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NEW HEALTH INSURANCE PLAN WILL BE AVAILABLE FOR UNDER \$200
Connector Authority Board Will Vote On Re-submitted Bids Next Thursday

BOSTON– Saturday, March 3, 2007 – The average uninsured Massachusetts resident will be able to purchase health insurance for \$175 per month this spring based on new bids recently submitted to the Commonwealth Health Insurance Connector Authority.

"This is a big improvement from the first round of bids and a big step forward for health care reform," said Governor Deval Patrick. "I want to thank our insurance carriers for working with us to develop more affordable plans."

The Connector's board of directors is expected to issue its Seal of Approval to a range of health plans at its March 8 meeting. Hundreds of thousands of Massachusetts residents will be eligible to purchase these Commonwealth Choice plans through the Connector starting May 1, with a July 1 effective date.

"Offering affordable health insurance is critical to expanding coverage and realizing the promise of health care reform," said Leslie Kirwan, Secretary of Administration and Finance and Chair of the Commonwealth Health Insurance Connector Authority. "I am pleased that the Connector and our insurance carriers have risen to the occasion and provided a range of quality health insurance options for individuals throughout Massachusetts."

The Connector will offer different benefit levels for buyers to choose from with premiums that vary by plan design, network of providers and cost sharing. There will also be even lower-priced Young Adults Plans specifically tailored for uninsured individuals between the ages of 19 and 26.

"The Legislature charged the Connector with the difficult task of negotiating affordable health insurance plans that give uninsured residents a range of innovative choices," said Senate President Robert E. Travaglini. "These bids are evidence that the Connector is making tremendous progress towards implementing health care reform in the Commonwealth."

"Today marks the approach of another milestone on the road to affordable, quality and

accessible health care for everyone in Massachusetts. As the historic health reform became law, we knew implementation would require our unwavering commitment and best efforts. I applaud everyone who worked so hard to make today possible,” House Speaker Sal DiMasi said. “From the outset, the House of Representatives knew that no one will benefit from our hard work if there weren’t good options and affordable products. Today’s announcement is a huge step toward making affordable health care a reality for people who really need it.

“As always, though, there is no time for resting on our accomplishments. As the Connector Board proceeds with the critically important task of approving plans of high value and good quality for our residents, we are mindful of the difficult work ahead,” DiMasi said.

“Choice and affordability will be the hallmark of these plans,” said Connector Authority Executive Director Jon Kingsdale. “Individuals can select the plan that best suits their needs.”

The majority of today’s uninsured, typically those 37 years old or less, who select Commonwealth Choice coverage, will be able to purchase plans for about \$175 per month. If purchased on a pre-tax basis, the net cost of coverage is reduced to \$109 per month for someone earning \$50,000 per year. Specific prices for each individual vary based on plan, age and region.

The Connector is also developing regulations to encourage pre-tax payroll deduction to further reduce the cost for these plans.

“We are honored to be part of this historic undertaking,” said Deborah Enos, President and CEO of Neighborhood Health Plan, which submitted the least expensive plan proposal. Access to affordable health care will benefit every citizen of Massachusetts.”

The Connector Authority received bids from 10 insurance carriers. At the board meeting on Thursday, staff will recommend the Seal of Approval be given to seven of them. They are:

- Blue Cross and Blue Shield of Massachusetts
- ConnectiCare
- Fallon Community Health Plan
- Harvard Pilgrim Health Care
- Health New England
- Neighborhood Health Plan
- Tufts Health Plan

Aimed at individuals and businesses with fewer than 50 employees, Commonwealth Choice is also expected to attract many part-time workers and contract employees who historically have not been offered employer-based health insurance.

The three plan levels will all offer comprehensive coverage, including inpatient and outpatient medical care, emergency care, mental health and substance abuse services, rehabilitation services, hospice and vision care. Co-payments, deductibles and out-of-pocket contributions may vary among plans.

Today’s announcement comes three months after the Connector Authority requested bids from insurance carriers. When initial bids came back too high, the Connector, and in some cases the governor himself, asked the carriers to sharpen their pencils and come back with more affordable proposals. For the past several weeks, the Connector and the carriers have been back and forth as part of the normal procurement process, resulting in the bids announced today.

Separately, the Connector Board is expected to decide on Minimum Creditable Coverage standards at its March 20 meeting. Minimum Creditable Coverage will define the minimum level of health insurance that will satisfy health care reform's requirement that residents of Massachusetts have health coverage.

"The Connector staff has done a tremendous job working to get this far, and I appreciate them. The citizens of Massachusetts came out ahead," said Patrick. "I am committed to working with Senate President Travaglini, Speaker DiMasi and the Connector Board to deliver on the promise of providing quality and affordable health care."