

Massachusetts Health Reform: Near Universal Coverage, But No Cost Controls or Guarantee of Quality, Affordable Health Care for All

Key Findings

Massachusetts has implemented new and innovative health care reform that provides subsidies for people under 300 percent of the federal poverty level unable to afford coverage. While reform has been very effective at increasing accessibility of insurance to residents across the socioeconomic spectrum, resulting in the lowest rate of uninsurance in the nation, the Massachusetts model is unsustainable, with skyrocketing costs and no systems in place to drive value. Key problems include:

- **Overall Health Care Cost Containment** – Since the Massachusetts plan does not contain any mechanisms for reining in the rapidly increasing cost of health care, the plan has limited potential for long-term sustainability.
- **Guaranteed Access to Affordable Health Care** – The Massachusetts plan does not guarantee that everyone who is insured will be able to afford the health care they need. In addition, with major reduction of the Massachusetts uncompensated care pool, a byproduct of reform, the uninsured remain vulnerable to the catastrophic costs of a sudden acute illness or accident.
- **Stability in Health Plan Membership and Continuity of Care** – Because the Massachusetts plan provides private health care plans in a stratified system based on income, portability is limited and changes in employment status or income can result in the loss of coverage while enrollees switch plans.
- **Meaningful Competition** – The Massachusetts plan promotes health insurer oligopolies in the state. It offers no countervailing power through a public health insurance plan to drive competition, offset insurer market power and rein in costs; rather it maintains the status quo that has led to spiraling health care costs. .

While Massachusetts continues to be a leader in providing affordable health care to its residents, using it as a model for national reform would not address many of the significant issues facing our health care system. The public health insurance plan option proposed by President Obama and Senator Baucus would compete with private insurance plans on a level playing field, control costs, provide guaranteed back-up coverage for anyone who needs it and set a benchmark for ensuring everyone in America quality, affordable health care.