



Report: State Must Act Before More Lose Coverage

BOSTON--Sept. 20, 2002--A national health policy expert today called on elected officials, state policy makers and business leaders to take decisive action to stem the erosion in public and private health coverage before more Massachusetts residents lose their health insurance. In a report commissioned by the Blue Cross Blue Shield of Massachusetts (BCBSMA) Foundation, *Health Coverage in Massachusetts: Far to Go, Farther to Fall*, researchers from the Department of Health Policy at the George Washington University School of Public Health and Health Services documented both the progress Massachusetts has made on improving access to health care, and the risk that these improvements face as a result of rising health care costs, a weakened economy, and state budget cuts.

The report's findings were presented at a health care summit, sponsored by the Foundation for more than 250 business and health leaders, and public officials from across the state.

Professor Sara Rosenbaum of George Washington University, the study's lead author, praised the state's longstanding leadership position in both health coverage and maintaining a strong safety net and also called on lawmakers to restore recent program cuts and invest in incremental reforms to prevent higher state costs in the future. "We believe there are immediate, important, and fiscally sensible steps that state policy makers can take to avoid major deterioration in both public and private health coverage. These steps would avert hardships to Massachusetts residents, the further destabilization of one of the state's most important industries and source of jobs, and a damaging cost shift onto the state's budget and its already beleaguered health care institutions," said Professor Rosenbaum. "Budget resources may be scarce, but a modest investment now may prevent larger costs to the state and employers if the current system is allowed to unravel and must be recreated."

The report highlights the achievements that moved Massachusetts to the forefront of health care access, as well as the current threats to health coverage in the Commonwealth:

- **The Uninsured:** While the number of uninsured in Massachusetts dropped in the late 90s, the most recent state survey showed an increase of 9% to 397,000 since 2000. Many experts project it will continue to grow.
- **MassHealth:** Between 1997 and 2001, MassHealth, the state's Medicaid program, grew by nearly 300,000 from 1997 to 2001, lowering the number of uninsured

residents. However, this trend is poised to reverse itself with planned cuts of as many as 50,000 persons by April 2003, as well as already-enacted reductions in benefits and outreach efforts.

- **Employer-based Coverage:** Massachusetts' achievements in health coverage stem largely from its commitment to public coverage rather than an exceptionally strong private health insurance system for workers and families. The employer-based system leaves out hundreds of thousands of residents, including many with full-time jobs. In 2000, 69% of non-elderly residents received coverage through their jobs in Massachusetts – the same as the national average and less than in all New England states except Vermont.
- **Health Care Costs:** In 2001, employer-based health insurance premiums grew by 15% in Massachusetts compared to 11% nationally.

The report makes a series of recommendations to preserve and avert deterioration in existing public and private coverage:

- **Maintain eligibility and benefits in MassHealth and restore program cuts.** Dismantling the program could cost more than it saves in the long-run as more health problems go undetected and untreated, and demand for uncompensated care increases.
- **Assist low-income workers who risk losing private coverage because of cost increases.** Time-limited financial relief could be offered to low income workers who receive health coverage through their employers, preventing more families from losing insurance and becoming dependent on public programs.
- **Strengthen the public-private Insurance Partnership.** This program makes private premiums more affordable for low-income workers and their small business employers.
- **Require large employers to negotiate for and offer health insurance to their workers.** Employers would not be required to contribute to coverage for individual plans, but would provide access to more affordable health care coverage for their employees.
- **Consider approaches to state contracting which favor employers**
- **that insure their workers.**
- **Offer employees of public clinics and health centers coverage through the state employee health benefit plan in order to maximize control over costs and increase coverage.**

"We hope the report will start a more serious and informed public conversation about the nearly 400,000 people in Massachusetts without health insurance," said Andrew Dreyfus, president of the BCBSMA Foundation.

The mission of the BCBSMA Foundation is to expand access to health care. Through grants and policy initiatives, the Foundation works with public and private organizations to broaden coverage and reduce barriers to care. Since its inception in 2001, the BCBSMA Foundation (www.bcbsmafoundation.org) has awarded more than \$2.7 million in grants to spark innovation and strengthen services for the uninsured and low-income

individuals and families in Massachusetts. The Foundation is governed by its own 17-member Board of Directors, and operates separately from Blue Cross Blue Shield of Massachusetts. The company committed an initial \$55 million endowment over four years, making the Foundation one of the largest health philanthropies in Massachusetts.

Sara Rosenbaum, Hirsh Professor of Health Law and Policy, chairs the Department of Health Policy at the George Washington University Medical Center, School of Public Health and Health Services. She is known nationally and internationally for her work in health law and policy, and has focused her career on health care for low income, minority and medically underserved populations. Dr. Jeanne Lambrew, Associate Professor of Health Policy and a national expert in health reform, is the study's principal co-author. A copy of *Health Coverage in Massachusetts: Far to Go, Father to Fall* is available upon request.