



**The Massachusetts Health Reform Law:
“an important national model?”**


The policy and politics of “landmark” health reform legislation.

Senator Richard T. Moore
Senate Chair, Committee on Health Care Financing
Massachusetts General Court


August 16, 2006 | Nashville, Tennessee

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“An important national model...it (health reform) begins to drive important principles – that money should follow people and that money is there to provide healthcare that’s affordable for everyone.”




“This isn’t going to happen perfectly. There will be mistakes. You will learn from them...everyone will learn from them and I want to congratulate Massachusetts for trying... You’ll get better at it and a lot of people will benefit.”

– Health and Human Services Secretary Michael Leavitt

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Roadmap to Reform: Directional Signs

Improve Access


OR

Reduce Costs

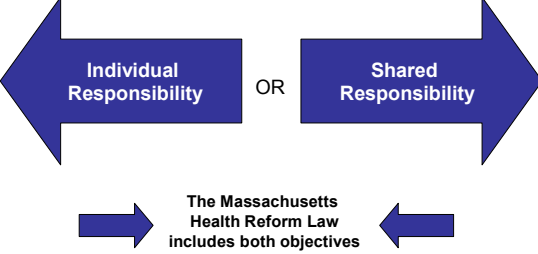
The Massachusetts Health Reform Law has elements of both objectives

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Roadmap to Reform: Directional Signs



Individual Responsibility OR Shared Responsibility

The Massachusetts Health Reform Law includes both objectives

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Roadmap to Reform: Directional Signs




Government Solutions OR Market Solutions

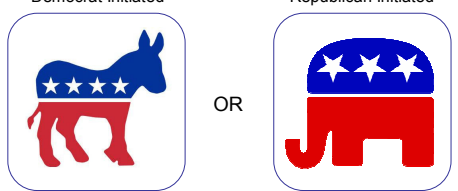
The Massachusetts Health Reform Law employs both strategies

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Roadmap to Reform: Directional Signs



Democrat Initiated OR Republican Initiated

The Massachusetts Health Reform Law is a bipartisan approach

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Roadmap to Reform: Directional Signs

Narrow economic self-interest



OR

Broader public interest



The Massachusetts Health Reform Law passed because it appeals to both

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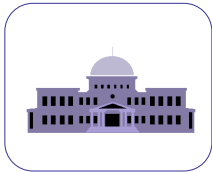
Roadmap to Reform: Directional Signs

Federal Government



OR

State Government



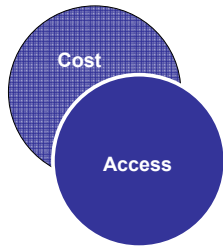
The Massachusetts Health Reform Law relies on a Federal AND State Partnership

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Roadmap to Reform: Successful Reform Must...



Successful and sustainable reform must simultaneously address access and cost

The Massachusetts Health Reform Law addresses both.

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Roadmap to Reform: Successful Reform Must...



It must share responsibility among those who pay for health care – individuals, employers, state and federal governments – to assure affordability for all.

The Massachusetts Health Reform Law shares responsibility among all stakeholders.

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Roadmap to Reform: Successful Reform Must...



It must promote commitments to stewardship of health care resources among those who provide care to maximize the value of every dollar spent on health care.

The Massachusetts Health Reform Law Utilizes "Pay for Performance" to obtain commitment from providers, Individual Mandate for commitment from the public, Fairshare Assessment for funding from the non-providing employers. Rechanneling support of businesses and insurers for uncompensated care to subsidized insurance, redirecting and expanding Medicaid dollars.

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Roadmap to Reform: Consensus Building Process

Incremental reform builds on existing system

Aims to address traditional dichotomies of reform

- Focus on improving access and reducing costs
- Prompt individual and shared responsibility
- Initiate government and market solutions
- Appeal to Democratic and Republican ideals
- Consider economic interests and the public good
- Rely on federal and state governments

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Massachusetts Health Reform: Implementation

July 2006

For hundreds of thousands of Massachusetts residents, health reform became real in July:

MassHealth (Medicaid) restored benefits for more than 600,000 insured low-income adults who now have access to dental care and eyeglasses; MassHealth eligibility has also been expanded to more than 27,000 kids and tens of thousands of previously excluded poor adults.

In the FY 2007 state budget, legislators fully funded all key Chapter 58 programs.

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Massachusetts Health Reform: Implementation

July 2006

The federal government approved the 1115 Medicaid Waiver, securing \$385 million federal dollars critical to fund insurance subsidies, cover 10,500 unemployed people who were on the waiting list, and expand Insurance Partnership – an employer/employee subsidized insurance program - increasing eligibility to employees up to 300% federal poverty level (from 200%).

The Connector Board issued proposed rules for benefits in Commonwealth Care Health Insurance Program - subsidized coverage for those below 300% FPL. Plans which will become available on October 1st.

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Massachusetts Health Reform: Implementation

August 2006

Commonwealth Care Health Insurance Connector Authority Executive Director Jon Kingsdale announced that Commonwealth Care Health Insurance (CCHIP) - fully subsidized coverage for individuals under 100% of the FPL (98,000) - will open as scheduled on October 1st, and that coverage for the 100%-300% FPL population will not be available until January 1, 2007. (August 2, 2006)

The Division of Health Care Finance and Policy (DHCFP) public hearing on employer responsibility regulations defining employer responsibility within health reform. (August 8, 2006)

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Massachusetts Health Reform: Implementation

August 2006

The Division of Health Care Finance and Policy public hearing on regulations defining how employers and employees must meet the individual mandate's requirement for health insurance coverage disclosure. (August 8, 2006)

The Insurance Connector Board public hearing on the CCHIP benefit regulations.

The Connector Board expected to vote at the August 17th meeting to approve draft regulations on CCHIP coverage subsidies for folks up to 300% of the federal poverty line.

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Lessons from the Massachusetts Experience

1

State political leadership at the highest level creates political will to achieve meaningful reform.

- Governor
- Senate President
- House Speaker
- House and Senate Health Care Financing Chairs
- Senate Ways and Means Chair
- House Financial Services Chair
- Senate Republican Leader

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Lessons from the Massachusetts Experience

2

Active, organized grassroots advocacy over an extended period of time is needed before and after.

- Health Care for all
- Greater Boston Interfaith Organization
- Neighbor to Neighbor

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Lessons from the Massachusetts Experience

3

The moral issue breaks through entrenched opposition – the faith community is key.

- Greater Boston Interfaith Organization

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Lessons from the Massachusetts Experience

4

Stakeholders (ie, hospitals, business, labor, health providers, insurance companies) must put the larger public interest above their own (short-term) narrow economic self-interest

- Massachusetts Hospital Association
- Massachusetts Association of Health Plans
- Partners Health Care
- Associated Industries of Massachusetts
- Massachusetts Business Roundtable
- Greater Boston Chamber of Commerce
- Blue Cross Blue Shield of Massachusetts

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Lessons from the Massachusetts Experience

5

Comprehensive health reform proposals that phase in over several years are easier to pass but run the risk of being unraveled.

The Massachusetts Health Reform Law reprograms existing state, federal and private sector resources and is implemented on a phased-in basis.

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Lessons from the Massachusetts Experience

6

It's easier to get support for proposals to expand access than to restrain the growth of costs, but costs must be addressed to make any reform sustainable.

- Cost-Quality Council
- E-Health
- Statewide Infection Control Program
- Pay for Performance
- Wellness/Tobacco Insurance Incentive
- Preventive Program Expansion

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Lessons from the Massachusetts Experience

7

Massachusetts demonstrated how federal incentives can provide the critical stimulus for leaders to come together to move toward comprehensive reform.

- Waiver renewal was crucial
- Massachusetts Health Reform gained federal support

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Conclusion

“The state's are laboratories of democracy, as Supreme Court Justice Louis Brandeis once said, and the test tubes are bubbling.”



David L. Ryan/ Boston Globe

Boston Globe Editorial on health care bills passed in Massachusetts and Vermont, May 21, 2006

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