

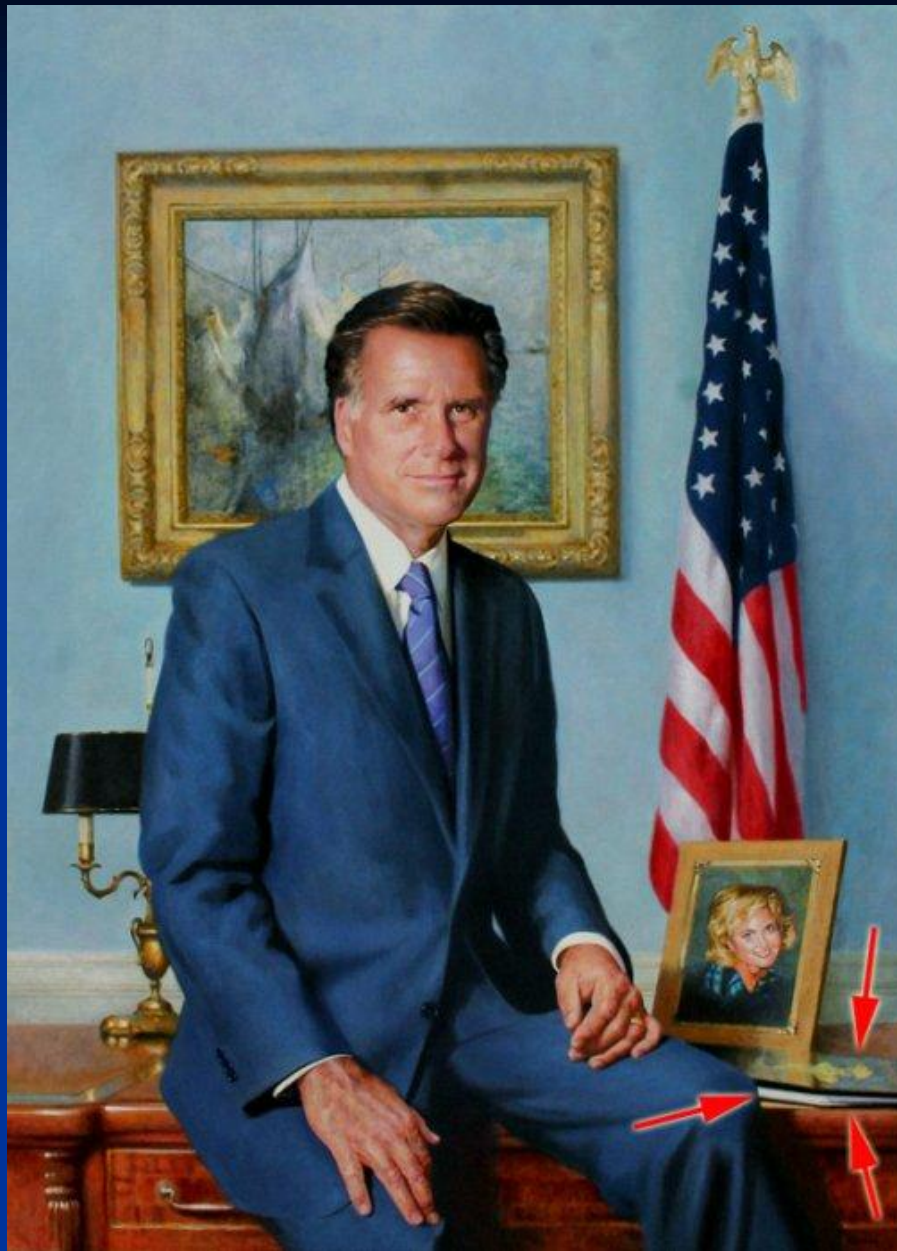
Implementing the Affordable Care Act: Some Lessons from Massachusetts



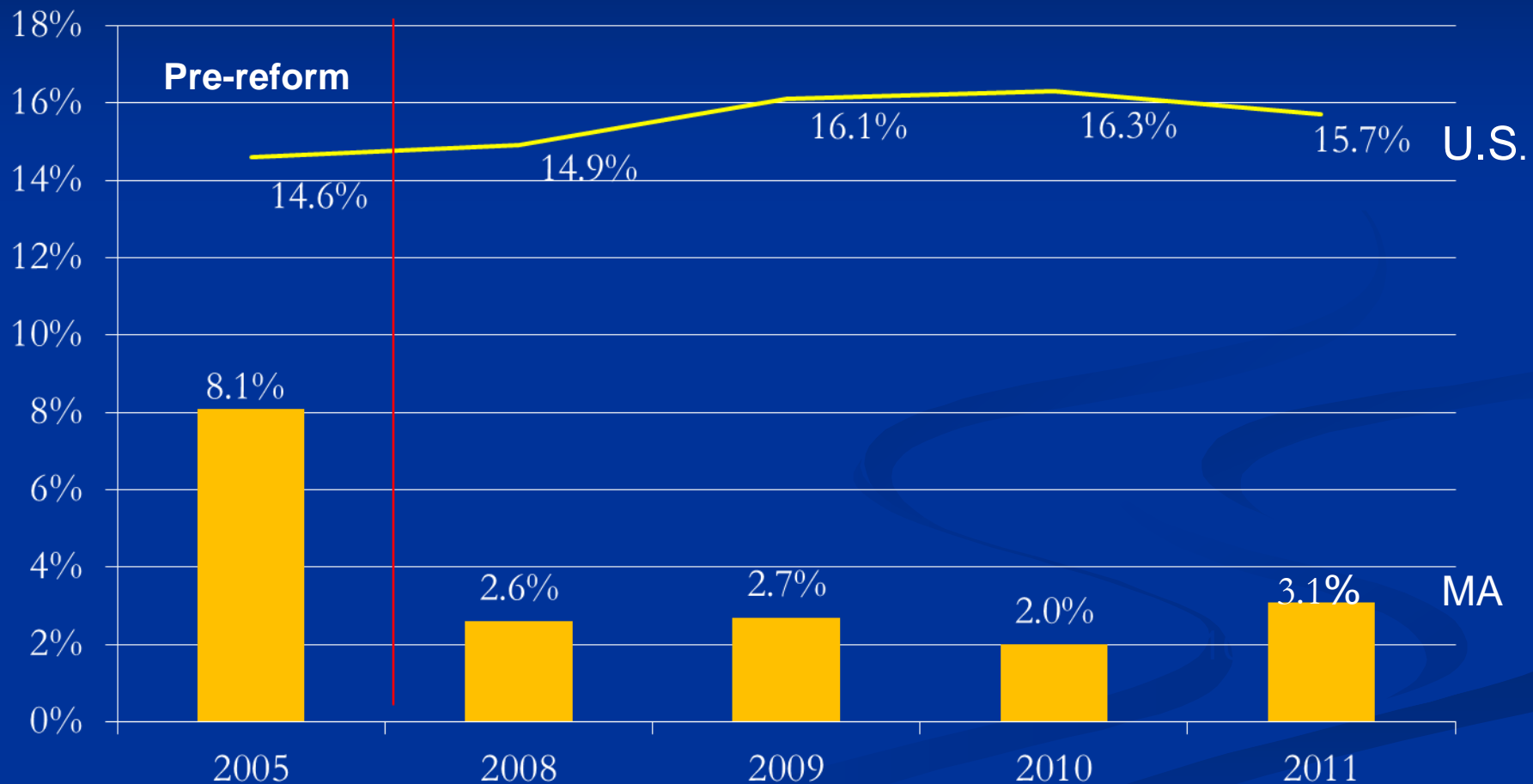
Nancy Turnbull

Harvard School of Public Health

February 2013



Results of Health Reform in Massachusetts: Lowest Rate of Uninsurance in the Country



Source: Massachusetts Division of Health Care Finance and Policy, 2008-2011 Household Insurance survey; US Census Bureau CPS, Urban Institute 2007 study for BCBSMAF

Comparison of Massachusetts and US Health Care Reform Laws

	Massachusetts	US
Public Coverage for the Poor	√	√
Subsidized Coverage for moderate income	√	√
Reforms to private insurance market	√	√
Health Insurance Exchange	√	√
Individuals must buy insurance	√	√
Employers must provide or pay penalties	√	√

Three major groups of uninsured

- **Poor (31% of MA uninsured in 2005 <100% federal poverty)**
 - Cannot afford to contribute anything to insurance
 - Most not eligible for existing public programs
 - Some are eligible for public programs but not signed up
- **Lower income (50% of MA uninsured 101-300% FPL)**
 - Need subsidies to help pay for insurance
 - Most of them are employed but not offered or not eligible for employer coverage so need new lower-cost insurance options
- **Higher income (11% of MA uninsured 301-500% FPL; 8%>500% FPL)**
 - Coverage may not be affordable because of age or other family circumstances
 - Some are people who choose not to purchase health insurance

Massachusetts approaches for the three major groups of uninsured

■ Poor

- Expand Medicaid coverage

■ Lower income

- New program of subsidized coverage: *Commonwealth Care*

■ Higher income

- Insurance market reforms
- Health insurance exchange: The Connector
- New unsubsidized products: *Commonwealth Choice*

INDIVIDUAL MANDATE for all

One Stop Shopping at www.mahealthconnector.org

The screenshot shows the homepage of the Health Connector website. At the top, there is a navigation bar with the Health Connector logo and the text "Health Insurance for Massachusetts Residents". To the right of the logo are links for "Account Login", "E-Pay", "En Español", "Help", and "Contact Us", followed by a search bar and a "GO" button. Below the navigation bar are five main menu items: "Home", "Find Insurance", "Health Care Reform", and "About Us".

The main content area features five large, colorful buttons representing different user groups: "Individuals & Families" (red), "Young Adults" (blue), "Employees" (green), "Employers" (purple), and "Brokers" (grey). Each button includes a "Get Started" link.

Below the buttons, there are three main sections:

- Connect to good health, Massachusetts!**

Our online Commonwealth Choice marketplace is the only place where you can compare plans from the state's major insurers. We're an independent state agency, so you can shop with confidence.

Our Commonwealth Care program offers low-or-no-cost health insurance for people who qualify. It provides comprehensive benefits and a choice of health plans.

Find the plan that's right for you and enroll today!
- Glad to be insured**

"I was young, healthy. I always thought that I was invincible. It never even crossed my mind that I could get hurt..."

—Andrew Herlihy of Malden
Hear Andrew's story and more
- Plans from top Mass insurers!**

BOSTON MEDICAL CENTER
HealthNet Plan

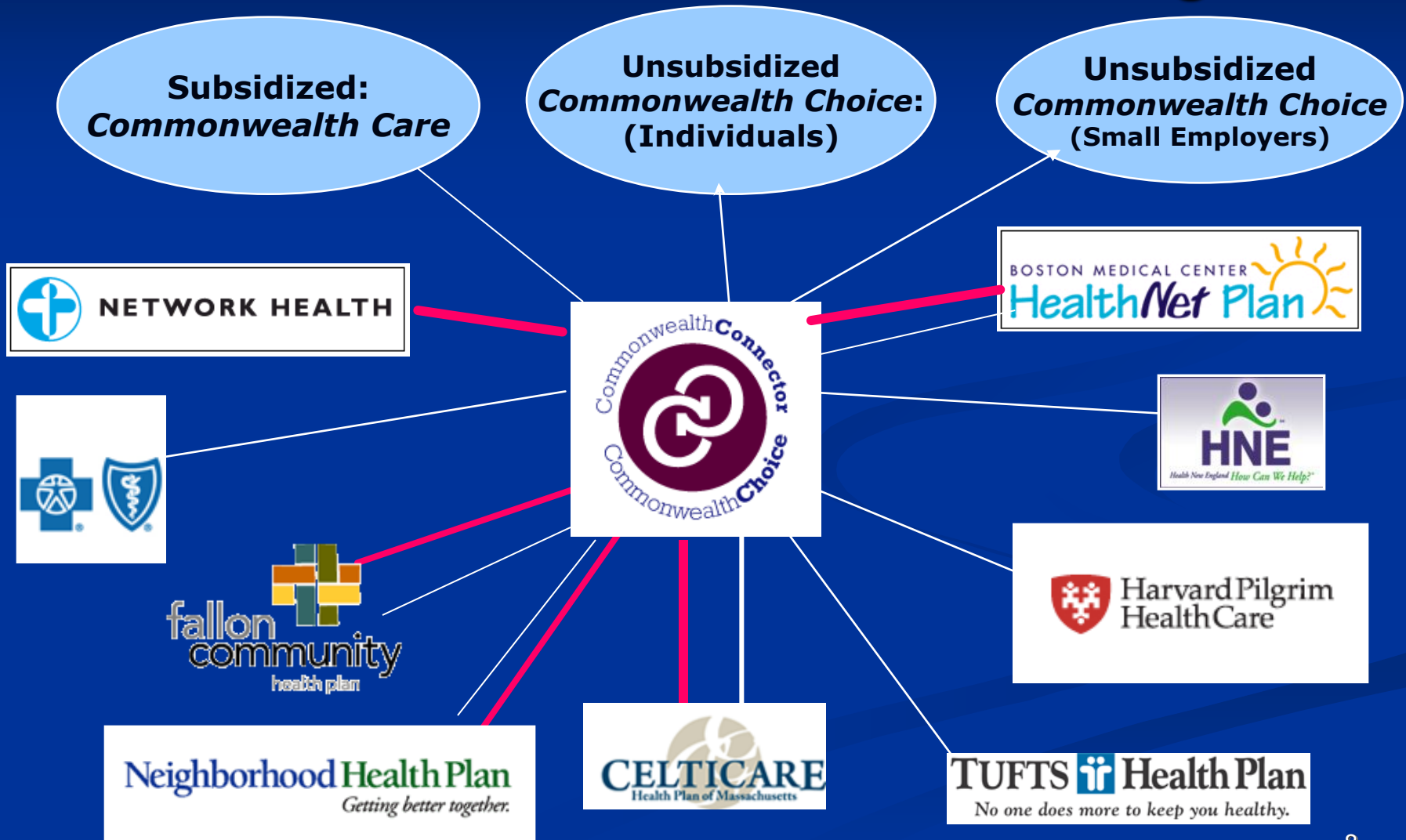
At the bottom of the main content area, there is a section for "For Commonwealth Care Members Only". It includes a list of links: "Register to get online access to your account", "Get Instructions for creating your account", "Log in to your account", "Get help with questions", and "Review 1099 HC Information and resources". A photo of a smiling woman is shown to the right of this section.

The footer of the website includes a "Visit Mass.gov" link, a "Site Map" link, and links for "Feedback", "Site Policies", and social media icons for Twitter and Facebook.

The Health Connector is an independent state agency that helps Massachusetts residents find health care coverage. Read more [about us](#).

HEALTH CONNECTOR, The HEALTH CONNECTOR LOGO, YOUR CONNECTION TO GOOD HEALTH and COMMONWEALTH CARE are trademarks and service marks of the Commonwealth Health Insurance Connector Authority. Any other trademarks or service marks appearing on this web site are the property of their respective owners.

Massachusetts Connector: A Health Insurance Exchange



Subsidized Insurance: *Commonwealth Care*



- Adults only
- Household income <300% federal poverty level*
- *No employer coverage available*
- Sliding scale premium
- Choice of up to 5 private health insurers
- Benefits comparable to employer plans
- Sliding scale copayments

Individual Income	Individual Premium Per Month
<\$16,755	\$0
\$16,756-22,340	\$40
\$22,341-27,925	\$78
\$27,926-33,510	\$118

*300% FPL is \$33,520 for individual and \$57,000 for family



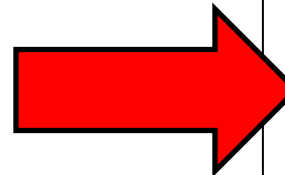
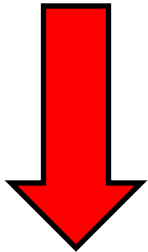
Shopping Experience for CommChoice: Individuals

Step 1: Select Family Size

Individual & Family Health Insurance

What's your family size?
Before you shop, see if you might be eligible for a subsidized plan.

1 2 3 4 5 6 7 8+



Step 3: Provide demographic info and select coverage start date*

Your Information * REQUIRED INFORMATION

Residential ZIP Code *

Type of Coverage *
 Self only
 Self + spouse
 Self + dependent child/children
 Family (self, spouse + dependent child/children)

Your Date of Birth *
(month / day / year)

Coverage to Begin *
 February 1, 2010
 March 1, 2010

★ Health insurance rates depend on when you want coverage to start, where you live, your age, and the number of people you want to insure.

*If shopping during the State's closed enrollment period, consumers will be directed to the Special Conditions tool to determine if they are eligible to purchase non-group coverage.

Step 2: Determine if eligible for subsidized coverage.

Is your household income more than \$33,516 a year?

YES Click Continue to compare plans from Commonwealth Choice.
 NO: Learn more about subsidized plans from Commonwealth Care.

[Go Back](#)



Shopping Experience: Individuals (cont.)

Step 4: Select Product Tier (YAP, Bronze, Silver, Gold)

The screenshot displays the Health Connector website interface for selecting a product tier. At the top, there is a navigation bar with the Health Connector logo and links for Home, Find Insurance, Health Care Reform, and About Us. A secondary navigation bar includes Account Login, En Español, Help, and Contact Us. The main content area is titled "Choose the type of plans that will meet your needs." and features four columns representing different tiers: Young Adult (YAP), Bronze, Silver, and Gold. Each tier includes a list of characteristics, a corresponding medal icon, a link to learn more, and a button to view plans. The Gold tier is highlighted with a yellow border. Below the tier selection, there is an "or" separator and a "View all plans" button. The footer contains the Visit Mass.gov logo and links for Site Map, Site Policies, and Feedback.

Health Connector

Account Login • En Español • Help • Contact Us

Home Find Insurance Health Care Reform About Us

Choose the type of plans that will meet your needs. [close instructions](#)

Young Adult	Bronze	Silver	Gold
<ul style="list-style-type: none">* Only for 18-26 year-olds* Lowest monthly costs* Higher costs when you receive medical services	<ul style="list-style-type: none">* Lower monthly cost* Higher costs when you receive medical services	<ul style="list-style-type: none">* Monthly cost can run higher than Bronze* Lower costs when you receive medical services compared to Bronze	<ul style="list-style-type: none">* Highest monthly cost* Lowest costs when you receive medical services
Who chooses Young Adult plans?	Who chooses Bronze plans?	Who chooses Silver plans?	Who chooses Gold plans?
See Young Adult Plans	See Bronze Plans	See Silver Plans	See Gold Plans

or

[View all plans](#)

Visit Mass.gov Site Map • Site Policies • Feedback



Shopping Experience: Individuals (cont.)

Step 5: Choose from Low, Medium or High

BROWSE PLANS: 3 benefits packages ([What's a benefits package?](#)) ? [15 plans]

Sort plans by Benefits Package

Show Plans. Then choose up to 3 to compare. Click **Continue** at bottom.

You've Selected:

Benefits Package

- Bronze
- Silver
- Gold

Narrow Your Plans by:

Monthly Cost

- [Less than \\$300](#) (11)
- [Greater than \\$300](#) (5)

Annual Deductible

- [\\$250 - \\$500](#) (5)
- [\\$2,000 - \\$4,000](#) (10)

Insurance Carrier

- [Blue Cross Blue Shield of Massachusetts](#) (3)
- [Fallon Community Health Plan](#) (3)

	\$ Monthly Cost	Annual Deductible	Annual Out of Pocket Max.	Doctor Visit	Generic Rx	Emergency Room	Hospital Stay
Bronze Low Benefits Package 5 plans available Show Plans About Bronze Low	as low as \$213	STANDARD BENEFITS FOR ALL BRONZE LOW PLANS					
		\$2,000 (ind.) \$4,000 (fam.)	\$5,000 (ind.) \$10,000 (fam.)	annual deductible, then \$25 copay	annual deductible, then \$15 copay	annual deductible, then \$100 copay	annual deductible, then 20% co-insurance
Bronze Medium Benefits Package 5 plans available Show Plans About Bronze Medium	as low as \$232	STANDARD BENEFITS FOR ALL BRONZE MEDIUM PLANS					
		\$2,000 (ind.) \$4,000 (fam.)	\$5,000 (ind.) \$10,000 (fam.)	\$30 copay	\$10 copay	annual deductible, then \$150 copay	annual deductible, then \$500 copay
Bronze High Benefits Package 5 plans available Show Plans About Bronze High	as low as \$223	STANDARD BENEFITS FOR ALL BRONZE HIGH PLANS					
		\$250 (ind.) \$500 (fam.)	\$5,000 (ind.) \$10,000 (fam.)	\$25 copay	\$15 copay	\$150 copay	annual deductible, then 35% co-insurance

Continue



Shopping Experience: Individuals (cont.)

Step 6: Select Plan or compare up to 3 side-by-side

Sort plans by Benefits Package ▼

Show Plans. Then choose up to 3 to compare. Click **Continue** at bottom.

You've Selected:

Benefits Package

Bronze

Silver

Gold

Narrow Your Plans by:

Monthly Cost

[Less than \\$300](#) (11)

[Greater than \\$300](#) (5)

Annual Deductible

[\\$250 - \\$500](#) (5)

[\\$2,000 - \\$4,000](#) (10)

Insurance Carrier

[Blue Cross Blue Shield of Massachusetts](#) (3)

[Fallon Community Health Plan](#) (3)

[Harvard Pilgrim Health Care](#) (3)

[Neighborhood Health Plan](#) (3)

[Tufts Health Plan](#) (3)

	\$ Monthly Cost	Annual Deductible	Annual Out of Pocket Max.	Doctor Visit	Generic Rx	Emergency Room	Hospital Stay
Bronze Low Benefits Package 5 plans available							
as low as \$213		\$2,000 (ind.) \$4,000 (fam.)	\$5,000 (ind.) \$10,000 (fam.)	annual deductible, then \$25 copay	annual deductible, then \$15 copay	annual deductible, then \$100 copay	annual deductible, then 20% co-insurance
Hide Plans About Bronze Low							
<input checked="" type="checkbox"/>	Neighborhood Health Plan	\$212.86	↑	↑	↑	↑	↑
<input type="checkbox"/>	Harvard Pilgrim HealthCare	\$239.46	↑	↑	↑	↑	↑
<input checked="" type="checkbox"/>	TUFTS Health Plan	\$268.96	↑	↑	↑	↑	↑
<input type="checkbox"/>	MASSACHUSETTS	\$289.71	↑	↑	↑	↑	↑
<input checked="" type="checkbox"/>	fallon community	\$304.00	↑	↑	↑	↑	↑
Bronze Medium Benefits Package 5 plans available							
as low as \$232		\$2,000 (ind.) \$4,000 (fam.)	\$5,000 (ind.) \$10,000 (fam.)	\$30 copay	\$10 copay	annual deductible, then \$150 copay	annual deductible, then \$500 copay
Show Plans About Bronze Medium							
Bronze High Benefits Package 5 plans available							
as low as \$223		\$250 (ind.) \$500 (fam.)	\$5,000 (ind.) \$10,000 (fam.)	\$25 copay	\$15 copay	\$150 copay	annual deductible, then 35% co-insurance
Show Plans About Bronze High							

Individual Mandate in Massachusetts

Four Components

- Minimum Creditable Coverage
- Affordability Schedule
- Tax Penalties
- Waiver and exceptions

Affordability Schedule 2012: Individuals

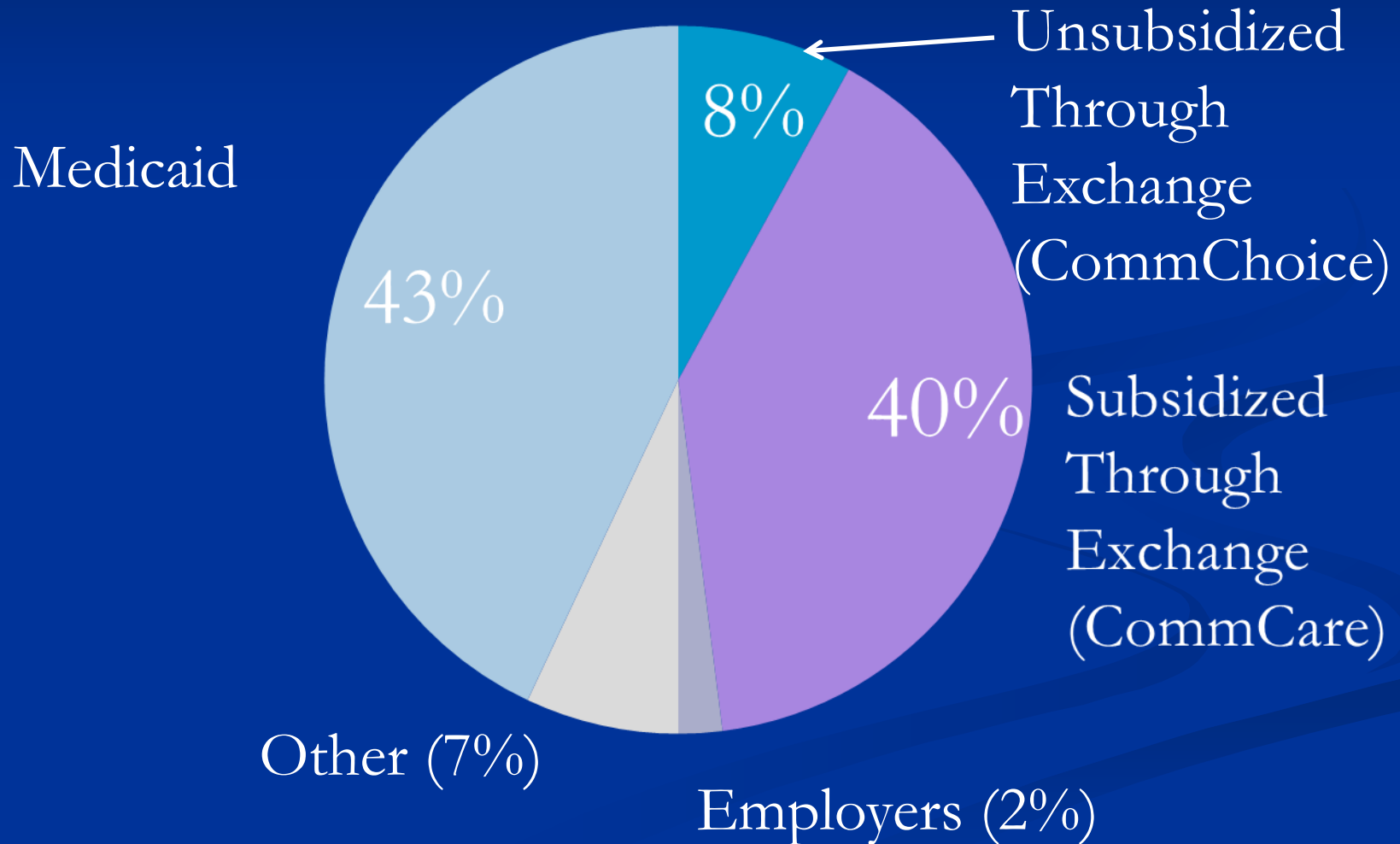
% of FPL	Income Bracket (2012)		Affordability Standard (Maximum Monthly Premium)
	Bottom	Top	
0 - 100%	\$0	\$11,170	\$0
100.1 - 150%	\$11,171	\$16,755	\$0
150.1 - 200%	\$16,756	\$22,340	\$40
200.1 - 250%	\$22,341	\$27,925	\$78
250.1 - 300%	\$27,926	\$33,510	\$118
300.1 - 360%	\$33,511	\$40,195	\$178
360.1 - 408%	\$40,196	\$45,554	\$239
408.1 - 504%	\$45,555	\$56,273	\$359
Above 504%	\$56,274		Affordable

Applies only to adults

Individual Mandate Tax Penalties

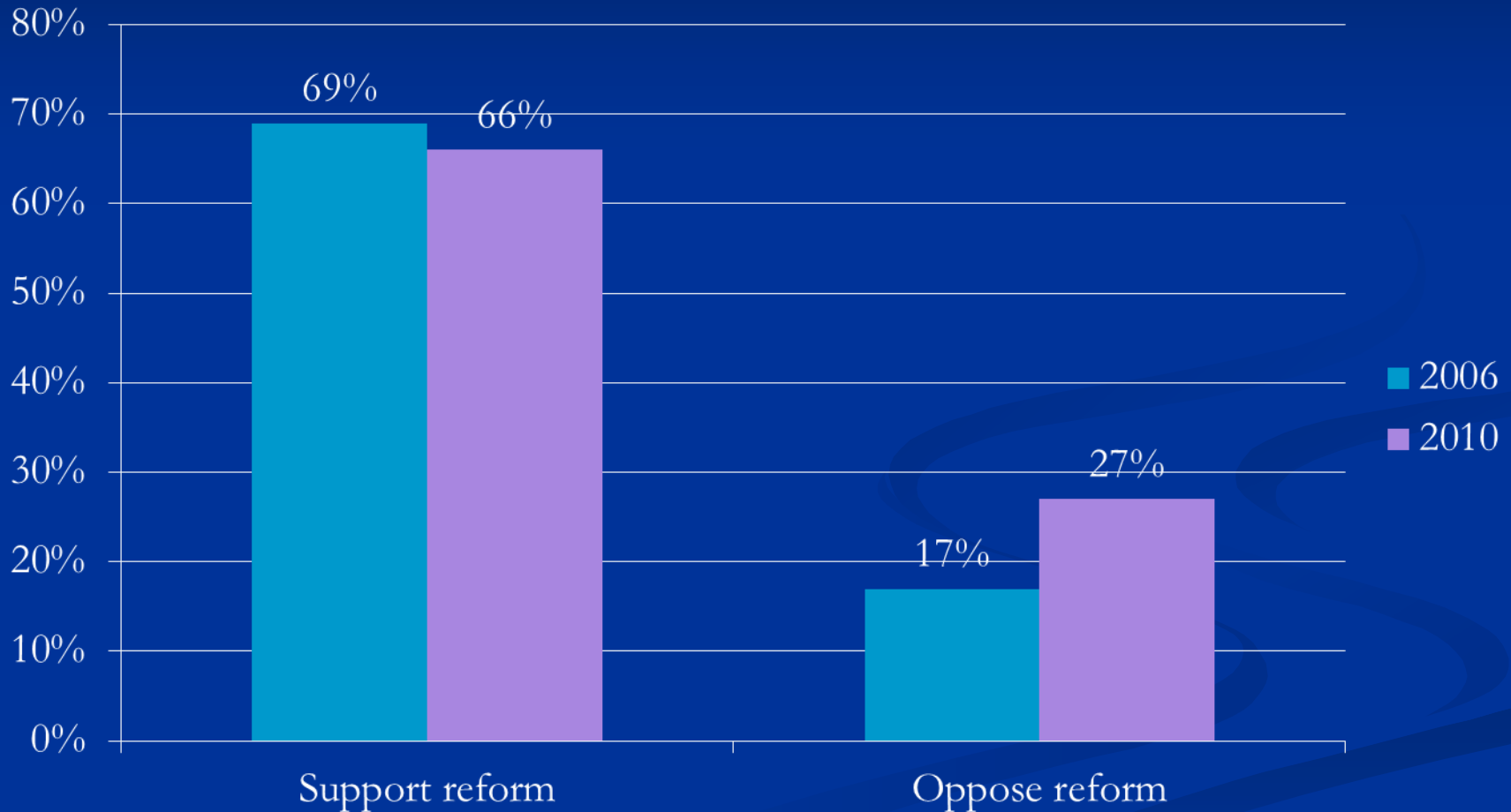
Income FPL	Mass-2012
<150% FPL	\$ 0
150-200%	\$228
200-250%	\$456
250-300%	\$696-996
300+%	\$1,260

Nearly Half of Newly Insured In Massachusetts Obtain Coverage Through the Exchange: 2011



Ten Lessons from Health Reform in Massachusetts

#1: When health reform is actually implemented, most people like it



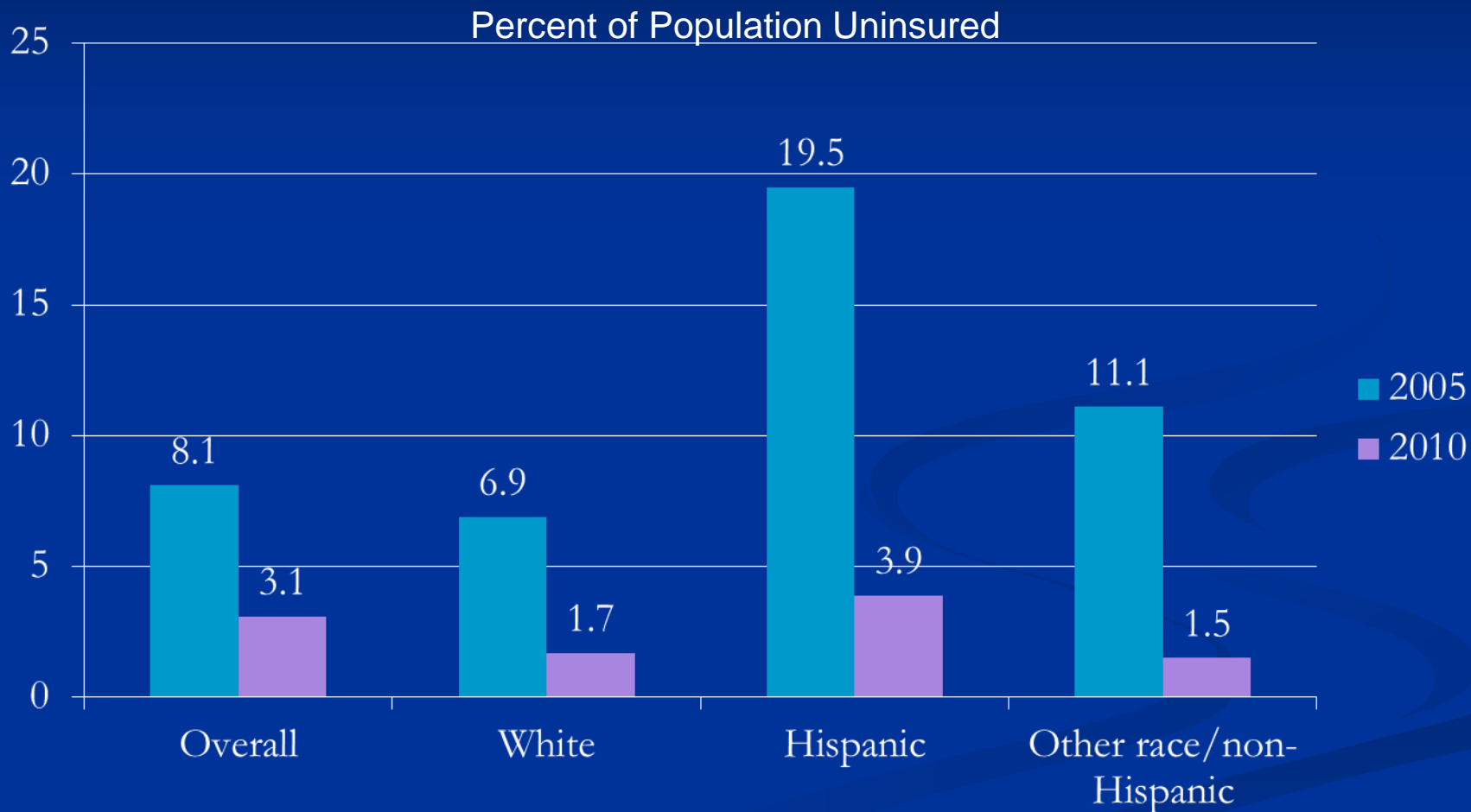
Urban Institute, Mass Health Reform Survey, 2006 and 2010

#2: It works!

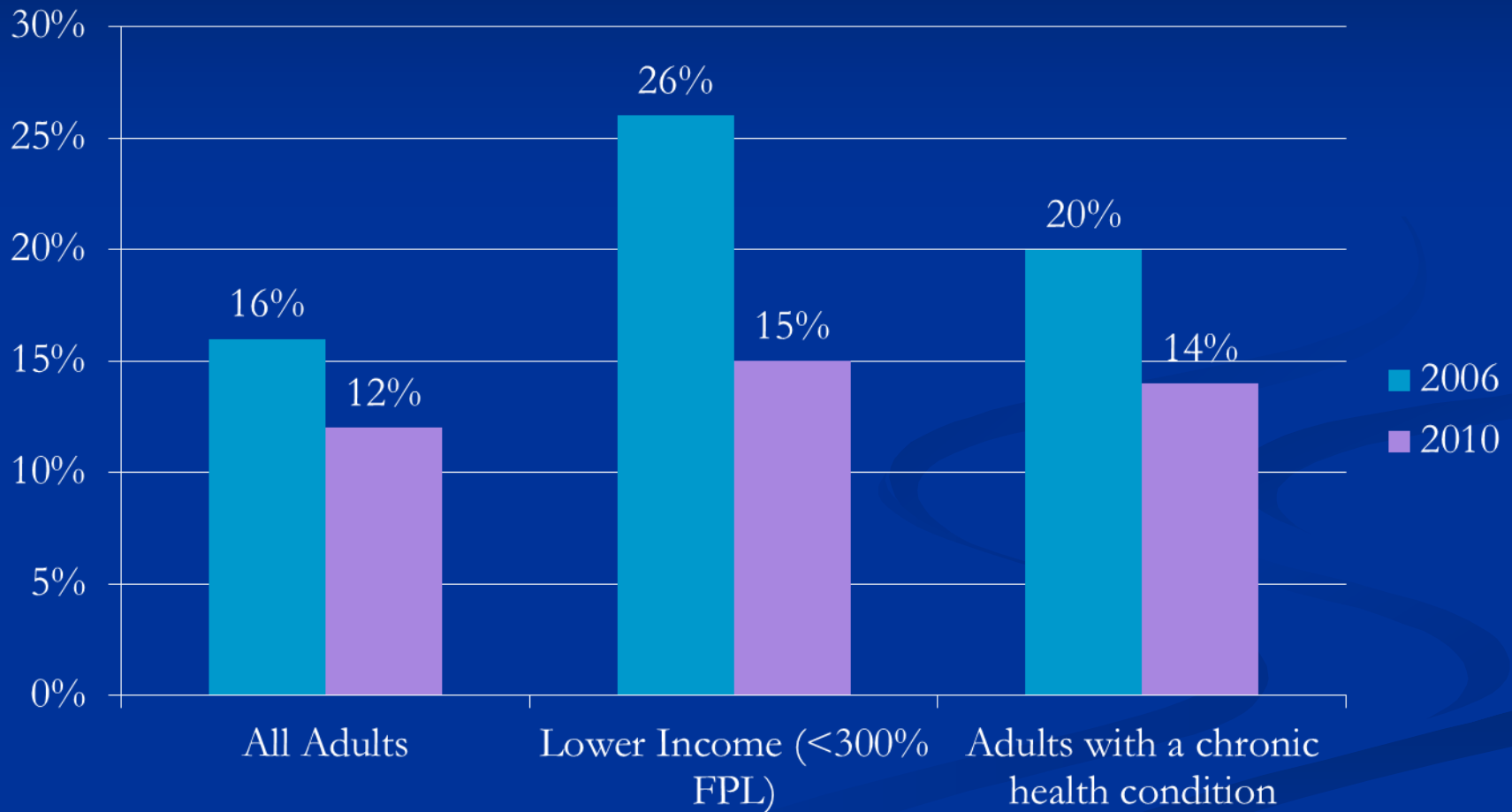
Expanding coverage has improved many measures of affordability, access, use of services, and disparity

- Low- and moderate-income adults are less likely to report high out-of-pocket health expenses.
- All adults, and lower-income adults in particular, experienced a significant decline in unmet health care needs due to cost.
- Access to care increased for all adults
 - Significant increases in the use of doctors, preventive care, and dental services
 - Percent of adults with a usual source of care increased significantly.
- Unmet need for care decreased across middle and low-income, minority race/ethnicity, and chronically ill population groups.
- Racial and ethnic disparities in access to and use of care have decreased significantly.

Significant reductions in the racial coverage gap



FEWER UNMET HEALTH CARE NEEDS DUE TO COST



#3: Enrolling people is an on-going campaign...and takes a community

■ Greater Boston Interfaith Organization

- Educational workshops following weekend services
- Went door to door

■ Associated Industries of Massachusetts

- Partnered with key business associations to co-sponsor 16, three-hour sessions across the state

■ CVS

- Signage in windows, inserts in bags

■ Supermarkets

- Messaging in circulars, messages on store receipts

■ Department of Revenue

- Postcards to tax filers (3.1 million), letters to employers (193,000) and uninsured

■ Medicaid and Connector

- Outreach and Enrollment Grants

■ Registry of Motor Vehicles

- Notices to new Mass. residents via new license process

■ Division of Unemployment Assistance

- Inserts in resident mailings

■ MBTA

- Advertising on subway cars and buses

#4: Young Men Can Be a Tough Sell



Good thing he's got health insurance.

Having health insurance is required in Massachusetts—and now there are increasing penalties if you don't. The state's Health Connector website is the easiest place to compare the widest range of affordable plans that well-known insurance companies offer. Visit our site, choose the plan you like best, and get covered—medical, dental, and financially. Do it today. Because #)*!(%i@**&! happens.

What it could cost you if you don't have health insurance:

- Broken arm – \$2,670
- Broken leg – \$11,277
- Appendectomy – \$14,265

Tax penalties: up to \$912 this year

1-877-MA-ENROLL
MAhealthconnector.org



THE BOSTON PHOENIX only @ thePhoenix.com

MATES OF STATE AT THE MFA
 EXCLUSIVE VIDEO FROM THEIR SOLD-OUT SHOW WITH VIA AUDIO

NOVEMBER 2-8, 2007 | BOSTON'S LARGEST WEEKLY | THREE SECTIONS | FREE



'INSURE THIS!'

Why some twentysomethings won't buy health insurance—even though it means they'll be breaking the law.

...by Mike Millard and David S. Bernstein
 p 14

TOTE BOARD **APATHY IN THE USA**
 Voters may look for a new Perot | p 10

RETRO ROCKERS
 Drug Rug have nice chemistry | A+E p 19

The Ultimate Endorsement



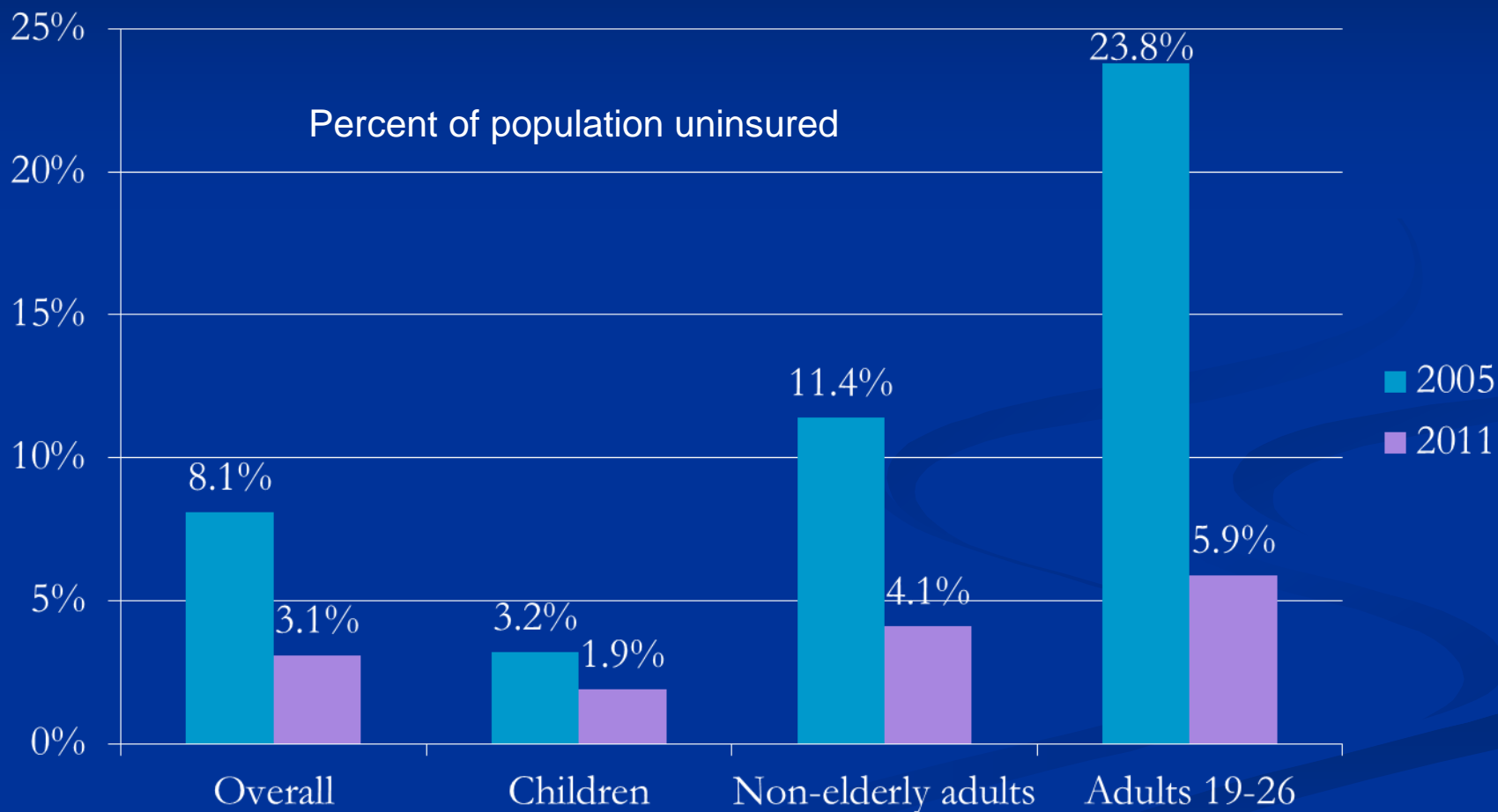
Information booth at Fenway Park for all home games

Live NESN interviews with Health Care Reform proponents – Senator Kennedy, Governor Patrick, State Sec. HHS Judy Ann Bigby, Connector Executive Director

Public Service Announcements

Connect to Health Day at Fenway

The biggest gains in coverage have been among young adults



Urban Institute 2005 estimates; CHIA January 2013 report (2005=adults 19-25)

#5: If You Build It, They Won't All Come

Details of Uninsured from Mass State Tax Filings: 2010

	Uninsured Full Year (n=170,000)
Paid penalty	14%
Nothing affordable	16%
Income <150% FPL: no penalty	63%
Appealed penalty	3%
Religious/other exemption	4%

Problem Could be Bigger Under ACA than in MA: Premiums are largerand initial penalties are lower

Annual Income	US Reform Max Monthly Premium	MA Affordability Schedule (2012)
Up to \$11,000	\$0	\$0
100-133% FPL	\$0	\$0
133.1-150%	\$36-54	\$0
150.1-200%	\$55-114	\$40
200.1-250%	\$115-183	\$78
250.1-300%	\$184-259	\$118
300.1-360%	\$260-295	\$178
360.1-408%	\$295-364	\$239
408.1-504%	\$365-412	\$359
504.1% and above	8% of income	Affordable

100% FPL is ~\$11,0000

AFFORDABLE CARE ACT'S MEDICAID EXPANSION

What each state is considering in regard to the optional Medicaid expansion:

- Participating or leaning toward
- Undecided/No comment
- Not participating or leaning against

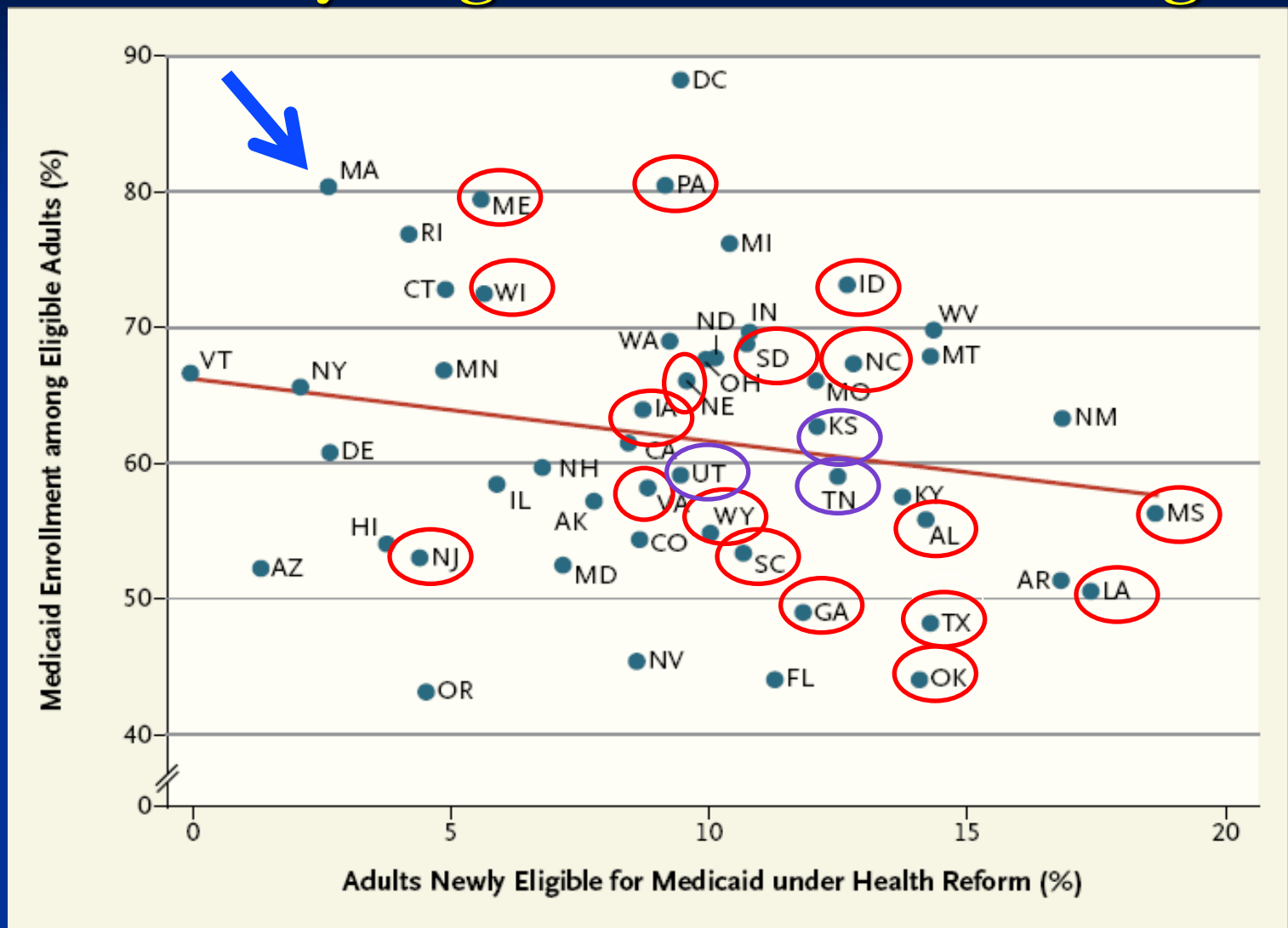
- State governors
- Democratic
 - Republican
 - Independent



SOURCE: The Advisory Board Company

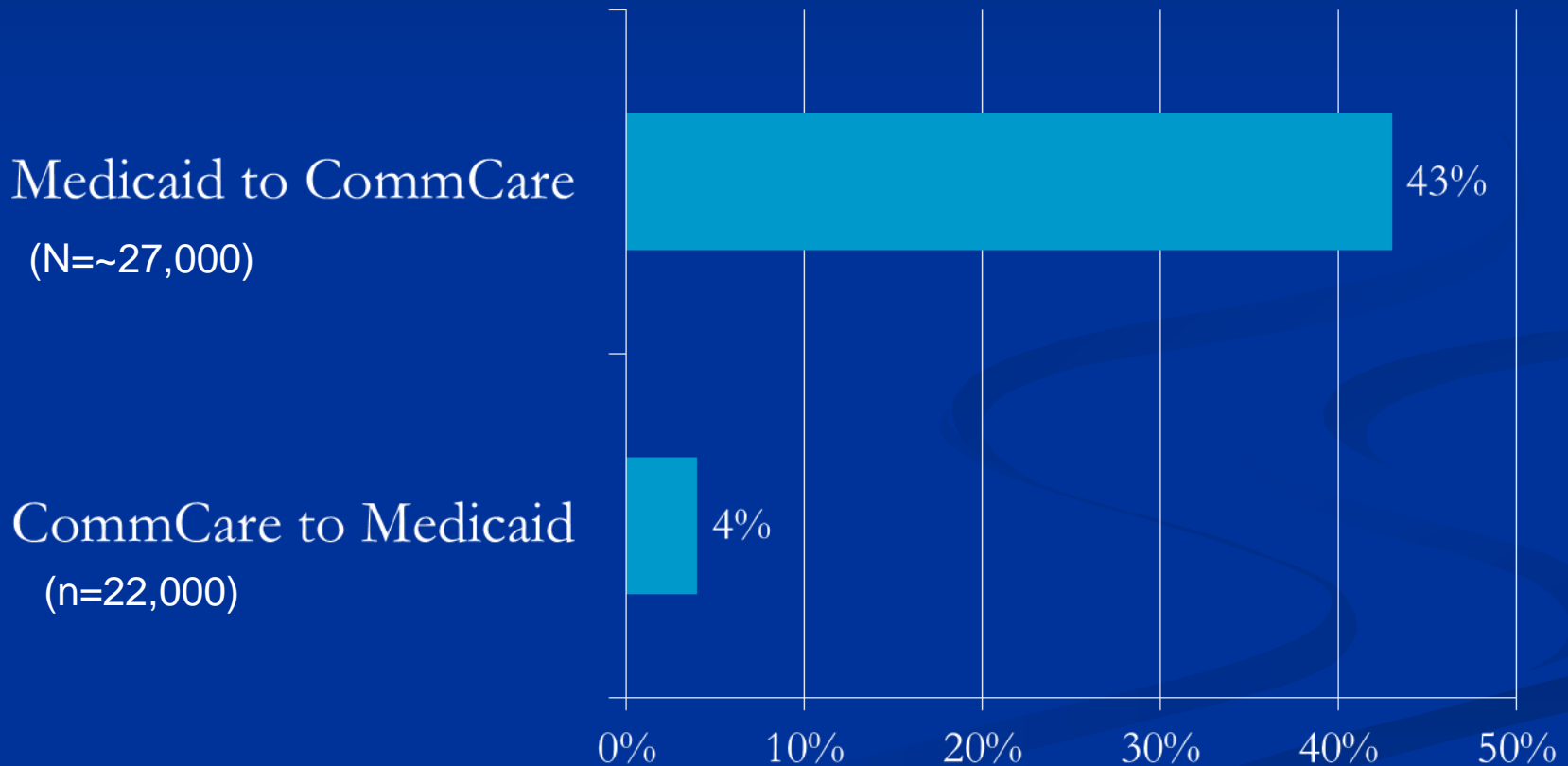
PATRICK GARVIN/GLOBE STAFF

States Vary Widely in Success at Enrolling People Currently Eligible for Public Coverage



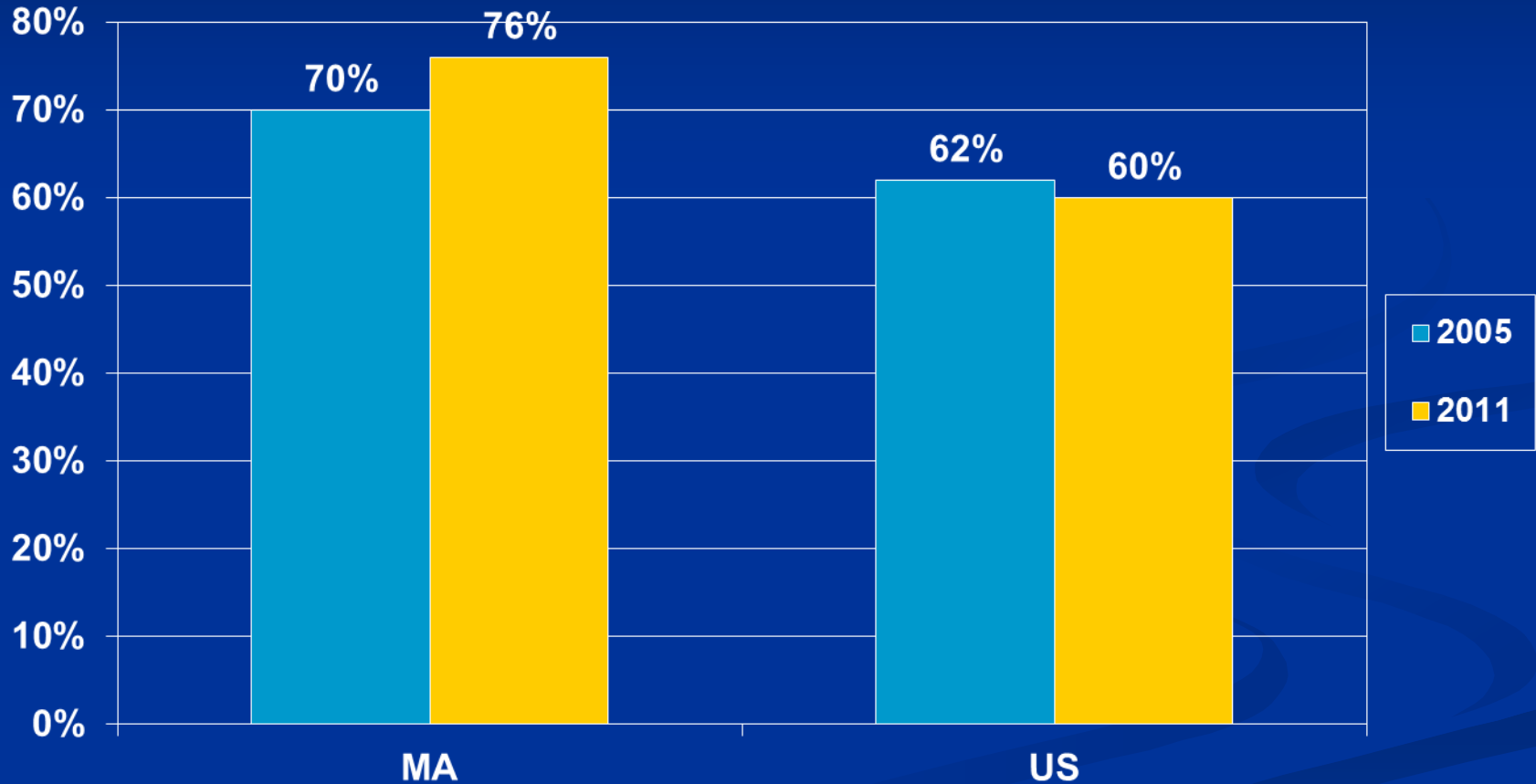
#6: “Churn” is a big problem when people move between Medicaid and the exchange

Percent of Eligible People Shifting Between Programs who are unenrolled at 90 Days



#7: Crowd-In, Not Crowd-Out

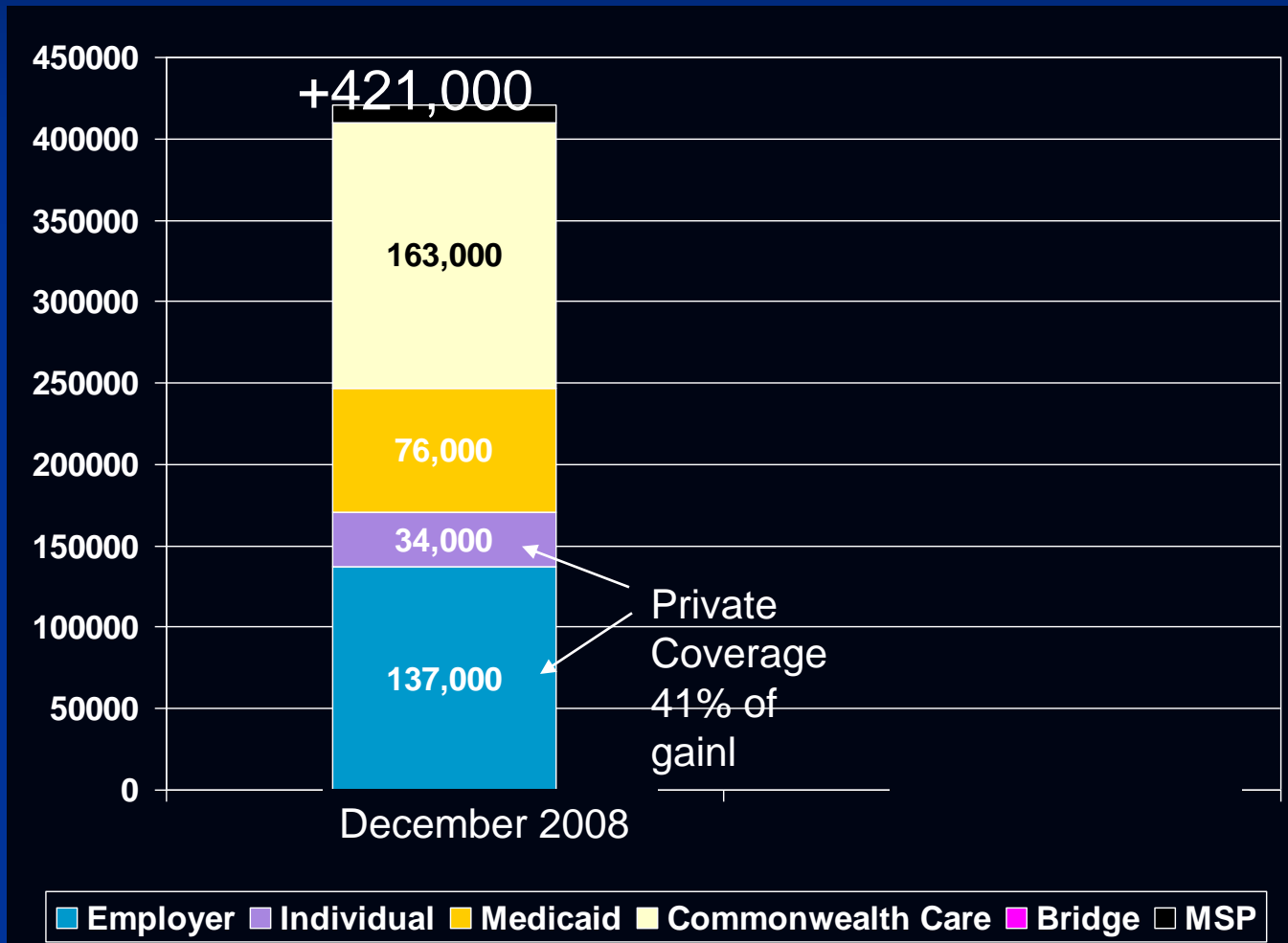
Proportion of Employers Offering Health Insurance



Source: KFF/HNET and Mass DHCFP

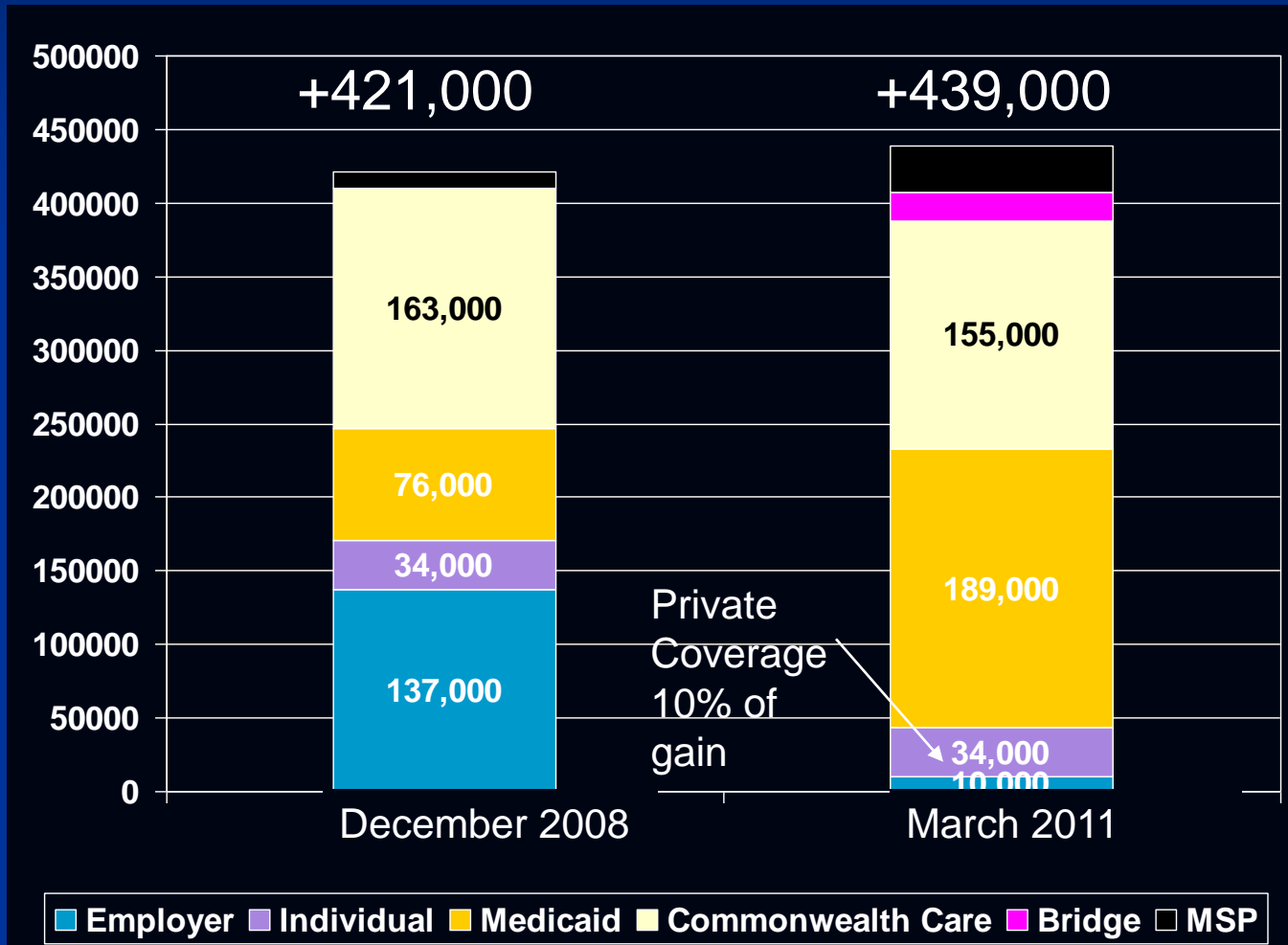
What a Difference A Recession Makes:

Change in Number of Newly Insured Since Health Reform:
June 2006 to December 2008



What A Difference a Recession Makes

Change in Number of Newly Insured Since Health Reform:



#8: Exchange has made premiums differences among insurers much more transparent

Sort plans by Benefits package

Show Plans. Then choose up to 3 to compare. Click **Continue** at bottom.

You've selected

Benefits package

Bronze

Silver

Gold

Narrow by provider

Search for your doctor...
Only show plans that include your doctor, nurse practitioner, hospital or health center.

Narrow by monthly cost

Less than \$300 (11)

\$301 - \$400 (10)

Greater than \$400 (3)

Narrow by insurance carrier

BMC HealthNet Plan (3)

Blue Cross Blue Shield of Massachusetts (3)

CeltiCare (3)

Fallon Community Health Plan (6)

Harvard Pilgrim Health Care (3)

Neighborhood Health Plan (3)

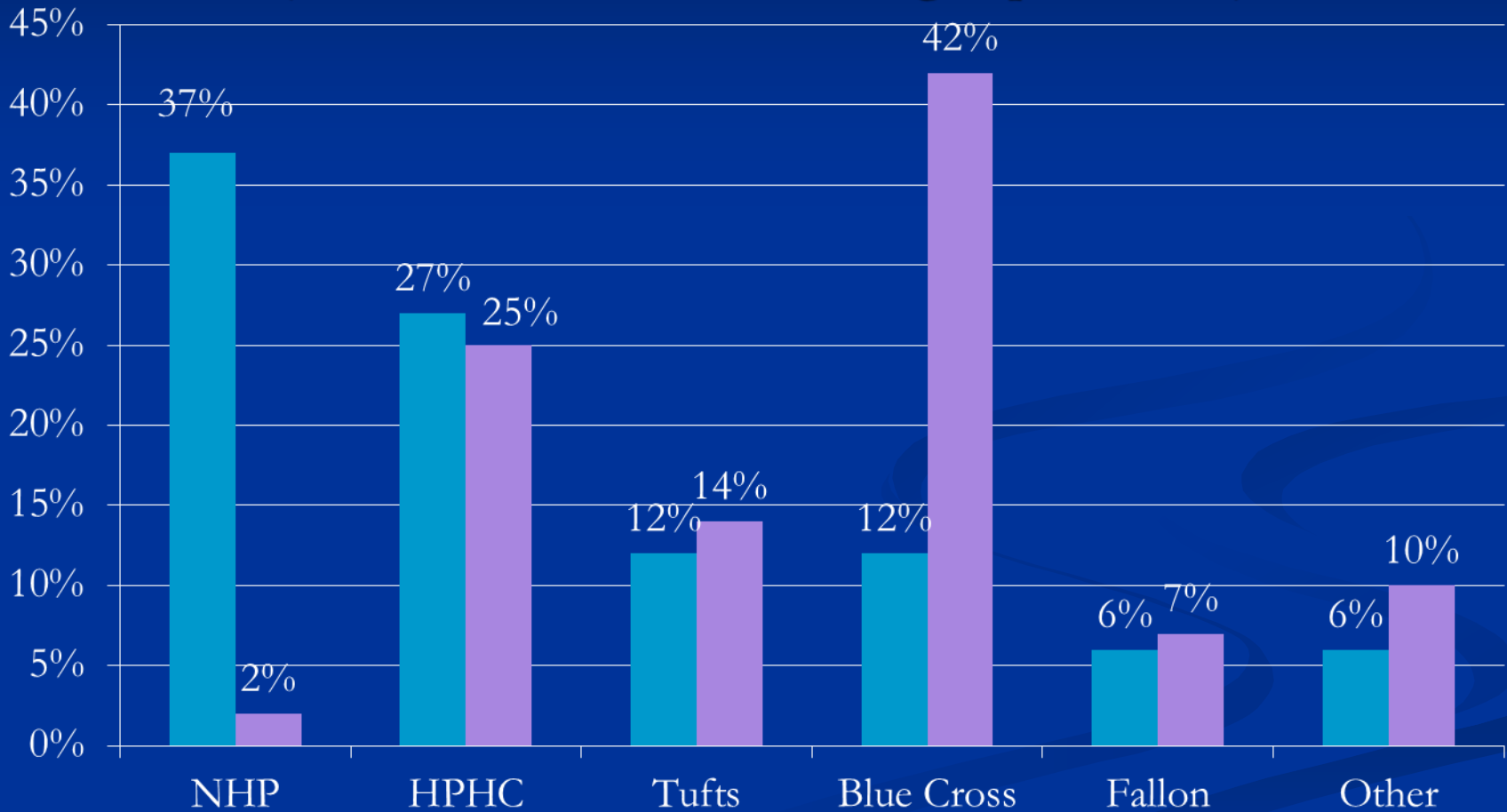
Tufts Health Plan (3)

	Monthly Cost	Annual Deductible	Annual Out of Pocket Max.	Doctor Visit	Generic Rx	Emergency Room	Hospital Stay
STANDARD BENEFITS FOR ALL BRONZE LOW PLANS							
Bronze Low Benefits Package 8 plans available	as low as \$235	\$2,000 (ind.) \$4,000 (fam.)	\$5,000 (ind.) \$10,000 (fam.)	annual deductible, then \$25 copay	annual deductible, then \$15 copay	annual deductible, then \$100 copay	annual deductible, then 20% co-insurance
STANDARD BENEFITS FOR ALL BRONZE MEDIUM PLANS							
Bronze Medium Benefits Package 8 plans available	as low as \$259	\$2,000 (ind.) \$4,000 (fam.)	\$5,000 (ind.) \$10,000 (fam.)	\$30 copay	\$10 copay	annual deductible, then \$150 copay	annual deductible, then \$500 copay
<input type="checkbox"/> CELTICARE	\$259.46	↑	↑	↑	↑	↑	↑
<input type="checkbox"/> Neighborhood Health Plan	\$263.43	↑	↑	↑	↑	↑	↑
<input type="checkbox"/> BOSTON MEDICAL CENTER HealthNet Plan	\$263.51	↑	↑	↑	↑	↑	↑
<input type="checkbox"/> TUFTS Health Plan	\$320.30	↑	↑	↑	↑	↑	↑
<input type="checkbox"/> fallon community health plan	\$344.00	↑	↑	↑	↑	↑	↑
<input type="checkbox"/> SMALLER NETWORK Harvard Pilgrim Health Care	\$353.69	↑	↑	↑	↑	↑	↑
<input type="checkbox"/> fallon community health plan	\$390.00	↑	↑	↑	↑	↑	↑
<input type="checkbox"/> MASSACHUSETTS	\$431.29	↑	↑	↑	↑	↑	↑
STANDARD BENEFITS FOR ALL BRONZE HIGH PLANS							
Bronze High Benefits Package 8 plans available	as low as \$253	\$250 (ind.) \$500 (fam.)	\$5,000 (ind.) \$10,000 (fam.)	\$25 copay	\$15 copay	\$150 copay	annual deductible, then 35%

Premium rates for 30-year old in Boston as of November 1, 2012

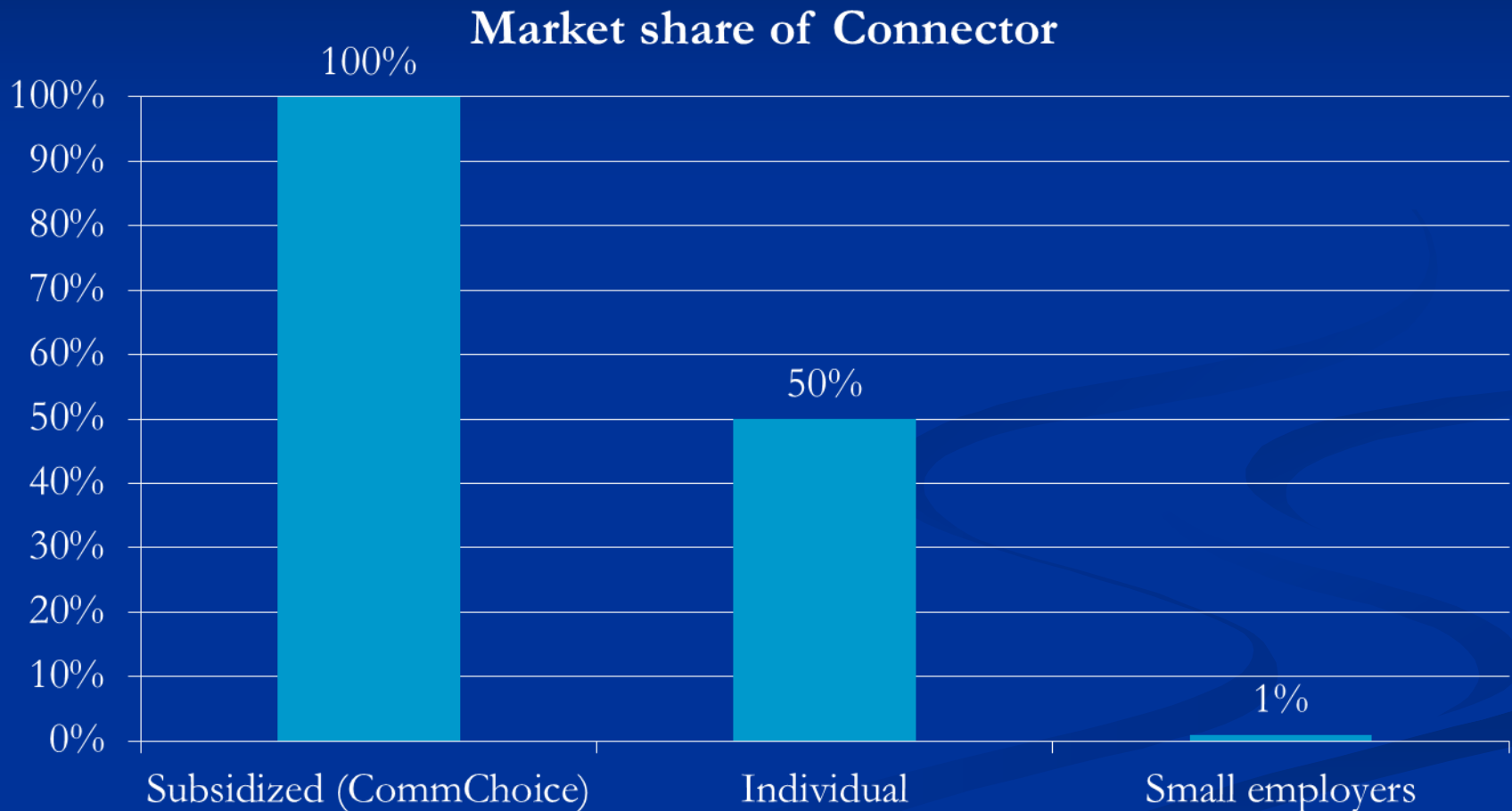
And Consumer Buying Decisions Have Changed

Market Share of Insurers Inside and Outside the Exchange
(% of total individual and small group members)



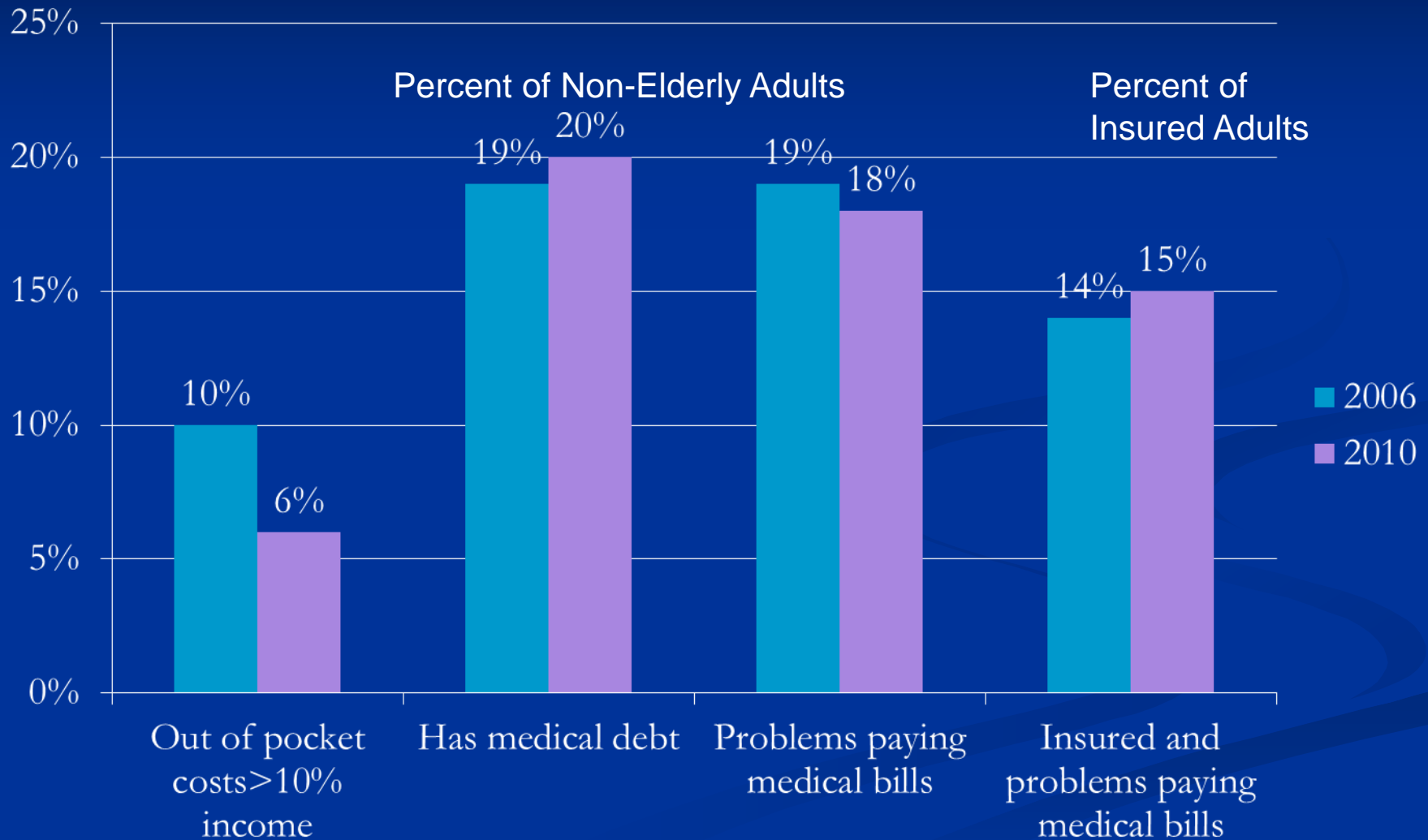
Connector data as of November 2012

#9: Health Insurance Exchange not attractive to small employers...so far



Connector data as of November 2012

#10: Costs Remain a Major Problem for Many



Affordability of coverage remains a big barrier for the uninsured

Percent of non-elderly uninsured reporting a cost barrier to obtaining coverage

60%



% of uninsured with access to ESI who did not take up because of cost

52%



Percent of uninsured who tried to buy individual coverage but it was too costly

Massachusetts Health Reform 2.0

- New cost control law in August
- Annual growth targets for total health care spending in state
 - Linked to gross state product
- New independent state authority with broad powers to monitor and enforce
- New authority for market behavior studies and action against providers for unfair business practices or anti-competitive behavior
- All state-funded health care programs must transition away from fee-for-service to alternative provider payment
- And lots more!

Is Massachusetts On Track to “Crack the Code” for Health Care Cost Control?



Is Massachusetts On Track to “Crack the Code” for Health Care Cost Control?

