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Evaluation of Health Reform in Massachusetts Provides Evidence of what Massachusetts has Achieved and what Remains to be Done

THE ISSUE

In April of 2006, Massachusetts passed legislation intended to move the state to near-universal health insurance coverage and, concurrently with that expansion, improve access to affordable, high-quality health care. The Massachusetts model, which became the template for the 2010 Patient Protection and Affordable Care Act, represented an ambitious effort to transform the health care system in the Bay State. With existing state and federal data sources unable to support an in-depth and timely assessment of the effects of the state's reform effort, a group of state and national stakeholders came together to design an evaluation based on a new data source—the Massachusetts Health Reform Survey (MHRS).



When Massachusetts passed health reform legislation in 2006, there was much debate about whether the Bay State would be able to reach near-universal health insurance coverage. The Massachusetts health reform evaluation,

conducted by Sharon Long and colleagues at the Urban Institute and Social Science Research Solutions, and in conjunction with the Blue Cross Blue Shield of Massachusetts Foundation, The Commonwealth Fund, and the Robert Wood Johnson Foundation, enabled researchers and policymakers to better understand the impact of systematic change on insurance coverage, access to and use of health care, and the affordability of health care. Not only did the evaluation improve the base for understanding reform, but early findings from the evaluation also helped move the policy debate from whether near-universal coverage could be achieved to how to maintain and pay for the coverage expansion.

The evaluation found that, in the first year under reform, the uninsurance rate in Massachusetts for working-age adults was reduced by almost half, with no evidence that publicly funded programs crowded out employer-sponsored coverage. In addition to coverage gains, access to care improved while out-of-pocket health care spending, problems paying medical bills, and medical debt decreased. Annual updates from the evaluation have shown that most of those gains have been sustained, despite the effects of the recession and the continuing rise in health care costs in the state. However, since rising health care costs in Massachusetts (and nationally) have grown faster than wages and inflation, some of the early affordability gains obtained under health reform have been eroded. Not surprising, perhaps, since the 2006 legislation postponed addressing costs so as not to delay the expansion of insurance coverage.

Supplemental analyses using national surveys have built upon Massachusetts Health Reform Survey (MHRS) research findings. Much of that supplemental work was funded by the Robert Wood Johnson Foundation under its State Health Access Reform Evaluation program at the University of Minnesota. Building on the MHRS, Dr. Long and her team have also conducted the Massachusetts Division of Health Care Finance and Policy's Massachusetts Health Insurance Survey, the state's source of information regarding insurance coverage, access, and use since 2008.

Evaluation findings were disseminated quickly to state and national stakeholders. Outreach strategies based on those findings included briefs, press releases, webcasts, and presentations at state and national forums and were ultimately used across multiple outlets. Findings have been published in the *American Economic Review*, *Archives of Internal Medicine*, *Health Affairs*, and *Health Services Research*. In addition, short policy briefs on a range of issues, including emergency department use, underinsurance, and the characteristics of those who remain uninsured, have been released by the Urban Institute and, more recently, the State Health Access Data Assistance Center, a Robert Wood Johnson Foundation-funded center at the University of Minnesota. Finally, numerous media outlets cited the findings, including National Public Radio's *All Things Considered*, the *Boston Globe*, the *Economist*, *Marketplace*, the *New York Times*, the *Washington Post*, and the *Wall Street Journal*.

The strong evidence of Massachusetts's success from this project and other studies reignited the waning national health reform debate in 2007, which eventually led to a federal reform initiative in 2010—the Affordable Care Act—that draws heavily on the Massachusetts model. Evaluation findings, both published and special tabulations, informed the

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Relationship with Industry and Medicine (continued)

national debate by providing updates on the real-world experiences in Massachusetts under its health reform system.

The most recent update shows that Massachusetts maintained near-universal coverage through 2010, with access to health care in 2010 better than it was in 2006 and, for the first time, declines in emergency department use and inpatient hospital stays. These reductions suggest important improvements in the effectiveness of health care delivery in the state, whether due to health reform or other initiatives implemented since 2006. Consistent with those findings, there have also been gains in self-reported health status in the state.

While this evaluation has highlighted successes under health reform in Massachusetts, it has also identified such problems as insufficient provider capacity and gaps in access to

care, particularly due to health care costs. The evaluation emphasizes the reality that insurance coverage does *not* guarantee access to care—an essential lesson for the nation.

As states begin redesigning their health care systems in response to the Affordable Care Act, findings from the Massachusetts evaluation offer reasons to be optimistic about potential gains. Uninsurance in the state remained quite low in 2010, with employer-sponsored insurance staying strong. Furthermore, there have been no signs that employers in Massachusetts have responded to reform by dropping coverage for their workers or scaling back the scope of the coverage offered.

The work done by Dr. Long and her colleagues has played, and will continue to play, a key role in informing the national health care debate as states react to the Affordable Care Act.

SELECTED PUBLICATIONS:

Long SK, K Stockley, and H Dahlen. Forthcoming. “Massachusetts’ Health Reform: Uninsurance Remains Low, Self-Reported Health Status Improves As State Prepares to Tackle Costs.” *Health Affairs*.

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Long SK, and PB Masi. 2008. “How Have Employers Responded to Health Reform in Massachusetts? Employees’ Views at the End of One Year.” *Health Affairs* 27(6): w576–83.

Long SK. 2008. “On the Road to Universal Coverage: Impacts of Reform in Massachusetts at One Year.” *Health Affairs* 27(4): w270–84.

Complete list of publications available at: http://www.urban.org/health_policy/health_care_reform/state.cfm

What is health services research?

Health services research examines how people get access to health care, how much care costs, and what happens to patients as a result of this care. The main goals of health services research are to identify the most effective ways to organize, manage, finance, and deliver high quality care, reduce medical errors, and improve patient safety.

— *Agency for Healthcare Research and Quality*

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