowest costs when you receive medical services

**40,000
members
enrolled**

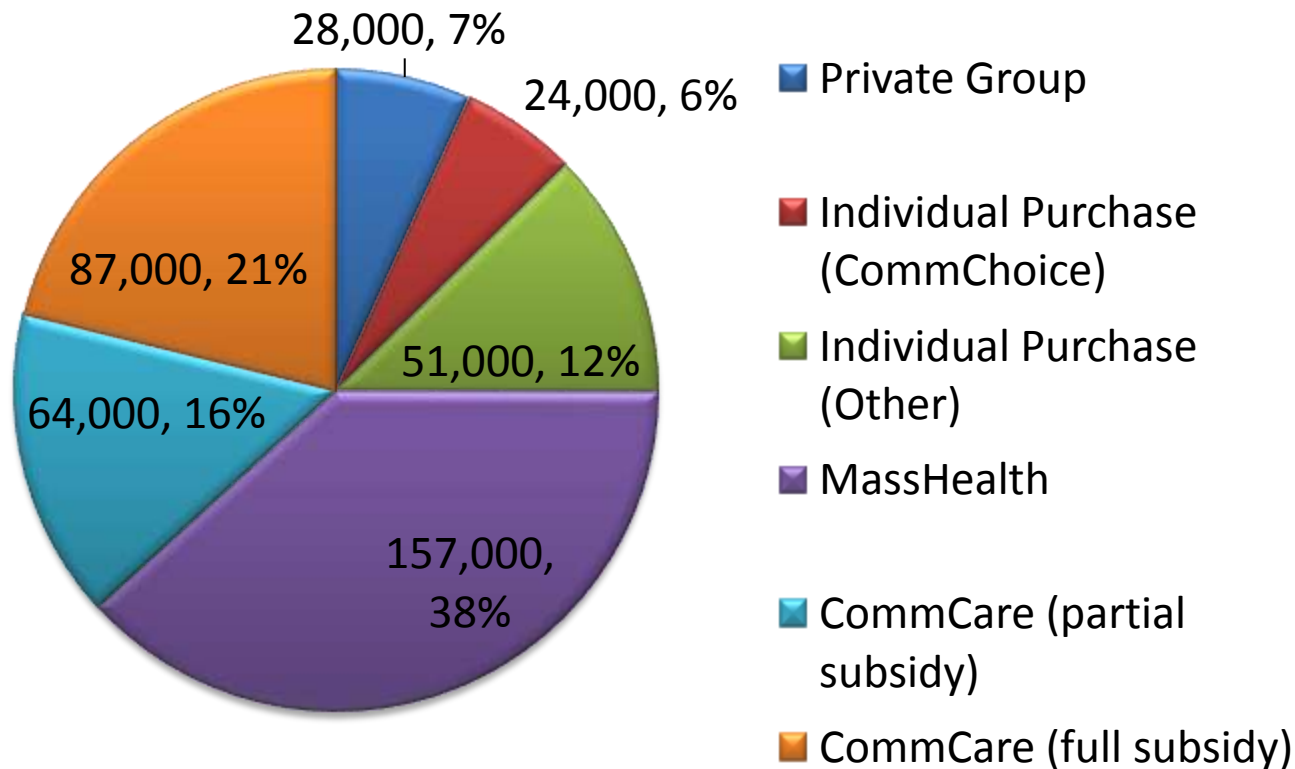
MA has the lowest uninsurance rate in the U.S.!



Source: CPS Survey, 2003-2010, US Census Bureau and Massachusetts Division of Health Care Finance and Policy survey results for 2008-2010

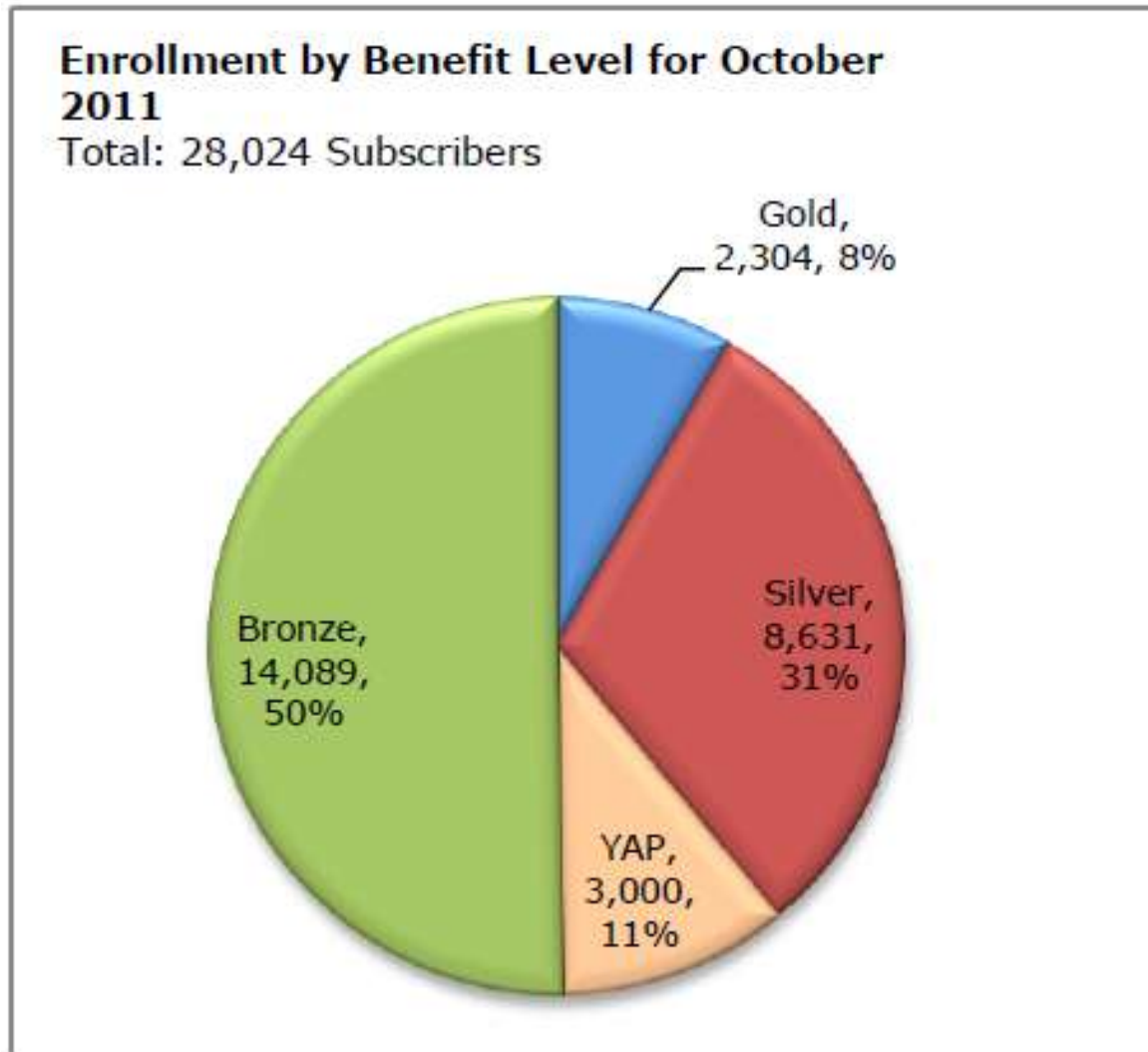
In Massachusetts, over 400,000 people are newly insured

100% = 410,000 Newly Insured
(as of Mar 2010)



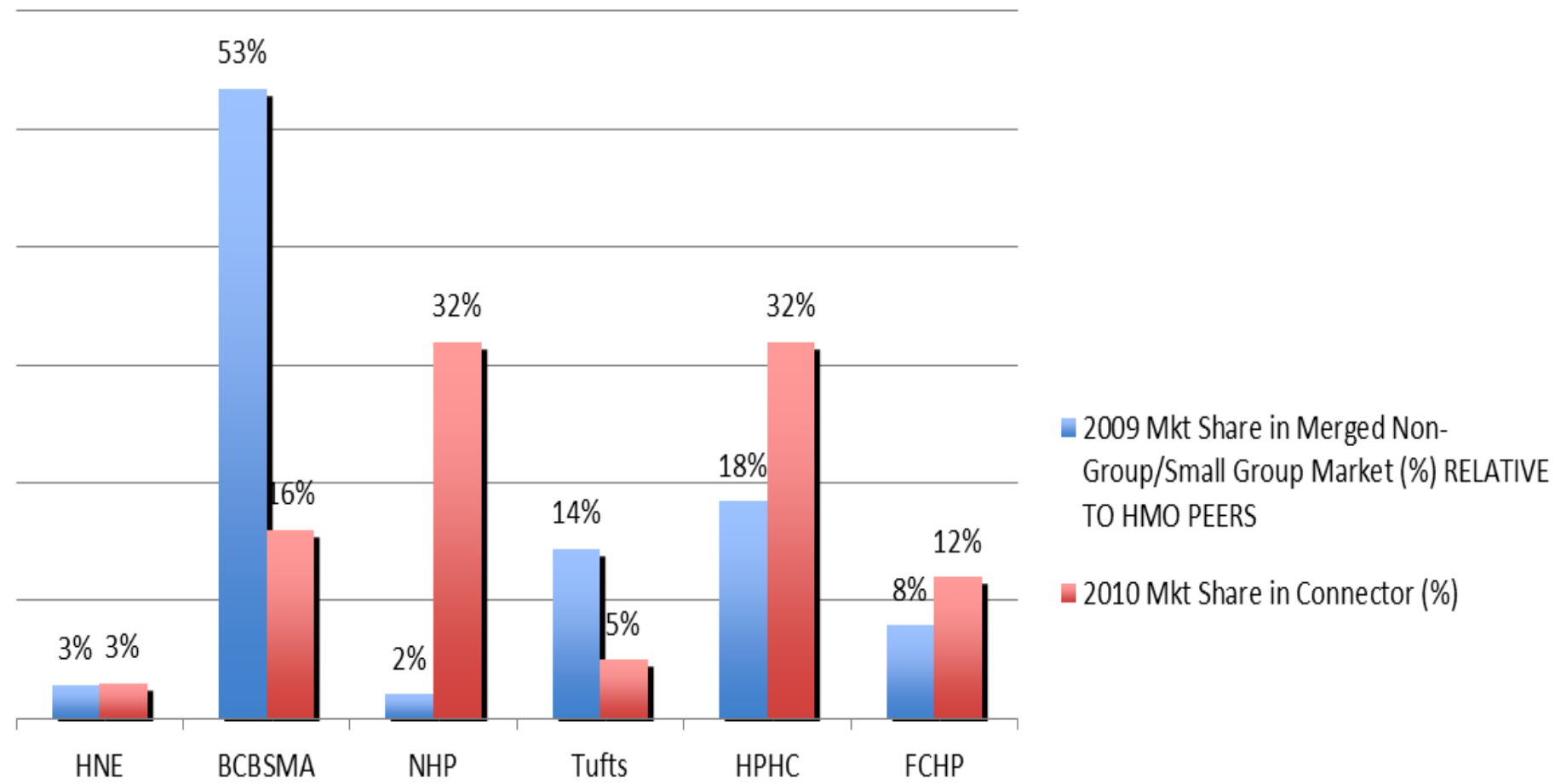
Source: Mass Division of Health Care Finance & Policy (DHCFP), Aug, 2010

Price matters: 60% buy lowest cost plans



Source: MA Health Connector Monthly Report, CommChoice, October 2011

Some smaller carriers gained market share in the MA Exchange



HNE – Health New England, NHP – Neighborhood Health Plan, FCHP – Fallon Community Health Plan, HPHC – Harvard Pilgrim Health Care

SOURCE: MA DOI 2009; MA Health Connector

Health Care Reform: Lessons Learned in MA

- There's significant market growth due to more people insured
- There's price pressure - the newly insured are seeking cost-effective products
- Traditional commercial insurance and Medicaid models need updating for this new group of consumers
- Cost containment is harder to address than access to insurance and providers
- Shared responsibility is key (individuals, employers and government)

Need a state-of-the-art website



You need health insurance. The state's Health Connector can help.



We're your connection to good health, Massachusetts!

The Health Connector is an independent state agency that helps you find the right health insurance plan.

[Commonwealth Choice](#) offers many options from brand-name health insurance plans. They all carry our Seal of Approval for quality and value.

[Commonwealth Care](#) is low or no-cost health

Glad to be insured




"I was young, healthy. I always thought that I was invincible. It never even crossed my mind that I

Already a Commonwealth Care member?

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- [Log in](#) to choose a health plan and view account information
- Do you have a [question](#)?
- [1099 HC Information](#)



Consumers need simplicity


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[Home](#) [Find Insurance](#) [Health Care Reform](#) [About Us](#)

Choose the type of plans that will meet your needs. [close instructions](#)

Young Adult

- * Only for 18-26 year-olds
- * Lowest monthly costs
- * Higher costs when you receive medical services




[Who chooses Young Adult plans?](#)

[See Young Adult Plans](#)

Bronze

- * Lower monthly cost
- * Higher costs when you receive medical services




[Who chooses Bronze plans?](#)

[See Bronze Plans](#)

Silver

- * Monthly cost can run higher than Bronze
- * Lower costs when you receive medical services compared to Bronze




[Who chooses Silver plans?](#)

[See Silver Plans](#)

Gold

- * Highest monthly cost
- * Lowest costs when you receive medical services




[Who chooses Gold plans?](#)

[See Gold Plans](#)

or

[View all plans](#)

 Visit [Mass.gov](#) [Site Map](#) • [Site Policies](#) • [Feedback](#)

Outreach was key

- “I got it” advertising campaign
- Grassroots efforts
- Postcards from the Department of Revenue
- Strategic partnerships, including...



...the ultimate corporate sponsorship in Massachusetts!

Highlights: More than numbers

"If I didn't have health insurance, I would never have made an appointment with my doctor because of the cost. The cancer would have spread and I would not be alive today to tell you my story."

- ***Jaclyn Michalos, 27***



MA is the blueprint for national reform

	Massachusetts	National Reform
<u>Shared Responsibility</u>		
Individual Mandate	✓	✓
Employer Requirement	✓	✓
Government Subsidies	✓	✓
<u>Insurance Regulations</u>		
Guaranteed Issue & Renewal	✓	✓
No Medical Underwriting	✓	✓
<u>Creation of Exchange</u>	✓	✓
<u>Cost Containment</u>		✓

Questions & Discussion

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