



## Kaiser Daily Health Policy Report

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### Coverage & Access

# Number of Uninsured Massachusetts Residents Decreased by Nearly Half Last Year, According to Urban Institute Report

The number of uninsured Massachusetts adults declined by nearly half last year, according to the first major study of the state's health insurance law published online Tuesday in *Health Affairs*, the *New York Times* reports (Sack, *New York Times*, 6/3). For the study, Sharon Long, a principal research associate with the *Urban Institute*, and colleagues conducted telephone surveys of about 3,000 working-age adults (Cooney, *Boston Globe*, 6/3). The study was funded by the *Blue Cross and Blue Shield of Massachusetts Foundation*, the *Commonwealth Fund* and the *Robert Wood Johnson Foundation*.

According to the *AP/Chronicle*, nearly 350,000 residents have obtained coverage -- either privately or through state programs -- since the law went into effect two years ago (LeBlanc, *AP/San Francisco Chronicle*, 6/3). The study found that:

- 7% of Massachusetts residents ages 18 to 64 were uninsured in the fall of 2007, compared with 13% in 2006;
- The remaining uninsured tend to be healthy, low-income and male, and about one-third of them said they did not know that health insurance was mandatory;
- Uninsured rates among adults in families with incomes less than 300% of the federal poverty level decreased from 24% to 13%;
- Uninsured rates decreased from 5% to 3% among adults in families with incomes greater than 300% of the poverty level;
- Seventy percent of insured residents with income less than 300% of the poverty level said they had received preventive care in the past year, compared with 65% in 2006;
- 59% of them had seen a dentist in the previous year, compared with 49% in 2006; and
- The number of uninsured people with incomes below 300% of the poverty level who deferred necessary care because of costs declined from 27% to 17% (*New York Times*, 6/3).

Residents were required for the first time in 2007 to report their insurance status on tax returns. According to the state's *Revenue Department*, 86,000 residents who were deemed able to purchase insurance but chose to remain uninsured forfeited their \$219 personal tax exemption. The penalty next year for not obtaining coverage could be as much as \$912 for a person who remains uninsured for the entire year. An additional 62,000 tax filers were uninsured but were not required to pay penalties because insurance was considered too expensive for them (*Boston Globe*, 6/3).

### Additional Findings

The study showed increases in the proportion of residents who said they were unable to obtain needed care because they could not find a physician. According to the *Times*, the finding "may

support anecdotal reports from internists and family practitioners that they have been stretched by an influx of newly insured patients, causing long delays for some appointments." The study also found a slight increase in the number of low-income residents who sought care in emergency departments for nonurgent conditions.

According to the study, "The entire increase in coverage appears to have been drawn from the ranks of the uninsured, because there is no evidence that publicly funded programs are crowding out employer coverage." The study found that the share of residents receiving employer-sponsored coverage in Massachusetts increased by nearly three percentage points from the fall of 2006 to the fall of 2007, compared with national trends that have shown decreases in the share of employers offering health benefits (*New York Times*, 6/3).

In addition, the study found that 71% of residents who are already insured support the law, while 44% of uninsured residents support the law. According to the study, "The long-run success of Massachusetts' efforts will hinge in part on sustaining support for the new policies in the face of ... higher costs." The *Globe* reports that state lawmakers have allocated \$869 million for the program this year -- nearly \$150 million more than anticipated because of high enrollment -- and the state "expects costs to rise even higher" (*Boston Globe*, 6/3). According to the *AP/Chronicle*, lawmakers are considering an increase in the state cigarette tax to help cover the program's higher-than-expected costs (*AP/San Francisco Chronicle*, 6/3).


### Reaction


Long said, "Clearly, the drop in the uninsured rate is an impressive first-year drop and a significant finding," adding, "It's not just the gain in insurance coverage, but access to care and affordability of health care for individuals that has improved with insurance coverage. This is a broader change than just expanding coverage" (*Boston Globe*, 6/3). Long said, "The continued challenge of health reform requires the continued support of the population, and we find support for health care reform among adults in Massachusetts remains high" (*AP/San Francisco Chronicle*, 6/3).

Drew Altman, CEO and president of the [Kaiser Family Foundation](#), said, "This was the first test in the country of an individual mandate," adding, "People didn't know whether the citizens of Massachusetts would go along with it or rebel. They got the program off the ground with broad-based support, they have dealt with implementation problems they have faced so far, and they have covered more than half of the uninsured. So far it seems to be working."

Jarrett Barrios, president of the BCBS of Massachusetts Foundation, said, "There are 355,000 newly insured people over last year," adding, "In that year there were not enough new primary care practitioners coming online to accommodate these folks. In many important ways, health reform has been a victim of its own success."

Brian Rosman, research director of [Health Care For All](#), said, "Again and again we find formerly uninsured people who were ignoring serious medical needs now have coverage and now say the program is literally saving their lives." Rosman co-authored a second paper about Massachusetts' health insurance law that also was published in *Health Affairs* on Tuesday (*Boston Globe*, 6/3).

 The study is available [online](#).

 Rosman's article is also available [online](#).

### Separate Study


Massachusetts spent \$636 million in fiscal year 2007 to provide health care coverage to employees of large companies that do not offer health benefits -- a 14% increase over FY 2006, according to a report released on Friday by the state [Office of Health and Human Services](#), the *Boston Globe* reports. According to the *Globe*, the report shows that although the Massachusetts health insurance law has extended health coverage to thousands of residents, "many employers still rely on state programs to provide health care benefits for their workers."

Under the state's health insurance law, employers are considered to be making a "reasonable" contribution to their employees' health care coverage if at least 25% of workers are enrolled in a company-sponsored health plan or if the company pays at least 35% of workers' premiums. Companies that do not meet the minimum contribution standards must pay \$295 per employee into an insurance pool for the uninsured. On Friday, some advocates said the administration of


Gov. Deval Patrick (D) should require companies to contribute more to employees' health care costs or pay the annual fee. Rosman said, "There are a lot of companies that have set up their employment-benefit systems so the state pays for their workers' health care," adding, "They ought to pay some of the freight."

According to the report, of large employers in the state, Wal-Mart has the most employees who receive some type of state-sponsored health insurance, with 5,021 employees enrolled in such plans at a cost to the state of nearly \$14 million in FY 2007. Other employers that ranked high on the list included [Stop & Shop Supermarket](#); the May Department Stores, now part of [Macy's](#); Shaw's Supermarket; the state of Massachusetts; and the city of Boston.

Richard Lord, CEO of [Associated Industries of Massachusetts](#), the state's largest business lobby, said he would oppose efforts to raise the "reasonable" contribution standards. He said, "Health care reform was the result of a delicate balance of interests and, up to now, it has the support of the business community. We want to continue to support it, and I don't think we should be changing the rules at this point" (Krasner, *Boston Globe*, 5/31).

 The report is available [online](#).

### **Broadcast Coverage**

 CBS' "[Evening News](#)" Priya David on Friday examined the progress of the Massachusetts health insurance law two years after it took effect. The program features comments from Madelyn Rhenisch, the first person to obtain subsidized coverage under the law; Jon Kingsdale, executive director of the [Commonwealth Health Insurance Connector](#); and Diane Cooper Bridges, an insured Massachusetts resident (David, "Evening News," CBS, 5/31).