



# Massachusetts Health Care Reform 2011 Progress Report



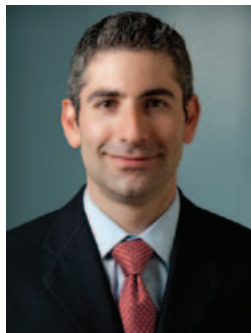


Jay Gonzalez

## A Message from the Chairman of the Board and Executive Director

With over 98 percent of the Commonwealth’s residents now insured – the highest rate of coverage in the nation – there is no argument that health reform in Massachusetts has achieved its goal of near-universal coverage. Health reform is not only providing peace of mind for the more than 400,000 previously uninsured, as stories in this year’s annual progress report will attest. It is literally saving lives.

That does not mean our work is done. In some ways, it is just beginning. We have improved access, but there are still challenges ahead to contain costs so that coverage is sustainable over the long run. That is the ultimate goal – and one we can and will attain in the same manner our state’s coverage initiative was molded and implemented. It took strong leadership from Governor Patrick and the Legislature and the enduring commitment of diverse stakeholders to make us a national model for expanding coverage. We are confident that the same spirit and skill will enable Massachusetts to lead the nation in health care cost containment.



Glen Shor

The Health Connector played a critical role in the first phase of health reform. More than 55 percent of the newly insured get their coverage through our subsidized and unsubsidized programs. As an active purchaser of health insurance, the Health Connector has been able to keep average annual health plan premium trends for Commonwealth Care at approximately 3 percent, saving money so the state can put coverage within reach of about 160,000 Massachusetts residents with low-to-moderate incomes. Through Commonwealth Choice, we have created an easy-to-use and objective web-based shopping experience for small businesses and individuals, newly empowering them to find and enroll in affordable coverage.

The Health Connector is proud of its accomplishments to date, but we are not standing pat. We are very much an agency in motion. As this report illustrates, we are ever-striving to improve opportunities to help individuals, families and small businesses secure affordable coverage. Along these lines, we will be focusing our efforts on fashioning “Connector 2.0” – a vibrant health insurance Exchange compliant with new national health reform rules that take effect over the next few years and fully responsive to an evolving health care landscape.

These changes present both opportunities and challenges for the Health Connector, and we are actively engaged in the process of navigating them with our board of directors and many others. We are confident that with the support of the Administration, the Legislature and stakeholders, the next iteration of the Health Connector can and will be a continued – indeed, an even more effective – force for helping to put affordable health insurance within reach of the citizens of the Commonwealth.

Sincerely,

Jay Gonzalez  
Secretary for Administration and Finance  
and Chairman of the Connector Board

Glen Shor  
Executive Director



The Commonwealth Health Insurance Connector Authority is an independent state agency that helps Massachusetts residents find health insurance coverage and avoid tax penalties.

# The many faces of health reform across Massachusetts



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# Remarkable strides in first five the Health Connector is poised

The year 2011 marked the fifth anniversary of Massachusetts health reform and the Health Connector. Since 2006, the Health Connector has come a long way, starting a trend that now has national followers. And while Massachusetts provided the blueprint for national reform, the Health Connector of the past five years is not necessarily the Health Connector of the next five.

“The Health Connector is an organization in motion, always striving to improve access to affordable health insurance in Massachusetts,” noted Executive Director Glen Shor.

Governor Deval Patrick and Senate President Therese Murray helped kick off the fifth anniversary celebration in April at the Dorchester House in Boston. Governor Patrick pointed out that more than 98 percent of Massachusetts residents now have health coverage, including 99.8 percent of Bay State children. All of this has been accomplished while only requiring an additional 1 percent state spending in the state budget.

Speaking to a large gathering that included many who had fought for years to make health reform a reality in Massachusetts, Governor Patrick added, “I am proud of health reform. I am proud that we are a kind of Commonwealth that values health as a public good. And I am so proud of all of you who came together to make this a reality.”

Also taking part in the celebration was the first person enrolled in the first Health Connector program created by the landmark 2006 legislation, Madelyn Rhenisch of Brighton, who had struggled for ten years with unexpected health problems that left her unable to work, forced her to abandon her graduate studies and exhausted all of her resources and retirement funds.

“I went from an active community participant aspiring to work and contribute in the public sector to a survivor just trying to make it financially, physically and emotionally,” she remembered. “The hardest thing was losing my health insurance. In October of 2006, all that changed. For the first time, I was able to seek out doctors and health care that would get me well. I no longer lived in fear each day that a new health problem or accident would make things even worse. I could afford prescriptions without worrying about whether I could also afford food or rent. I was able to get back on the road to health.”

Of the 411,000 newly insured Massachusetts residents since 2006, more than half obtained their coverage through the Health Connector’s subsidized and unsubsidized programs, Commonwealth Care and Commonwealth Choice. That success has not gone unnoticed.

# years of Massachusetts reform, to contribute to the next five

On May 20, 2011, a *New York Times* editorial proclaimed, “Residents of Massachusetts have clearly chosen to tune out the national chatter and look at their own experience. Most polls show that the state reforms are strongly supported by the public, business leaders and doctors, often by 60 percent or more.”

In fact, a June poll by the Harvard School of Public Health and *The Boston Globe* demonstrated that support for Massachusetts reform had grown from 61 percent in 2006 to 63 percent today. Some polls have shown support as high as 75 percent.



## 2011 At A Glance

- 98.1% statewide coverage and 99.8% of children
- Employers offering coverage grows to 77%
- Public support for reform remains strong at 63%

## Getting on board Business Express was a wise call in tough economy

Faced with a struggling economy, The Northeast Capital Group, Inc. of Woburn wisely decided to reinvent itself rather than wait for conditions to improve. The 14-year-old small business that had dealt primarily in residential mortgages and commercial/construction loans decided to concentrate on note purchasing and property management in order to stay afloat.

They also looked where they might be able to reduce overhead by re-examining salaries, telephone, internet service and, of course, health insurance.

“We rolled with the punches,” said Executive Vice President Peggy Adams. “We had to re-evaluate our spending to make better long-term decisions.”

Facing a \$130 per month increase in premiums, Adams read about the Health Connector’s Business Express program and found a plan that had the doctors they wanted. And rather than pay another \$130 a month, they now pay \$100 less every month.

“And I no longer had to pay an annual fee to be part of a group,” she added.

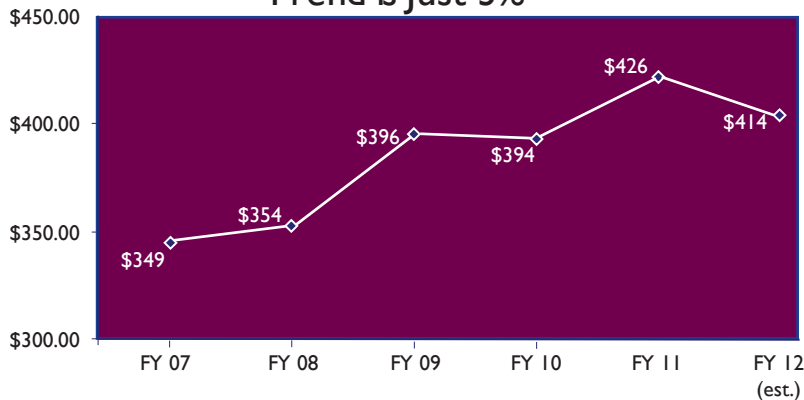
And the online shopping experience was simple.

“It was fantastic,” said Adams. “I could pull up and compare any product I wanted. I think between the research, talking it over and signing up, it took just about a week.”

It is a decision that Northeast Capital is glad it made.

“Regardless of what the economy is doing, there is no need to spend any more money than absolutely necessary on health insurance,” Adams stated. “I consider switching to the Health Connector to be one of the best decisions we’ve made.”

### CommCare: Average Annual Premium Trend is Just 3%



Public support for Massachusetts reform would not be what it is without the unwavering commitment towards progress shown by the Patrick Administration and the leadership of the House and Senate. Through the annual budget process and legislation devoted to further improving access and cost-efficient coverage, political leadership in the Commonwealth has joined together to ensure that the Massachusetts experiment is a successful one.

## Commonwealth Care

Commonwealth Care is available to Massachusetts residents who are non-disabled adults earning up to 300 percent of the federal poverty level (\$32,676 for an individual and \$67,056 for a family of four) and not offered employer-sponsored insurance. There are about 160,000 members. Since the inception of the subsidized program, the average annual increase in the capitation rate per covered person has been held to 3 percent.

The Commonwealth Care procurement for Fiscal Year 2012 presented unique challenges. The program is level-funded while enrollment is expected to grow to

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‘ And I no longer had to  
pay an annual fee to be  
part of a group ’

*-- Peggy Adams*

175,000 due primarily to the anticipated transition of Medical Security Plan members when their unemployment insurance benefits expire. The growth in the program compared to the resources available posed an \$80 million challenge to the Commonwealth. Rising to the

**‘ I am proud that  
we are a kind of  
Commonwealth that  
values health as a  
public good.’**

*-- Governor Deval Patrick*

challenge, this procurement encouraged innovation and competition among managed care organizations (MCOs). The Health Connector designed a procurement for this fiscal year that resulted in four of the five MCOs submitting bids equal to or lower than last year's rates, which has allowed the continuation of affordable, comprehensive coverage without enrollment restrictions, benefits cuts or a drastic increase in copayments.

“The state's new fiscal reality demands that we change the way government does business to stretch every taxpayer dollar as far as possible to preserve critical programs and services,” said Administration and Finance Secretary Jay Gonzalez, who also chairs the Health Connector's board of directors. “The Connector's innovative procurement strategy is change that has yielded results we need and has continued high-quality health insurance coverage for those who need it at a lower cost for taxpayers.”

Base enrollee premiums for Fiscal Year 2012 were also maintained at 2008 levels

for members who opt for the lowest-cost plans. Approximately one-half of the membership pays a monthly premium.

In addition to the Commonwealth Care program, about 16,000 legal immigrants continue to receive comprehensive coverage in the Commonwealth Care Bridge program. Through the support of the Governor and the Legislature, the program is fully funded for the current fiscal year at \$42 million. However, the Commonwealth is awaiting a final decision from the Supreme Judicial Court in the *Finch* case, which could potentially result in the reintegration of this population to Commonwealth Care. In that event, the success of this year's Commonwealth Care procurement will be even more important to containing costs for the Commonwealth.

## Commonwealth Choice

A dramatic increase of more than 30 percent over the past year has the Commonwealth Choice membership hovering close to 40,000. The contribution of this unsubsidized program to the overall effort to insure nearly all Massachusetts residents is further evidenced by the fact that more than 40 percent of those who are newly insured since 2006 and buy insurance on their own have purchased through the Health Connector.

A report from Georgetown University's Health Policy Institute earlier this year summed up the program's function in the Massachusetts market: “In Massachusetts' case, rather than ‘active purchaser,’ perhaps a more apt description of the Connector's market role when it comes to CommChoice would perhaps be ‘active market organizer.’ While it has little leverage to negotiate on price with insurance carriers, it can and does effectively use its management of the



store shelves to provide consumers with high-value products.”

Consumers will have even more choice in the program during the next year when BMC HealthNet, one of the original managed care organizations in the Commonwealth Care program, begins offering commercial products through the Health Connector. That is expected to occur in January when they will join Blue Cross Blue Shield of Massachusetts, CeltiCare, Fallon Community Health Plan, Harvard Pilgrim Health Care, Health New England, Neighborhood Health Plan and Tufts Health Plan on the Commonwealth Choice shelf.

As a result of this year’s procurement and Seal of Approval process, there will be much more choice for small businesses as all carriers will be participating in the Business Express program. This is expected to occur later this year.

Both individual shoppers and small businesses were introduced to Wellness Track this year. The Health Connector’s new wellness program provides resources to promote healthy living, personalized tools to view, log and track goals, interactive campaigns to engage them along their wellness journey and monthly newsletters with sound wellness tips.

For small businesses, the incentives go beyond improved health. In the coming year, eligible small businesses will be able to save up to 15 percent on the cost of their share of premiums for their employees through subsidies made available through the Health Connector. Through an initiative created and supported by the Legislature in last year’s small business cost containment legislation, this year up to \$3.5 million is available to eligible small businesses that participate in the Wellness Track. The program is expected to increase

**‘ The Connector’s innovative procurement strategy is change that has yielded results we need and has continued high-quality health insurance coverage for those who need it at a lower cost for taxpayers. ’**

-- Secretary Jay Gonzalez

productivity in the workplace, boost job satisfaction and morale, and create a healthier and happier environment for employees.

In addition, a \$10 monthly small group supplemental fee has been eliminated, and the administrative fee paid by carriers for Business Express is being lowered from 3.5 percent to 2.5 percent. In the individual market, that fee was dropped from 4.5 percent to 3.5 percent last year.

Also introduced this year was a new provider search tool for individual shoppers. This has simplified the shopping experience even further by eliminating the need to jump back and forth between the Health Connector’s website and those of individual carriers to find primary care physicians, specialists and facilities.

## **Customer Satisfaction**

Not only are Massachusetts residents pleased with how health reform is being implemented, but both Commonwealth Care and Commonwealth Choice members are satisfied with the plans they have.

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## Commonwealth Choice removes the confusion with concise information for insurance shoppers

Shopping for insurance for his family has gone from being a “nightmare” to a “miracle” for 41-year-old management and IT consultant Peter Kim of Cambridge.

“It used to be impossible to do an apples-to-apples comparison of policies,” said Kim. “I would try to compare plans but there would always be an asterisk and suddenly you couldn’t compare them, even if you were an educated consumer.”

That changed for Kim when the Health Connector launched the Commonwealth Choice program in 2007.

“Before then, there was no market because a market requires information and there wasn’t any because there could be infinite variability of policies,” he remembered. “The Health Connector created a market and an environment that’s friendly. That alone would have been light years beyond my previous shopping experience. But on top of that, I can actually save money.”

Kim estimates he now saves “a couple of thousand dollars a year” and is pleased he no longer has to join a group and pay a membership fee for coverage that protects his family.

“By supplying definitions of product, I can now buy in a marketplace. I have saved significant money, both in rates and in the deductibles, and I have greater confidence in what coverage I do have.”

For Peter Kim, his wife and two school-aged children, reform and the Health Connector are making a significant difference.

“It’s just a miracle in my opinion,” Peter said.

An independent survey of Commonwealth Care members released by Market Decisions in March showed that 84 percent of members were satisfied with their coverage. Eighty-six percent gave high marks to the range of services covered and the quality of care available, while 82 percent had similar feelings about the choice of doctors and provider networks. More than 80 percent reported seeing a doctor at least once during the year.

Also, 85 percent of the respondents indicated the application process was easy and 88 percent indicated it was easy to enroll in a health plan.

“This overwhelming endorsement by our members is a strong reflection of the high quality, affordable medical services we provide,” said Commonwealth Care Director Stephanie Chrobak.

Commonwealth Choice members also show a high degree of satisfaction with their program during routine surveys shared with call center staff intended to not only maintain but improve customer service. Satisfaction with the length of time to reach a representative, the representative’s ability to listen and understand the question, and the representative’s explanation and professionalism ranges from 77 to 91 percent and shows improvement in all areas from the preceding survey.

“We strive on a daily basis to be courteous, efficient and responsive to our members,” said Commonwealth Choice Director Roni Mansur. “The importance of strong customer service cannot be overstated.”

## Collaborations

In addition to administering its own programs, the Health Connector also shares its expertise with other state agencies to help shape their offerings.

Working with the Department of Higher Education and the Division of Health Care Finance and Policy last year, the Health Connector helped structure the first major overhaul of student health insurance in over 20 years. For 11,000 students on 24 state university and community college campuses, the rewards were dramatic during the 2010-2011 school year.

## At work and at home, Dr. Robert Hoch has seen the difference health reform can make

Massachusetts is home to many “firsts” in health care. Health reform is one, of course. Community health centers are another.

Dr. Robert Hoch of Brookline is the Chief Medical Officer of Harbor Health Systems, Inc., which encompasses the nation’s oldest community health center, the Geiger Gibson Community Health Center on Columbia Point in Dorchester. Community health centers “provide underserved communities access to high quality, comprehensive medical services,” and “close gaps in the medical safety net,” Dr. Hoch observes.

The same could be said of health reform.

A pediatrician, Dr. Hoch is a native New Yorker who came to Massachusetts more than thirty years ago to serve as the medical director of the Neponset Health Center, after a pediatric residency in Wisconsin.

“With adults, you are often working to ameliorate the many chronic problems that they present with,” Dr. Hoch says. “Pediatrics allows for intervention at a point before problems have developed, and I like working with kids.”

In Massachusetts, 99.8 percent of children are now insured, and 98.1 percent of all Massachusetts residents have coverage. Dr. Hoch has seen the difference coverage has made for patients at Harbor Health’s facilities.

“The percentage of patients who come in without coverage has gone down significantly,” and that has improved the continuity of care, according to Dr. Hoch. “Getting follow up care such as hospital based X-rays, expensive prescriptions, or specialty care is difficult when patients are uninsured. Health insurance makes a big difference.”

Dr. Hoch sees patients covered by both of the Health Connector’s programs, the government-subsidized Commonwealth Care program and the commercial Commonwealth Choice program. He is also a customer.

“The Massachusetts law let us cover our daughter under our plan until she turned 26, then she went to grad school and got coverage there. But when she finished her studies, she didn’t have a plan. We went to the Health





Connector’s website to get a Commonwealth Choice plan for her and it was a very positive experience, very user friendly.”

Returning to the subject of his work, Dr. Hoch touts community health centers as models for policymakers to examine as they confront the challenge of rising health costs.

“Community Health Centers are models for efficiency as well as quality and are leaders in the movement towards ‘medical homes’ and access for all,” he notes.

# The Top Ten Facts about MassHealth

**1 Massachusetts now has a 98% coverage rate, the best in the nation, by far.** More than 400,000 Massachusetts residents are newly insured. Nearly all children (99.8%) and seniors (99.6%) have health insurance. Furthermore, racial and ethnic disparities in health coverage have been significantly reduced.

**2 Popular support for the law remains high,** ranging from 59% to 75% in independent polls. Even in the midst of a polarizing debate over national health care reform, strong public and bipartisan support has been sustained.

**3 Access to care has improved in Massachusetts.** A fall 2008 survey by the Blue Cross Blue Shield of Massachusetts Foundation and *the Boston Globe* found that more than 90% of individuals reported having a primary care provider, and only 5% said there was a time in the past year that they needed medical care, tests or treatment that they did not get. Access to care is far better in Massachusetts than nationally. For instance, in 2007, about 20% of the U.S. population reported not getting or delaying needed medical care at some point in the previous 12 months.

The supply of primary care physicians is a national problem, and Massachusetts reform has stimulated creative approaches to further improve access. In

2008, the private sector, with some state contribution, developed a loan repayment program for physicians and nurses who make a two- to three-year commitment to practice primary care in a Massachusetts community health center. Some 110 primary care clinicians, able to care for more than 160,000 patients, have been recruited or retained because of this incentive program. Additionally, the state's decision in 2007 to allow carefully regulated development of primary care nursing services in commercial pharmacies and other settings is also expanding access for minor ailments.

**4 Health care reform in Massachusetts has not been a budget buster.** Independent analysis by the Massachusetts Taxpayers Foundation concurs with state data showing the cost of the law has been relatively modest, with increased net spending in FY 2010 accounting for just over 1 percent of the state budget. The state has held the line on rates in both MassHealth and Commonwealth Care, with trends far below the experience in the commercial market. Moreover, nearly half of Commonwealth Care members pay premiums for their coverage.

**5 Since health reform, more employers are offering coverage to their employees, bucking the national trend.** In 2010, 77% of Massachusetts employers offered health insurance, up from 69% in 2001. In contrast the national trend which has seen employer offerings remain flat from 68% in 2001 to 69% in 2010. The dominant form of coverage in the state remains private insurance. In the midst of the worst recession since the Great Depression, public sector coverage has predictably increased. But these individuals have not lost coverage - a strength of the Massachusetts model. As more people return to the workforce, reliance on public sector insurance will decrease.

**6 Massachusetts health reform provided the model for national reform.** Like Massachusetts, the new national law calls for the formation of Exchanges. The Health Connector's tiering system, which offers consumers a choice of gold, silver or bronze coverage, was also adopted in a slightly expanded way. Like Massachusetts, the national law sets minimum coverage standards and will include benefits like elimination of



*Abbie von Schlegell,  
Commonwealth Choice Member*

# Massachusetts Health Care Reform

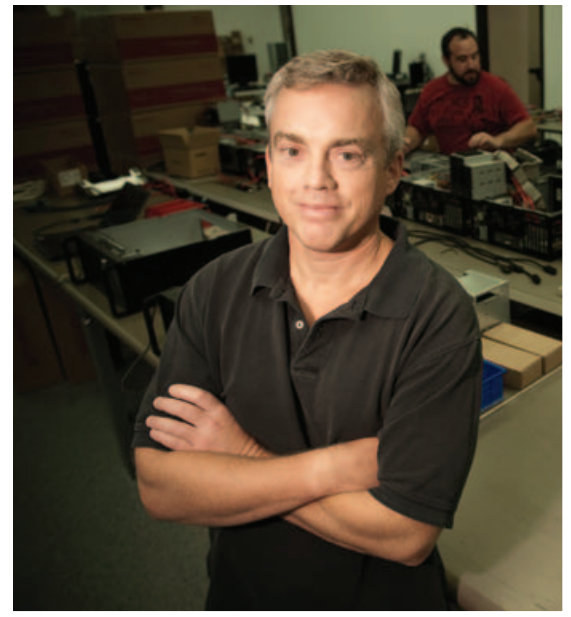
pre-existing condition exclusions. A number of the benefits in the Massachusetts law are enhanced under national reform, most notably extension of subsidy assistance for individuals from 300% to 400% of the federal poverty level, extension of federally-subsidized coverage to legal immigrants and extension of insurance protections to self-funded private coverage.

**7 The individual mandate has worked fairly and effectively to expand coverage in Massachusetts.** Some 97% of the taxpayers are complying with new health reform filing requirements. Furthermore, the Health Connector's appeals process, which rules on hardship exceptions, has been fair to taxpayers, with a 60 percent approval rate for those who follow through with an appeal.

**8 As a result of the merger of the small- and non-group markets, individuals who had a hard time finding affordable coverage now can.** Their premiums for comparable coverage dropped on average about 20% in 2007 right after passage of the law. This is significant progress in a market that had typically experienced double-digit annual premium increases. A Massachusetts Division of Health Care Finance and Policy report found that, as of September 2010, individual, non-group coverage grew by 81,000 individuals since reform, with 32,000 purchasing through the Health Connector's Commonwealth Choice program.

**9 Massachusetts has been proactive in helping small businesses.** Earlier this year, Governor Patrick proposed a series of initiatives that led to lower premiums for small businesses, including denying rate increases proposed by health insurers. This led to negotiated rates and lower costs for employers. Other Administration and legislative initiatives were included in a comprehensive small business health care cost containment law. While not the ultimate solution to rising premiums, these actions were significant steps forward.

In February of 2010, the Health Connector launched the Business Express program which gives small employers the ability to make apples-to-apples



*Matt McGinity, small business owner  
Business Express member*

comparisons of plans and benefits and pick the one that is right for them and their employees, potentially saving money. The Legislature also recently created the Small Business Wellness Incentive Program that will provide some small employers with a subsidy of up to 15% if their employees participate in a wellness program offered through the Health Connector. This incentive program, which became effective July 1, 2011, enhances the small business tax credit program available through national reform.

**10 Massachusetts is taking on the challenge of cost containment.** Progress has already been made through the enactment of two comprehensive cost containment bills since health care reform. Moreover, a commission made up of leaders from state government, providers, insurers and other experts unanimously endorsed a groundbreaking blueprint to reward value instead of volume when it comes to paying for health care. As noted by Nobel Prize-winning economist and New York Times columnist Paul Krugman: "So, where in America is there serious consideration of moving away from fee-for-service to a more comprehensive, integrated approach to health care? The answer is: Massachusetts." (*NYT* 7/23/09) As a first step toward comprehensive payment reform, Governor Patrick filed legislation on February 17, 2011.

## Determined to change her life with a little help from her friends

By Noreen Banks

I stood in the doorway of the room I would call “home” for awhile. An old dresser was tucked in one corner and a single mattress which looked like it had seen better days sat against the opposing wall. The wooden floors were scuffed and dull. A stained curtain draped the only window. It was flowered and flowy, a kind of pitiful attempt at making the space a little more pleasant for the woman who would occupy it.

I opened my duffle bag and removed what belongings I had to the dresser with the crooked drawer; it didn't close right. I placed my soap and a hairbrush on top. I put what little clothes I had into one drawer of the dresser. It wasn't the first time I was starting all over, I thought. I'd been here before, a few times. The years had crept up though. This time I was older, and I knew it was a whole new ballgame. “Less days ahead of me now, than behind me,” I said out loud. I had just finished a 30-day rehab and was about to begin my journey of recovery, again. Would I make it this time? I vowed the life I had known was gone forever. Yes, I WOULD “make it”!

The halfway house, now my new home, held the solutions to many of my problems. Sixteen women and I would learn through each other the fine art of patience and tolerance, albeit some not always successful! The task was huge and daunting at first. I would need to fix everything in my life. I was bankrupt in body, mind and spirit. The first thing I knew I had to do was wrap myself around my faith, something I had neglected for years. Through the Grace of God, I was given yet another chance. He would give me the strength and courage I would need to do the next right thing, one day at a time.

They say it takes a village to raise a child. My journey of recovery has proven that the same is true for the sick and suffering alcoholic/addict and people with behavioral health issues. It would take hundreds of others with stories like mine who shared their experience, strength and hope with me, so that I wouldn't feel alone and despairing. It would take health care professionals, social workers, insurance administrators, clergymen, sponsors, counselors, and supportive friends and family. I learned how to ask for help because my life depended on it.




I found a primary care physician through the Health Connector. I received a full check-up and the proper medications necessary to restore and maintain my good health. My doctor carefully listened as I requested a referral for psychotherapy. I was connected with a therapist who helped tremendously in those first few, crucial years in early recovery. The Health Connector was so helpful in all of my substance abuse/behavioral health concerns. There was always a kind, helpful voice on the other end of the line.

I will always remember that small, bleak room in that halfway house. My life has changed so dramatically that it seems like eons ago. I am so grateful today for the many blessings in my life, small and large. I am forever grateful to the hundreds of people who helped me, directly or indirectly, in getting well. I now have a new way of life, a better life. Thank you Health Connector. God Bless you.

*Noreen Banks is a Commonwealth Care member who lives in Springfield. She has been clean and sober for nearly three years.*





‘The Health Connector was so helpful in all of my substance abuse/behavioral health concerns. There was always a kind, helpful voice on the other end of the line.’

-- Noreen Banks





## Plenty of options for the whole family

It doesn't take a PhD to know the importance of having health insurance and the value of getting it through the Health Connector, but Elsie Uffelmann of Worcester has both the advanced degree and the peace of mind that comes with coverage through her Commonwealth Choice plan.

"I don't think I would have been able to complete my clinical psychology program without the knowledge that I could afford my own health insurance during this time of learning ... and unemployment," said Elsie.

With her self-employed pharmacist husband retired, Elsie believes the Health Connector has the best options for her family. In addition to her coverage, two daughters were previously enrolled in Young Adult Plans while attending college.

"We weren't satisfied with the coverage they were getting through their schools," Elsie explained. "The Young Adult Plans are wonderful."

Elsie routinely uses her plan for regular checkups and just had her appointment for eyeglasses.

"Knowing we have this coverage frees us from the daily worry of being sick without health insurance, and with a lack of anxiety that such a concern would cause us, we're probably healthier. Having coverage frees us to focus our energies on living happy lives."

She is convinced Massachusetts got health reform right.

"In a land of uncertain health care coverage, I couldn't be happier living in the great state of Massachusetts. When friends from other states fret about national health care, I always tell them how good we have it here because of the Health Connector."

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Annual caps on services were abolished. State university students also saw the elimination of a \$5,000 cap for prescription drugs and 20 percent coinsurance for outpatient mental health services were replaced with \$20 copayments. At community colleges, surgical costs previously capped at \$5,000 were covered in full as were emergency room and ambulance services.

For the current school year, community college students will have prescription drug coverage for the first time.

Joining the procurement this year were the five University of Massachusetts campuses and another 14,000 students, and most campuses renewed at a below trend increase. All five campuses eliminated or reduced caps on benefits. The Boston campus was able to eliminate the need to obtain specialist referrals on campus, and coinsurance for Lowell students dropped from 20 percent to 15 percent.

The Health Connector is also working with the Division of Unemployment Assistance to restructure its insurance plan for people collecting unemployment benefits, the Medical Security Program. There are currently about 24,000 direct coverage members enrolled in the program with incomes up to 400 percent of the federal poverty level, \$43,560 for an individual and \$89,400 for a family of four.

Bids were sought in late July for a program to be modeled after Commonwealth Care, offering comprehensive coverage with progressive cost-sharing. The goal of the restructuring is to ease the burden on the Medical Security Trust Fund by improving the cost structure of the program, providing equitable benefits for members, reducing copayments and improving coverage continuity through a more seamless transition between MSP and Commonwealth Care.

The new program is expected to begin January 1, 2012.

## National Reform

Various aspects of national health reform have already been implemented and will continue to be phased in until 2020. The Health Connector is directly involved in some, but not all of the changes.

Co-payments for preventive services in the Commonwealth Choice program have been eliminated

as a result of national reform. Although not required, they have also been eliminated in our Commonwealth Care program as the Health Connector supports the promotion of preventive care.

With Massachusetts serving as the template for national reform, Health Connector staff is often fielding inquiries from other states seeking to learn about the Massachusetts experience. Recognizing the value of sharing the insights learned in Massachusetts, the Blue Cross Blue Shield Foundation of Massachusetts published a report entitled, “Lessons Learned from Implementation of Massachusetts Health Care Reform.” This and “toolkits” subsequently written and published in conjunction with the Health Connector are proving to be invaluable resources for many states.

Already completed are “toolkits” on “Building an Effective Health Insurance Exchange Website” and “Implementing a Successful Public Education and Outreach Campaign.” In development are outreach and enrollment, Commonwealth Choice product development and Commonwealth Care risk assessment.

Last September the Health Connector was awarded a \$1 million Exchange Planning grant by the U.S. Department of Health and Human Services. The funding will assist us -- in collaboration with the Executive Office of Health and Human Services, the Executive Office for Administration and Finance and the Division of Insurance – to develop a transition program that will allow for planning and implementation of exchange-based aspects of national reform, while continuing to implement and improve our current programs and responsibilities.

“Passage of national health care reform provides the occasion to assess what we have done well and build upon that foundation as well as to identify places where improvements can be made,” said Director of Policy and Research and Coordinator of National Health Reform Kaitlyn Kenney. “We are committed to using this opportunity to determine how we can best meet the health insurance needs of individuals and small businesses in the Commonwealth.”

In March, Massachusetts and other New England states received a two-year \$35.6 million federal grant to develop an online resource tool that consumers and small business owners can use to access and compare health insurance plans.

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## Insurance means one less worry for veteran educator in unpredictable economy

A pre-school director/daycare director for more than 24 years, Janet Tone of Ashley Falls lost her job two years ago when the facility she drove to in Connecticut every day shuttered its doors for good.

“Even though I knew that the country was and is in a major recession and there are millions of unemployed Americans, it was still a very traumatic experience to be summarily dismissed from my employment,” said the 1984 graduate of North Adams State who also holds a master’s degree in education from Leslie University.

She remembers shopping for an option less expensive than COBRA when said she was contacted by a salesman who sold her a plan for \$220 a month.

Six weeks later, she became very ill, went to the doctor and found out “my health plan covered absolutely nothing.”

“That day in the doctor’s office, I felt fear and distress at the thought of not having health insurance,” Janet remembered. “The kind woman at the desk explained the Commonwealth Care program to me and a tremendous sense of relief enveloped me as I foresaw a solution to my health care dilemma.”

She describes the plan “as good and in some cases better” than the health insurance she had when she was employed.

“I feel more optimistic and confident about the future now that I have one less worry,” Janet explained. “I am truly grateful for the Health Connector and Commonwealth Care and thank everyone involved for these fine programs.”



## There has always been a plan to fits his budget and his circumstances



“Massachusetts is the only state to have recognized how essential health care is for any individual, no matter what their income level is,” said 31-year-old Robert Schultz, who probably knows the value of both Commonwealth Care and Commonwealth Choice as well, if not better, than anyone because he has been enrolled in both.

The Jamaica Plain resident recalls earning his MBA from the University of Massachusetts in 2008 during what he aptly described as the “world’s worst economy for the MBA job market.”

“I realized after the first month that I would need to secure health insurance because I didn’t want to get sick or experience any unforeseen experiences,” he said.

He found out he qualified for Commonwealth Care and enrolled.

“I didn’t have any major health issues, but I got regular checkups, filled some prescriptions and made sure I was protected.”

He moved to employer-sponsored insurance the following summer, but was laid off earlier this year and was staring at COBRA coverage that would have cost him more than \$900 a month.

“I logged back onto the Health Connector website and was quickly able to find a comprehensive policy for only \$305 a month. Without any income, saving more than \$600 a month was the difference between paying the rent and paying for health insurance. Now I can afford both.”

Robert is optimistic about his job prospects and has also started his own company, a loyalty marketing firm that specializes in concerts.

And he’s also looking forward to his wedding later this fall.

“I’d have never been able to start my own business without health insurance, and it would be crazy to start a family without it.”

## Comprehensive coverage with familiar providers is critical for Cape Cod's Joanne Santos

Having coverage she can depend on is critical to Joanne Santos of East Sandwich. In her own words, "It could be life or death."

The 49-year-old native of North Quincy who has lived on the Cape for the past 15 years lost her job as an administrative assistant in early 2009. She was able to collect unemployment benefits, but when they ran out so did her insurance coverage through the Medical Security Program.

She was left to fend for herself and deal with the myotonic dystrophy she was diagnosed with 20 years ago. Her sister suffers from the same disease and it claimed the life of her brother.

"I desperately needed health insurance coverage as my condition will worsen through the years," Joanne noted.

The program she found was Commonwealth Care and she couldn't be more pleased with the coverage for which she pays \$91 a month as it allows her to see her primary care physician and specialists whenever needed.

"Having assistance from the Health Connector, I am able to continue my health care with my doctors and specialists who keep me up-to-date on my care," she said. "It helps me sleep at night. My life would be very complicated without it."



## Health Connector Staff volunteers at Cradles to Crayons



The Health Connector would like to recognize the contributions of two board members who stepped down from their posts during the past year. **Richard C. Lord**, president and CEO of Associated Industries of Massachusetts, left the board in late 2010 while ex-officio member **Terry Dougherty** left as Medicaid director this summer.

Rick Lord was one of the original board members and was reappointed to another three-year term by Governor Patrick. He was a strong advocate for small and large businesses on the board while also seeking to forge common ground. He helped the board make balanced, thoughtful decisions and reach consensus on numerous critical policy issues.

We thank them for their leadership and service to the residents of Massachusetts.





## Newburyport entrepreneur connects in business world after connecting on coverage

For as long as she can remember, Karen Lawes wanted to own her own business before she turned 30. She made it by four days in March in large measure because of her ability to find affordable coverage through the Health Connector.

“Too many times when I hear friends or family talking about starting their own business, one of their biggest concerns was how they were going to be able to afford health insurance,” Karen said. “It was my major concern, too, until someone sent me a link to the Health Connector website and I did some research.”

She delved into it assuming she’d have to pay between \$600 and \$800 a month. Karen found the comprehensive Commonwealth Choice plan she wanted for \$300.

“I was really shocked that I was able to get full coverage and no deductible at that price,” the Newburyport resident exclaimed. “I know other self-employed people who pay twice that and have a very large deductible.”

Karen was able to leave her job and use her seven years experience as a search engine optimization manager to launch her own website, CostOwl.com. The rapidly growing start-up connects website visitors to contractors and companies that can provide them with free quotes for projects they are considering as well as business-to-business (B2B) solutions.

“My business has really taken off and I now make more than what I did at my old job and I get to work from my own home on my website,” Karen added. “Health insurance should never be a reason not to go after your dreams.”

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“We look forward to not only improving the web-based shopping experience for Massachusetts consumers but sharing our knowledge and experience with other New England states looking to establish health exchanges by 2014 that are in compliance with new federal standards,” said Chief Operating Officer Robert Nevins. “Lessons learned from the Massachusetts exchange implementation will be used to gain efficiencies to accelerate development for others.”

The grant was one of only seven awarded.

“Massachusetts can be justifiably proud of the enormous strides we have made over the past five years,” said Shor. “The Health Connector has made a significant contribution toward that success, working in partnership with Governor Patrick, the Legislature, myriad state agencies, insurance carriers, providers, advocates, brokers and others. All have made enormous contributions.

“National reform is presenting a new set of challenges that has ramifications far beyond the Health Connector. We remain confident that the second five years of reform will be as meaningful as the first five, and that a re-energized Health Connector will continue to play an important role.” ■

**Health Reform has been implemented as a cooperative effort of numerous state agencies, all of whom share in its success. We want to thank and acknowledge them.**

Executive Office for Administration and Finance  
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Executive Office of Health and Human Services  
MassHealth  
Division of Health Care Finance and Policy  
Department of Public Health  
Division of Insurance  
Division of Unemployment Assistance  
Group Insurance Commission  
Massachusetts Board of Higher Education  
Registry of Motor Vehicles  
University of Massachusetts Medical School

## There are no sour grapes for coverage family gets with Commonwealth Care

As a native of northern California, it was no surprise that Jim Wofford would enjoy a 30-year sales and marketing career in the wine business. What was not expected, however, was the downturn in the economy in 2008 that made him a victim of the worst recession since the Great Depression.

Within a few months, the 20-year resident of Newton found himself not only without a job, but with no health insurance. That's when he learned about the Health Connector and the Commonwealth Care program.

“The Massachusetts Health Connector allowed me to provide health insurance for my wife and me at very affordable rates while I worked to get my own company established,” he said. “However, I didn't really appreciate the significance of this help until 2010.”

The persistent pain he had experienced in his leg worsened to the point that movement was difficult and work almost impossible. He was diagnosed with a cyst that had grown completely around his spinal cord. With his Commonwealth Care coverage, he was able to undergo surgery.

“The surgeon spent almost three times as long as he had scheduled removing the growth, but within a day all the pain I had been experiencing was gone. Within a week, I resumed all normal work activities and within two weeks I was enjoying virtually all normal activities. Knock on wood, I've been fine ever since.”

Wofford estimated the hospital and surgical charges at approximately \$50,000. It cost him \$50.



“If the Health Connector had not been in place to provide Commonwealth Care coverage, I might very well not be walking today,” Jim said. “Instead, I am growing my business and contributing to the economy. My sincere thanks.”

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