

Mass. Governor Seeks to Fill Health-Insurance Gaps

BY MARY ELLEN SCHNEIDER
Senior Writer

NASHVILLE, TENN. — The governor of Massachusetts is proposing to cover the uninsured in his state by creating lower-cost health insurance options and requiring individuals to obtain coverage.

This effort is aimed at providing affordable coverage for the 7% of Massachusetts residents—approximately 460,000 people—without health insurance, Amy Lischko, assistant commissioner of the Massachusetts Division of Health Care Finance and Policy, said at the annual conference of the National Academy for State Health Policy.

“We really feel like this is the year to get something done, and we’re hopeful that parts at least of the governor’s proposal will be moved on,” Ms. Lischko said.

This plan is one of a few proposals being considered by the state’s legislature. Under the governor’s plan, individuals would be required to have a minimum level of insurance or proof of their ability to pay for care on their tax return.

Those who do not comply could see a loss of their personal tax exemption and withholding of a portion or all of their in-

come tax refund for deposit in a state personal health care expenditure account.

Individuals without coverage who use medical services would be required to pay, and there would be more up-front billing by providers. If patients are unable to pay, the provider may request payment from the state personal health care expenditure account. But policy makers are flexible on the details of how such an individual mandate would be enforced.

“This is the hard stuff,” Ms. Lischko said. “There’s not going to be insurance police on the streets throwing people in jail that don’t have health insurance.”

Coupled with the proposed individual insurance mandate, Gov. Mitt Romney (R) is also proposing to create two new low-cost health insurance options designed to appeal to the 7% of uninsured residents in the state.

But John McDonough, executive director of the advocacy group Health Care for All, noted there are a lot of unanswered questions about Gov. Romney’s plan.

For example, there is no guarantee that private insurers will step up to offer the new insurance plans envisioned by the governor, Mr. McDonough said in an interview. Also unstated is whether there are

sufficient existing funds in the health care safety net to pay for the subsidies required for low-income residents.

Mr. McDonough’s group instead favors an approach that would require employers to offer health insurance or pay a fee to the state, as well as expanding Medicaid eligibility and offering subsidies to moderate-income workers.

One program—called Commonwealth Care—will be aimed at the approximately 204,000 uninsured residents who have incomes of more than 300% of the federal poverty level. The other coverage option—called Safety Net Care—is aimed at the 150,000 residents whose salaries are between 100% and 300% of the federal poverty level but who do not qualify for Medicaid.

The Commonwealth Care program tries to ease the burden of rising health care premiums that has hit some individuals and small businesses, Ms. Lischko said. The proposal would allow private insurers to offer new, more affordable health plans.

The proposal would reduce costs for individuals through pre-tax treatment of premiums and make it easier for businesses to offer insurance to their contrac-

tors and part-time workers by allowing employers to pay a smaller portion of the health insurance.

And Ms. Lischko said that state policy-makers expect private insurers to sign on because it creates a new market for younger, healthier people.

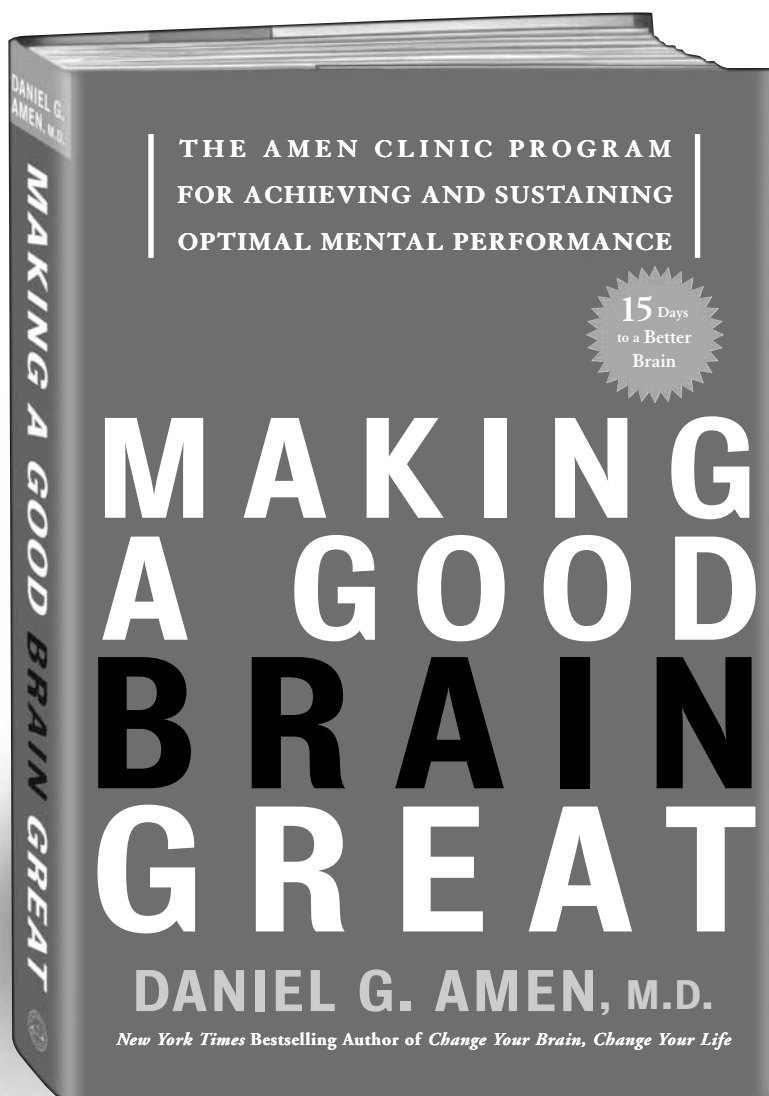
The Commonwealth Care plan would include coverage for primary care, hospitalization, mental health, and prescription drugs. But the provider network would be limited and insurers would be able to apply for exemptions from the state’s 27 mandated benefits.

“It’s not a bare-bones package,” Ms. Lischko said. “But it does have a more defined provider network. We’re asking the insurers to really tighten up these networks.”

The annual deductible for the plan would be between \$250 and \$1,000, and copayments would be moderate but somewhat higher than what is seen in the marketplace right now, Ms. Lischko said. And the monthly premium would be less than \$200, compared with more than \$350 a month in a standard small group.

It’s been a balancing act, Ms. Lischko said, in figuring out how to make the plans attractive without incentivizing employers to drop coverage. ■

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