



Transcript provided by kaisernetwork.org, a free service of the Kaiser Family Foundation<sup>1</sup>  
*(Tip: Click on the binocular icon to search this document)*

---

**Health Reform Turns Two: Monitoring the  
Impact of Expanded Coverage  
Session I  
Blue Cross Blue Shield of Massachusetts Foundation  
June 3, 2008**

---

<sup>1</sup> kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

[START RECORDING]

**JARRETT BARRIOS:** Good morning. Thank you, we will try that one more time. Good morning. It is a pleasure to see all of you here today.

Illness and injury do not ask whether you have an insurance card, but our healthcare system does. That is why the Blue Cross Blue Shield of Massachusetts Foundation was created six years ago by Blue Cross and Blue Shield here in Massachusetts to expand access to coverage and reduce barriers to care. Our foundation's mission is quite simple; to see that everyone in Massachusetts can access the medical care they need to lead healthy and productive lives. To us, everyone means everyone. Everyone means the unemployed, as well as those who happen to have a job which offers them comprehensive health insurance. Everyone means indigent families, as well as affluent ones. Everyone means the young invincible's, as well as those of us, some charter members, some of us new, of the 40 plus club. Everyone means everyone, native born and immigrants, documented or not. Everyone means everyone. Illness and injury visits us all and we believe that healthcare should, too.

We want to welcome you here today to this summit on access, our celebration of this, the second anniversary of Chapter 58. Happy birthday, Chapter 58, we are delighted that

<sup>1</sup> kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

you are here to join us. Today we are going to try to document some of the hard earned gains that we have seen in coverage since Chapter 58 went into effect and how we will continue to wrestle with the challenges in front of us. Universal coverage, we are not there yet, but, boy, have we made progress.

[START VIDEO]

**MALE SPEAKER:** We happened to have insurance before this program came into existence. But my premium was extremely high, I was paying \$13.43 and right after the war had passed, I had applied last year for insurance and my premium was \$771 versus \$13.43, so that is exactly what this program allowed me, just to pay a much lower premium.

**FEMALE SPEAKER:** I work part time and it is important to have health insurance because of the fact that since I work part time, there is not a single health benefit given to me.

**MALE SPEAKER:** When the mailing came, I no longer had insurance; it was sort of like a devastating blow. And then as time went by, you just kind of live with that idea, that we do not have insurance. So finally I said, you know, this is just ridiculous, so I went to the doctor, went through the whole thing at the front counter, as usual. No insurance, you know, and you feel like they push the button, like that Progressive ad thing, like yes, we have got one here with no insurance, and

<sup>1</sup> kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

all the lights go on. So he sees me and he says that he thinks I am on like the tail end of the flu, and he gives me some antibiotics that were, you know how to put it, given to him by the drug companies, you know. So for \$45, I put this off for six weeks. It was not the \$45, it was the broadcast of no insurance.

**MALE SPEAKER:** Before the healthcare initiative took place, I basically was on pins and needles; my wife has to be a homemaker because my youngest son has autism, so she cannot work right now, so if something happened to me, we were basically out on the streets. So it was, I spent more time trying to be careful as opposed to exerting my full energy to my position, hoping that nothing happened to me.

**FEMALE SPEAKER:** It is good to have health insurance because when you have health insurance, then you have a way to receive attention for your healthcare needs, and you can also go to a hospital, you can choose a hospital. So everyone should have healthcare insurance. When one time my husband had something happen to him and we had to call the ambulance to come pick him up, this is when we had free care. He was taken to the hospital in an ambulance and then we found out that the bill for the ambulance was extremely high, so then after struggling and sort of fighting with the hospital for awhile,

<sup>1</sup> kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

they finally lowered the cost of the ambulance to about \$400, but obviously this was still a lot of money.

**MALE SPEAKER:** If I had any financial crisis, all I have to do is just cancel the insurance and let that go. With two children in college, that would be disastrous for them because if the insurance, my wife needs insurance, I would not be able to continue paying the premium, the high premium. I would be without insurance. But with the state program, it allows me to keep the insurance and still pay a monthly premium.

**MALE SPEAKER:** I had an issue with my Department of Transportation medical card. As a commercial driver, you are required federally to have this card. My physical went, for lack of a better term, went south because my blood sugar went up and I was forced to immediately see a doctor and continue to have my sugar, my blood sugar monitored to basically continue to drive, to continue to support my family because that medical card is a requirement by all CDL drivers.

**FEMALE SPEAKER:** I have health insurance, my husband has health insurance, and my daughter has health insurance. I explained to her that it is important for her to have medical care, that it is important for her to always go to her doctor's visits, to be able to have the entire range of services, to get check ups, to have for her classes and her eyes. And I also

<sup>1</sup> kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

tell her that it is important to pay a little bit now, that way in the future we do not have to worry about worse things happening.

**MALE SPEAKER:** By me having this program, it kind of eases the level of tension, the overall, because like I said, that bell is constantly ringing, okay, if you get hurt what are you going to do. So it kind of eases a little tension.

**MALE SPEAKER:** Having children that you just do not know what will happen to your kids, any medical circumstances that could happen, but you know you are covered, you just go to the hospital with no problem and you know you are not going to receive any surprise and bills and you know that you are covered. And I think that it is a good thing. Most people do not quite understand how the system really works, but it is a good thing that happened to have this law in existence.

**MALE SPEAKER:** It is a great feeling to have that little plastic card in your wallet, to know that if something happens, that if you need something you are covered. I mean, it is a feeling that I had not had for over seven years.

[END VIDEO]

**JARRETT BARRIOS:** Thank you to Andrea, Donald, Keith, and Kiki. Kiki is actually here with us today; stand up, Kiki. Congratulations and thank you for joining us. These are four of the 377,000 folks, wait, is Andrea here, too? [Spanish

<sup>1</sup> kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

**Health Reform Turns Two: Monitoring  
the Impact of Expanded Coverage  
Blue Cross Blue Shield of Massachusetts Foundation  
6/3/08**

7

Spoken]. They are two of the 377,000 of our Massachusetts neighbors who now have health insurance who did not two years ago. We are very proud to talk to you today about an impact study performed by the Urban Institute, working with the Foundation, that studies where we were a year ago and where we are now. What you will hear is that we have seen the number of working age adults without insurance drop by almost 50-percent. We are very excited about that statistic. You will also hear, as remarkable, perhaps more so, that this drop has happened in just one year. Only a few states have attempted something as ambitious as this, and for those that have achieved a 50-percent drop, it has taken three, four, seven years, not just one. We are far outstripping in pace and quantity the amount of folks getting insurance. We can compare ourselves proudly to any other state. We see no evidence of employers dropping insurance, no evidence of crowd out and, as importantly, we have seen people who are getting insurance are actually getting the care they need. They are going to the doctor, they have fewer deferred medical needs, they have fewer out of pocket medical expenses. This, we believe, is good news. All of this and support among the Massachusetts public remains robust.

Today we are going to explore what this means and what challenges remain. But before we begin, I would like to take a moment to recognize some of the people with us. First,

<sup>1</sup> kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

**Health Reform Turns Two: Monitoring  
the Impact of Expanded Coverage  
Blue Cross Blue Shield of Massachusetts Foundation  
6/3/08**

8

clearly, the Board of Directors that leads this Foundation. If you will just indulge me a minute, I would like to introduce first the founding and still chair of the Blue Cross Blue Shield of Massachusetts Foundation, my good friend, Philip Johnston. Joining Phil from the Foundation board, former commissioner of public health, Dr. Howard Koh; the Regional Director of CMS, Dr. Charlotte Yeh; the Executive Director of the Massachusetts League of Community Health Centers, Jim Hunt; the Director of Community Benefits for Partners Healthcare, Matt Fishman; and, from the Cambridge Health Alliance, Dr. Randy Wertheimer.

You will be hearing later today from the first founding president of the Foundation, Andrew Dreyfus, but I want to recognize him for his past service; Andrew is here in the front. And you will also be hearing later from the only other president, the person whose big shoes I am trying to fill, and that is Nancy Turnbull. Nancy is with us as well, out there somewhere.

We are joined by a number of individuals from the legislature and from the administration. I would like to recognize Representative Joe Driscoll; Representative Alice Piesch [misspelled?]; Representative Jeffrey Sanchez; my former colleague and chair of the Committee on Healthcare Finance, Senator Dick Moore. I am going to wait for you later because I

<sup>1</sup> kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

am about to introduce you, that is the Speaker over here. Coming from the administration we have, and we are honored to have speaking later, Secretary Judy Ann Bigby. Secretary? Commissioner of Revenue, Naje Ball [misspelled?]. Commissioner? Commissioner of Public Health, John Aurbach; Commissioner of Mental Health, Barbara Leedholm; and Commissioner of Healthcare Finance and Policy, Sarah Esslin. Welcome.

I already mentioned from the federal government Charlotte Yeh, I also want to mention in the house is the Regional Director for Health and Human Services, former Representative, Brian Golding. Welcome, Brian. We have former Representative Jim Breck with the New England Counsel and Secretary Leslie Curwin has joined us. Thank you, Leslie.

We are very excited to proceed with today's events, and could not be more excited about our first speaker. Our first speaker, of course, was one of the pioneers of health reform in Massachusetts. He, along with Senate President Travaglini and former Governor Mitt Romney were three of the leads in healthcare reform. Many of us worked on healthcare reform. I mentioned Senator Moore earlier, but Sal DiMasi and then President Travaglini, and Governor Romney were out there speaking, and Sal was pushing the envelope at every turn. One of the lead architects of Chapter 58, he works side by side

<sup>1</sup> kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

with the senate president, with the Governor, with advocates, with anybody who would listen to him to help craft legislation that was balanced and that would work in the long haul. And as we move into the next phase of health reform, we are very interested in hearing what the Speaker has to say, his unique perspective, looking back as we look forward. Will you please join me in recognizing, as I introduced, Speaker of the House, His Honor, Sal DiMasi.

**SPEAKER OF THE HOUSE REP. SALVATORE DIMASI (D):** Thank you, thank you, Jarrett for those kind words, and we miss you in the Legislature, our loss in the Legislature is the Foundation's gain, and he is quite a character and energetic and I know he is going to do a terrific job here. Right, Phil? We do not like these young guys trying to push us aside either, right? I know.

It is a good morning because I hear a lot of good news about the reports of Chapter 58 and our healthcare reform bill here in Massachusetts. And it seems like yesterday that I was here on October 7<sup>th</sup> of 2005 for my first address to the Foundation to talk to you about my vision about what I thought we needed to do here in Massachusetts to have a comprehensive healthcare plan that would work for everyone. As Jarrett says, it is everyone that needs to be covered. And from that video that I just say, it gives me great pride in what we did back

<sup>1</sup> kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

then because back then we were struggling to find our way, and I know Senate President Travaglini, he first started out by saying maybe a quarter or a third or a half, and Governor Romney was pushing to cover some of the people with a mandate, and I thought to myself back then that when I had to learn everything and everything that I did not know about the healthcare providers and the healthcare system in Massachusetts, I said this is a once in a lifetime opportunity to get universal healthcare. This is a once in a lifetime opportunity that does not come along very often in any state or during any career in which we can get insurance for every man, woman, and child in this state. And that was a goal.

So what I would like to do is since Senate President Travaglini is no longer here and Governor Romney is no longer here, and I am the last one still standing and making sure that this is a success and trying to do it along with some of the other people that actually were there with us who were very helpful; Dicky Moore, my good friend was with us through that whole process; Senate President Therese Murray, who was Chair of Ways and Means, and she was with us during that struggle in that process; Pat Walrath, who probably will retire this year. She was very instrumental in getting through that process as well as Ron Mariano and Bobby Deleo, and we are so happy and proud about the results of the Urban Institute's survey, and

<sup>1</sup> kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

from DOR, the reports that we have of everybody in compliance. And I want to congratulate the administration and the people that are here, Leslie Curwin, Secretary Bigby, all of you have been very instrumental in the implementation process. And the implementation process, as I said back then, was probably the most important aspect of this legislative plan that we put together. You know, back then, I knew that we had the ingredients, but we did not have the recipe. And the ingredients of having a healthcare system here in Massachusetts of quality care that is second to none in this country or the world, we had an employer base that was contributing greatly to insurance to their employees. We had a political will, I believe, from the organizations like Blue Cross Blue Shield and the rest of the insurers, that we wanted to have something done here in Massachusetts for universal coverage. There was a tremendous amount of ability to get this thing done because everybody had the right attitude. And I remember making my speech on the house floor for this and I quoted the Constitution, the Massachusetts Constitution, going back in the days of the Mass Bay Colony talking about shared responsibility. And I quoted that over and over again, and I believed it because where I came from in the north end of Boston, that is what we did. We shared the responsibility of taking care of each other, and I knew that Massachusetts had

<sup>1</sup> kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

that same kind of feeling for all of us. And a lot of people back then doubted that we could do it because it has never been done before and many of the efforts had failed before.

So all we needed to get was get everybody at the table. And when we did get everybody at the table, boy, it was a strange looking table. I never thought that we would be able to communicate with the groups that were pushing for this reform. The Greater Boston Inter-Faith Organization, the Mass Act, and Universal Healthcare for All, with the healthcare centers, the providers, the hospitals, the doctors, business community that came up very strong for this plan, and made great compromises. I remember trying to finally put this together. I had a meeting with the Greater Boston Chamber of Commerce and evolved and everybody else, the Mass Taxpayers Association, about six o'clock on a Sunday night in my office. And I think security came up a couple of times because they could not believe that we were there, six, seven, eight, nine, ten o'clock at night on a Sunday night. But we did it because there was the political will to make it happen.

So, as I reflect back, and I look over what I had to say back then in October of 2005, and what we were looking at was that even though we had the lowest amount of uninsured in the country, our uninsured members were growing. Health insurance premiums were soaring, double digit rates year after

<sup>1</sup> kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

year after year. The cost was too high for business, for individuals. We were still negotiating with CMS on our 1115 waiver. As I mentioned, Romney, the Mass Act, President Travaglini, everybody was positioning themselves for a plan that we tried to make work. And the Red Sox, I think, still did not win a World Series back then, in about 87 years, and now that I have been reflecting on '05 and find out where we are today, boy, we have come a long way, haven't we?

So I really, I am really excited about the results. I am really happy about what we were able to accomplish. In the video that I just saw really makes me feel satisfied that we struggled back then. I mean, we had some very difficult negotiations at that table. I had some very difficult negotiations with the Governor's office and their administration. But I kept pushing and I stayed the course because there were commitments that we made, and there was an opportunity there. And at some times I felt that we or I or many of the people negotiating this, we are all alone and we were not going to be successful, and it would be a shame if we did not do that.

So what we did was we just made sure that our commitment and our resolve was there. And that is what this is all about, this is making this happen because we need the resolve and the commitment to make it happen.

<sup>1</sup> kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

So back then, there were some promises I made to you in October of 2005. I promised that the health safety net would be maintained and strengthened for those left in need and its benefits, and we did that. I promised that we would maintain a stable and strong healthcare system through shared responsibility, and we did that. Individuals are all doing their part and as some of the results we have seen, they are committed to this as well, and people feel that this is a worthwhile cause so that we can pursue it in Massachusetts and continue to make it successful. I promised that employers would do the right thing by their workers and that the minority of employers who were not already doing what they were supposed to be doing would be encouraged, and we certainly did that and continue to do that. I promised that we would get back more on track more efficient delivery of healthcare services and more fair payments to providers, and we kept that promise. I promised that changes to our private health insurance market would be based on solid insurance principles, combining the markets, we kept that promise, we did that.

There were many things that we promised, many things that we committed ourselves to. And we kept those commitments and we kept those promises. What are we doing to take care of the people that were in the health safety net problem that we had here in Massachusetts, the Free Care Pool, the people who

<sup>1</sup> kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

were using emergency rooms for their healthcare instead of what we wanted to do, what this change is all about, primary care, preventative care. How do we get the anxiety away from those families like we saw in this video, where they said I was on pins and needles, they said, every single day, not knowing if I got hurt whether I could pay for my health care, or whether or not I even had someone that would take care of me if I got sick or my children got sick.

To make health insurance an absolute right for people here in Massachusetts and an absolute necessity for them to have, which I believe it is, and to make people, to allow people to have that insurance, and to take away that anxiety for the people that you just saw in that video. There are so many of them, over 340,000 people is a great achievement, it is a great achievement. And we should be proud here in Massachusetts at what we have done.

But we need to do more. There are challenges facing us, and we all know that one of the things that we wanted to achieve back then, as I said many times before and I think I said it back in October of 2005, was that I wanted to have quality healthcare that was accessible and affordable to every man, woman, and child in Massachusetts. And I always said it was easier said than done. And after a lot of struggles, and after a lot of commitments, negotiations, and settlements that

<sup>1</sup> kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

we made about the commitment that we all share here, and after all of the revisiting of the people as I look around this room, I see so many people and our conversations in the last two years that we have had with all of you to make this a success here in Massachusetts. We have got access to so many more people here for our healthcare system here in Massachusetts. It is a tremendous achievement.

The quality of the care is tremendous here in Massachusetts, but we need to make it better. We need to provide our healthcare to people in Massachusetts more efficiently, more cost effectively. And the Senate President has taken some bold steps, Senate President Therese Murray has really taken some bold steps in her plan that is now pending, which we will take up shortly. To correct all of the things that need to be corrected so that we can provide the greatest healthcare in the most efficient way and the most cost effective way.

So how do we do that? There are a lot of things that we can do here in Massachusetts. Back in 2005, I said that health information technology holds great untapped potential for improving both efficiency and quality. And you know something? The time has come to fulfill that promise. patients really need to know the clinical decision making is sound and made in their best interest, and we rely on our

<sup>1</sup> kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

providers and pharmaceutical industry to make that assurance. Providers must continue to improve their already high quality care and service to our residents, insured and uninsured alike. Health plans must take care to maintain health coverage with efficiency and with the highest standards of quality. Transparency in cost and outcomes will be expected, and we will work together to ensure that we measure both appropriately and accurately. And the administration simplification speaks for themselves. We can create savings for insurers and their members if we cut back on our administration costs.

We need consensus on containing costs. We need people to come together to make sure that what we pay for here in Massachusetts for healthcare is not only the best in quality, but is the lowest in cost based on the efficiencies that we can create in the healthcare system that all of us have great faith in, in Massachusetts.

Now I started out in public life 30 years ago and, as I said before, I wanted to work in government to help our residents achieve stability and security in their lives. Started my work on healthcare reform with that in mind and a sense of obligation to our most needy, and quickly learned that we needed to pull together so that we can make sure that we take care of everyone. No one should be left out. Health insurance, to me, is something that everybody should have in

<sup>1</sup> kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

Massachusetts. And if they do not have it and cannot afford to have it, then I think it is our responsibility and our obligation to make sure that we can allow them the ability to get their health insurance for their family. Just look at that video again and see how the sense of stability and security in the eyes and the voices of the people on that video who made us believe that the fact that they had health insurance felt that their family was now secure in knowing that whenever they needed healthcare here in Massachusetts, they can get it.

So I want to say we should renew our commitment again, once again, to make sure here in Massachusetts that this works because the nation and practically the world is watching us here in Massachusetts. This presidential debate is all about Massachusetts healthcare reform and how successful we are and how we can make it work. And you know, it is a combination of many different things, and everybody out there is here in this room and beyond, are the creators of this healthcare reform system. This is ours, this is yours, we are in this together, and we need to continue to make it work and face these challenges.

I believe, and I strongly believe, that this, the third year of implementation is the most difficult. And it is the most difficult because we are going to ask individuals to step up to the plate again and make sure that they obtain insurance.

<sup>1</sup> kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

And there will be penalties if they do not do that. We are asking the hospitals and the providers to become more efficient and reduce their costs and spread it across the population that is growing that are insured here in Massachusetts. We are asking people to deliver healthcare services in a different way so that we do not allow people who are now addicted to the emergency rooms here in Massachusetts just to see their preventative or primary care. We need to expand the amount of people who provide those services, we need more healthcare physicians, we need more practitioners and primary care people all over this state. It does not have to be as expensive to provide primary preventative care in Massachusetts, as we are spending for it today. That is a fact and that needs to be changed here in Massachusetts.

But you know what it is? It is a mind set. If we change the way we do things here in Massachusetts, like we changed it in Chapter 58, we went down a road where we really did not know whether or not this would be successful, and I once said we do not know whether this would be successful because it has never been done before. But let us take a chance, I said, let us put a blueprint together, let us build a house together, let us build a road, a road to success. And we are on our way. Thank you very much.

<sup>1</sup> kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

**VALERIE BASSETT:** Thank you, Speaker DiMasi for those remarks, and for your leadership on healthcare access. I am Valerie Bassett, and I am the Director of Policy and Research for the Blue Cross Blue Shield Foundation.

I want to take a quick moment to recognize some other important public officials who are with us this morning. I would like to recognize Chairman Peter Koutoujian of the Public Health Committee; also, Representative Marie St. Fleur; and, in addition, two other key leaders in health reform, John Kingsdale, the Executive Director of the Connector, and the Director of Mass Health, Tom Dehner.

It is a very exciting time to be in healthcare in Massachusetts, and an exciting time to be in Massachusetts generally. For the first time in 21 years, the Boston Celtics made it to be NBA finals. The last time the Celtics played the Lakers in the championship, Massachusetts was in the middle of working for an earlier round of universal coverage. This time, we have two years of the 2006 health reform under our belt, and over a year of implementation. As you are about to see, things are very much moving in the right direction in Massachusetts for both health reform and for sports. In fact, you might say it has been a championship year for reform, just like it is going to be for the Celtics.

<sup>1</sup> kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

Before I introduce Dr. Sharon Long of the Urban Institute to share the results of the first comprehensive survey on the impact of health reform in Massachusetts, I want to say a couple of words about why in 2006 the Foundation embarked on this important three year survey initiative. The goal was, and remains, to measure the impact of the new law on Massachusetts residents, especially low and moderate income people who are most likely to be uninsured before reform. If the goal was of health reform to expand coverage and improve affordability for consumers, as well as to increase access to healthcare, we need to measure whether and how much we are making progress towards these goals.

The Massachusetts Health Reform survey, cosponsored by National Funders, the Robert Wood Johnson Foundation, and the Commonwealth Fund, is the Blue Cross Blue Shield Foundation's effort to monitor these questions from the point of view of consumers and to understand the impact of the Massachusetts experiment as it is being implemented. The Foundation is also sponsoring separately, with the Robert Wood Johnson Foundation, a survey of the experience of reform from the point of view of employers, directed by John Gable.

The first year of the Urban Institute's Consumer Survey conducted in the fall of 2006 gave us a baseline of people's experience prior to health reform. You can find the results in

<sup>1</sup> kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

a report entitled *Getting Ready for Reform* on the Blue Cross Blue Shield Foundation website. The second round of the survey, which we will discuss today, assessed changes for residents one year later in the fall of 2007.

The results we will share today are a valuable window into some of the powerful ways that health reform has changed people's lives. It also points towards issues that need more attention. It is particularly important at this moment when we are all facing increased costs for the basic necessities, like food and gas, for Massachusetts to succeed in making healthcare more affordable to people so no one has to avoid needed care because of the cost.

It is my pleasure to introduce Dr. Sharon Long, Principal Research Associate at the Urban Institute, and the Principal Investigator on this survey, to talk in more detail about what has changed for the residents of Massachusetts under health reform. A word about Dr. Long; she has conducted a number of evaluations of state health reform initiatives over the last decade, including current evaluations of reform efforts in Florida and New York. Building on the Massachusetts survey work that she is presenting here today, Dr. Long is also directing the next round of the Massachusetts Household Insurance Survey for the Division of Healthcare, Finance, and

<sup>1</sup> kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

Policy. Please join me in welcoming Dr. Sharon Long from the Urban Institute to discuss the early impacts of reform.

**SHARON LONG, PH.D.:** Good morning. As Val said, I am presenting early impact estimates for health reform in Massachusetts, and this is work that was funded by Blue Cross Blue Shield of Massachusetts Foundation, the Commonwealth Fund, and the Robert Wood Johnson Foundation.

And in my presentation, I am first going to give a brief overview of motivation, although Val covered that a bit, and then describe our data and methods, spend a little more time on the details of the findings, and then end with a summary of some of the limitations of the study, and next steps for the evaluation.

As you know, the legislation that was passed in 2006 had the goal of moving toward universal healthcare coverage. It also had goals of improving access to care, and particularly improving access to affordable healthcare for residents of the state. It quickly became apparent that existing data sources could not provide a timely and comprehensive evaluation of those anticipated impacts, and so in June 2006, the decision was made to fund a separate survey that would let us do our comprehensive evaluation. And it is that survey, the Massachusetts Health Reform Survey that I am reporting on today.

<sup>1</sup> kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

The survey focuses on working age adults, but that is adults 18 to 64, and we focus on that population since prior to reform, that is the group with the highest level of uninsurance, and many of the elements of the health reform are targeted to that population. The sample for the survey is representative of adults 18 to 64 in the state, and we have over sampled low income adults and the uninsured so that we can speak to those populations as well. The sample size is about 3,000 adults in each round of the survey.

As Val mentioned, we did a baseline survey in the fall of 2006 just prior to the implementation of key elements of reform, and that is our baseline of insurance coverage and other outcomes in the prior reform, pre-reform world. Our first follow-up survey was fall 2007, approximately one year after health reform began. And our estimates of the impact of reform are the difference in insurance and other outcomes between those two time periods, so the fall 2007 outcomes minus the fall 2006 outcomes.

Now the vulnerability here for estimates like this is that there were other changes over the same time period that were also occurring, so that we would attribute changes over that period to both health reform when there were really other things happening and, of most concern, a change in the economic circumstances in the state. Unfortunately for the reform, the

<sup>1</sup> kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

fall 2006 to the fall 2007 period is pretty stable in Massachusetts. So we are fairly confident that what we are estimating is the impacts of health reform in the state.

And then for those of you who are more interested in methods, in addition to doing the simple differences between fall 2006 and fall 2007, we also did regression adjusted estimates where we controlled four of the characteristics of the samples in fall 2006 and fall 2007. In reality, there were very few differences in the characteristics of the samples, so that the estimates from the simple differences and the regression of adjusted differences are essentially the same.

So with that quick overview, let us turn to the findings. And we will start by looking at the impact on uninsurance coverage, as Jarrett mentioned earlier, we find that the drop in insurance coverage was significant over the fall 2006 to fall 2007 period, dropping from 13-percent in fall 2006 to 7-percent in fall 2007. So at roughly the end of one year under health reform, the insurance coverage rate for working age adults was 93-percent.

The greatest gains in insurance coverage were found for the low income population and we define low income here as those with incomes less than 300-percent of poverty, which is the income eligibility category, or standard, for Comm Care.

<sup>1</sup> kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

And this gain in insurance coverage for the low income population is not surprising given the expansion in public coverage under both Mass Health and Com Care. And so what we see is a drop in uninsurance from 24-percent to 13-percent for low income adults. For higher income adults, and that would be adults with incomes above 300-percent of poverty, we also see a drop here, of course, and insurance started out much lower, at 5-percent in 2006, but it dropped down to 3-percent in the fall of 2007.

We also looked at the impact of health reform on different demographic groups, and here we are looking at men and women, and as you can see a significant drop in insurance coverage for both with a larger drop for men. And this slide looks at the change in insurance coverage for adults of different ages and, again, a larger drop for younger adults than older adults, and this is consistent with the greater policy changes targeted to young adults in the state.

A key issue that arises in programs that are expanding public coverage is the extent to which that expansion in public coverage crowds out private coverage, so that either workers stop offering coverage, or individual workers choose not to take up employer coverage in order to enroll in public coverage. We find no evidence of crowd out over that first year of reform. In fact, as you can see in the slide, we see

<sup>1</sup> kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

an increase in employer coverage between fall 2006 and fall 2007. And here, and I should say that those crowd out issue here in Massachusetts is among the low income population where the eligibility expansion for Mass Health and Com Care occurred, and so we see an increase in private coverage from 38-percent to 42-percent for low income adults in the state.

And I would note that this is quite distinct from the ongoing trend in the nation as a whole, where employer sponsored coverage is dropping with employers less likely to offer and workers less likely to take up that coverage. So Massachusetts is bucking the trend here under health reform. I would also note that other insurance increased as well and the predominant component of other insurance here is public coverage. And public coverage in the state rose from 38-percent to 42-percent for low income adults in the state.

So the combination here suggests that on average, the increase in coverage in Massachusetts was drawn from the uninsured and not from those with private coverage in the state. I should also note, although I do not show it here that when we look at higher income adults, we see a maintenance of employer sponsored coverage, so no drop there, no evidence of employers dropping or of workers starting to shift away from private coverage.

<sup>1</sup> kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

Beyond the focus on insurance coverage, the 2006 legislation also had the goal of improving access to care in the state, and so we look at several different measures of access to care. This slide focuses on having a usual source of care, that is the place you go when you need care and using care, and we find significant improvements in the probability of having a usual source of care for low income adults, and also increased doctor's visits for preventive care and dental care visits. And when we look at these issues for higher income adults, we find no significant changes. Access to care there for these measures was consistent over the two periods.

Another measure of unmet need is the presence of barrier to getting the care that you need. And here we are looking at unmet need for any kind of care for any reason in the state. And the question in the survey asked over the prior year, was there any time that you did not get, or postpone getting, doctor care that you needed? And we looked at doctor care, at specialist care, at medical test treatments and follow up care recommended by a doctor, at prescription drugs and dental care. So this measures a combination of any of those. And we are focusing here on care that was not received, so we are not worrying about postponed care in this slide, but just that you not get care that you needed over the past year.

<sup>1</sup> kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

And, as you can see here, the share of adults who reported unmet need for care dropped under health reform. For lower income adults, it dropped from 36-percent to 30-percent. For higher income adults, from 19-percent to 15-percent. And I would note our survey only focuses on Massachusetts, but if you look at other data sources that have data for the nation as a whole in other states, although unmet need looks high here, it is actually lower than it is for the nation as a whole, so it is access to care tends to be better in Massachusetts and is better in this measure based on other data sources.

Although the overall level of unmet need was down under health reform, we do find one area where there is some suggestions of difficulties, and that is unmet need because of difficulties finding a provider who would see you, or getting an appointment with a provider. And as you can see, we see an increase there from 4-percent to 7-percent for low income adults and it held steady for higher income adults at 3-percent, so not large percentages, but an indication of potential problems.

Now in our survey, we cannot disentangle what is driving these findings. It could be newly insured individuals attempting to attain care and running into a lack of supply. It could be newly insured people who are just now learning a new system having never had a health insurance before. It

<sup>1</sup> kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

could also be the continuation of a trend that was in place prior to health reform where there is a shortage of primary care providers. And we cannot disentangle those pieces, but regardless of the reason, it clearly is a potential barrier to improved access to care under health reform.

And I should note that our estimates are from fall 2007, and I know there have been initiatives since then to address the supply of providers in the state, and we simply cannot detect any of those impacts yet, but there will be follow up work where that will be part of the thing that we will track.

Yet another goal of the 2006 legislation was to improve access to affordable care. And we look at several different measures of affordability of care in the state. The first measure of affordability focuses on unmet need for care because of cost, so this is people reporting that they did not care that they needed because of the cost of that care. And, as you can see, we find a strong drop in unmet need because of cost for the population.

Overall, the share of low income adults reported unmet need for care because of cost dropped from 27-percent to 17-percent. Among higher income adults where unmet need because of cost was lower to begin with, we also see a drop. And there we are dropping from 10-percent to 7-percent, so substantial

<sup>1</sup> kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

gains there in people getting care because of being able to afford that care.

As I mentioned earlier, the question about unmet need in general focused on different kinds of care. And so we are looking here at unmet need because of cost for those different types of care, and this slide focuses on low income adults. And, as you can see, we see a drop in unmet need because of cost across the different kinds of care that are considered. So a drop for doctor care, for specialist care, for medical care recommended by a doctor, for prescription drugs and dental care.

When we look at higher income adults where we also saw a drop in unmet need, although smaller overall, it is really concentrated among the medical care. Drops for doctor visits, specialists, and medical care recommended by a doctor also drop for higher income adults.

Another measure of affordability for healthcare for individuals is out of pocket spending on healthcare, so this would be spending beyond the premium and for any healthcare that is not reimbursed by your health insurance plan, so copays, spending under the deductible, and spending for services that are outside of your health insurance plan.

And here we focus on low income adults and, as you can see, out of pocket spending dropped under health reform for

<sup>1</sup> kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

this population. So, for example, in fall 2006, 48-percent of low income adults reported having \$500 or more in out of pocket spending over the prior year, and by fall 2007 that it dropped to 37-percent. If you look across the slide, the drop is there for those spending \$1,000 or more per year, and those spending \$3,000 or more per year, as well.

When we look at this for higher income adults, we do not see the same drop, so this appears to be concentrated among the low income population. I would also note that if we run this just for the low income population that has insurance, we find a similar pattern of drops. So that suggests that the gains on affordability were not just gains from having coverage, but were gains from having better insurance coverage over the period.

And our final measure of affordability of healthcare under health reform looks at people reporting problems paying their medical bills or reporting that they have medical bills that they are paying off over time. And, as you can see here, focusing on the low income population again we see a reduction in both, that those who reported that they had problems paying their medical bills dropped from 32-percent to 24-percent over the first year or reform, and for those with medical debt we see a drop as well that is consistent with that drop.

<sup>1</sup> kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

When you look at higher income adults, we do not see significant changes here so that the levels maintain fairly constant over the period. About 12-percent of higher income adults report problems paying their medical bills and that was in both fall 2006 and fall 2007, and about 15-percent reported medical debt, so kind of a persistent level there for the higher income population.

The long run sustainability of health reform in Massachusetts will depend, in part, on support by Massachusetts residents. And we found strong support for health reform in 2006 and what we see in fall 2007 is that support continues, that 71-percent of the population reported that they do support health reform.

And we looked at support across different population groups in the state, and here show support by income level. And, as you can see, support remained high among the lower income population, those who were most likely to directly benefit from health reform as well as the higher income population, those who have less direct benefits. They are also continuing to support reform, and although I do not show slides for it, when we look across different ages, support remains high. When we look across men and women, support remains high. When we look at working and non-working adults in the state, support remains high. When we look at greater Boston and the

<sup>1</sup> kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

rest of the state, support remains high. So it is a fairly consistent story across different populations in the group that support for reform remains high.

But there is one population group that is less happy in fall 2007 than in fall 2006. And that is those who remained uninsured in fall 2007. So we see a lower level of support for health reform in that fall 2007 period for that group. And what we think is happening here is not that we think there is a drop in support among the population, but that there is a concentration of those who are opposed to health reform among those who did not become insured by fall 2007. And I should note our survey, follow up survey, was fielded in fall 2007 with most of the interviews conducted in October and November. So we are prior to the full implementation of the individual mandate, and so this population here are those who were still uninsured at that point. But I would not even under those circumstances, 44-percent did support health reform in the state.

When we look more closely at those who remained uninsured in fall 2007, we find some potential challenges for the state as you move toward universal coverage. Most of those who remained uninsured in fall 2007 tended to be young, male, health, and low income. 60-percent were under 35-years old, 60-percent were male, more than 80-percent reported their

<sup>1</sup> kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

health as good, very good, or excellent, and 75-percent had incomes under 300-percent of poverty.

Of those who remained uninsured in fall 2007, most were working, but few had access to coverage through their employer, and most reported that cost was a key reason that they were uninsured, and reported that it would be difficult to come up with the funds that were needed to purchase health insurance coverage. So this may be a difficult population to convince to purchase insurance on their own. And, again, I would note, we were right before the individual mandate goes into effect, so this survey does not provide a test of the individual mandate, we are a little too early for that. We will look at that again in our next follow up survey.

So let me give you a brief overview of some of the study limitations and next steps for the evaluation. First, it is the reality of research based on survey data that different surveys can yield different estimates. And this is the first survey data coming out on the impacts of health reform. There are several other surveys who will be providing results later in the year. It will be important to check these results against those surveys as they become available.

Second, these are very much early impacts of health reform, we are at the end of the first year, prior to the full implementation of the individual mandate, so it is very much an

<sup>1</sup> kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

internal assessment of how things are going. A longer follow up period is needed to do a full assessment of health reform and under this project we will be doing a second follow up survey in fall of 2008, which will provide another check on the impact of health reform in the state.

And, finally, these estimates rely on what is called a pre/post evaluation design, where we are comparing follow up data to the baseline data and then interpreting that as the impact of health reform. As I mentioned earlier, the vulnerability there is that there were other changes over the same time period that could be driving the results. Massachusetts is pretty stable, we do not think that is the case here, but there are other methods that can be used with data sets that include other states that would provide a check on these findings. And so as these other data become available, it will be important to replicate the study using those additional data sources.

So let me end with a recap of the key findings from this first year of the evaluation. At roughly one year after implementation, health insurance has been reduced by almost half in the state, down to 7-percent of working age adults. In addition to the gains in insurance coverage, there also have been gains in access to care, and gains in the affordability of care for the residents of the state. And finally, support for

<sup>1</sup> kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

health reform remains high. It is 71-percent across the overall working age of population, and it remains roughly 70-percent by different groups, by age, by gender, by working status, and by location in the state, so a pretty consistent pattern of sustained support for health reform.

And I have given a very quick overview of the findings. There is a paper with more detailed findings available at any one of these websites. Thank you.

**LARRY KAI:** Thank you, Sharon. My name is Larry Kai, and I am a recovering journalist who runs a program called the Health Coverage Fellowship for the Blue Cross Foundation, where we try to train every year medical journalists to do a better job covering issues like this. Sharon has done a wonderful job with her study, giving us a view from 30,000 feet of what is going on after a year of healthcare reform. What this panel has aimed to do is to try to bore down to the trenches and give a view for some of the key constituencies involved in making this program work.

Before we get going with the panel, what you have in front of you are index cards, very big index cards. And if you take time during our panel presentation to write out any questions you have for Sharon, or for any of our panelists, it will save me having to come up with questions for them later on. So put down your questions, a staff person will come by

<sup>1</sup> kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

and pick them up, and we are going to get started now with our panel.

Our first speaker is Melissa Boudreault. And she runs the Commonwealth Care, the state supported health insurance plan for low income residents. And she comes to this incredible task putting together a program from scratch like this is not easy, and she comes to it with the perfect training. She worked for Jimmy and Roslyn Carter; she worked for Dr. Judith Vochman; she had a master's degree in military history, which may be the most valuable piece of training; and in these days of the Red Sox, the Celtics, and the Patriots, she learned what it was like pushing against the tide by being an avid Bruins fan. She may be the only one left in the state of Massachusetts. And Melissa is going to give us a sense of what has gone right and what the challenges are ahead at the Commonwealth Health Insurance Program.

**MELISSA BOUDREAUULT:** Good morning, everybody, thank you, Larry. What I would like to do this morning is take a few minutes and talk about what our experience has been with Commonwealth Care and focus a little bit on some of the points that Dr. Long raised. We are almost two years into the program. We launched in October 2006 covering individuals under 100-percent, and in January '07, covering individuals above 100-percent. It feels like it has been a long time, we

<sup>1</sup> kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

are still a pretty young program, though. We do have a lot of experience, and what I would like to do is share some of that with you this morning in terms of the context of what we have seen as we are about 18 months in.

So the first thing that I would observe is that we have enrolled a lot of people. We had some guesses, some estimates about what we thought the eligible membership would be for the program. We have exceeded those. Now what is interesting about that is Dr. Long looked at data through October and November of 2007, but we saw a significant increase in enrollment after that period of time, and I think there is a few reasons that that happened. The mandate, I believe, was definitely part of that. Between November and December of 2007, overall enrollment in Commonwealth Care grew by 19-percent alone just in that one month. And we know from talking to our members that many of them were aware of the mandate because of the many different communication efforts that went on over the summer into the fall and into the winter.

The other thing that I would observe about the program, is that if people had pointed out to me getting people to enroll in something that does not cost anything is easier than enrolling people in something that does. We have been very focused on this premium population, not only getting them enrolled, but keeping them in the program.

<sup>1</sup> kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

Now, since October of 2007, enrollment in our premium paying program has grown by 95-percent. And every month we can see continuous, underlying growth in the people who are coming in to the program. Now one of the challenges with Commonwealth Care is making sure that we get to the people who need the insurance. And there are three broad categories that we look at in terms of enrolling. Right now, almost 50-percent of our members were part of the uncompensated care pool, or now the health safety net, in the prior 12 months. that was a very important piece of what we were trying to accomplish; finding those individuals and bringing them into the program, and then making sure they stay in the program, which has challenges on its own that I will speak to in a minute, was a big piece of what we were trying to do.

Now interestingly, 20-percent of our current enrollees had Mass Health in the prior 12 months. With that says to me is Com Care is here and I am really glad it is because these folks would not have had an option if they were no longer eligible for Mass Health.

Now the third piece of what we are trying to accomplish here, and in many ways the most challenging, is finding those individuals that were not known to us. They were not known to our systems as the Mass Health systems. Those are the individuals that in many ways are the most challenging, some of

<sup>1</sup> kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

them because they do not believe that they need insurance, and others because we could not get the message out to them. Now 30-percent of our existing enrollees fall in that category, and I think that is where we are going to see a lot of the growth on a go-forward basis. Those are the people that we continue to need to find and outreach to.

So we have a bunch of enrollees and it is very fair to ask, so what has your experience been like and what has the program growth been like? How have you developed this program? We have spent a lot of time trying to get a sense of what the member experience is because, particularly for people who are moving from episodic treatment in a health net safety environment to a more traditional insurance environment, there can be some challenges with that.

Some of the challenges we anticipated were not the problems that we thought they were going to be. For example, over 95-percent of our case load continuously pays their premiums on time. People sign up for the program and they stay enrolled, that is very, very important to us for a number of reasons, and that continuity of coverage that it provides is part of the strength of the program. The other thing that we are starting to look at is what is the member experience once they are in the program? We are seeing a ratio of about two to one in primary care visits to specialty. Now this is very,

<sup>1</sup> kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

very early work that we are looking at and there is still a lot of data that we have to explore. But that is consistent with what we would like to see happen.

Now lest you think we have no challenges before us, there are some areas we want to focus on. We continue to need to work to make sure that ER use is appropriate for individuals who have traditionally gone to the emergency room for care. There is a lot of education and outreach that we need to continue to do, and many of you in this room help us do that. We also continue to look at our disease management, care management plans with the NCO's to make sure that folks who, for a period of time, and in some cases a long period of time, did not have insurance are getting the appropriate care that they need. You have heard anecdotally from many of us about individuals who, because they were not able to seek consistent treatment, ended up with much more serious health conditions than we otherwise would have liked.

So let me just end with one anecdote. I have a card on my desk. I get phone calls from members and they mean a great deal to me, but they cards mean a lot because if somebody can take the time and write us a note and thank us for all the work that we have done, or are making their life better, that really makes a big difference. And I keep a card on my desk from a

<sup>1</sup> kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

woman who very simply wrote thank you for making my life better.

So, in close, I would like to thank all of you and especially my colleagues at the Connector for everything that you have done to make Commonwealth Care a success because I think we all should be very proud of what we accomplished. So thank you.

**JARRETT BARRIOS:** One of the groups that presented the biggest challenge in getting the healthcare reform law passed and in trying to make it work is the business community, and bringing them in, and particularly small businesses and the challenges that they face. And representing all of Massachusetts small businesses today, no pressure, Vicky, is Vicky Madera. She is the head of Human Resources at the Needham Electrical Supply Company, which employees 140 Massachusetts residents. Vicky?

**VICKY MADERA:** Thank you, Larry. Needham Electric Supply is a small, family owned business, located in Canton. When Mass Healthcare Reform came about, we were like, oh my goodness, what does this mean for us? What do we need to do? Through the meetings and talking with our managers, as well as our employees, we felt that it was our responsibility as an employer to make sure that first we understood what the impact was to us, but what was the impact to our employees.

<sup>1</sup> kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

So healthcare is the most important benefit than any employer can give to its employees because it has the greatest impact on the quality of life for that employee and their families. The onset of healthcare reform did not affect NESCO greatly. Why, do you ask, is because we were doing the right thing all along. We provided health insurance to our employees, we provided dental, flexible spending, and we already had our Section 125 plan in place. So therefore, we did not have a lot of work to do. Most of our work came by educating our employees in what was the impact to them.

The majority of our staff at NESCO is full time, with a handful of part time employees. And it was these part time employees that we were wondering how was this going to affect them. So what we did as a company, we reduced our eligibility requirements for healthcare from 40 hours down to 32 hours. This allowed our part time employees that were working and supporting our company to get us where we needed to be as a business to have insurance for themselves and their families.

Two associates in particular that were affected by this who now have coverage. And one of these employees whose husband was a self employed, had self insurance, very expensive. She was very thankful at the end to be able to come onto our plan and be able to provide more for her family because her costs were less.

<sup>1</sup> kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

The expansion of healthcare coverage is an important initiative. In our business, we are distributors, so we have a lot of young warehouse workers. These warehouse workers feel invincible. It was my job to inform them that they are not. Going through education with the employees and with the help of AIM, we were able to explain to them what the impact of this law was going to be to them because they live in a world of their own. They felt that, you know, this is not going to affect me, I do not need insurance. And so open enrollment came and went and they decided not to enroll. Well, at the end of 2007 when they received their tax return refunds, they felt that it was a little less. This year, here in May, we just finished our open enrollment once again. I am happy to say that we have more educated employees enrolling in our plan.

Healthcare reform is an important and positive movement in Massachusetts. And as an employee, we have embraced this initiative by proactively making small changes in our eligibility, by educating our employees and our managers who are able to bring more employees under the umbrella of coverage and be able to support their families. Through education and reaching out we believe that we have made a difference.

In my opinion, the role of an employer is not simply to provide a paycheck to its employees, but to provide care and

<sup>1</sup> kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

eligibility for health insurance and other benefits. Thank you.

**JARRETT BARRIOS:** The final critical piece of watching how healthcare reform works is actually providing the care to patients. And Dr. Jackie Spain from the Holyoke Health Center does this with her 600 patients that she oversees directly and with 15,000 patients that her staff takes care of. She spent her life in community medicine, starting at Carnegie Hospital and working community centers around the state. She also was very kind to join us after a very traumatic night last night watching her son pitch his first game, her 9-year old son, and the word is the team lost but he did brilliantly. Jackie Spain, thank you.

**JACQUELINE SPAIN:** Thank you very much and, of course, the goal of healthcare reform is that none of us lose them, we all do brilliantly.

So I am very grateful to be here today; I am grateful to be in Massachusetts where at this exciting revolution is going on. I will date myself a bit by saying my first exposure to how wonderful Massachusetts is, is when I was a teenager working on the George McGovern campaign, and I realized that there was one state in the nation that was not afraid to address change and complexity.

<sup>1</sup> kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

It was a little bit of a challenge, those who know me and know I like to talk to figure out what to say in five minutes because there are lots of exciting stories to tell you, and yet, we all know there are also challenges ahead. So I am going to give you just a tiny taste of both.

For community health centers, of course, the uninsured are not statistics seen from 30,000 feet, but the people that we care for every day. They are people that we care about and they are people that we struggle to care for; struggle, not because of our own lacking, but because we could not get them so many of the things that they needed. We could not get them medication. We could not get them tests that they needed or specialty care that they needed. And as we slowly see some of our existing patients rolling over from being uninsured to now being insured, there are some exciting stories.

I changed the names here to give you a little bit of a flavor, though. So for us the uninsured are Mr. Santiago, who has had poorly controlled diabetes for a number of years, but who now is able to get his medication and see the ophthalmologist about those vision problems that he is having. The uninsured for us are a Mr. Perez, with a strong family history of colon cancer, who now is going to be able to get his colonoscopy. And if the results of that colonoscopy are not what he and his doctor hope for, he will be able to get care

<sup>1</sup> kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

for that as well. And finally, from a pediatrician, it is Mrs. Williams with bipolar disorder, which has not been treated for her for a number of years. Now she is going to be able to see the psychiatrist, she is going to be able to get medication, she is going to be able to get labs to monitor that medication. That is going to make a real difference for her, but it is also going to make a real difference for the four children for whom she is a single parent. As I watched those children struggle with the anxiety and the behavior issues that go with living with, and growing up with, a parent with untreated mental illness.

So there is so much to celebrate as we stand here today. But we also know that there are challenges ahead. And for the community health center, what we really hope for is the safety net that we embody and that we've been for so long for the state that we not be weakened as we move forward in facing the issues yet to come.

So I am going to touch on just three issues. One is that insurance is complicated stuff for people who have never had it. Enrolling patients in this insurance, and as we saw from Dr. Long's excellent presentation, those yet to be enrolled are going to be, perhaps, a challenging group to meet. In community health centers we are used to dealing with these kinds of people. We are used to dealing with people with a

<sup>1</sup> kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

whole variety of languages. We are used to dealing with people with a variety of literacy challenges, who just do not understand the mailings that they get. And we are dealing with them now. Mostly, I guess probably all of us are devoting a fair amount of full time employee effort to getting people enrolled and signed up in this. There has been some grant money for this, for which we are very grateful, but much of that cost is borne by the health centers and borne by them alone. And we do not expect this cost to vanish as the years move on, so while Melissa and I were chatting a little bit briefly waiting to come up here, that this is something that we are looking forward to working on together.

Another area which a number of people have touched upon is the access to primary care. And we saw that there were issues with that among lower income adults in Massachusetts. This is something, obviously, in the health center movement, we want to be able to deal with, we want to be able to take care of everybody who comes to our doors. The truth is, it is very hard. I know in my own health center where I have about 20 full time equivalent providers, and that is both physicians and mid-level providers. Just looking at the waiting list that we have for new patients that are at our two sites, we estimate that we need at least four more providers, about a 20-percent

<sup>1</sup> kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

increase, just to be able to meet the need for these newly insured who are coming to us and I cannot find those providers.

There is so much to say about this, but I almost hesitated to bring it up at all because I have lots to say, but what I will simply say is we need to learn as a state to have reimbursement issues that respect and value primary care so that we can give primary care providers time to do a good job. We want to be out there doing this work, and I think we will pull people back into primary care if they see that there is really work that they can do that is valued.

And lastly, we need to remember, as Jarrett Barrios said at the very beginning in his introduction, that we are not quite at universal care yet. The undocumented are a significant example of citizens, members of the state that we do not cover yet. It is really, really important that the safety net remain intact for those individuals until we can summon the political will to include them under the envelope of care.

And, finally, I will be interested, as I think we all will and as Dr. Long mentioned, interested to see what happens as we move ahead. We saw, and I do not think she presented this slide here, but in her written presentation, she mentions that 35-percent of low income adults struggle with non-medical bills, and this was last September. As we know in the

<sup>1</sup> kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

intervening time with fuel costs, with food costs rising so much, we need to hold on to those people who are newly insured to make sure that they can continue to meet the cost of that insurance and continue to stay covered because we all know that healthcare is not a snapshot process, healthcare is a lifelong process. We want to be there giving it to them, we have been there, we are thrilled that access to broader coverage is available, but we want to make sure that that is maintained. So thank you.

**JARRETT BARRIOS:** And the winner is. This is a question for Melissa. Can you tell us about disenrollment, what is happening for consumers with copays increasing dramatically?

**MELISSA BOUDREAULT:** Okay, so there is a lot of questions in there and I will try to answer as best I can in a short period of time. When we speak of disenrollments, I think what the person asking the question is probably referring to is what is happening to the members who are being asked to go through the process to reestablish their eligibility? We, for a variety of reasons, waited about a year to start that process to let the program stabilize and redeterminations, as we have defined them with Mass Health, is a critical part of maintaining the membership roles and the sustainability of the program. That work is under way, it is still a little bit

<sup>1</sup> kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

early for us to understand the outcomes. We do have some folks that were no longer eligible because they went over income or had access to employee sponsored insurance. But we also have some folks that are struggling with the entire process and the administration work that needs to be done and we are trying to outreach to those folks and make sure that the process is as supportive as it can be. That is an ongoing challenge, I think, for any subsidized program.

So the second question is how are folks responding to higher copays? They are not having to yet, those anti-copay changes will not be in effect until July 1. I can tell you, though, we have been doing some very, very early work to understand where our existing membership landed with copays in the prior year. So we are trying to understand how many people accumulated copay amounts and if they hit some of our max's. The numbers of people who were close to what our current max's are, are not high. We had some that were. We will be very closely looking at that information and looking at a go for it basis on July 1 to see how our members do respond to those.

**JARRETT BARRIOS:** Great. There is a question for Sharon asking what is going on with employer sponsored healthcare. It seems like it is remaining stable; is it because of a greater uptake in employers who offered it

<sup>1</sup> kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

previously, or because of businesses that did not offer it and are not offering it to employees?

**SHARON LONG, PH.D.:** I will say first our survey is of individuals, so I cannot report on the employer perspective. I think it was now mentioned there is another survey under way of employers that John Gable and his group is doing. I can report on the perspective from workers about what their employers are doing. And we find in this fall 2006 to fall 2007 period, no drop in the share of workers who have an offer of coverage from their employer and what we find are more of the workers who have an offer are taking up that coverage. So at least in the first year of reform, employers appear to be continuing to offer coverage to their workers.

**JARRETT BARRIOS:** It is a question for Jackie Spain, which is we have got an audience out here of the people who matter to healthcare more than any other audience you are ever going to get. And if you were to sort of have them go away with one take home message what the challenge for people who are trying to provide care like you is, what is the biggest thing that they have to worry about that can help you do over the next year to make this really work on the ground?

**JACQUELINE SPAIN:** We need to change reimbursement rates so that we are paying for doctors who spend time making diagnosis and treating patients by talking to them and

<sup>1</sup> kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

examining them, rather than doing a lot of expensive testing on them. The only way we are going to have high quality, affordable care is if we bring back primary care to a role of prominence in healthcare, which is where it belongs. Thank you for asking.

**JARRETT BARRIOS:** Here is somebody for Melissa who wants to know whether people are applying to Commonwealth Care through the virtual gateway or through paper applications, and what happens if the \$3.5 million for outreach and enrollment is discontinued. This sounds like a set up question.

**MELISSA BOUDREAULT:** I never get set up questions, so I find that unbelievable. So just for folks who are not familiar with it, so virtual gateway is an online tool that the executive office rolled out a few years ago. It is a very powerful tool for providers to really help us all do the work of getting members enrolled, and soon will help them do some of the administrative work that they need to do. One thing I will point out is that an application that an individual fills out, it is not for Commonwealth Care or Mass Health, it is for the sort of variety of programs and so I know from working with my colleagues at Mass Health that virtual gateway online applications continue to be strong. It is certainly an area that I know the Connector and the Executive Office of Health and Human Services are very interested in continuing to expand.

<sup>1</sup> kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

We know that our members use online services, we have a portal that they are very engaged in, so we want to continue to do that.

In terms of the outreach money, we are certainly very, very grateful for all the hard work that folks have done to help us outreach. And much of that has been far beyond the outreach grants. I think the challenge for those of us that work with members and people that we hope to become members is evolving. It may be less now, more about getting them enrolled, but helping them stay enrolled and understand the programs and continuing to send the message for those people that are eligible, that we really need them to sign up.

**JARRETT BARRIOS:** Sharon, you did a brilliant job of presenting the findings of your study. Presumably the Foundation will invite you back for another year of follow up, and what would you like, you talked about the challenges that are ahead over the next year. What would you like to be the take home message a year from now in terms of what all the people in this room have been able to do to take us to the next step?

**SHARON LONG, PH.D.:** Certainly the next step on the main goal is moving closer to universal coverage. Here you are well on the way to that, but there still is a core population that remains uninsured. We see the improvements in access to

<sup>1</sup> kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

care and affordability of care, but not for everyone, and some suggestions of access problems that we will be tracking as well. Dr. Spain mentioned ER use, I did not present those results, but we find high levels of ER use that have not come down under health reform. It is a hard change to make to move people away from using the ER to primary care, but in looking at that over time to see if providing health insurance does lead to some changes in the culture of the way people obtain their care.

**JARRETT BARRIOS:** Great. I think that is actually a perfect note to end on. If you join me in thanking our panelists, it would be great.

**ANYA RADER WALLACK, PH.D.:** Good morning. I am Anya Rader Wallack, I am the Executive Director of the Massachusetts Medicaid Policy Institute. And my job here this morning is to summarize the morning's proceedings so far and to set us up for the mid-morning break. Before I do that, I am going to recognize a few other public officials who have joined us since we began. Inspector General Gregory Sullivan who I saw and know is here somewhere. Hi, Greg. The Senate President Therese Murray; State Representative Mary Grant; and Commissioner of the Deaf and Hard of Hearing, Heidi Reed.

I am starting to feel a little sorry for the people, the few people in the room who we have not recognized. So I

<sup>1</sup> kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

just want the rest of you to know that you are all very important and we are happy you are here.

So the purpose of this morning's session was to provide an assessment of the progress we have made in the first year of health reform implementation and to highlight some of the key challenges that lie ahead. We made this assessment from two different vantage points. On the one hand, Sharon Long provided the 30,000 foot view. She provided brand new, objective data, always nice to have, that allows us to measure our progress in reaching the major goals of Chapter 58; increasing insurance coverage and increasing access to, and affordability of, care. Sharon's study gave us some good news on all these fronts, as we have heard several times this morning. We have reduced uninsurance among working adults by almost half. We have reduced barriers to care, and we have reduced the burden of out of pocket medical costs on newly insured individuals and on previously insured individuals.

The research also shows that support for the law remains strong, as Sharon told us, and that we have not only maintained, but actually increased our base of employer coverage. And that last fact is pretty impressive given that this goes against the national trend, which sees employer coverage shrinking.

<sup>1</sup> kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

The panelists gave us another view. At the ground level what has been the impact of the Massachusetts Health Reform so far? From three different perspectives, we heard stories of rapid response and transformation and an effort to implement Chapter 58. The Connector has gone from zero to 60 in what seems like a matter of seconds. Gearing up to provide coverage to nearly 200,000 people through Com Care and Com Choice, which by the way, are two very different programs in just the fact that they can get two different programs of that magnitude up and running in this short period of time is impressive. As Melissa pointed out, this was a huge job, not only in terms of making the programs operate, but in terms of outreach, enrollment, and retention.

Employers like NESCO also have responded quickly to their responsibilities under the law. They have set up Section 125 plans, those that did not already have them, they have helped employees understand the law, and, as Sharon research shows, they have enrolled employees who have previously uninsured. And Vicky's example illustrated this.

And providers like Dr. Spain have dealt with a rapid influx of newly covered individuals, the good news for insurer in terms of providing more comprehensive care for patients, but a stress nonetheless on the state's primary care system. And Sharon's study reinforced this view, providing an additional

<sup>1</sup> kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

evidence of the need to reduce this strain and increase access to primary care.

The combination of these stories, and of Sharon's work, provides evidence of the overall success of Chapter 58 and of the tremendous effort that has gone into producing that success. The results are very impressive, the achievements have been rapid, but the work is not done. So for the rest of the morning, we will focus on where we go from here. Having made this assessment, what happens, what needs to happen to sustain and improve upon our early success? How will we face the challenge of covering the remaining uninsured, how will we face the challenge of controlling costs, and how will we continue to evaluate access and quality and healthcare use so that we can assure that people are getting more than just an insurance card, and using the healthcare system appropriately.

Well known TV personality Liz Walker will carry us through the remainder of the morning's agenda, which will include speeches from the Senate President and from the Governor, and a panel discussion among health policy leaders. At this point we are going to take a break. You can use that break to get some refreshments, which are out in the hall, to use the restrooms, which are farther out in the hall, or to make a phone call, although I am not sure who you would call because everybody you know is in this room. I will warn you

<sup>1</sup> kaisernetwork.org makes every effort to ensure the accuracy of written transcripts, but due to the nature of transcribing recorded material and the deadlines involved, they may contain errors or incomplete content. We apologize for any inaccuracies.

Health Reform Turns Two: Monitoring  
the Impact of Expanded Coverage  
Blue Cross Blue Shield of Massachusetts Foundation  
6/3/08

61

that you probably do not have time to do all three of these, as we need to be back here in 10 minutes which, by my watch, is about five past 11, so be here in 10 minutes. I assure you, you do not want to miss anything that is to come.

[END RECORDING]