

# Massachusetts Plan Enrolls More of Its Uninsured

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WASHINGTON — Don't believe what you read in the national media: The Massachusetts health coverage plan enacted in 2006 is actually doing quite well, thank you very much.

That was the message from John McDonough, D.P.H., executive director of Health Care for All, a consumer health advocacy organization in Boston that has

supported the plan. "We've expanded affordable coverage to 325,000-350,000 of the [state's] estimated 550,000 uninsured," he said at a diabetes meeting sponsored by Avalere Health.

But significant challenges are ahead. The state government recently announced that the program will cost "significantly" more than the proposed \$869 million budgeted for it in 2009. One reason for the increase is that state regulators approved a 10% increase in payments to private in-

surers for each person enrolled in the program, in which the state subsidizes the insurance premiums.

Richard Powers, a spokesman for the program, said in an interview that the real driving force behind the increased cost is growing enrollment.

The payment increase will take effect July 1. In addition, the state said it would be willing to take on additional financial risk if enrollees end up using more medical care than expected. Also, premiums

will be increased for about one-fourth of enrollees—the other three-fourths will continue to pay no premiums—while co-pays will go up for half of those enrolled. (See box.)

Dr. McDonough said cost increases were not unexpected. "Yes, it's true ... When you enroll a ton of people, costs do go up," he said. "Most of [those costs] were expected and, by the way, most of those costs are being paid by the federal government, not by Massachusetts."

The plan has engendered dislike on both extremes of the health care reform debate, Dr. McDonough said. "You have health care fundamentalists on the left who worship at the shrine of the perpetual single payer, and you have fundamentalists on the right who bow down before the consumer-driven goddess of the unregulated market," he said. "They agree on absolutely nothing, except for one thing: they hate Massachusetts' ecumenical experiment. . . . We're just doing our best; we know we're in radically experimental terrain, and we hope we're providing some ideas and some paths for [the] system [to] advance." ■

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## Details of the Coverage Plan

Under the plan, the state has expanded Medicaid eligibility for children from those families making 200% of the federal poverty level to those families making 300%, Dr. McDonough explained. The state also set up Commonwealth Care for adults making less than 300% of the poverty level who can't get insurance anywhere else. In that program, there are no premiums for those under 150% of the poverty level, and then there is a sliding-scale premium structure for those between 150% and 300% of poverty, up to \$107 per month. This program "gets at a significantly uncovered group: childless adults," he said.

For people above 300% of poverty who are having difficulty finding affordable coverage, the state offers coverage plans through a variety of private insurers, Dr. McDonough continued. Some plans have higher premiums in exchange for lower cost sharing, while others offer the opposite approach. In addition, employers are required to set up "cafeteria plans" that allow workers to deduct their health insurance premiums from their paychecks pretax.

As of July 1, 2007, the state also required all residents to be insured, provided that there is affordable coverage available to them. Residents who do not comply with the law must pay penalties. Because some people "made a calculated decision to pay the penalty" rather than pay for coverage, the Massachusetts plan is not considered a universal coverage plan, he said.

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