

Getting Ready for Health Reform in New York: Lessons from Massachusetts

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Overview of the Presentation

- How Massachusetts's 2006 health reform initiative compare to national reform?
- Can the experiences under health reform in Massachusetts provide lessons for New York?
- What were the impacts of health reform in Massachusetts?
- What are the challenges Massachusetts faces going forward?

How does Massachusetts's 2006 health reform initiative compare to national reform?

National reform is modeled on Massachusetts's 2006 legislation

- Expansion of eligibility for public programs
- Creation of health insurance exchanges
- Subsidies for low- and moderate- income individuals
- Expansion of dependent coverage
- Individual mandate
- Requirements for employers
- Standards for covered benefits

However, there are some are important differences in national reform

- Expands subsidies to higher income levels (400% FPL versus 300% FPL) but provides lower subsidies for some
- Imposes lower standards for affordability under the individual mandate
- Provides more generous expansion of dependent coverage (doesn't require that child be claimed as dependent for tax purposes)
- Provides tax credits for small businesses
- Limits penalties for employers who do not offer insurance coverage to larger firms (>50 workers versus >10 workers)
- Extends some insurance protections to workers in self-insured plans which are not under the purview of state regulators

Can the experiences under health reform in Massachusetts provide lessons for New York?

Overview of Key Changes in Coverage Options Under Health Reform in Massachusetts

	Pre-Reform	Post-Reform
Children		
Public coverage	< 200% FPL	< 300% FPL
Parents		
Public coverage	< 133% FPL	< 300% FPL
Premium support	< 200% FPL	< 300% FPL
Subsidized coverage	--	< 300% FPL
Purchasing pool	--	> 300% FPL
Childless Adults		
Public coverage	--	< 300% FPL
Premium support	< 200% FPL	< 300% FPL
Subsidized coverage	--	< 300% FPL
Purchasing pool	--	> 300% FPL

Note: FPL is federal poverty level

Comparing Insurance Coverage in New York to Pre-Reform Massachusetts

	New York 2009	Massachusetts 2005
All Residents		
Any coverage	89.8%	94.5%
Private coverage	57.3%	66.5%
Public coverage	32.5%	28.0%
Non-elderly Adults		
Any coverage	85.7%	90.8%
Private coverage	67.0%	76.4%
Public coverage	18.7%	14.4%

Source: 2006-2009 National Health Interview Survey from Cohen and Martinez (2006) and Cohen, Martinez and Ward (2010).

Note: Individuals reporting both private and public coverage are assigned to public coverage.

Comparing recent economic measures between New York and Massachusetts

- Unemployment rate
 - MA – 8.4%; NY – 8.3%
- Average hourly earnings, private non-farm payroll
 - MA – \$27/hour; NY – \$26/hour
- Employees in firms with 50 or more workers
 - MA – 74%; NY – 72%
- Private-sector establishments offering health insurance
 - MA – 62%; NY – 59%

Comparing Coverage Options in New York to Pre-Reform Massachusetts

	New York	Pre-Reform Massachusetts
Children		
Public coverage	< 400% FPL	< 200% FPL
Parents		
Public coverage	< 150% FPL	< 133% FPL
Premium support	< 250% FPL	< 200% FPL
Childless Adults		
Public coverage	< 100% FPL	--
Premium support	< 250% FPL	< 200% FPL

Note: FPL is federal poverty level

What were the impacts of health reform in Massachusetts?

Data

- Massachusetts Health Reform Survey
 - Targets non-elderly adults 18-64
 - Conducted every fall from 2006 to 2010 (underway)
 - Oversamples of lower-income and uninsured adults
 - Telephone interviews, including cell-phones in 2010
 - Sample size ~3000
- Funded by Blue Cross Blue Shield of Massachusetts Foundation
 - Additional funding from Commonwealth Fund and Robert Wood Johnson Foundation in earlier years

Methods

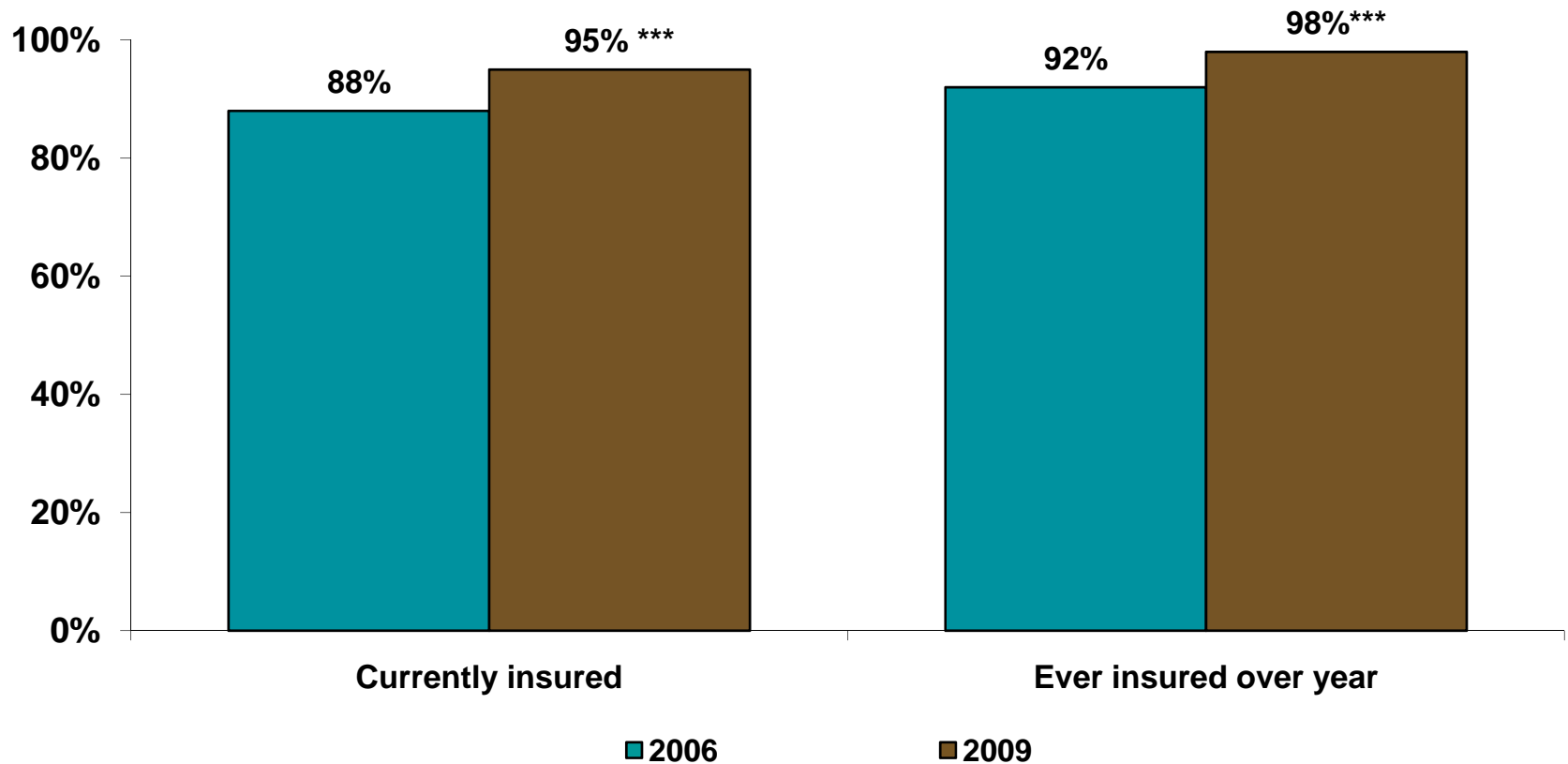
- Estimate impact of health reform as change over time from fall 2006
 - Pre-post estimates will also capture recession & health care cost trends
 - Consistent findings from studies using national data
- Multivariate regression models control for demographic characteristics, health and disability status, socioeconomic status and region of state
 - Estimate linear probability models, controlling for complex survey design

Summary of Findings on Impacts

- Increase in insurance coverage, with no crowd out of private coverage
- Improvements in access to and use of health care
- Improvements in affordability of health care for individuals
- Support for health reform remains strong in the state

Health insurance coverage, 2006-2009

Adults more likely to have health insurance under health reform.



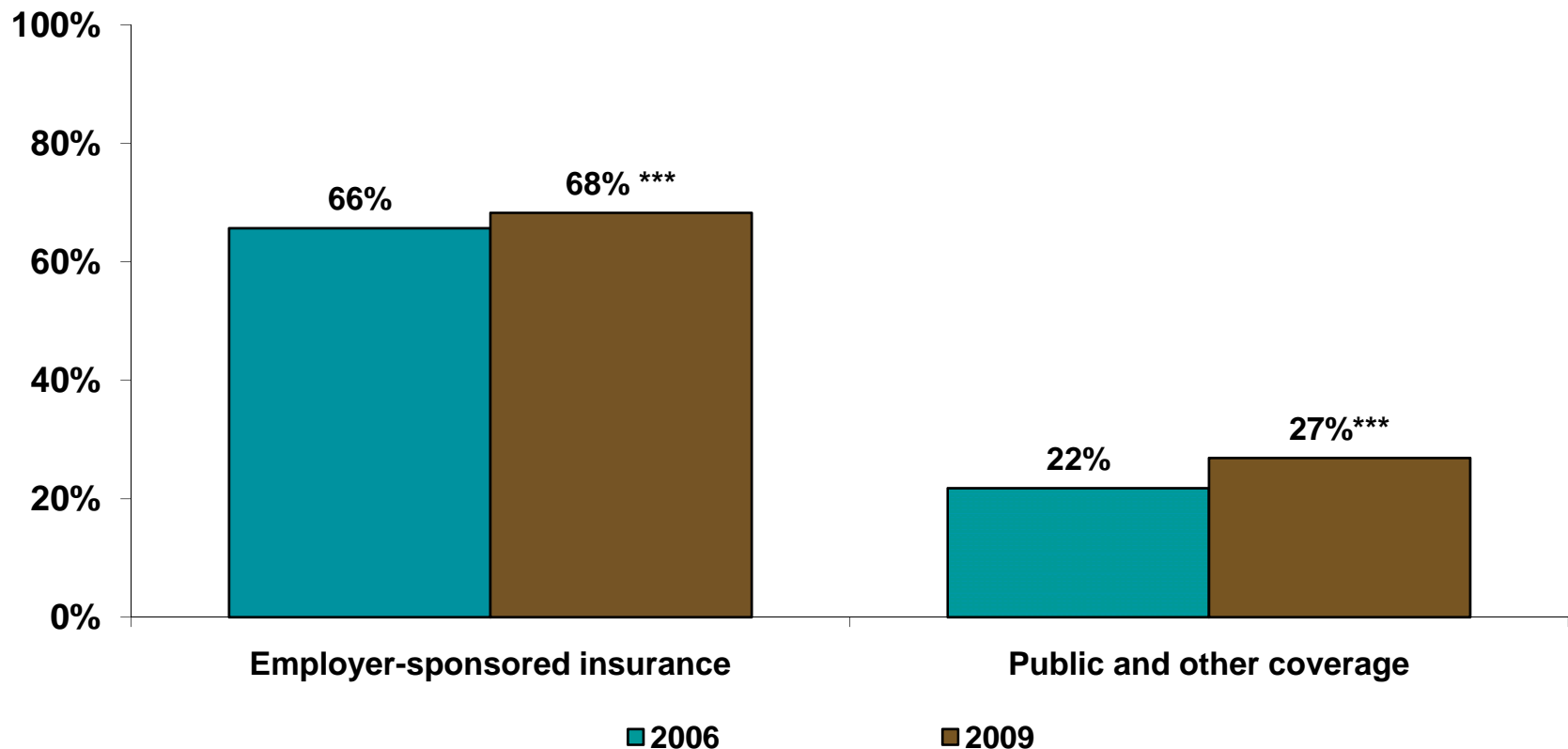
Source: 2006-2009 Massachusetts Health Reform Survey

Note: Regression-adjusted estimates

* (**) (***) Significantly different from fall 2006 at the .10 (.05) (.01) level, two-tailed test.

Type of health insurance coverage, 2006-2009

Employer-sponsored insurance coverage increased under health reform.



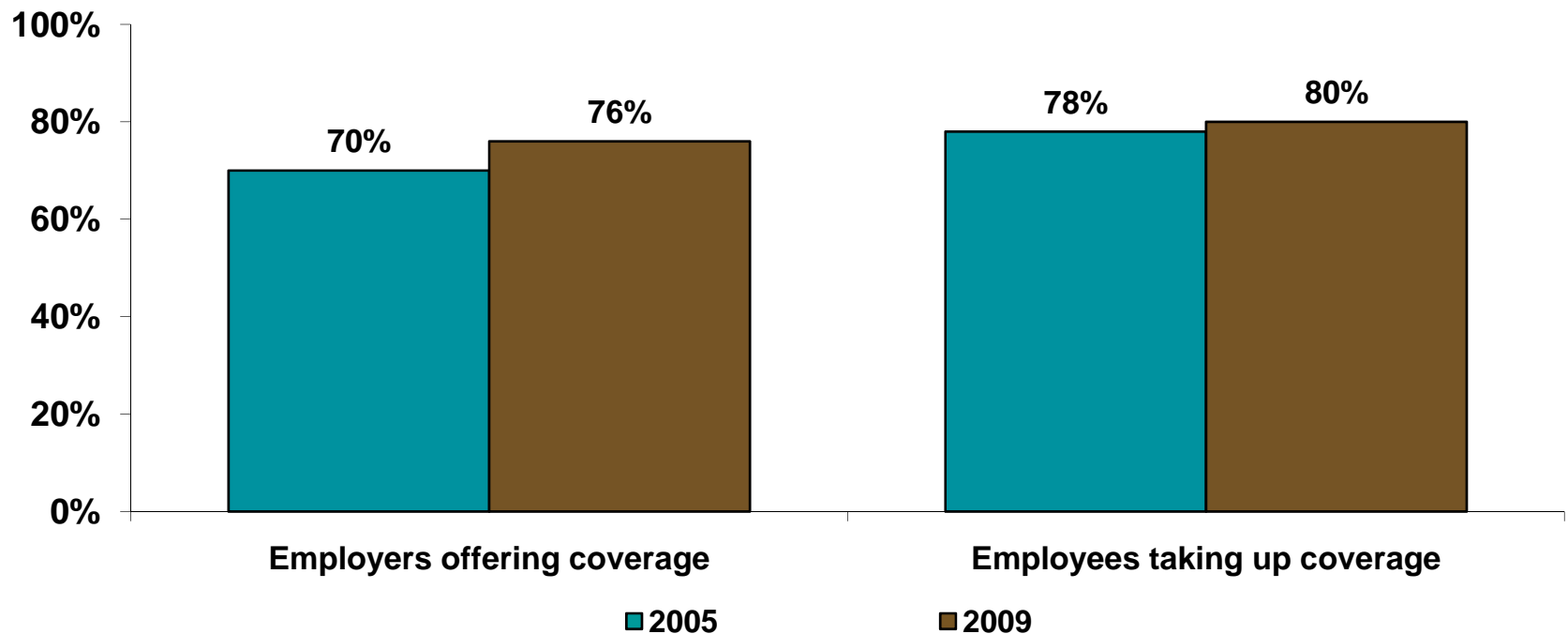
Source: 2006-2009 Massachusetts Health Reform Survey

Note: Regression-adjusted estimates

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Employers' insurance offer and employees' take-up, 2005-2009

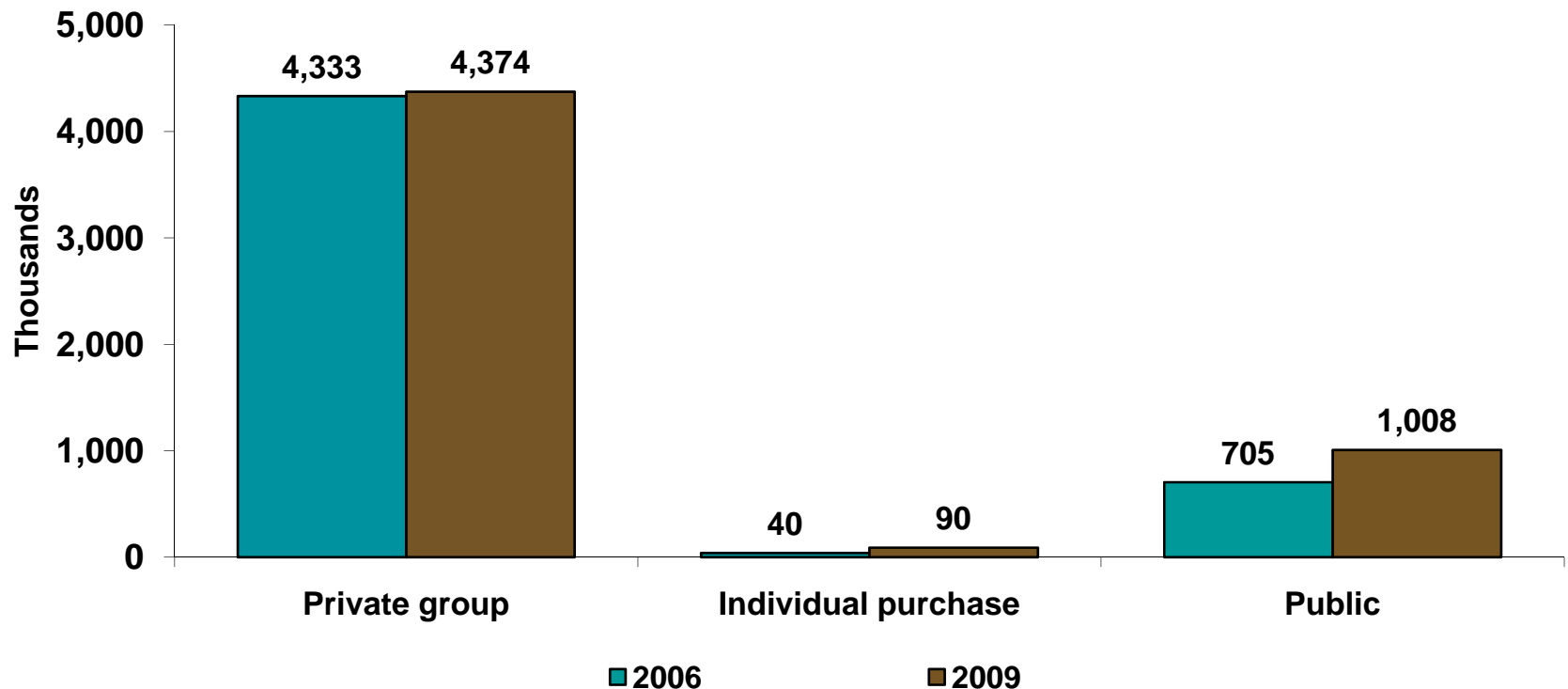
Employers more likely to offer health insurance coverage to workers and workers more likely to take-up coverage under health reform.



Source: 2006-2009 Massachusetts Division of Health Care Finance and Policy Employer Survey

Type of health insurance coverage, 2006-2009

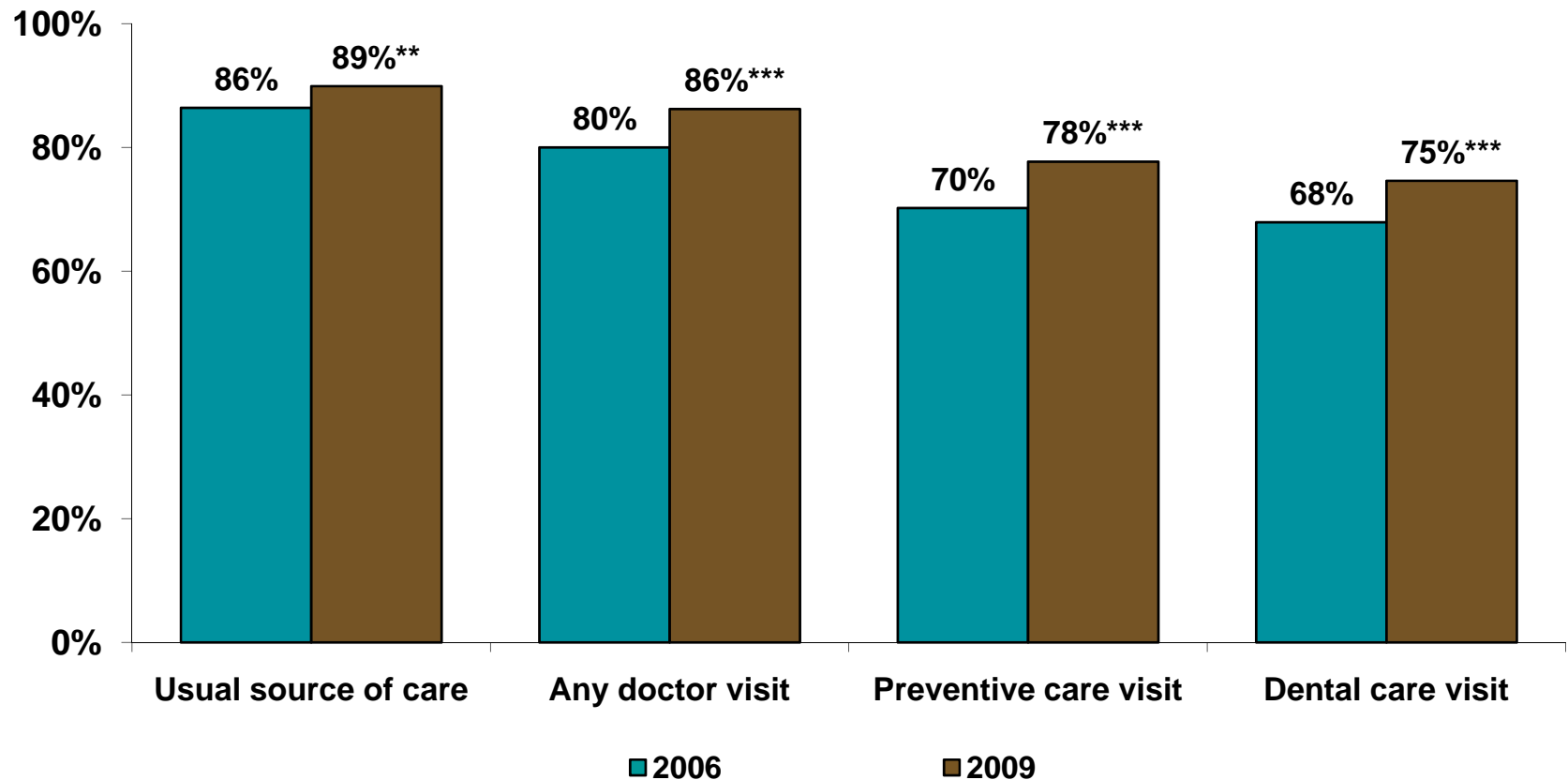
No evidence of public coverage crowding out of employer-sponsored insurance coverage under health reform.



Source: 2006-2009 Massachusetts Division of Health Care Finance and Policy enrollment data from health plans and programs.

Health care access and use, 2006-2009

Adults more likely to have a regular health care provider and to have had health care visits over the prior year under health reform



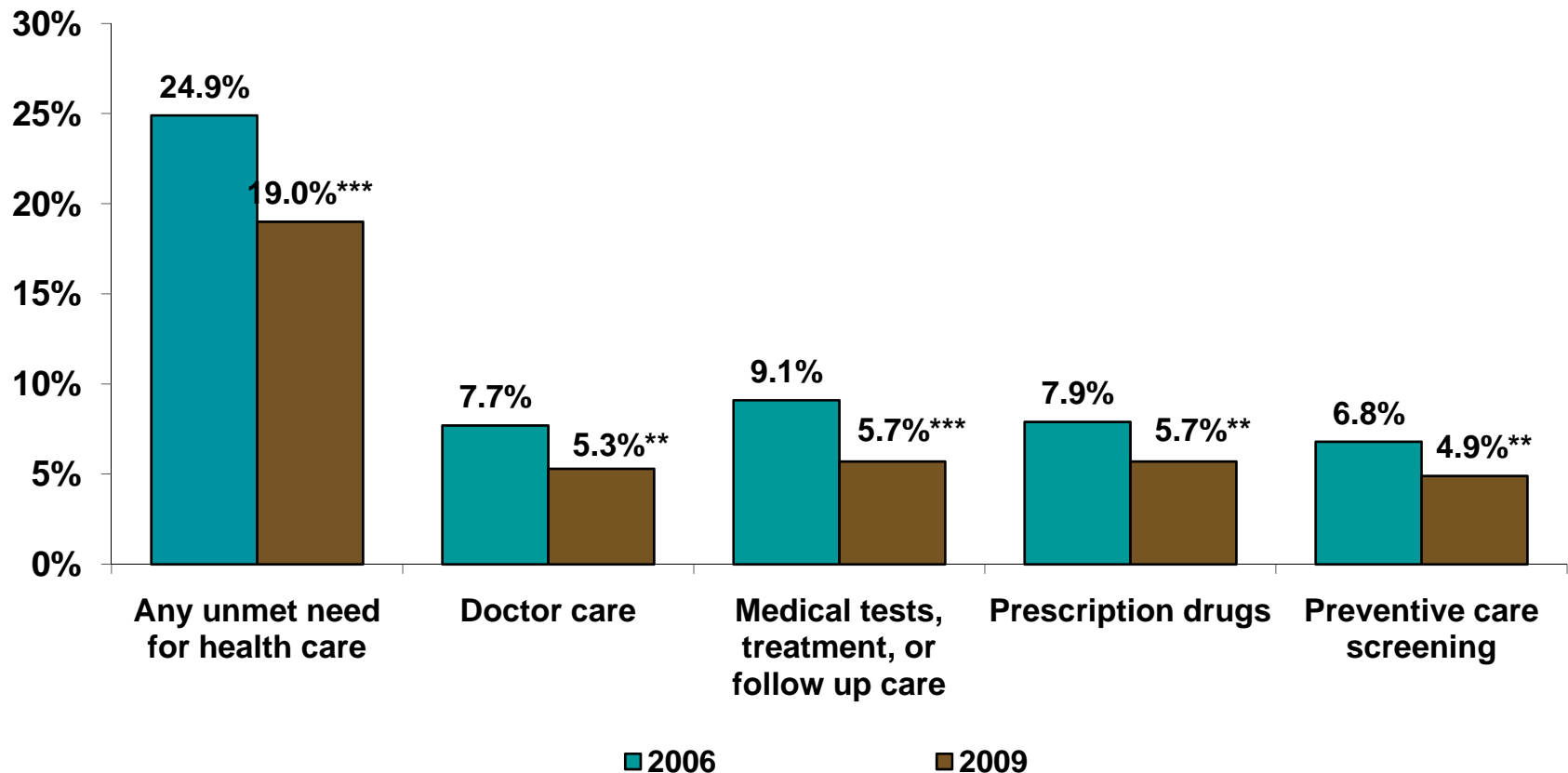
Source: 2006-2009 Massachusetts Health Reform Survey

Note: Regression-adjusted estimates

*(**) (***) Significantly different from fall 2006 at .10, (.05) (.01) level, two tailed test

Unmet need for care, 2006-2009

Adults less likely to have unmet need for any reason under health reform



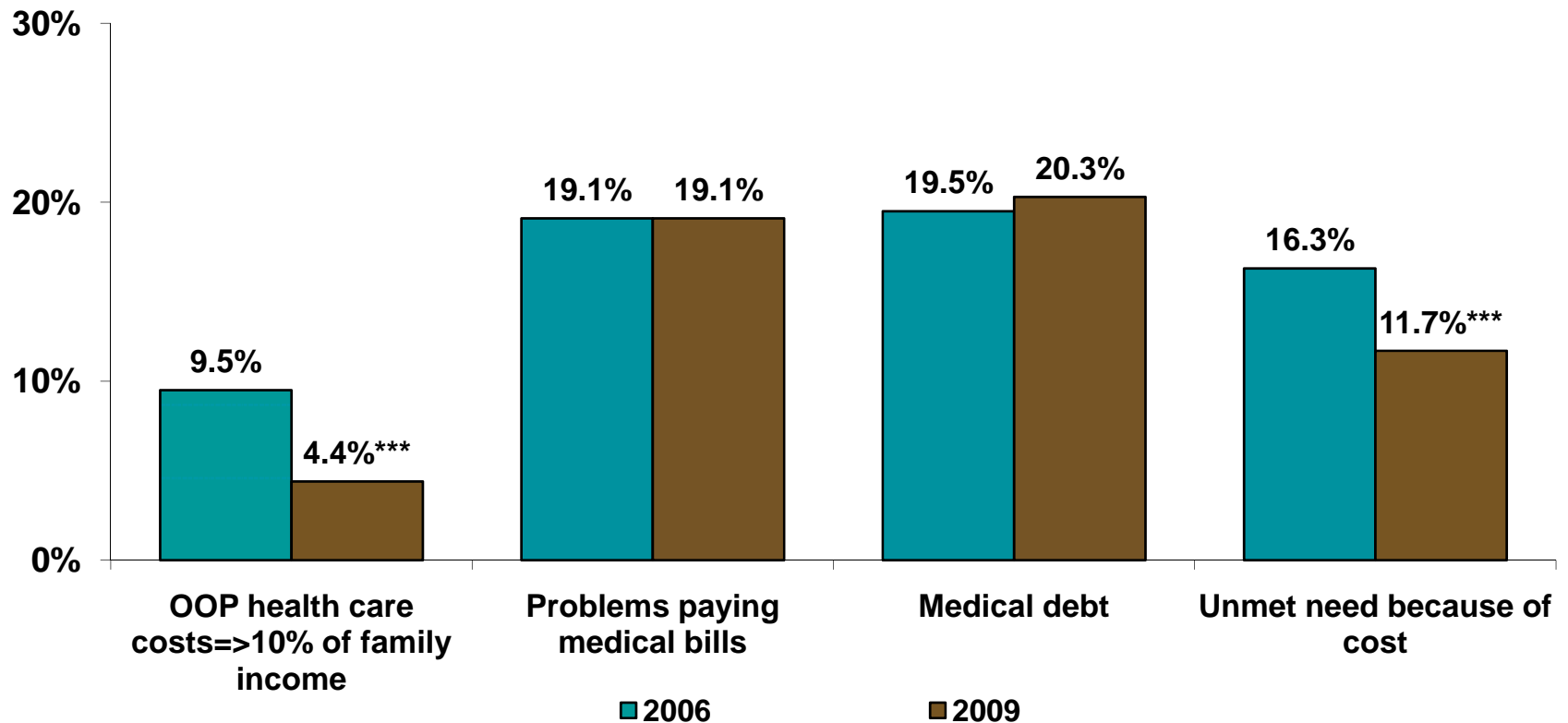
Source: 2006-2009 Massachusetts Health Reform Survey

Note: Regression-adjusted estimates

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Health care costs and affordability for individuals, 2006-2009

Improvements in affordability of care under health reform despite increasing health care costs and economic recession



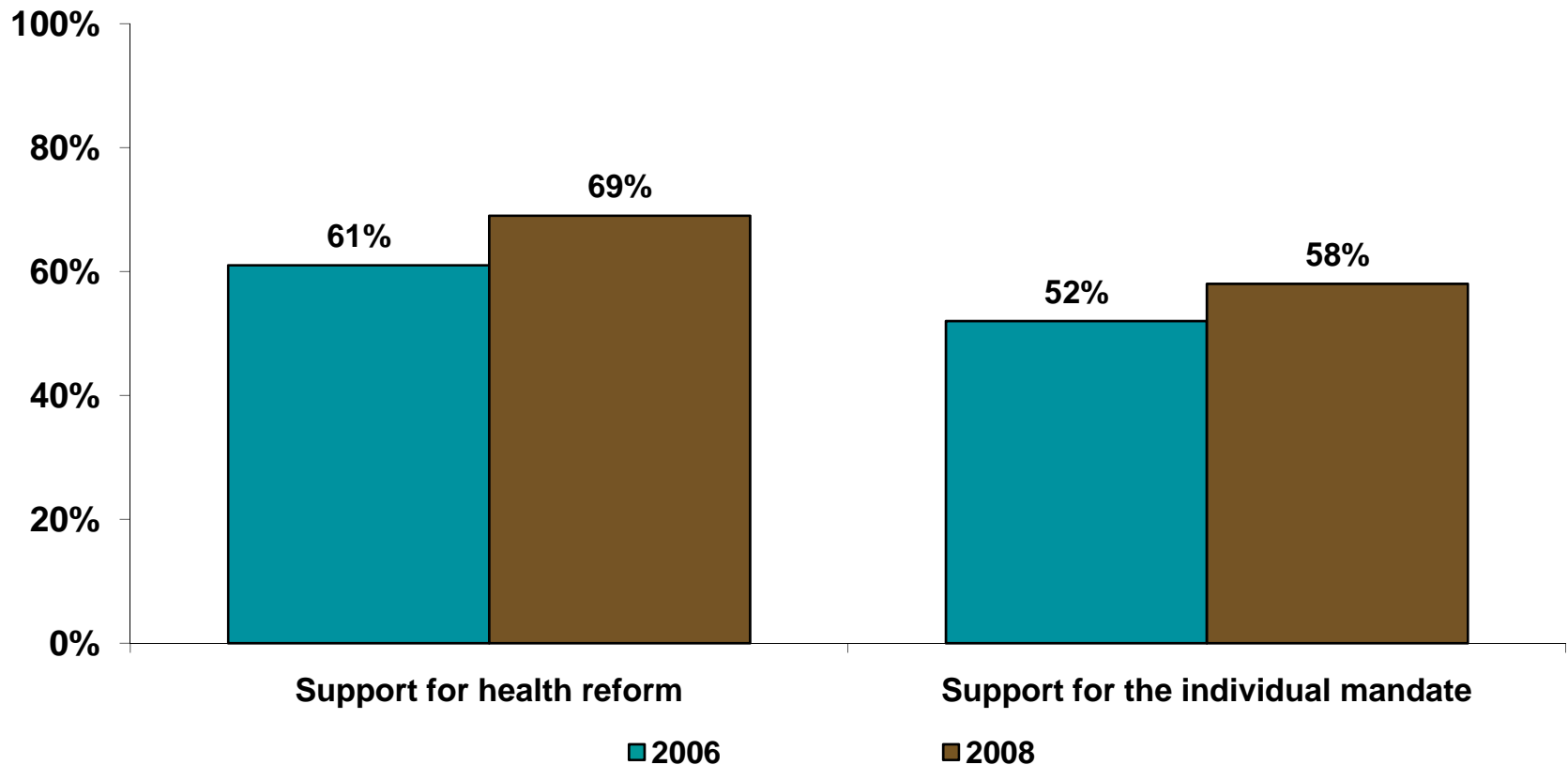
Source: 2006-2009 Massachusetts Health Reform Survey

Note: Regression-adjusted estimates

*** Significantly different from fall 2006 at .10, (.05) (.01) level, two-tailed test

Residents support for health reform, 2006-2008

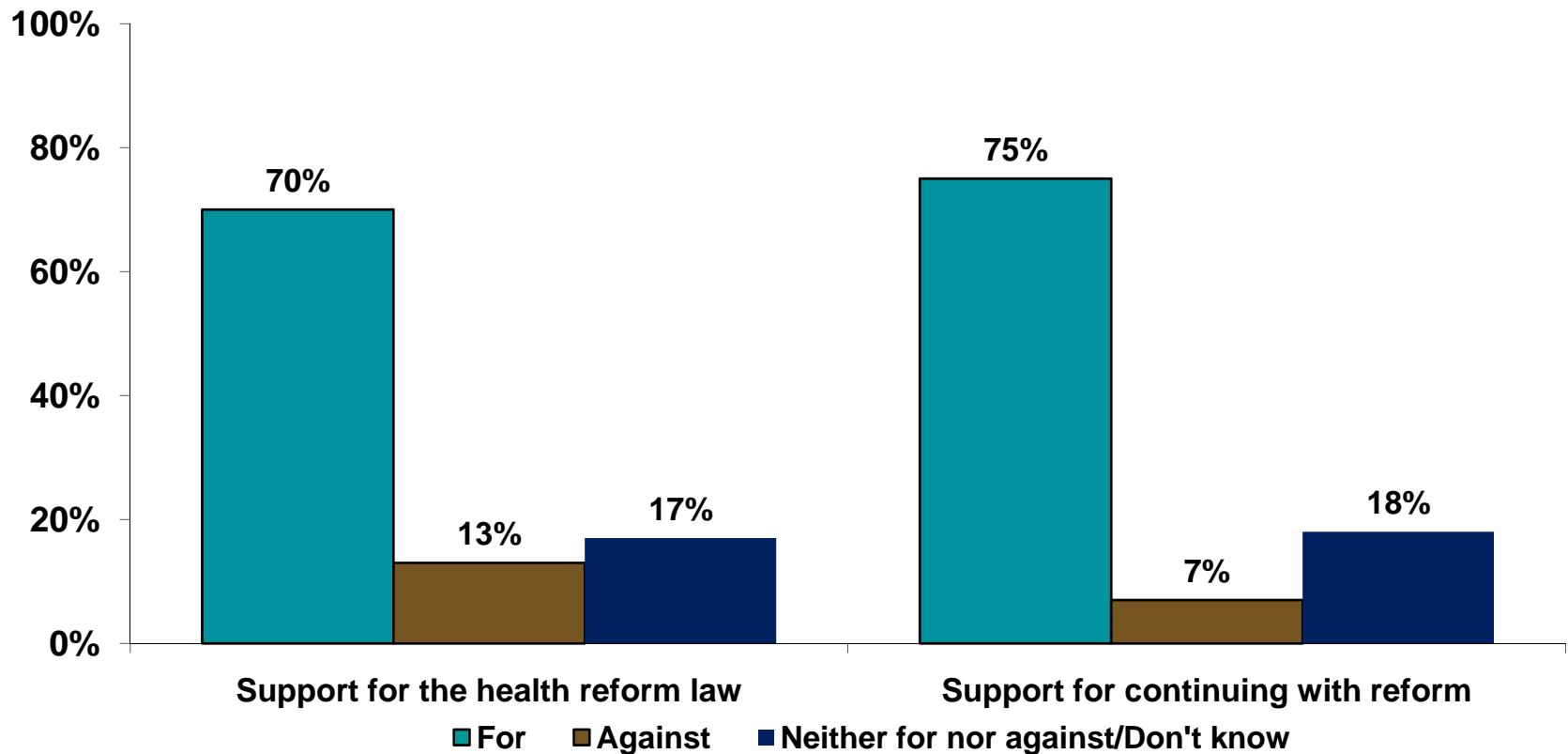
Support for health reform among Massachusetts residents has remained strong



Source: Blendon et al. (2008)

Physicians support health reform, 2008

Support for health reform among Massachusetts physicians is strong



Source: SteeleFisher et al. (2009)

What are the challenges Massachusetts faces going forward?

Challenges in Massachusetts *prior* to health reform

- Uninsurance, particularly among non-elderly adults
- Provider shortages in some areas, particularly for primary care and populations with public coverage
- High and rapidly rising health care costs

Reform addressed uninsurance, but access and, especially, costs remain issues

- Health insurance coverage does not guarantee access to care
 - 1 in 5 adults reported unmet need for care
 - 1 in 5 adults reported difficulty finding a doctor that would see them
- Health care costs continue to threaten gains under health reform
 - 1 in 5 adults reported problems paying medical bills
 - Cost remains major reason for continued uninsurance

Addressing continued increases in costs of care is “harder than expanding coverage”

- Passed 2006 legislation with knowledge that would need to address costs in future legislative efforts--“Round II” of health reform
- Considerable consensus in the state on the need to address continued escalating costs
- Less consensus as to *how* to address rising health care costs

Massachusetts must also address differences under national reform

- Many new rules and regulations that affect state
- Examples:
 - Under current provisions, some Massachusetts residents will face both federal and state penalties under the individual mandate if they do not obtain coverage
 - Under current provisions, some Massachusetts employers will face both federal and state penalties for not offering coverage to their workers
 - May need to change structure of the exchanges

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