



MA Healthcare Reform Law Update **"What's working and what's not?"**

The Commonwealth of Massachusetts just celebrated the two-year anniversary of enacting the Healthcare Reform Law. As you know, the intent of this law was to help the uninsured obtain health insurance by providing government assistance to those who cannot afford it and asking employers to pay their fair share and satisfy certain administrative responsibilities.

So what are the results? Today, more than 340,000 previously uninsured MA residents are newly insured – a 60 percent reduction in the number of uninsured and a significant milestone for this landmark legislation.

Who enrolled and where? Last July, the Commonwealth Connector began offering the state's typical uninsured adult – a 37-year old – private health insurance with twice the benefits as previously available to that same individual – **at half the price**. When these policies renew in July of 2008, they will only cost 5 percent more than the year before.

One-third (110,000) of the newly insured population are enrolled in private, commercial insurance — through the growth of both employer-sponsored (85,000) and individually purchased, "non-group," insurance (25,000). Non-group insurance grew by nearly 50 percent in just the last six months of 2007, and 70 percent of that growth came through the Commonwealth Connector. In a state without much population growth, this marks the first significant expansion of private insurance in decades and demonstrates that expanding coverage does not have to mean that people are simply shifted from the private to the public sector.

What about the Commonwealth Care Program? Enrollment in the subsidized Commonwealth Care program also continues to grow. As of April 1, 2008 – nearly 175,000 Massachusetts residents obtained health insurance through that program. More importantly, almost 50,000 of these members currently are responsible for paying a monthly premium toward one of the four private Commonwealth Care plans offered.

What's not working? There are two major challenges confronting the state at this point – cost and access. Cost continues to be the most significant challenge for everyone as healthcare trends continue to exceed overall inflation. Access is also a challenge due to the number of previously uninsured residents that are now looking to seek care – there are simply not enough primary physicians to treat them all. In order to address the increasing cost of healthcare, a change in the way we deliver and pay for it must occur. We must move away from a reimbursement system that simply pays for more and more tests and procedures to a model that rewards doctors and hospitals for finding innovative ways to treat the sick and keep the healthy – well, all within a modestly growing budget. There are no easy answers to both of these challenges.

What ways can costs be controlled?

Some solutions that Massachusetts is already considering are:

- The state's new "**Healthy Mass**" aims to improve the delivery of chronic care and reward better performance. Blue Cross & Blue Shield of Massachusetts, the state's largest carrier, has developed an innovative contract to reimburse healthcare systems for providing quality care to an entire population, rather than simply pay them more for each service.
- Senate President Therese Murray and her leadership team have crafted legislation to increase access to primary care providers, reduce hospital acquired infections, automate medical records, and streamline communications among patients, physicians and other providers.

- The Board of Directors of the Health Connector just completed lengthy deliberations with another series of unanimous votes for increasing cost-sharing with Commonwealth Care enrollees and updating our “affordability” standards.

Nationally, the greatest obstacle to expanding coverage has been the sense that it is politically impossible. As you can see, recent history in Massachusetts is proving otherwise – though cost continues to be a major obstacle for all involved. The extraordinary coalition of employers, insurers, medical providers and advocates that came together to promote coverage two years ago remains strong, and now faces the enormous challenge of making it affordable. The state's political leadership is steadfast in its commitment, including Speaker Salvatore DiMasi, who championed this reform, and Governor Deval Patrick, who has strongly embraced it.

Having committed to near-universal coverage as a moral imperative, we have started down the road toward fundamental reform of our health care system. We began with coverage and now we confront costs.



B o r i s l o w I n s u r a n c e

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