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NATION & WORLD

Massachusetts health law is model, warning

By James Oliphant and Kim Geiger
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BOSTON — Three years ago, Massachusetts passed the most sweeping health care law in the country, adopting a plan that closely resembles the proposals being considered by Congress — and a plan that now offers powerful “lessons learned” for the nation.

The Massachusetts system, like the proposals moving toward votes in the House and Senate, focused on three goals: making medical insurance nearly universal, fostering competition through a regulated insurance exchange, and helping low-income workers pay for coverage.

Today, the Bay State leads the nation with 96 percent of its residents covered by insurance, even more than some of the plans now before Congress. The employer-based insurance system remains intact despite fears that overhauling the old system might cause companies to pull back.

And at least some Mas-

their own coverage are paying less.

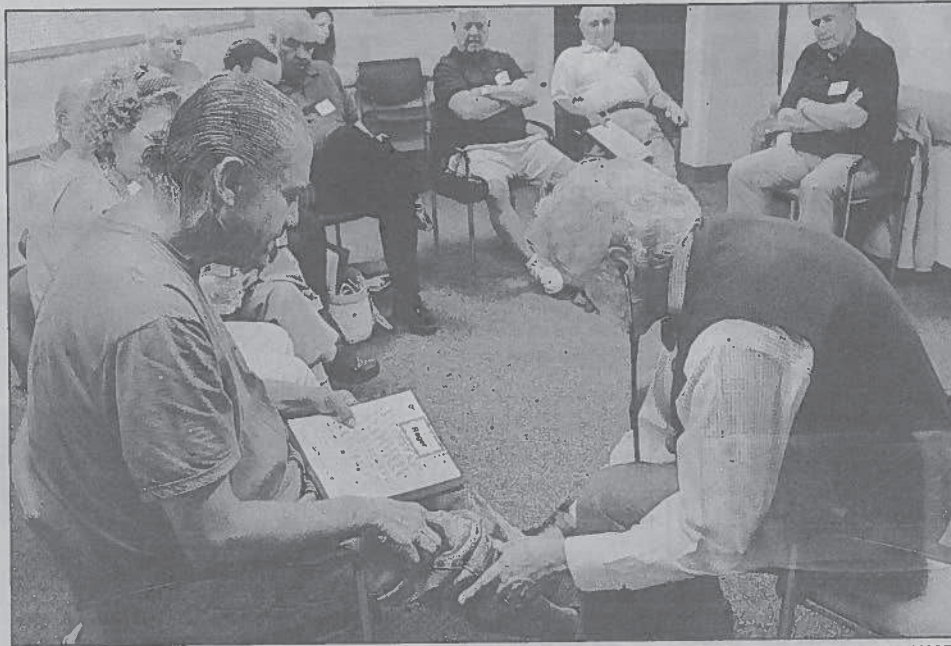
But there’s another side to the story: Health insurance premiums for most residents are going up. Many middle-class people who had insurance before the overhaul see little change — except that they’re spending more on health care.

“What we did was health insurance reform, not health care reform,” said Massachusetts state Sen. James Eldridge, a former proponent who now regrets having voted for the bill.

Take 62-year-old Joan Young and her husband, who live in a suburb west of Boston. They pay more than \$1,100 monthly for insurance, plus a \$1,000 deductible each before coverage kicks in.

Their insurer, Blue Cross/Blue Shield, like the others in the state, says it expects to raise the price of premiums by 10 percent next year. “It’s not helping people like us,” Young says. “They forget about the middle class.”

Now the legislature is going back and trying again, this time fashioning policies to govern insurers’ profits



RICHARD SENNOTT/MINNEAPOLIS STAR TRIBUNE PHOTO

Gene Lindsey, right, sees multiple patients in Wellesley, Mass. A health care law provided insurance for 430,000 Massachusetts residents, but many others now pay more for health care.

second phase that many analysts think also lies ahead at the national level.

A special state commission established to tackle the cost problem said the stakes are high. Continued cost growth, it said in a report this summer, “threatens the viability” of the health care initiative.

Critics of the health care overhaul bill that passed the Senate Finance Committee last week say that it, too, doesn’t do enough on costs.

Robert Laszewski, a health care policy analyst and former insurance company executive, calls the Finance Committee’s bill “Massachusetts all over again.” Ralph

tion on Health Care, says the cost provisions that exist focus too much on public programs, especially Medicare, and not enough on reducing what doctors, insurers and hospitals charge customers who get coverage from the private market.

Other experts say there’s still time to address the cost issue more forcefully as the final Senate bill is hammered out later this month.

On the plus side, the Massachusetts overhaul has made things better for the 430,000 residents who previously had no insurance. The state mandated coverage for almost everyone, as Congress

And, as with the plans before Congress, it provided subsidies to help low-income individuals and families pay their premiums.

“The subsidized plans—in terms of access for low-income people—have been a godsend, really,” said Carol Pryor, policy director of The Access Project in Boston. Also, for some in the individual market who don’t qualify for government assistance, the regulated exchange has produced policies with lower premiums—up to 20 percent lower, the state says.

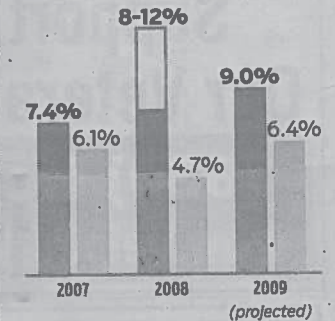
The price cuts have not been shared by all. Because consumers can still be rated

How they compare

Massachusetts leads the nation with 96 percent of its residents covered by insurance. Fewer than 85 percent of residents are covered nationwide.

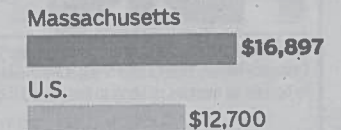
Premium cost growth

■ Massachusetts ■ U.S.



Average per capita health insurance costs

June 2009



SOURCES: Urban Institute, U.S. Census Bureau, Cato Institute, TRIBUNE NEWSPAPERS

charge higher premiums to older consumers who may be more likely to incur substantial medical bills, a 55-year-old would pay almost as much as before.

Moreover, although the subsidized plans cover only about 3 percent of the 5.4 million in the state who have health insurance, the subsidies are estimated to carry a price tag of \$1.3 billion by 2011, double the cost in 2007.

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