



Massachusetts Health Care Reform 2010 Progress Report





Jay Gonzalez

A Message from the Chairman of the Board and Executive Director

The year 2010 is historic. After decades of debate and failed attempts, national health reform was enacted, with the intent of bringing access to health coverage to nearly all Americans.

It's a journey that we in Massachusetts have watched closely as the national bill is modeled, in many respects, on our landmark 2006 health reform law. Key to both initiatives is the individual mandate to have health insurance and the creation of state exchanges to help provide individuals and employers with choice, transparency and ease of shopping.

Our experience in implementing health reform in Massachusetts was studied, dissected and praised during the national debate. We believe that our success in implementing a sweeping health reform law with consistently high public support made a difference in helping national health reform become a reality.

In Massachusetts, we now enjoy an uninsured rate of only 2.7%, the lowest in the nation. Public approval ratings for our reform law have remained high throughout the implementation process. We have not experienced signs of "crowd-out"- more employers are offering health coverage, and more employees are taking up the offer of coverage. Taxpayer compliance with the new law stands at 98%.

We continue to expand opportunities for affordable coverage. The year 2010 is significant as the year the Massachusetts Health Connector launched its new Business Express program for small employers, revamped the student health insurance program for state college students, and launched the Commonwealth Care Bridge program to sustain coverage for legal immigrants through CultiCare Health Plan, the first new entrant into the Massachusetts health insurance market in decades.

The Business Express program provides small businesses with an easy, apples-to-apples way to compare plans and prices so that they can choose the one that is right for their small business and employees. Matt McGinity of SuperLogics in Waltham was one of the first employers to sign up through Business Express. Just as he received notice of launch of the new program, he also received a renewal notice from his insurance carrier. It showed a 23% increase for the year if he chose to stay in that plan. Instead, Matt visited the Health Connector website and found a comparable plan that saved SuperLogics and its employees a combined \$9,300 for the year. As of this writing, there are more than 5,500 members in Business Express.

This Progress Report is the third to be issued by the Health Connector since its creation in 2006. In it, you will find the stories of individuals whose lives have improved because they now have health insurance. Their stories provide the inspiration that has made health care reform work in Massachusetts, just as the stories of individuals in other states will provide the inspiration that will make national reform work. We hope you enjoy the report.

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.



Registrants from some of the 43 participating states pick up their materials at the Connector's 2010 conference on health insurance exchanges

Contents

Another year, more milestones.....	2
Relief for small business owners.....	4
High grades for student coverage.....	6
Helping previously underserved areas.....	10
States learn from Mass. experience.....	14

Many principles from state's are now part of nation's new

Now in its fourth year, implementation of Massachusetts' health care reform law continues, with a new focus on beginning to adapt what has been accomplished here to what will need to be done under the new national health reform law.

Although major aspects of the national legislation are modeled on the Massachusetts plan, there are differences that will require some re-engineering, along with a coordinated public education and outreach effort. The Health Connector stands ready to tackle those challenges.

Even during debate on national reform this past year, public support remained strong for the Massachusetts law. The Bay State continues to have the highest rate of health coverage in the country, with more than 97% of residents insured and no signs of crowd-out or a switch in coverage from the private to the public sector – all signs that the Massachusetts law continues to succeed.

This past year, the Health Connector saw advances in a number of important areas. Specifically, 2010 saw the launch of Business Express, an exchange-based health insurance program for small employers. The state's health insurance program for community and state college students saw its first overhaul in decades, and the Health Connector – in conjunction with the Executive Offices for Administration and Finance and Health and Human Services – launched the Commonwealth Care Bridge Program that sustained health coverage for legal immigrants who were on the verge of losing it due to severe constraints on state funding. This coverage is being provided as a result of a procurement process won by CultiCare, which in 2009 became the first new entrant to the Massachusetts market in a very long time.

Business Express provides small employers with an easy way to shop online for health coverage. Through standardization of plan designs, employers are able to make apples-to-apples comparisons of benefits and costs to make the choice that brings the most value to their company and employees. The program, which was launched in February of 2010, has more than 5,500 members to date.

A sweeping reorganization of student health insurance benefits announced in 2010 significantly enhanced state and community college students' access to quality health care coverage. The expansion of health plan options on 24 public

2010 At A Glance

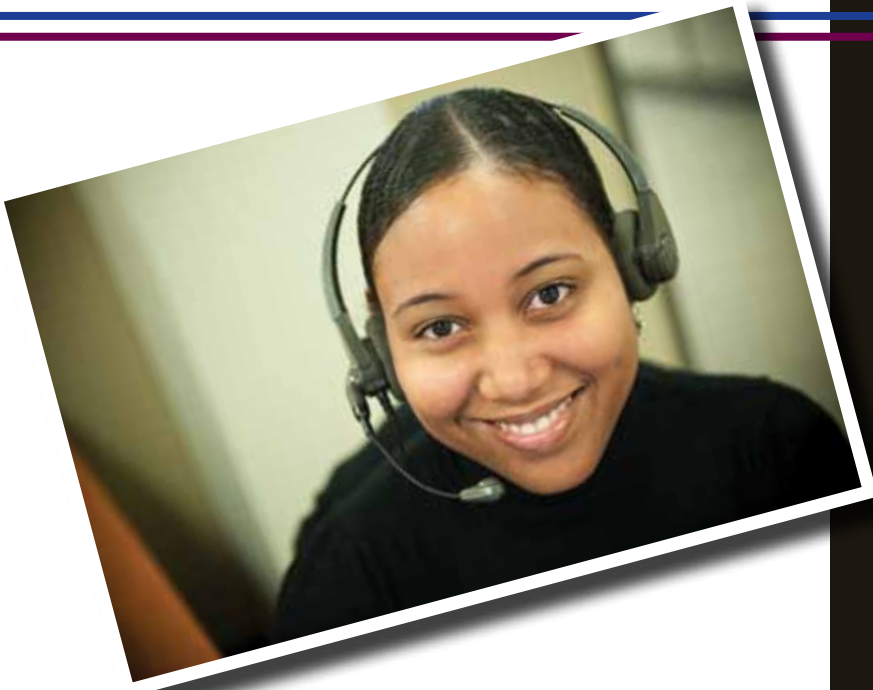
- Massachusetts model for national reform
- Launch of Business Express
- Improved coverage for college students
- Continued coverage for legal immigrants

2006 landmark bill health reform law

college campuses across Massachusetts followed a report - commissioned by the Patrick Administration - that showed that insurance companies were racking up much higher profits on health coverage sold to nearly 100,000 Massachusetts college students than on plans available to the general public. As a result of the reorganization, led by the Health Connector, student coverage moved from limited illness and injury coverage to comprehensive health insurance for comparable premium cost. The students now enjoy preventive care, disease management, worldwide coverage and access to a premier network of clinicians without arbitrary benefit caps and coverage gaps that can saddle the very sick with expensive out-of-pocket expenses.

continued on next page





Business Express: a logical choice for small business owners trying to save on health insurance costs

Responding to the struggles of small business owners facing escalating health insurance premiums, the Health Connector launched a new group insurance program called Business Express this year. After only a few months, there are more than 5,500 members.

Business Express is intended for small businesses with 50 or fewer employees and all its products carry the state's Seal of Approval for quality and value. Because there are no membership fees and reduced administrative costs, many businesses with five or fewer employees may save more than \$300 per employee per year.

For Matt McGinity, CEO of SuperLogics in Waltham, the savings were even more dramatic.

"When our existing health plan provider announced a 23 percent increase in our health insurance rates, we wanted to explore our options," said McGinity. "Business Express made it very easy for us to perform a side-by-side comparison of each of the health plans offered.

"Benefits are standardized on the website so you can really compare apples to apples to make the best choice. It saved us time, allowing us to get back to our business of building custom rackmount and touch screen computers for our customers.

"But perhaps the best part of all is that our company and our employees saved a combined \$9,300 compared to what we would have spent if we simply continued on with a very similar plan from another insurer."

Business Express is available on the Health Connector's website, www.MAhealthconnector.org, and through brokers.

Massachusetts recently welcomed the first new entrant it has seen in many years to the Massachusetts health insurance market. CeltiCare is a subsidiary of Centene, a national, multi-line health care organization has more than 1.2 million members in nine states. It began participating in the Connector's Commonwealth Care program while also building a network to serve individuals through the Health Connector's Commonwealth Choice program.

This year, faced with declining revenues, the Legislature had to make difficult budget choices. Among them was a decision to reduce funding for Commonwealth Care health insurance coverage for certain legal immigrants. With less than a third of the funding previously available, the Health Connector, in conjunction with the Executive Offices for Administration and Finance and Health and Human Services, was able to create an alternative program for this population, preserving their access to comprehensive coverage. Called the Commonwealth Care Bridge program, it currently provides coverage to some 23,000 individuals. The new program was put out to bid through a competitive procurement process, and CeltiCare has

continued on page 9





Student health coverage scores high grades

Spurred on by a report from the Division of Health Care Finance and Policy (DHCFP) on student health insurance, the Health Connector played a major role this year in developing more comprehensive plans for students at community colleges and the former state colleges (now universities). It was the first major overhaul of the system in over twenty years.

The DHCFP report demonstrated that an alarmingly high rate of profits and administrative costs in a market dominated by out-of-state carriers resulted in limited benefits for students that left some vulnerable to medical debt after accidents or serious illness.

Connector staff worked closely with the Patrick Administration, college presidents and administrators as well as student trustees to tailor a plan through a Massachusetts-based, non-profit carrier that not only improved benefits but also increased the physician and hospital network by 300 percent.

The result for community college students was dramatic. Coverage previously limited at \$50,000 per year is now unlimited. Surgical costs previously capped at \$5,000 per year are now covered in full as are emergency room visits previously limited to \$1,500 per year and ambulance services that used to be covered only up to \$250.

The students will have access to state-of-the-art medical management and “wellness” services that will help engage them in better care management and services to keep them healthy.

Maximum coverage for students in the former state college system is also unlimited. It had previously been restricted to \$100,000 per year. Prescription drug coverage, which was formerly limited to \$5,000 per year, is no longer capped, and rather than pay 20 percent coinsurance for outpatient mental health services, students now only face a \$20 co-payment per visit.

“Our college students deserve access to high quality health care that will keep them focused and ready to learn,” said Governor Deval Patrick this spring as he unveiled the new plan at Quinsigamond Community College. “I’m thankful to all of the members of the planning team who came together and took on the hard work of ensuring our students are accessing the best care at the best value.”

All higher education students in Massachusetts have been required to have health coverage since 1989. The majority of them are covered through plans provided by family members, but there are about 97,000 who purchase student plans through their schools.

“This new student health insurance plan will ensure that our public college students have access to affordable, quality care that meets the needs of our state’s young adults,” said Connector Board Chairman and Administration and Finance Secretary Jay Gonzalez.

‘Our college students deserve access to high quality health care that will keep them focused and ready to learn’

-- Governor Deval Patrick

The experience was particularly rewarding for Bunker Hill Community College student trustee Weverton T. Silva, who long ago recognized the inadequacies of the old coverage and worked on the panel to improve it.

A 23-year-old native of Brazil who dropped out of high school after his freshman year to work, Weverton obtained a GED, graduated from Bunker Hill this spring and is now majoring in quantitative economics at Tufts University on a full scholarship.

He said, “I am proud to have served on the Student Health Plan Steering Committee and to have contributed to a process that resulted in new and improved health insurance coverage for students. Because all of the campuses will purchase insurance as a group, students will get much better coverage, including preventative care under this new plan.”

Weverton also believes the reform will help young Latino-Americans stay in school.

“I know about the struggles of life growing up in East Boston,” he said. “It’s all about self interest. This type of reform will help community college students remain in college.”

Weverton, who still works as an advisor at Bunker Hill, added, “Last year students were trying to run away from the health insurance plan costs. This year they are much happier with the plan they have. It’s comprehensive and very straightforward.”

The steering committee is continuing its work with the hope of improving student health plans next year for the University of Massachusetts system. ■



Coverage arrived just in time for Leeds mother of three to wage her battle against cancer

Diane Marko had gone nearly a quarter century without health insurance when she became a Commonwealth Care member. For the former waitress who has been a house cleaner for the past 20 years, the timing couldn't have been better.

Initially, she was just excited about being able to get a routine colonoscopy she previously could not afford.

"I must admit that the first time I called for an appointment, it was nice to say that I had a primary care doctor," said Diane. "It was nice to know there was someone I could call whenever I was not feeling well."

That time came soon enough.

"I suspected there was something wrong and asked my doctor to check it out," she remembers. "Everything happened so quickly."

On June 4, the mother of three from Leeds had a mammogram, a biopsy was done June 15 and June 17 she heard the result she had feared – breast cancer. Surgery was performed June 23, and radiation began in early August.

"I was shocked but I was so thankful for Commonwealth Care. I received fast and excellent care," Diane said.

She is also able to get the medication she needs to treat her Type 2 diabetes without having to worry about where the money will come from, especially now that she is unable to work and spends considerable time caring for her 33-year-old daughter.

"I am sure that without medical insurance I would not have gone to the doctor with my suspicions. I probably would have been one of those people walking around with cancer and diabetes and not knowing it. Thank you for this coverage."



continued from page 4

been managing it for the past year. The state hopes to continue funding for this population.

This year, the Massachusetts Legislature quickly responded to the enactment of national reform by giving small employers in the state a head start on national opportunities. The Legislature approved the Small Group Wellness Incentive Program, a program that will provide qualifying Bay State small employers premium relief beginning next year. While the national legislation calls for tax credits for small businesses that purchase through state exchanges beginning in 2014, Massachusetts will begin offering a subsidy in July of 2011 to small employers who meet the qualifying federal requirements, purchase through the Connector and provide an approved wellness program. The Connector is now planning how it will implement the subsidy program, which can provide employers a savings of up to 5% of their premium cost. It is also working, in collaboration with the state Department of Public Health, to set standards for the wellness programs.

In the months leading up to passage of national reform, and since its enactment, Massachusetts has fielded inquiries from officials in other states who hope to learn from the Massachusetts experience.

continued on page 17

Nurse Practitioner Ken Peterson has made it his mission to help underserved communities. Health Reform helps him make a difference.

UMass Memorial established Plumley Village Health Services two decades ago in a low-income housing development in downtown Worcester. At first, the clinic focused on women and children, offering prenatal and well-child services. Today, it offers comprehensive family health services and also draws patients from the nearby Bell Hill neighborhood.

Ken Peterson, RN, FNP, PhD, is a family nurse practitioner who has served patients at the clinic for seven years. He was drawn to health care from an early age.

Ken helped care for an ailing grandparent in his childhood home in Taunton. As a teenager, he found a part-time job at Morton Hospital. He later enrolled in the School of Nursing at UMass Amherst.

As a nursing student, "I knew I wanted to be out there on the forefront," Ken recalled. "I wanted a whole career focused on the socially disadvantaged."

Massachusetts' landmark health care reform law supports Ken's personal mission.

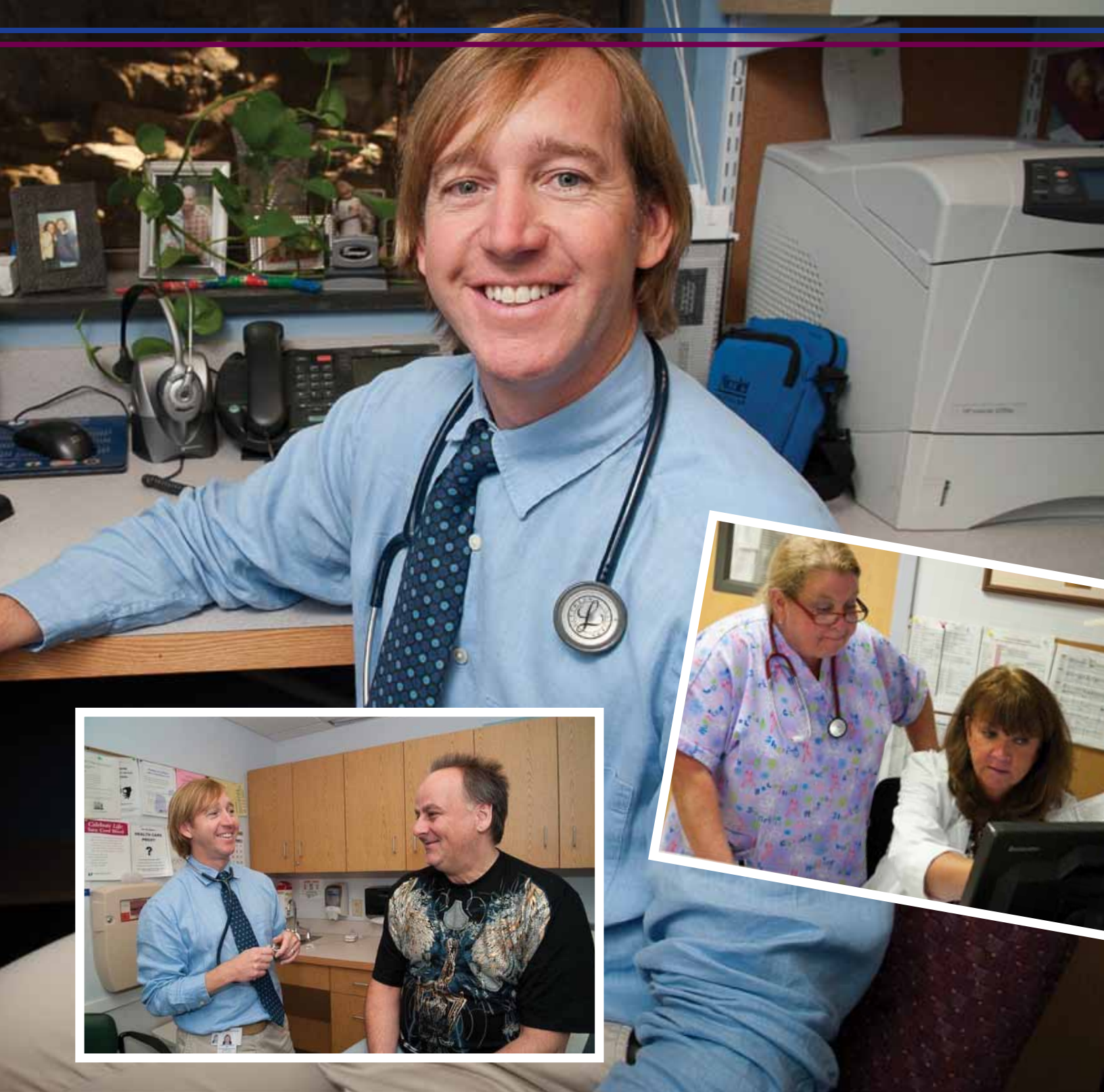
"In the past, I would see patients with no health insurance. I would have to compromise with those patients and struggle to do a full work-up," Ken remembered.

The clinic "never turned people away," but on occasion, Ken needed to negotiate with patients who were weighing their medical needs against the cost of lab work or follow-up care. He knew there were other



uninsured patients he never saw because they were "holding back," allowing their problems -- their acuity -- to get worse.

When health reform began, there was a notable change. "Now that there is something in place, there has been a significant improvement." Ken observed that it is easier to establish and keep



relationships with patients now that they are insured.

“They’re not as hesitant to come back. In the past, I might see a patient once, and then they might disappear, without follow-up.” Many of Ken’s patients have chronic conditions like diabetes, so this continuity is essential.

Ken knows there is more work to do. “Patient engagement, education and outreach are very important,” he noted.

“It’s a struggle, particularly with the other stresses in their lives,” but Ken is hopeful that with the right focus we can “empower people on the margins.” After all, he noted, “we have already accomplished so much.”

Haverhill florist lauds Commonwealth Care in her battle with rare blood platelet disease

Everything hasn't been coming up roses lately for florist Linda Doucette, but having health insurance is helping her avoid huge medical debt.

Not all the shops she's worked in have always offered insurance, and when she wasn't covered she would have to pay out of her own pocket, often on a payment plan. If she had to pay for all the medical services she is now receiving, it would cost tens of thousands of dollars.

In June 2009, she began suffering migraine headaches, experienced vision problems, was often exhausted and noticed bruising all over her body. A Commonwealth Care member since 2007, she went for a physical exam.

"They called me up at midnight with the test results and told me to get to an emergency room right away," Linda remembers. "It's a good thing I did because my body was shutting down."

Linda was diagnosed with a rare platelet disease. She spent two weeks in the hospital and still goes back twice a week for tests and infusions. She is also being helped at home by visiting nurses.

"If I didn't have insurance, I probably would have died," said the Peabody native and current Haverhill resident. "Most people were not familiar with my condition. I probably would have been waiting too long for treatment if I didn't have coverage. It's touch and go every day. I don't know if I'm out of the woods yet, but thank God I have insurance."



The \$63,000 Answer

After 25 years of being covered by his employers, Hamilton Kahn lost his health insurance in 2006 shortly after being referred for an MRI because of a loss of hearing in one ear. With no other symptoms, no great urgency conveyed by his doctor and no health insurance, he cancelled the test.

This past spring, after getting Commonwealth Care through the Health Connector, the 58-year-old Truro resident, decided to have the test performed.

"'This is really impressive,' the doctor said to me, and I knew he didn't mean it in a

good way," said the talented musician and former newspaper editor.

The picture revealed an acoustic neuronal, a slow-growing, benign tumor on the nerve going to his left ear, which was now pushing into his brain and facial muscle. He was scheduled for surgery in early July, and the nine-hour operation successfully removed the entire tumor without any serious side effects.

A guitar, bass and keyboards player who has performed with blues, country, rock, swing and reggae bands on the Cape, Hamilton says he is looking forward to a full recovery.



“But I can’t help but think about all those people out there who, like me, have serious ailments that are going untreated, or that they may not even know about simply because they don’t have health insurance,” he said.

While glad to have his health back, he is also glad that he averted financial ruin.

“A final bill from the hospital said I owed \$50 as my share of the total balance of about \$63,000,” he noted. “I didn’t just dodge a big medical bullet, I also avoided financial Armageddon. God bless the Commonwealth of Massachusetts for saving my life.”



Health experts descend on Boston for Connector forum on forming insurance exchanges







Young Adult Plan solves problem for student losing parents' coverage

Amanda Ricketts from Scituate has to visit a neurologist several times a year and takes daily medication to help her combat chronic migraines. She got another kind of headache on her 22nd birthday in February when she found out her parents' insurance would no longer cover her.

For a college senior majoring in criminology, it was a problem she needed to solve.

"Not having health insurance and not having a full-time job because I was working at school to help pay my tuition, as well as attending classes, was very stressful," said Amanda. "I was afraid of getting sick or hurt because I wasn't going to have coverage that would pay for my medical bills and prescriptions."

Amanda heard about the Young Adult Plans available exclusively through the Health Connector for people between the ages of 18 and 26 and immediately found one online that was a perfect fit.

"The different descriptions of the types of coverage were easy to understand and affordable for me," she said. "I am very thankful for this health insurance."

Amanda hopes to return to school in the fall to study nursing. When she does, she knows she'll have excellent coverage.

'I was afraid of getting sick or hurt because I wasn't going to have coverage that would pay for my medical bills and prescriptions.'

-- Amanda Ricketts

continued from page 9

To help disseminate that information, in January of 2010, the Health Connector held a two-day national conference in Boston. Officials from 43 different states attended. The conference was funded, in part, by a grant from the Ash Center at the John F. Kennedy School of Government at Harvard University, which selected the Connector as a winner of its Innovations in American Government program, as well as the Robert Wood Johnson Foundation. The conference was co-sponsored by Academy Health and its State Coverage Initiatives program.

Connector staff members field calls on a regular basis from national foundations and officials on both the state and national level and are committed to sharing lessons learned. The Health Connector this year will embark on a program with the Blue Cross Blue Shield Foundation of Massachusetts aimed at publishing "how to" tool kits for exchanges.

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

Starting in 2010, consumers have new protections in the insurance market. Medicare is providing a \$250 rebate for prescription drug expenses for seniors who qualify. Small businesses can claim a new tax credit for health insurance expenses. And employers can apply to the federal government for reimbursement of the medical expenses for their early retirees.

In 2011, a voluntary long-term care insurance program to provide a modest cash benefit helping disabled people stay in their homes or cover nursing

homes costs will be developed. There will also be more changes to Medicare, including relief for seniors with high prescription drug costs, new coverage for preventive care, and changes to Medicare Advantage.

In 2014, subsidized coverage for people in Massachusetts will expand to include those with incomes of up to 400 percent of the Federal Poverty Level (\$43,320 for an individual or \$88,200 for a family of four), and insurance exchanges similar to the Health Connector will be the rule rather than the exception across the country.

Yet to be reconciled are the differences in current Massachusetts penalties for individuals who refuse to purchase insurance and employers who don't offer coverage.

Overall, Massachusetts has been at the vanguard of health reform and is well-positioned to implement the new federal standards. ■



On the verge of losing coverage, small business owner finds relief shopping on Connector website

As the sole proprietor of a small business for the past 20 years, Owen Geoghegan of Norton has been frustrated by the fact that his income hasn't grown at the same rate as his health insurance premiums.

The owner and operator of Owen Geoghegan Plumbing & Heating was paying \$167 a month in 1999. By 2008, it had skyrocketed to \$833 a month, and Owen nearly blew a gasket.

"As a small business, we are left at the mercy of companies who were charging us twice as much for similar or substandard policies than people who worked for large companies had," said Owen.

That is when the 49-year-old discovered the Health Connector website and found a comparable Commonwealth Choice plan for only \$350 a month.

"To my surprise the benefits are much better," he said. "I just had some blood and lab work done, and everything was covered. The old plan cost twice as much and didn't even cover those things."

Having affordable health insurance has given him peace of mind.

"In 2008, I was on the verge of not being able to afford health insurance and I knew that if I got seriously ill and did not have coverage that I would lose everything that I had worked for my entire life. My Commonwealth Choice plan has been great for me."





She no longer has to decide between the rent and health care

Just as Rebeccah Pearson's 32nd birthday arrived in May 2009, she got bad news that has changed her outlook on life. The retail manager from Newburyport was told she had an abnormal cyst on her fallopian tube that would have to be removed.

While doctors performed the surgery, they discovered it was worse than expected, and had the surgery not been performed, they told her there was a very good possibility she would have hemorrhaged to death.

"It made me realize that life is too short and that you have to take care of yourself," said Rebeccah. "Had I gone to a doctor earlier, I would not have had to go through all this."

Prior to becoming a Commonwealth Care member, she said she couldn't afford insurance and she eventually stopped having annual physicals.

"Before I got Commonwealth Care, I would have to save up for two months before going to the doctor because it was ridiculously expensive," Rebeccah said. "Finally I had to decide between my health and paying the rent to keep a roof over my head. I chose the rent."

Rebeccah no longer has to make such drastic choices.

"Commonwealth Care helps the common person who can't make ends meet without health insurance," she said. "Your health shouldn't have a price tag on it. Since my surgery, I'm a totally different person filled with energy."

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
Department of Revenue
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

A cancer-free diagnosis was all she wanted for Christmas

Not being able to afford health insurance for nearly seven years, Karen Cascone of East Wareham attempted to practice good health as best she could through diet, exercise and vitamins. Other than a thyroid condition, she didn't notice anything out of the ordinary.

That was until 2008, but she was fortunate because by then she was a Commonwealth Care member. Her doctor knew right away that she needed to be hospitalized.

Surgeons not only removed a 13-pound tumor which could have proved fatal had it hemorrhaged, but also her gall bladder and appendix, which were inflamed and ready to burst.

"I probably never would have found out any of this without health insurance," said Karen. "I don't know how long it was growing there, but the surgery saved my life."

Karen got home from the hospital just in time for Christmas that year, and also got the good news that she was cancer-free.

"If I didn't have Commonwealth Care, it could have been a much worse ending."





BOARD OF DIRECTORS

Jay Gonzalez

Chair
Secretary of
Administration and Finance

Joseph G. Murphy

Commissioner of
the Division of Insurance

Terry Dougherty

Medicaid Director

Ian Duncan

Founder and
President of Solucia, Inc.

Jonathan Gruber, Ph.D.

Economics professor at MIT

Richard C. Lord

President and CEO of
Associated Industries of
Massachusetts

Louis F. Malzone

Secretary of the
Massachusetts Coalition
of Taft-Hartley Funds

Dolores Mitchell

Executive Director of the
Massachusetts Group
Insurance Commission

Nancy Turnbull

Associate Dean at
Harvard School of Public Health

Celia Wcislo

Assistant Division Director of
1199 SEIU United
Health Care Workers East

Produced by the Commonwealth Health Insurance Connector Authority

Jay Gonzalez Chairman of the Board of Directors

Glen Shor, Executive Director

Joan Fallon, Chief Communication Officer

Richard R. Powers, Editor

Design: Niki Conte

Contributors: Suzi Jervinis and Paul Wingle

Photography: Rick Bern

Eugena Ossi/ Governors' Office