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## **Report Concludes Massachusetts Could Achieve Universal Health Coverage in Four Years**

*Blue Cross Blue Shield of Massachusetts Foundation hosts town hall meeting;  
Speaker of the House Salvatore F. DiMasi to provide keynote address*

**Boston, MA (October 7, 2005)** –Massachusetts could achieve universal coverage in four years with a relatively modest increase in public investment, according to a series of new reports by the Urban Institute. The reports detail a phased-in implementation plan for extending health coverage to everyone in the Commonwealth. They recommend the state begin by implementing several measures to make health insurance more affordable for small businesses and low- and moderate-income families. Three options are then outlined to achieve universal coverage: a requirement that individuals purchase health insurance; or two different options that would combine a requirement that individuals purchase coverage with a requirement that employers either offer health coverage or pay a fee to the state.

The reports were released today at a Blue Cross Blue Shield of Massachusetts (BCBSMA) Foundation summit at the JFK Library gathering leaders from government, health care, business, labor and advocacy communities for a town hall-style meeting to build consensus around health care reform in Massachusetts and expanding health coverage in the state. The reports are the final products of the Blue Cross Blue Shield of Massachusetts (BCBSMA) Foundation’s “Roadmap to Coverage” initiative funded by Blue Cross Blue Shield of Massachusetts with additional support from Partners HealthCare. The research and policy analysis has been conducted by the Washington D.C.-based, non-partisan Urban Institute.

“Compared to other states, Massachusetts is uniquely positioned to expand coverage to the uninsured,” said John Holahan, Ph.D., a lead author of the study and director of the Urban Institute’s Health Policy Center. “Given the state’s strong base of coverage and long-standing commitment to financing care for the uninsured, Massachusetts could be the first state in the nation to solve this problem. The relatively modest public investment required to achieve universal coverage would be far exceeded by the economic benefits.”

### **Achieving Universal Coverage: Multiple Paths**

According to the Urban Institute researchers, in order to begin the process of reaching universal coverage the state needs to first introduce a series of “building blocks” to expand coverage. The building blocks include:

- An expansion and simplification of the state’s Medicaid program for the lowest-income individuals and families;
- State tax credits for low- and moderate-income workers and families to help buy private health insurance;
- A public “reinsurance” program to lower premiums for smaller employers by paying for a portion of the most expensive cases; and
- A voluntary purchasing pool to administer the new tax credit subsidy and to bargain on behalf of low-income families and small, low-wage firms.

While these measures would significantly decrease the number of uninsured in the Commonwealth, they would not result in universal coverage. The Urban Institute researchers analyzed three possible paths to universal coverage building on this foundation. The paths are:

- A requirement that all individuals purchase health insurance.
- A requirement that all employers except the smallest (firms with fewer than 10 employees would be exempt) offer health coverage or pay a fee to the state, coupled with a requirement that individuals purchase coverage.
- A requirement that all employers with more than 500 employees offer health coverage or pay a fee to the state, coupled with a requirement that individuals purchase coverage.

The Urban Institute’s analysis of these options estimate that Massachusetts could cover all of its uninsured residents for between \$700 million and \$900 million in new government spending, while producing \$1.5 billion in economic and social benefits due to improved health as well as other positive effects on the state’s economy.

Earlier analyses by the Urban Institute for the Foundation’s *Roadmap to Coverage* initiative concluded that there were 532,000 uninsured people in the state, and the Commonwealth’s hospitals, physicians, and community health centers were providing more than \$1 billion a year in care to patients without insurance. Much of the funding supporting care for the uninsured could be reallocated to fund an expansion of coverage, they concluded.

## **Roadmap to Coverage**

The “Roadmap to Coverage,” is a BCBSMA Foundation initiative to inform the debate about how to best provide health coverage for the uninsured in Massachusetts and generate a practical roadmap for extending health coverage to most, if not all, residents of the Commonwealth. Major funding for the project was provided by Blue Cross Blue Shield of Massachusetts with additional support from Partners HealthCare.

In November 2004, the Foundation released an Urban Institute analysis of what Massachusetts currently spends on care for the uninsured, who pays for it, and how much full coverage would add to medical spending. In June 2005, the Foundation released the second report of the initiative which examined options for expanding coverage and convened Governor Romney, Governor Baldacci of Maine, and health care leaders from other states to review and discuss the choices and tradeoffs associated with different coverage expansion options.

All of the *Roadmap* reports are available online at [www.roadmaptocoverage.org](http://www.roadmaptocoverage.org).

### **The Blue Cross Blue Shield of Massachusetts Foundation**

Since its inception in 2001, the Blue Cross Blue Shield of Massachusetts Foundation ([www.bcbsmafoundation.org](http://www.bcbsmafoundation.org)) has awarded grants of more than \$12 million to spark innovation and strengthen services for uninsured and low-income individuals and families in Massachusetts. The Foundation is governed by its own 17-member Board of Directors and operates separately from Blue Cross Blue Shield of Massachusetts. The Foundation has an endowment of nearly \$75 million making it one of the largest health philanthropies in Massachusetts.

### **The Urban Institute**

The Urban Institute is a Washington D.C.-based, nonprofit, nonpartisan policy research and educational organization established to examine the social, economic, and governance problems facing the nation.

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