

GBIO Health Care Proposal Comparison

	Governor Romney's Plan	Senator Travaglini's Plan	GBIO-supported Health Access & Affordability Act
Restoration of Cuts	<ul style="list-style-type: none"> No restorations. 	<ul style="list-style-type: none"> Restoration of \$25 million for public health prevention programs. 	<ul style="list-style-type: none"> Restoration of MassHealth for documented immigrants. Restoration of dental and eyeglasses as benefits for MassHealth participants.
Coverage of Uninsured Working Poor (Families between 133-300% Poverty and Individuals from 0-200% poverty)	<ul style="list-style-type: none"> Create a new, publicly-funded "Safety Net Care" managed care program to insure individuals and families who don't qualify for Medicaid from 0-300% of poverty. Eligibility rules, premiums, copayments and benefit limitations have not been decided upon. This bill is expected to be filed late this summer. The Governor has said that charges will be on a sliding scale, but no information is available. Lack of funding will likely lead to substantial costs for recipients and/or restricted benefits. 	<ul style="list-style-type: none"> No change 	<ul style="list-style-type: none"> Expand MassHealth eligibility requirements for individuals and parents to 200% of poverty and for children to 300% of poverty so that they can take advantage of the full benefits of the MassHealth program. Provide premium assistance for adults between 200% -300% poverty who purchase private insurance.
Assistance for moderate-income people purchasing private insurance (300%-400% poverty)	<ul style="list-style-type: none"> No Change. 	<ul style="list-style-type: none"> No Change. 	<ul style="list-style-type: none"> Provide premium assistance (on a sliding scale) for adults and families between 300-400% poverty who purchase private insurance.

<p align="center">Affordability of premiums for individuals and small business.</p>	<ul style="list-style-type: none"> • Create a new insurance product called “Commonwealth Care” that can be purchased by individuals, small businesses, and individuals who work at large businesses that don’t provide health insurance. • “Commonwealth Care” is a stripped-down insurance product that the Governor says may cost on average \$200/month for individual coverage, and \$500/month for families. Coverage for older people will be more expensive. • Deductibles will range from \$250 to \$1000, and co-pays will go from \$20 to \$40 per office visit. • Coverage will be more limited than existing insurance products (no firm details exist). 	<ul style="list-style-type: none"> • Create a “re-insurance” program that takes the most expensive cases out of the individual/small group market. Firms with up to 5 workers are eligible. • This program will reduce the cost of insurance for individuals and very small businesses, without reducing the quality of coverage or increasing co-pays/deductibles. • Similar to the Governor’s plan, this proposal permits the creation of stripped-down health insurance products that can be purchased more cheaply. • Expands Insurance Partnership Program which subsidizes small businesses that offer health coverage to low-income employees. 	<ul style="list-style-type: none"> • Create a “re-insurance” program that takes the most expensive cases out of the individual/small group market. Firms with up to 50 workers are eligible. • This program will reduce the cost of insurance for individuals and small businesses by as much as 30%, without reducing the quality of coverage or increasing co-pays/deductibles. • No creation of stripped-down insurance products. • Expands Insurance Partnership Program which subsidizes small businesses that offer health coverage to low-income employees.
<p align="center">Fair re-imburements to hospitals to prevent cost shifting to private payers.</p>	<ul style="list-style-type: none"> • No Change. 	<ul style="list-style-type: none"> • Increase Medicaid reimbursements this year to hospitals and physicians by \$116 million/year. • Rates increased each year to reach goal of Medicare payment levels. 	<ul style="list-style-type: none"> • Increase Medicaid reimbursements to hospitals and physicians each year to reach goal of Medicare payment levels.

<p>Employer Responsibility</p>	<ul style="list-style-type: none"> No employer responsibility. Employers who offer Commonwealth Care will be permitted to display a sticker. 	<ul style="list-style-type: none"> Charge companies with over 50 employees a fee for each employee that uses the Free Care Pool, if that employee is not offered coverage (called a “free-rider surcharge”). (Surcharge also imposed on Pool use by a worker over 300% of the poverty level who turns down offered coverage). 	<ul style="list-style-type: none"> Require employers who do not provide health insurance for their employees to pay an assessment, based on the size of the company’s payroll. Small, low-payroll firms would be exempt.
<p>Racial and Ethnic Health Disparities</p>	<ul style="list-style-type: none"> No provisions. 	<ul style="list-style-type: none"> Community Health Worker program sends certified community-based health workers to assist in health promotion and enrollment. 	<ul style="list-style-type: none"> Community Health Worker program sends certified community-based health workers to assist in health promotion and enrollment.
<p>Quality improvements</p>	<ul style="list-style-type: none"> No provisions. 	<ul style="list-style-type: none"> New board to post comparative quality and cost information on state website. 	<ul style="list-style-type: none"> Create quality control board that can implement cost-saving, safety-enhancing programs on a state-wide basis.
<p>Total Cost</p>	<ul style="list-style-type: none"> No details. 	<ul style="list-style-type: none"> Approximately \$168 million. 	<ul style="list-style-type: none"> Details to come with Blue-Cross/Blue Shield “Roadmap” study.
<p>How Will We Pay for It?</p>	<ul style="list-style-type: none"> No details. Governor Romney has suggested that this major health care expansion won’t cost anything, and that the costs of “Safety Net Care” can be funded entirely from money that is currently going into the free care pool. 	<ul style="list-style-type: none"> \$15 million from “free-rider surcharge.” \$60 million in increased federal re-imburements. \$93 million from State Reserves. 	<ul style="list-style-type: none"> Employer responsibility assessments. \$.50/pack cigarette tax increase. Savings from free-care pool. Federal Medicaid matching funds. If necessary, other revenue sources.

Analysis

The are several serious concerns about the Governor's "plan:"

1. The "Commonwealth Care" health care product may be so limited in its coverage and so expensive in its co-payments and deductibles it that rational people will chose not to buy it, thus making it a non-solution.
2. Making a stripped-down "Commonwealth Care" product available to employers may cause a "race to the bottom," as employers drop traditional health insurance plans and purchase for their employees this bare-bones product, thus increasing the epidemic of under-insured people.
3. Romney has not filed any legislation to create "Safety Net Care," so there are no details whatsoever. It is concerning that the Governor would de-emphasize health care for the working poor by phasing it in last. It is also concerning that this program could provide significantly fewer benefits than MassHealth. On the other hand, it is a good sign that the Governor has acknowledged the need for publicly-funded insurance for people in this income bracket.
4. Romney has suggested that the costs of this program will be recouped entirely from reductions in the free-care pool, so it is unclear if any safety net will remain for those who slip through the numerous remaining cracks.
5. If cheap insurance products and cost-free public health care expansion were possible, they would have been created by now. There are serious concerns about the viability of Romney's proposal at every level.

Although there is little conflict between the Travaglini plan and the GBIO/Health Care for All plan, the Travaglini plan is much more limited in scope:

1. The primary emphasis is on increasing Medicaid reimbursements to hospitals and on creating a re-insurance program for the individual/small business market.
2. There is no immediate expansion of coverage for the working poor.

For this reason, we see this plan as a supportable first step, but not a complete solution to the serious problem of the uninsured and under-insured in Massachusetts.

Obviously, GBIO believes that this is the best, most realistic plan to expand access to quality, affordable health insurance to the uninsured and underinsured. Some of the principals that make this the strongest plan can be outlined as follows:

1. **Comprehensiveness:** this plan expands access to the uninsured, provides support to the under-insured, and reduces overall upward pressure on health insurance premiums.
2. **Simplicity:** Rather than create new, complicated programs, we seek to expand access to programs we already know work.
3. **Commitment to quality:** We do not seek to replace the problem of un-insurance with the problem of under-insurance by creating bare-bones insurance plans that will cause a race to the bottom.
4. **Reality:** There is no way to expand access to quality, affordable health care for free. We propose reasonable mechanisms for funding these improvements.

