

# Update on Massachusetts Health Care Reform

## Key Decisions

Minimum Creditable Coverage- The Minimum coverage needed to satisfy the individual mandate

Affordability- The standard that will be used if an individual gets an exemption from the mandate

## Key Dates

May 1- Open enrollment began on commercial products for July 1 effective dates

May hearings on the minimum creditable coverage and affordability standards

June 5- The Connector Board takes final vote on those standards

July 1- The Individual Mandate goes into effect, as well as the merger of the individual and small group markets

January 1, 2009- All plans must satisfy the minimum creditable coverage standards to qualify under the mandate

## **Commonwealth Care Program**

This is the program for those below 300% of the FPL, with 100% subsidy below 150% of FPL and sliding scale subsidies above that.

Coverage began on January 1, 2007.

Update- As of May 1, there were 69,000 people enrolled in Commonwealth Care

Counting new Medicaid eligibility created under the law, over 122,000 people have been covered under the new law.

## **AHIP Access Proposal**

**Principle 1:** Coverage of 100 percent of children within three years and at least 95 percent of adults within ten years.

**Principle 2:** Medicaid Coverage for all adults with incomes under 100 % of the FPL, including single adults, and through SCHIP for children under 200 % of the federal poverty level

**Principle 3:** Subsidies for the purchase of private coverage to individuals and families with incomes under 400 percent of the FPL

**Principle 4:** Uninsured with incomes over 400 percent of the federal poverty level should be encouraged to purchase coverage. Full deductibility of premiums purchased in the individual market should be granted.

**Principle 5:** Employers should be encouraged to provide and maintain coverage for their employees.

## **AHIP Website materials**

Any employee of a member company can sign up to get access to member only materials

Website Registration/Passwords  
contact- Lorebelle Magali

202.861.1471

[bmagali@ahip.org](mailto:bmagali@ahip.org)

Access Proposals

<http://www.ahip.org/content/members/default.aspx?docid=18612>

# Differences in Individual Market Regulation Clear Impact on Affordability

## **Individual market/average annual premium (2004)**

**MA**

**Single \$ 5,257 (US \$2,268)**

**Family \$10,126 (US \$4,424)**

**CT**

**Single \$2,963**

**Family \$5,660**

# Access Proposals in the States

At least 25 States have proposals

Approaches:

- Exchanges/Connectors
- Premium Subsidy Programs
- High Risk Pools/Reinsurance Mechanisms
- Medicaid/SCHIP Expansion
- Merger of Individual and Small Group Markets
- Expansion of Dependent Coverage
- Purchase into State Health Plan
- Rating Restrictions

# Rating Issues

- Pricing in a merged market
- Loosening rating bands
- Prior Approval
- Rate Hearings
- Guaranteed Minimum Loss Ratios
- Wellness discounts