

# Is Health Care Reform Working in Massachusetts?

By [CHARLES WALLACE](#) Posted 10:30 AM 01/25/11 [Economy](#), [Health Care](#), [Insurance](#)

Following the passage of a Republican bill to repeal President Obama's health care law in the House last week, the Senate is about to consider a similar bill. Some critics of repeal are reminding voters that a health care reform measure has been in effect in Massachusetts for four years. So it's fair to ask: Has health care reform worked in the Bay State?

Not surprisingly, the answer depends on whom you ask.

Stuart Altman, professor of national health policy at the Heller School for Social Policy at Brandeis University, says the Massachusetts Health Reform Plan has worked on a number of levels but mainly in extending coverage to the uninsured. The percentage of the state's uninsured went from 7% to 2.5%, he says, but has since returned to around 3% because of the economic crisis.

"Massachusetts has by far the lowest uninsured rate in the country," Altman notes. But he warns that the Massachusetts experience cannot necessarily be taken as an example of how well Obamacare might work because of regional differences within the country.

## **Not an Overwhelming Success**

Michael Cannon, director of health policy studies at the libertarian CATO Institute, says the Massachusetts law hasn't been an overwhelming success. "Everyone is spending someone else's money and can't believe they are spending their own," Cannon says. "We still have doctors and patients spending the government's money, and you've still got workers spending their employers' money."

Cannon says while it's generally acknowledged that insurance enrollment went up in Massachusetts under the health reform law, he reckons the numbers are inflated by a large percentage because people are afraid to admit they don't have insurance because of possible penalties.

The Massachusetts health plan, which was adopted in 2006 under the administration of Republican Governor Mitt Romney, includes an individual mandate -- which means you can lose your tax deduction if you don't have insurance; a requirement that employers provide health insurance or pay the state; and subsidies for low-income families.

Supporters of the law say it was designed only to increase coverage, not bring down costs, which opponents dispute.

An academic study by John F. Cogan and Daniel Kessler of Stanford University and Glenn Hubbard of Columbia University estimated that the Massachusetts plan has caused health insurance premiums to rise 5.9% more than in the rest of the U.S. for the period from 2006 to 2008.

Brandeis' Altman counters that Massachusetts has had higher health care costs than the rest of the country for more than a decade, and as a result, the higher costs now "have nothing to do with reform."

Primarily, he says, they reflect Massachusetts' use of more expensive teaching hospitals to do jobs usually handled by community hospitals in other states.

### **Reform Spurs Innovation**

Cannon maintains that the reform has "forced Massachusetts to really deal with its cost problem and do things that a lot of states haven't even begun to think about." Among the innovations: Blue Cross Blue Shield has adopted a new payment model designed to reward doctors and hospitals for the quality of the care they provide and not just the quantity.

"Our new approach to payment was designed to address the twin goals of improving the quality and outcomes of patient care while significantly cutting the rate of growth in health care spending," says Andrew Dreyfus, CEO of Blue Cross Blue Shield of Massachusetts. "We are making significant progress toward both goals."

While some critics have complained that the state-funded Medicaid rolls have swollen under the reform effort, others point out that they've grown in most states because of the economic crisis, a time when many workers lost jobs along with their employer-provided health insurance.

The Massachusetts example is unlikely to resolve the debate in Washington, unless Romney enters the presidential race again in 2012 and is forced to defend his actions before a largely hostile, Tea Party-dominated Republican party. But a straw poll in New Hampshire last week showed that Romney is still the leading candidate on the GOP side, despite the party's strident opposition to health care reforms.

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