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In Massachusetts, Obama won't promote state's plan

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By Ceci Connolly
Washington Post Staff Writer
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President Obama will travel Friday to Massachusetts, one of only two states to implement a universal health-care program similar to his ambitions for the entire country. But he does not plan to use the trip to make his case for far-reaching reform; he will tout clean energy and raise money for the Democratic governor.

The president's critics say his reluctance to spotlight the Massachusetts model is real-world evidence that his vision would not work on a national scale. High costs have forced the state to trim benefits for legal immigrants and prompted one safety-net hospital to sue over a \$38 million shortfall.

Obama's allies -- and even one prominent adversary -- see a more nuanced picture that offers guideposts for federal lawmakers as they finalize decisions on a bill that could reshape one-sixth of the economy.

"The mistake in the direction Washington is taking is to assume that getting everyone insured will reduce costs," said former governor Mitt Romney (R), who signed the Massachusetts bill into law three years ago. "In fact, it is going to add costs."

By enacting a plan that requires individuals, businesses and the government to contribute to the cost of health care, the state has had phenomenal success in expanding coverage.

Today, more than 97 percent of Massachusetts residents have insurance, compared with about 85 percent nationally. Some of the expansion has come through more generous government programs, but more than a quarter of the 406,000 newly insured are covered by private plans.

Like the proposals being debated in Congress, Massachusetts created a market, or exchange, for consumers to buy insurance. Generous subsidies are provided to working-class people, although there are also penalties for those who can afford coverage but choose not to buy it.

A popular plan

The Massachusetts program is popular. About 70 percent of doctors and 59 percent of residents support the initiative, according to a poll released Thursday by the Harvard School of Public Health. By even larger margins, physicians and patients said they want the law to remain.

Meanwhile, the state's expensive medical care has continued to rise, drawing into sharp relief the most nettlesome problem confounding Obama and congressional Democrats.

"Massachusetts purposely did the easy part first," said David Cutler, a Harvard University economist and former Obama adviser. "The hardest part is paying for it long-term."

Strapped for cash, the state recently eliminated dental, hospice and skilled nursing care for 30,000 legal immigrants. Cigarette taxes were raised to help pay for the program. Coverage for workers in small businesses has lagged. And private health insurance premiums are expected to increase by about 10 percent next year, according to several estimates.

"We're spending more because more people are signed up, not because premiums are higher than expected," Cutler said.

Spending growth in the government-run programs has been below 5 percent, compared with 7 percent nationally, said Jonathan Gruber, a health-care economist at the Massachusetts Institute of Technology. State officials say Massachusetts is spending an additional \$250 million each year to cover reform costs.

That is because the big increases are on the private-sector side, countered Michael F. Cannon, director of health policy at the Cato Institute. He estimated that businesses and families are spending about \$1.2 billion more because of the new state mandates.

The cost conundrum has led to divergent opinions about what Congress should do.

"This is why the public option is central," said [Rep. Edward Markey](#) (D-Mass.), referring to movement in the House to form a government-sponsored insurance program. "Competition is something we are going to try to add in this bill."

Reining in costs

But Romney said Massachusetts proved that a public option is not necessary to achieve near-universal coverage. Constraining costs involves refashioning how care is delivered and paid for, he said.

Two commissions have made cost control recommendations to the legislature that focus largely on coordinated care that pays based on health outcomes rather than the number of procedures performed.

Although he has traveled to New England often and speaks about health care virtually every week, Obama has not held a single event focused on the Massachusetts experiment. By contrast, the White House has staged presidential appearances in Wisconsin, Ohio and Minnesota to spotlight innovative models.

"The president's silence about the Massachusetts health plan is deafening," Cannon said.

Some speculated that Obama has been reluctant to tout the Massachusetts model because it merely underscores how difficult it will be to deliver on his pledge to reduce the average family's health costs by \$2,500 a year.

"People want to hear about cost savings, not coverage, so it dilutes the message a bit," Cutler said.

Said White House spokesman Reid Cherlin: "While we know that no state can do this alone, the president and our health team are paying close attention to advances being made around the country, including in Massachusetts. Friday's visit is an opportunity to discuss clean energy initiatives."

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