



BLUE CROSS BLUE SHIELD OF MASSACHUSETTS FOUNDATION TESTIFIES ON HEALTH COST AFFORDABILITY BEFORE JOINT COMMITTEE ON HEALTH CARE FINANCING

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June 24, 2009 — Today the Blue Cross Blue Shield of Massachusetts Foundation testified before the Joint Committee on Health Care Financing to share what the Foundation has learned about the affordability of health care costs from its policy research. Shanna Shulman, Ph.D., Director of Policy and Research for the Blue Cross Blue Shield of Massachusetts Foundation, shared research commissioned by the Foundation that has measured health care cost affordability since the implementation of the state's health care reform law.

Highlights of the Foundation's testimony include:

- **Affordability is a concern for a substantial percent of Massachusetts residents**
 - 18% of residents report that their out-of-pocket costs are equivalent to 5% or more of their family income
 - 20% of residents report having medical bills they are paying off over time
- **Many residents cite affordability as a barrier to receiving the care they need**
 - 11% of residents report that they did not get needed care because of costs in the last 12 months
- **Affordability increased in the first year after the passage of health reform**
 - Percent of residents reporting high out-of-pocket costs declined (7% in 2008 compared with 9% in 2006)
- **Recently, some measures of affordability have reverted back to pre-reform (2006) levels**
 - Percent of residents reporting problems paying medical bills (18% in 2008) has increased slightly from 2007 (17%) back toward pre-reform levels (20% in 2006)
- **Low-income residents report more affordability problems and that these problems have increased in the past year**
 - Low-income residents are more likely to report high out-of-pocket costs (9%) compared with higher-income residents (2%)

- Compared to a low of 7% in 2007, 9% of low-income residents reported high out-of-pocket costs in 2008 (statistically equivalent to the pre-reform rate of 13% in 2006)
- **Residents in the Western region are more likely to report not getting needed care because of costs compared with other regions in the state**
 - 15% of Western region residents report not getting needed care due to cost compared with 11% statewide

The testimony can be read in full at BlueCrossFoundation.org.

More information about the Blue Cross Blue Shield of Massachusetts Foundation

The mission of the Blue Cross Blue Shield of Massachusetts Foundation is to expand access to health care. Through grants and policy initiatives, the Foundation works with public and private organizations to broaden health coverage and reduce barriers to care. It focuses on developing measurable and sustainable solutions that benefit uninsured, vulnerable and low-income individuals and families in the Commonwealth, and served as a catalyst for the pioneering Massachusetts health care reform law passed in 2006. The Foundation was founded in 2001 with an initial endowment of \$55 million from Blue Cross Blue Shield of Massachusetts. The Foundation operates separately from the company and is governed by its own 18-member Board of Directors. It is one of the largest private health philanthropies in New England and in 2007 was awarded the Paul Ylvisaker Award for Public Policy Engagement by the Council on Foundations