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## 2007 HSR Impact Awardee

# Roadmap to Coverage in Massachusetts

### SNAPSHOT OF SUCCESS

#### Covering the Uninsured in Massachusetts: Health Services Research Informs Groundbreaking Reform

#### THE ISSUE

*An estimated 532,000 Massachusetts residents lack health insurance, presenting serious health and economic consequences for these individuals as well as straining the state's health care system. In 2004 and 2005, the Commonwealth of Massachusetts debated options for expanding health care coverage to these individuals. With strong employer and public insurance programs, and a tradition of innovative health care reforms, Massachusetts was well positioned to pursue universal coverage. Ultimately, this debate resulted in Massachusetts Governor Mitt Romney signing into law the Massachusetts Health Care Reform Plan in April 2006.*

*This landmark legislation aims to provide nearly universal health care coverage to Massachusetts state residents by July 2007.*

*Massachusetts is pursuing an innovative approach that relies on some of the unique characteristics of that state's health care system. While some policy makers argue that the reform plan will be difficult to replicate in other states, Massachusetts' efforts may serve as a catalyst for other states to pursue coverage expansions.*



In 2004 and 2005, a team of Urban Institute researchers developed a series of papers that offered a roadmap for designing landmark health care reform legislation in Massachusetts. The researchers made critical contributions to the underlying policy of the Massachusetts Health Care Reform Plan, which passed in April 2006 and ensures nearly universal health care coverage to Commonwealth residents. The research was led by John Holahan, director of the Health Policy Center at the Urban Institute. Alan Weil, executive director of the National Academy for State Health Policy, was co-Principal Investigator. Other key members of the research team included Linda Blumberg, Randall Bovbjerg, Jack Hadley and Lisa Clemans-Cope, all of the Urban Institute.

These researchers contributed key information that helped frame the reform debate, and undertook crucial analyses of policy options, many of which were eventually incorporated in the new law. Key findings of the research team included an accurate count of uninsured in Massachusetts, an estimate of total health care spending in the state devoted to care for the uninsured, and analysis of the resources necessary to finance coverage for the uninsured, including the need for additional spending beyond that already used to provide care to the uninsured. One of the team's critical contributions was to demonstrate that the health and economic benefits of expanding coverage far outweighed the additional spending needed to make it a reality.

The team's paper "Building the Roadmap to Coverage: Policy Choices and the Cost and Coverage Implications" served as a key resource during the health reform debate. The paper describes a range of policy approaches for

expanding coverage in Massachusetts, along with the financial and coverage implications of each option. The research team developed a number of employer and individual mandate proposals. The strategies shared several common features including expansion of the state's Medicaid program, income-related tax credits, a voluntary purchasing pool, and government-sponsored reinsurance.

The Urban Institute research team presented its findings at three policy summits attended by a range of stakeholders. Throughout the development of the health reform plan, legislators and policymakers repeatedly sought the counsel of the Urban Institute researchers. While numerous researchers were involved in developing the reform plan, the expertise and neutrality of the Urban Institute team made them a critical "go to" resource.

The research team stressed to a wide range of decision makers the importance of an individual mandate in achieving universal coverage. While Governor Romney's administration was considering an individual mandate, the Urban Institute's conclusions proved pivotal in determining the course of health care reform in the state. They demonstrated that an individual mandate, if made affordable, could be an attractive way to achieve universal coverage while avoiding the small business opposition and potential ERISA challenges that accompany employer mandates. Ultimately, legislators on both sides of the aisle embraced the notion of individual responsibility, including an individual mandate in the final law.

The Urban Institute team prepared a number of papers to guide the health care reform debate in Massachusetts (see "Resources" below for a description of papers and links), including six working papers that examined the major tasks involved in implementing the Roadmap to Coverage policy options.

*Continued on back page*

*Roadmap to Coverage (continued)*

The teams six working papers were:

**Maximizing the Use of Federal Matching Funds to Help Finance Universal Coverage**

Mark Reynolds

SCHIP and Medicaid eligibility expansions are a critical component of any universal coverage plan. This paper examines Massachusetts' options for using federal assistance to help achieve expanded coverage.

**Implementing a Health Plan Purchasing Pool**

Elliot Wicks

"Implementing a Health Plan Purchasing Pool." This paper discusses one of the key components of the Massachusetts reform plan, a voluntary purchasing pool that would enable individuals, families, and employers to buy health insurance coverage.

**Implementing Government-Funded Reinsurance in the Context of Universal Coverage**

Randall Bovbjerg and Elliot Wicks

This paper focuses on the design and implementation of a public reinsurance system for insurers who cover small employers and individuals.

**Implementing Tax Credits for Affordable Health Insurance Coverage**

Alan Weil

This paper discusses one of the critical components in achieving universal coverage in Massachusetts: the implementation of tax credits designed to make health insurance products affordable, particularly for moderate and low income families.

**Enforcing Health Insurance Mandates**

Linda Blumberg, Randall Bovbjerg, and John Holahan

This paper discusses strategies for encouraging voluntary purchase of coverage and issues related to compliance with the policy options' individual and employer mandates.

**Assuring Cost Containment**

Robert Berenson

This paper recognizes that containing the growth of health care costs to a reasonable level will be important in ensuring the success of Massachusetts' reform efforts. The paper presents a range of cost containment opportunities.

**What is health services research?**

Health services research is the multidisciplinary field of scientific investigation that studies how social factors, financing systems, organizational structures and processes, health technologies, and personal behaviors affect access to health care, the quality and cost of health care, and ultimately our health and well-being. Its research domains are individuals, families, organizations, institutions, communities, and populations.

— *AcademyHealth, June 2000*

## RESOURCES

Roadmap to Coverage is a Blue Cross Blue Shield of Massachusetts Foundation initiative designed to provide comprehensive research on the uninsured and options for expanding coverage to the uninsured in Massachusetts. Major funding for this project was provided by Blue Cross Blue Shield of Massachusetts, with additional support provided by Partners HealthCare. The Urban Institute prepared the research and policy analysis for this initiative. The Urban Institute research team's papers can be found at [www.roadmaptocoverage.org](http://www.roadmaptocoverage.org) and include the following.

John Holahan, Linda J. Blumberg, Alan Weil, Lisa Clemans-Cope, Matthew Buettgens, Fredric Blavin, and Stephen Zuckerman. *Roadmap to Coverage: Synthesis of Findings*, Urban Institute, October 2005. This paper provides a synthesis of the research and analysis undertaken for the Roadmap initiative.

Linda J. Blumberg, John Holahan, and Alan Weil. *Building the Roadmap to Coverage: Policy Choices and the Cost and Coverage Implications*, Urban Institute, June 2005. This paper describes

a range of policy options for expanding health insurance coverage in the state, and examines the implications of each approach.

John Holahan, Randall Bovbjerg, and Jack Hadley. *Caring for the Uninsured in Massachusetts: What Does it Cost, Who Pays, and What Would Full Coverage Add to Medical Spending?* Urban Institute, November 2004. This paper analyzes spending in Massachusetts on care for the uninsured, describing the cost implications of not pursuing reforms.

*Health Insurance Coverage and the Uninsured in Massachusetts*, prepared by Alison Cook, Urban Institute, June 2005. This chart book offers information on the state's uninsured.

Alan Weil, *You Can Get There From Here: Implementing the Roadmap to Coverage*, Urban Institute, October 2005. This publication summarizes six papers that examined important issues in the state's health care reform deliberations.

## WEB SITES

Road Map to Coverage  
[www.roadmaptocoverage.org](http://www.roadmaptocoverage.org)

Massachusetts Division of Health Care Finance and Policy  
[www.mass.gov](http://www.mass.gov)

The Urban Institute  
[www.urban.org](http://www.urban.org)

State Coverage Initiatives  
[www.statecoverage.net](http://www.statecoverage.net)

Kaiser Family Foundation  
[www.kff.org](http://www.kff.org)

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