HEALTH REFORM IN MASSACHUSETTS:

AN UPDATE AS OF FALL 2009

SUMMARY OF KEY FINDINGS

MASSACHUSETTS HEALTH REFORM SURVEY FALL 2006 TO FALL 2009

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URBAN INSTITUTE

FOUNDATION
BLUE CROSS BLUE SHIELD OF MASSACHUSETTS
EXPANDING ACCESS TO HEALTH CARE

INTRODUCTION

In April 2006, Massachusetts enacted a health care reform bill that sought to move the state to near universal insurance coverage. The key features of Massachusetts' initiative, entitled *An Act Providing Access To Affordable, Quality, Accountable Health Care* (Chapter 58 of the Acts of 2006), are:

- An expansion of coverage under Massachusetts' Medicaid program (MassHealth) to children with family income up to 300% of the federal poverty level (FPL);
- Income-related subsidies for health insurance (Commonwealth Care) for adults with family income up to 300% of the FPL;
- A new purchasing arrangement (Commonwealth Choice) that links individuals to private health plans;
- Health insurance market reforms;
- An individual mandate that requires adults to have health insurance if they have access to an affordable health plan or face state tax penalties; and
- Requirements for employers.

In order to track the impacts of Chapter 58, the Blue Cross Blue Shield of Massachusetts Foundation began funding an annual survey of nonelderly adults (aged 18-64) in the Commonwealth in fall 2006. That survey, called the Massachusetts Health Reform Survey (MHRS), has been fielded in the fall of each subsequent year.[1] This summary provides an update on the key findings on the impacts of health reform for working-age adults—a target population of many elements of the state's reform initiative—in fall 2009. The full report from which these results are taken is available at www.bluecrossfoundation.org.

We summarize findings with respect to the impact of health reform on insurance coverage, on access to and use of health care services, and on health care costs and the affordability of care since 2006. We also examine support for health reform among nonelderly adults in the state.

In presenting the findings, we report on the outcomes for adults in the state as of fall 2009. We focus on changes under health reform (comparing fall 2009 to the pre-reform period of fall 2006) and changes between fall 2008 and fall 2009, when the effects of the economic recession in the state were most severe.

[1] The first three years of the survey (2006, 2007, and 2008) were funded jointly with the Commonwealth Fund and the Robert Wood Johnson Foundation.

DATA AND METHODS

The MHRS relies on telephone interviews with a stratified, random sample of nonelderly adults aged 18 to 64 years old, with oversamples of lower-income adults and uninsured adults. The survey includes questions on insurance status; access to and use of health care; out-of-pocket health care costs and medical debt; insurance premiums and covered services (for those with insurance); health and disability status; and support for health reform. The response rates for the annual surveys ranged from 43% to 49%, comparable to those achieved in other recent social science and health surveys. The bulk of the surveys were conducted between October and December of each year. All tabulations based on the survey data were prepared using weights that adjust for the complex design of the survey, under-coverage, and survey non-response.[1]

The study compares the outcomes for cross-sectional samples of adults in periods following the implementation of health reform (fall 2007, fall 2008, and fall 2009) to the outcomes for a similar cross-sectional sample of adults in fall 2006, just prior to the implementation of key elements of health reform in the state. Under this pre-post framework, factors unrelated to health reform that were changing over the time period, including the economic recession and rising health care costs, will be captured in the estimates along with the effects of health reform.

For much of this work, we report estimates based on multivariate regression models that control for characteristics of the individual and his or her family and the region of the state in which he or she lives. In presenting the regression-adjusted estimates of the impacts of health reform on the overall population of nonelderly adults, we report on the outcomes for adults in the state as of fall 2009 and estimates of how those adults would have fared in Massachusetts in earlier years. To calculate the latter, we use the parameter estimates from the regression models to predict the outcomes that the 2009 sample of adults would have had if they had been observed in the preceding study years. This approach controls for changes in the Massachusetts population over time.

[1] The estimates from the MHRS may differ from estimates generated by other surveys, including the Massachusetts Health Insurance Survey (MHIS), which was fielded in the spring of 2009. Differences in estimates across surveys reflect many factors. For a discussion of differences in insurance estimates from surveys in Massachusetts, see Long SK et al. Estimates of the Uninsurance Rate in Massachusetts from Survey Data: Why Are They So Different? Massachusetts Division of Health Care Finance and Policy, 2008.

EXECUTIVE SUMMARY

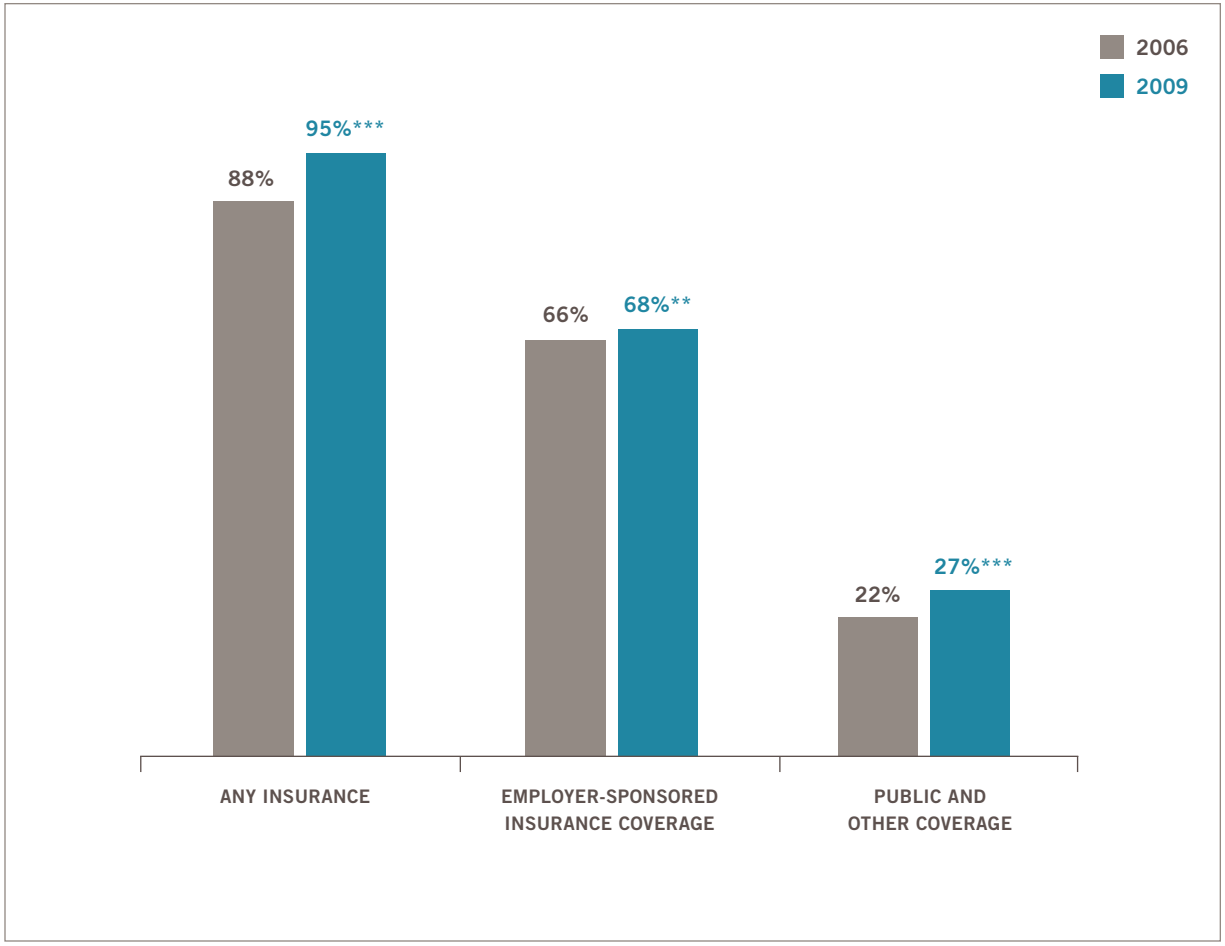
The major components of Chapter 58 were directed at making comprehensive insurance coverage available and affordable for most residents as a first step towards improving access, use, affordability, and quality of care in the state. In fall 2009, more than 95% of nonelderly adults in the state were insured, up from 87.5% in fall 2006. The higher level of insurance coverage in the state has been associated with improvements in access to and use of care, quality of care, and the affordability of care. These important achievements provide evidence that Massachusetts residents are obtaining meaningful, comprehensive coverage.

Additionally, racial and ethnic disparities in the state have been reduced and, in some cases, eliminated under health reform. Most notably, with the strong increase in insurance coverage among racial/ethnic minority adults in the state under health reform, there was no longer a difference in coverage between minority and white, non-Hispanic adults in fall 2009.

However, insurance coverage in and of itself has not been enough to address all the barriers to care in Massachusetts, nor has it addressed the underlying drivers of increasing costs within the health care system. Rising health care costs, a problem that extends beyond Massachusetts to the nation as a whole, is the considerable challenge now facing Massachusetts and the nation. Currently, there is broad consensus in the state about the need to control health care costs and robust discussion about how to move forward on cost containment.

INSURANCE COVERAGE, 2006 TO 2009
PERCENT REPORTING COVERAGE AT THE TIME OF THE SURVEY

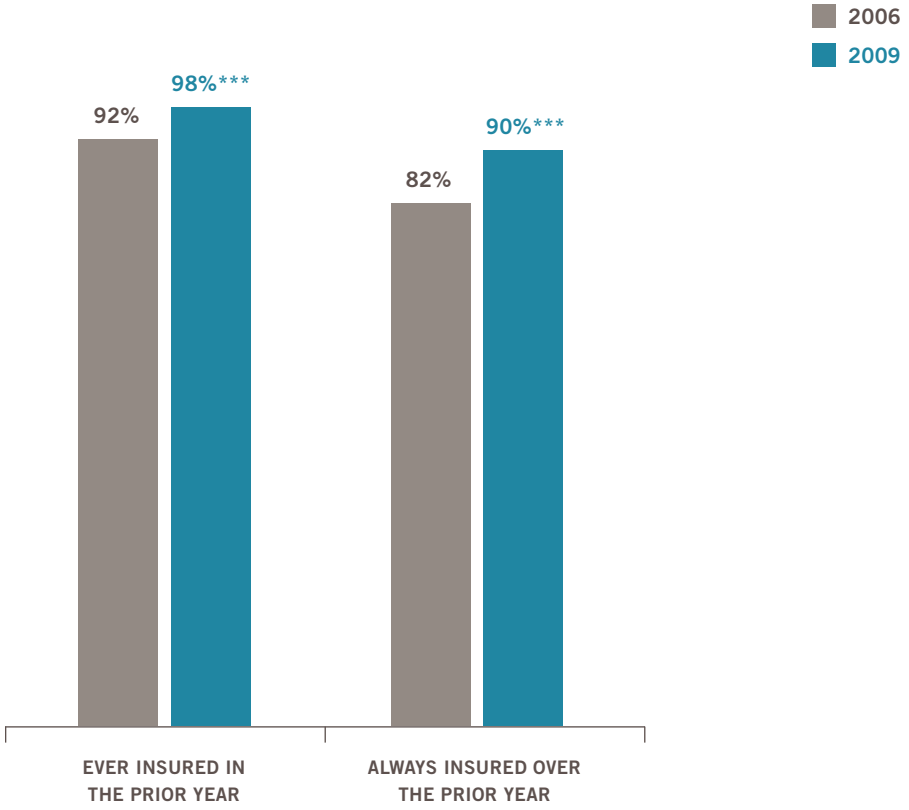
- There was a strong gain in health insurance coverage since fall 2006, with uninsurance for nonelderly adults at 4.8% in fall 2009.
- There is no evidence of public coverage "crowding-out" employer-sponsored insurance coverage for nonelderly adults, as employer-sponsored coverage increased by 2.7 percentage points between fall 2006 and fall 2009 along with a 5.0 percentage point increase in public coverage.



Note: These are regression-adjusted estimates.
* (**) (***) Fall 2009 significantly different from fall 2006 at the .10 (.05) (.01) level, two-tailed test.

INSURANCE COVERAGE, 2006 TO 2009
PERCENT REPORTING COVERAGE OVER THE PRIOR YEAR

- In fall 2009, nearly all (98%) nonelderly adults had health insurance at some point over the prior year. 90% of nonelderly adults had insurance for all of the prior year. This compares to 92% and 82%, respectively, in fall 2006.



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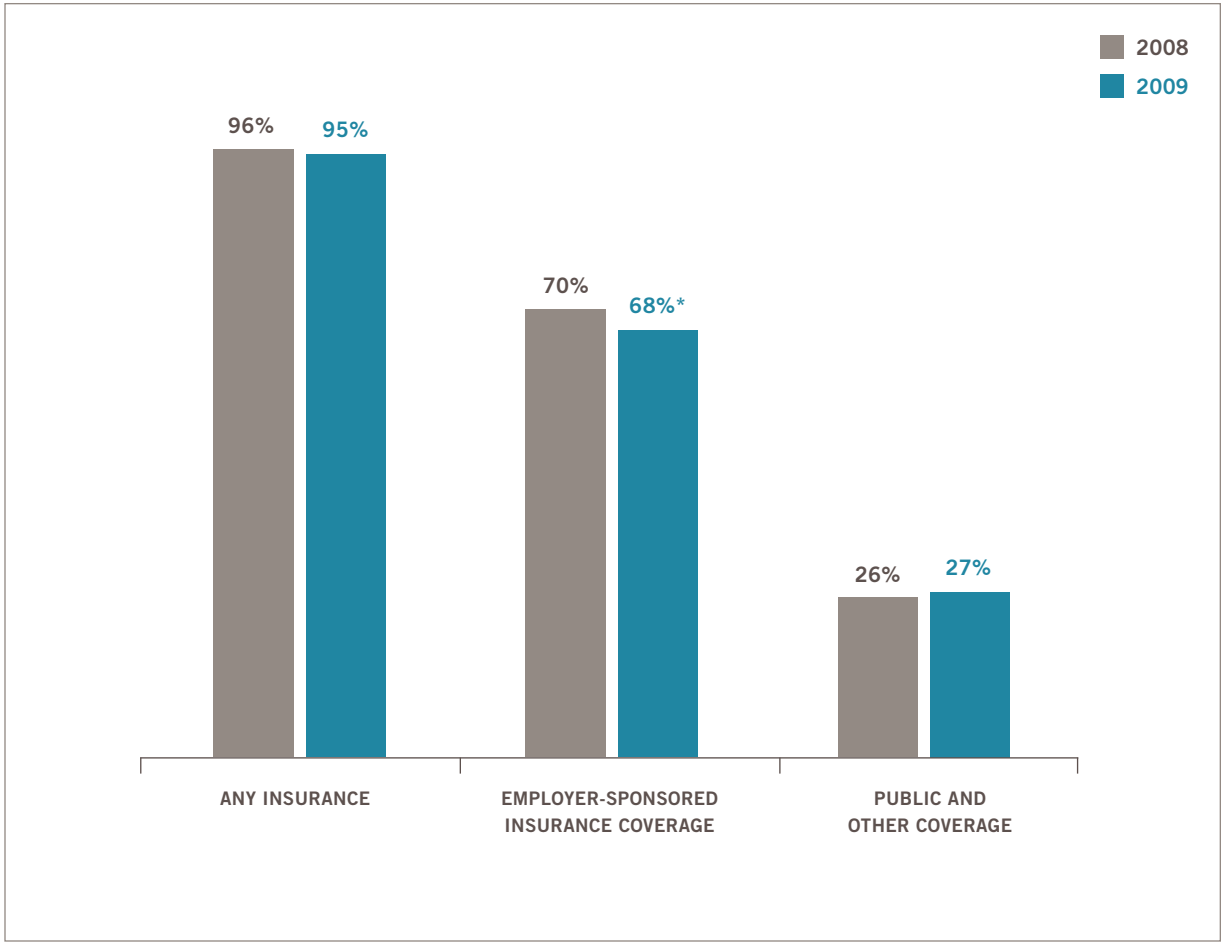
INSURANCE COVERAGE, 2008 TO 2009
PERCENT REPORTING COVERAGE AT THE TIME OF THE SURVEY

- Health insurance coverage overall was stable between fall 2008 and fall 2009; however, employer-sponsored insurance coverage dropped by 2.1 percentage points, likely due to the continuing recession.
- Compared to an analysis for the nation as a whole, health reform in MA appears to have provided more protection against loss of insurance due to the economic downturn for nonelderly adults.[1]



[1] Holahan J, Garrett AB. Rising Unemployment, Medicaid and the Uninsured. Washington (DC): Kaiser Family Foundation; 2009.

Note: These are regression-adjusted estimates.
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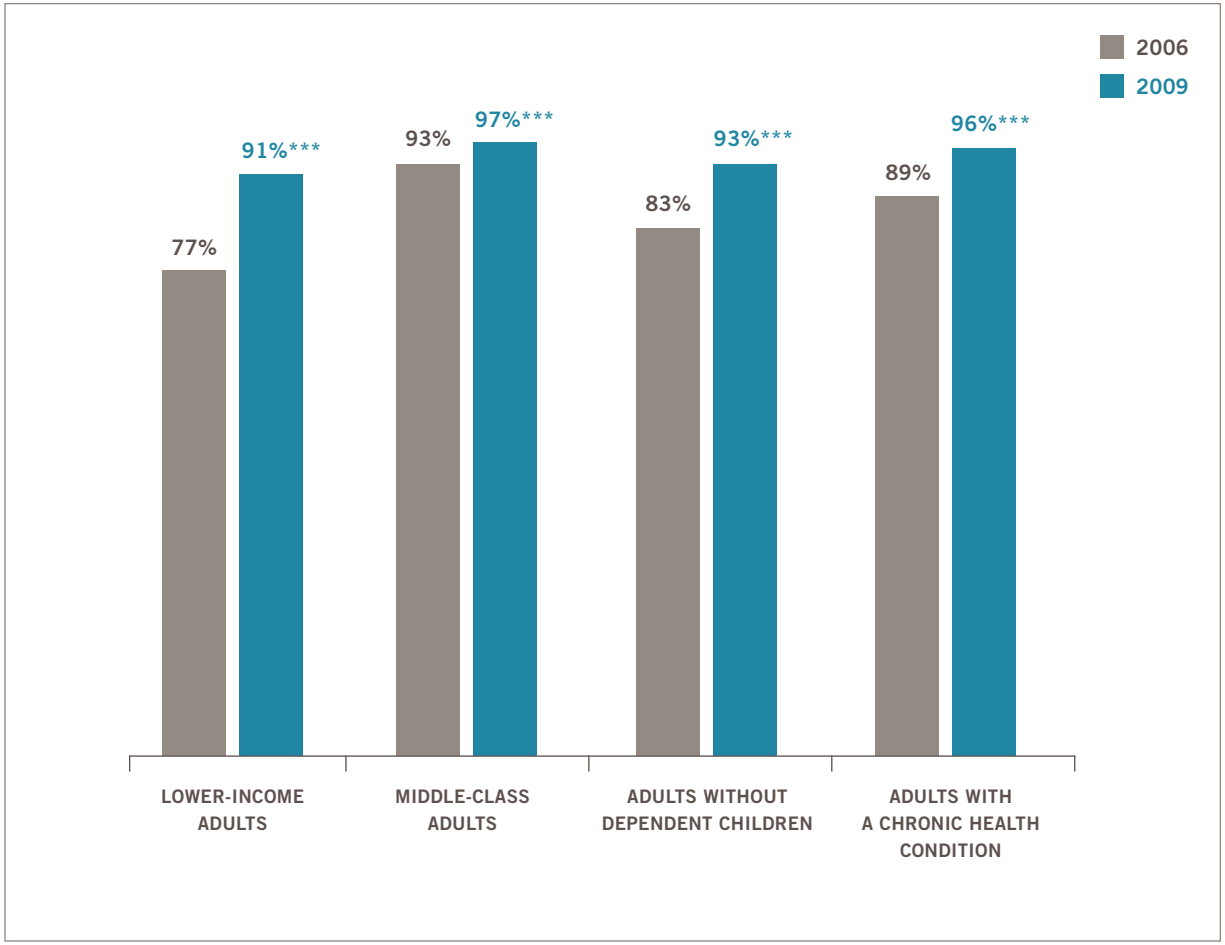
INSURANCE COVERAGE FOR POPULATION SUBGROUPS, 2006 TO 2009
PERCENT REPORTING COVERAGE AT THE TIME OF THE SURVEY

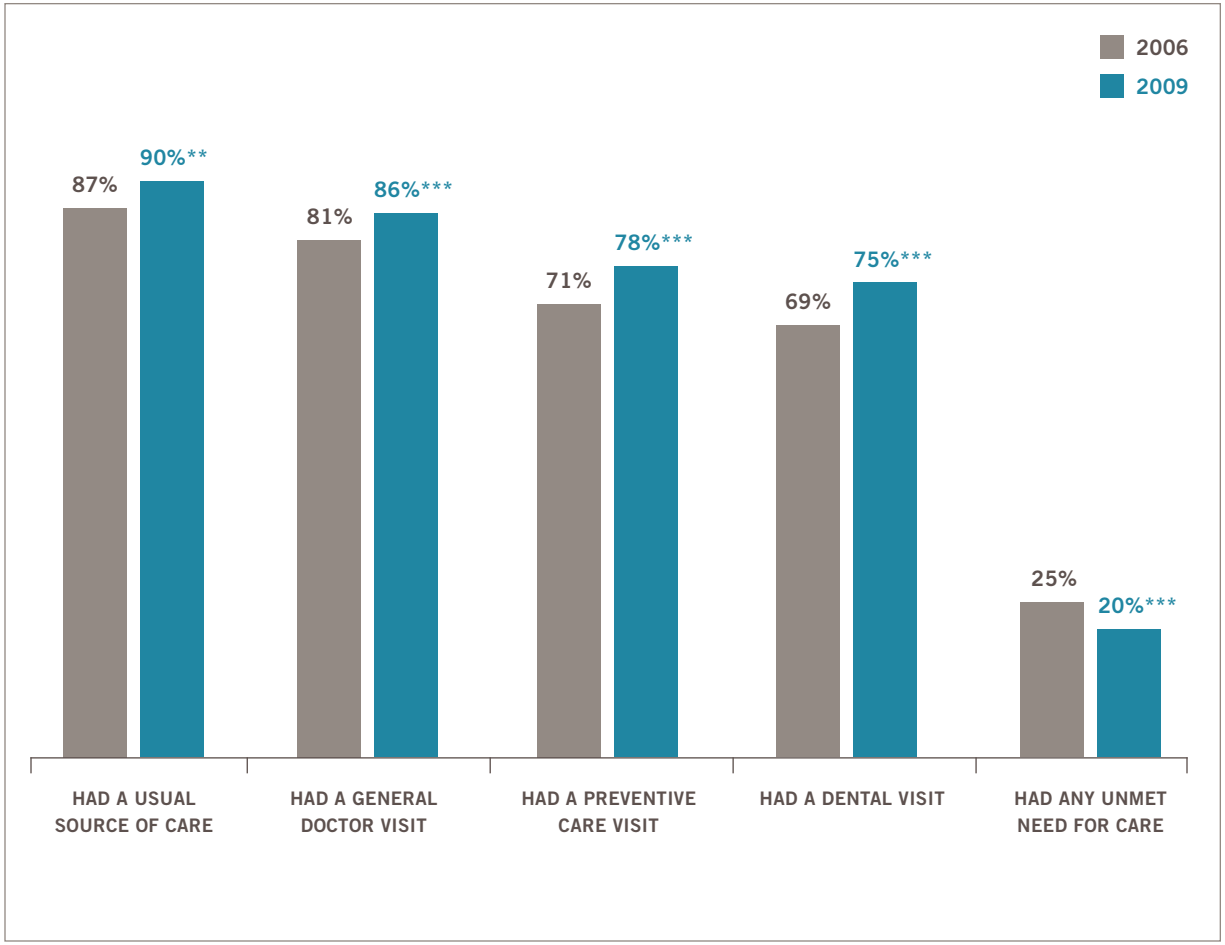
- Lower-income nonelderly adults, a target population for major components of the health reform initiative, experienced the strongest gains in insurance coverage.
- Significant gains in coverage were also reported by middle-class adults, adults without dependent children, and adults with a chronic health condition.



Note: These are regression-adjusted estimates. Lower-income adults are defined as those with family income less than 300% of the federal poverty level (FPL). Middle-class adults are defined as those with family income 300-500% of the FPL.
* (**) (***) Fall 2009 significantly different from fall 2006 at the .10 (.05) (.01) level, two-tailed test.

HEALTH CARE ACCESS AND USE, 2006 TO 2009
PERCENT REPORTING OUTCOME

- Nonelderly adults were more likely to receive care—including general doctor visits, preventive care visits, and dental care—in fall 2009 than in fall 2006.
- Nonelderly adults were less likely to report unmet need for care in fall 2009 than in fall 2006.
- While not shown here, there were also reductions in unmet need for each of the specific types of care examined, including doctor care; specialist care; medical tests, treatment, or follow-up care; preventive care screenings; prescription drugs; and dental care.



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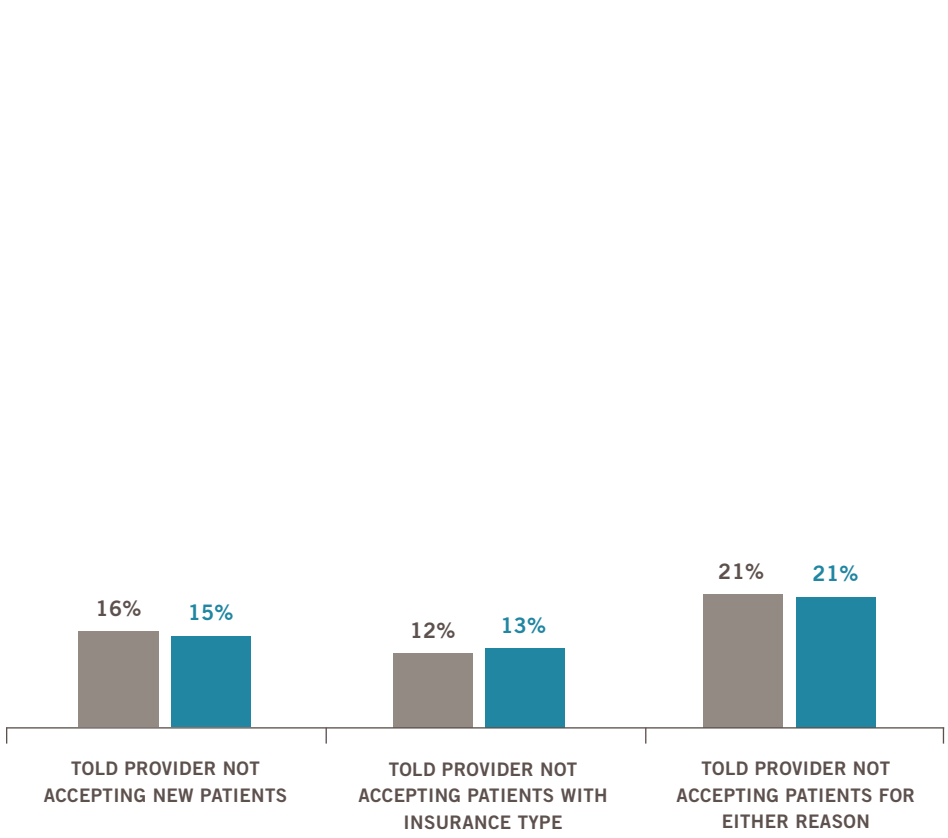
DIFFICULTY FINDING A PROVIDER UNDER HEALTH REFORM, 2008 TO 2009
PERCENT REPORTING DIFFICULTY

- One in five nonelderly adults reported difficulties finding a provider who would see them in fall 2009.
- There was no change in the share of nonelderly adults reporting difficulties finding a provider in fall 2009, as compared to fall 2008. Data on difficulty finding a provider are not available prior to health reform.



Note: These are simple (unadjusted) estimates.
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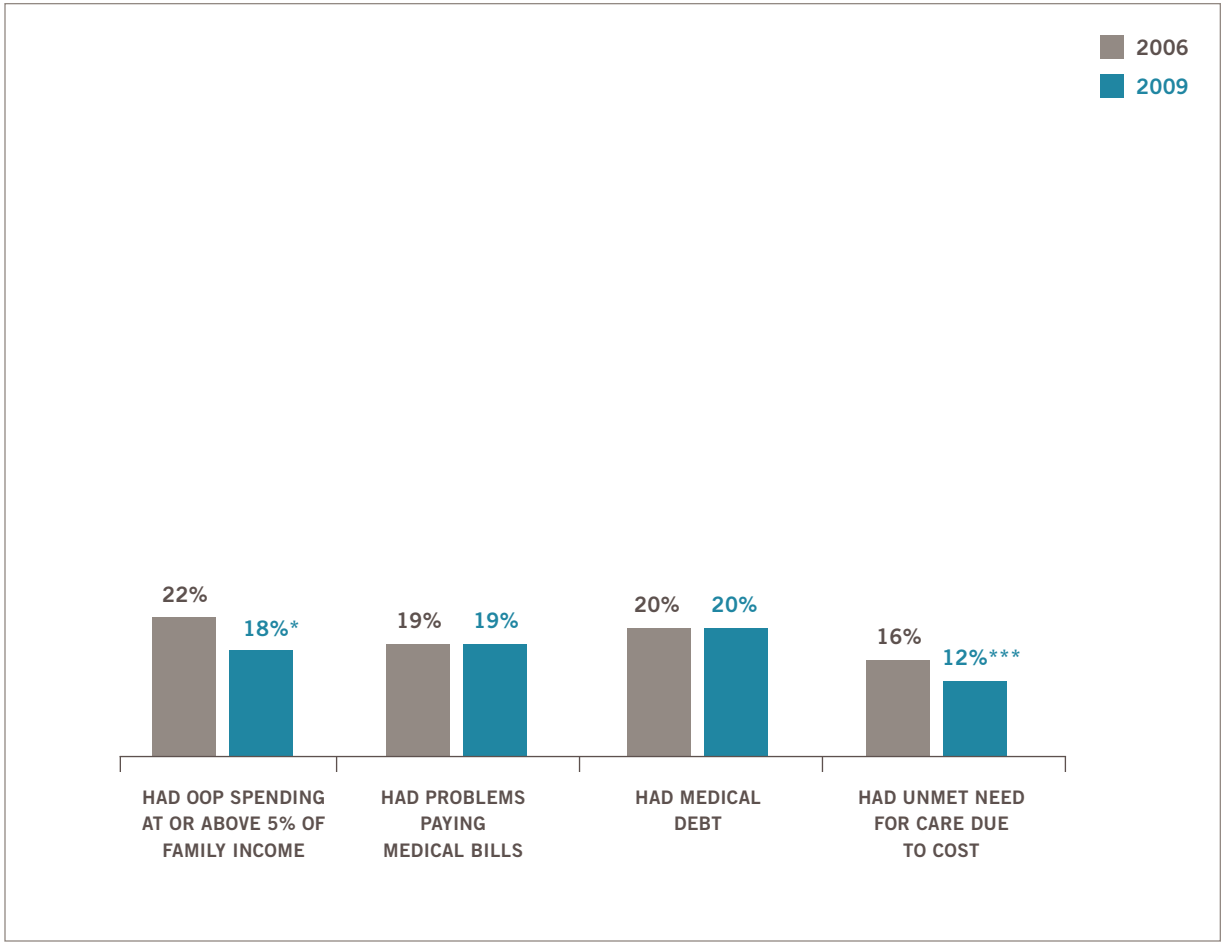
AFFORDABILITY OF HEALTH CARE, 2006 TO 2009
PERCENT REPORTING OUTCOME

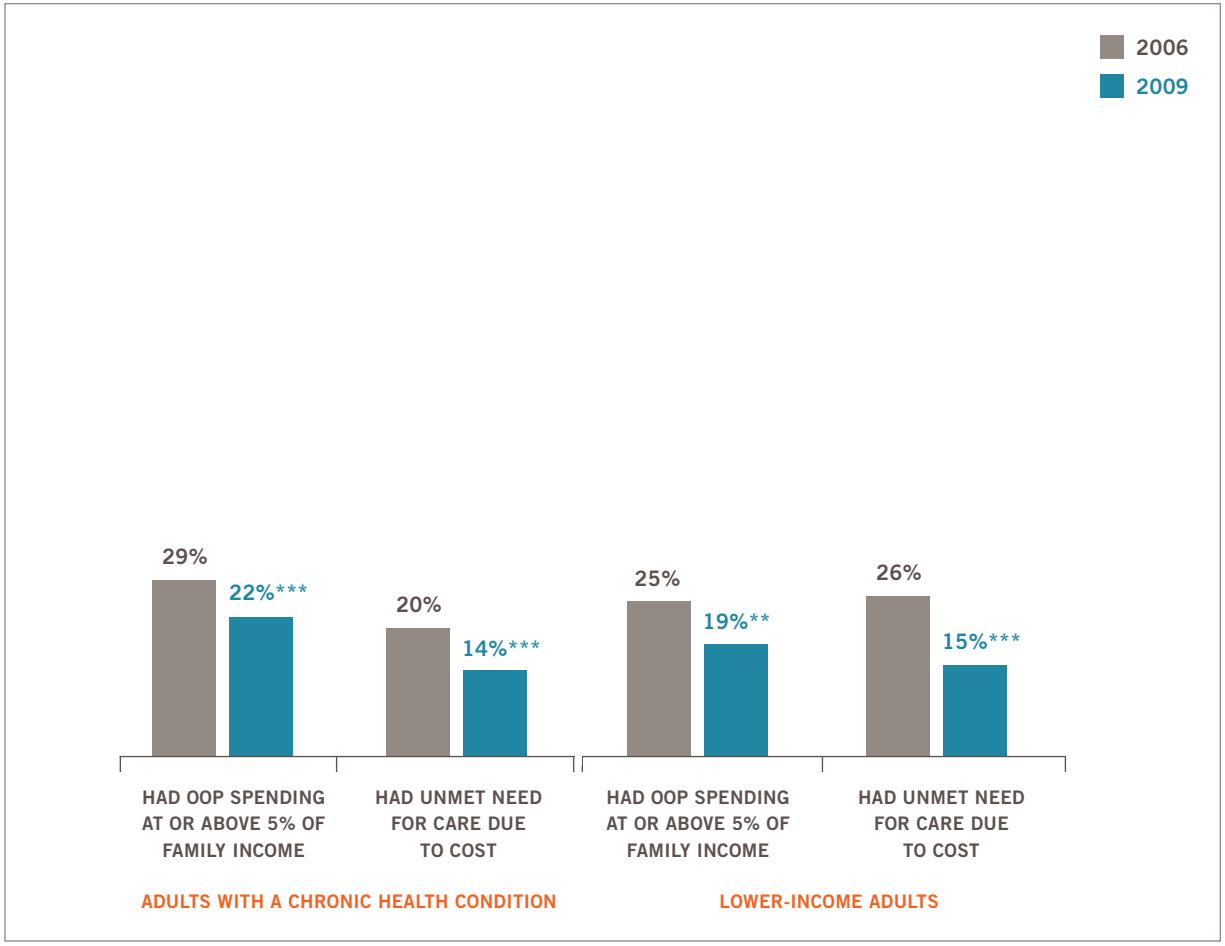
- Compared to fall 2006, nonelderly adults in fall 2009 were less likely to report high out-of-pocket (OOP) health care spending relative to family income. They were also less likely to report unmet need for care due to cost.
- While not shown here, there were also reductions in unmet need for each of the specific types of care examined, including doctor care; specialist care; medical tests, treatment, or follow-up care; preventive care screenings; prescription drugs; and dental care.
- There was no change in the percentages of adults reporting problems with medical bills or medical debt between fall 2006 and fall 2009.



Note: These are regression-adjusted estimates. Because of data limitations, the measure of out-of-pocket (OOP) spending is limited to adults with family income less than 500% of the federal poverty level.
* (**) (***) Significantly different from fall 2006 at the .10 (.05) (.01) level, two-tailed test.

AFFORDABILITY OF HEALTH CARE FOR POPULATION SUBGROUPS, 2006 TO 2009
PERCENT REPORTING OUTCOME

- Two vulnerable subgroups of nonelderly adults—adults with a chronic health condition and lower-income adults—experienced improvements in the affordability of care between fall 2006 and fall 2009.



Note: These are regression-adjusted estimates. Because of data limitations, the measure of out-of-pocket (OOP) spending is limited to adults with family income less than 500% of the federal poverty level (FPL). Lower-income adults are defined as those with family income less than 300% of the FPL.
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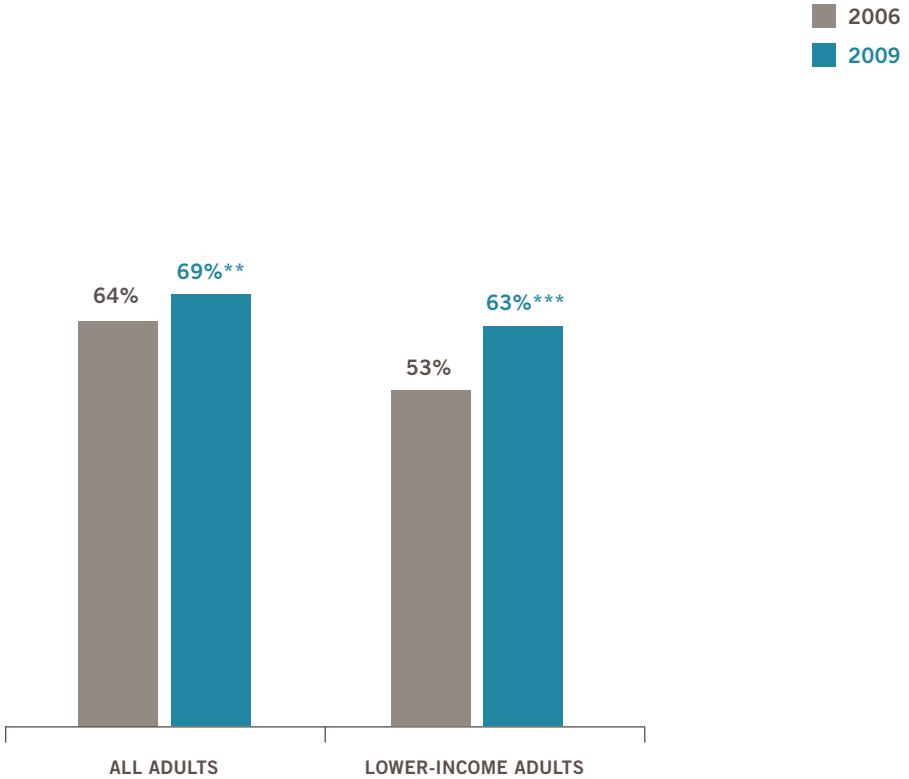
CONSUMERS' RATING OF THE QUALITY OF THEIR HEALTH CARE, 2006 TO 2009
PERCENT RATING QUALITY OF CARE AS VERY GOOD OR EXCELLENT

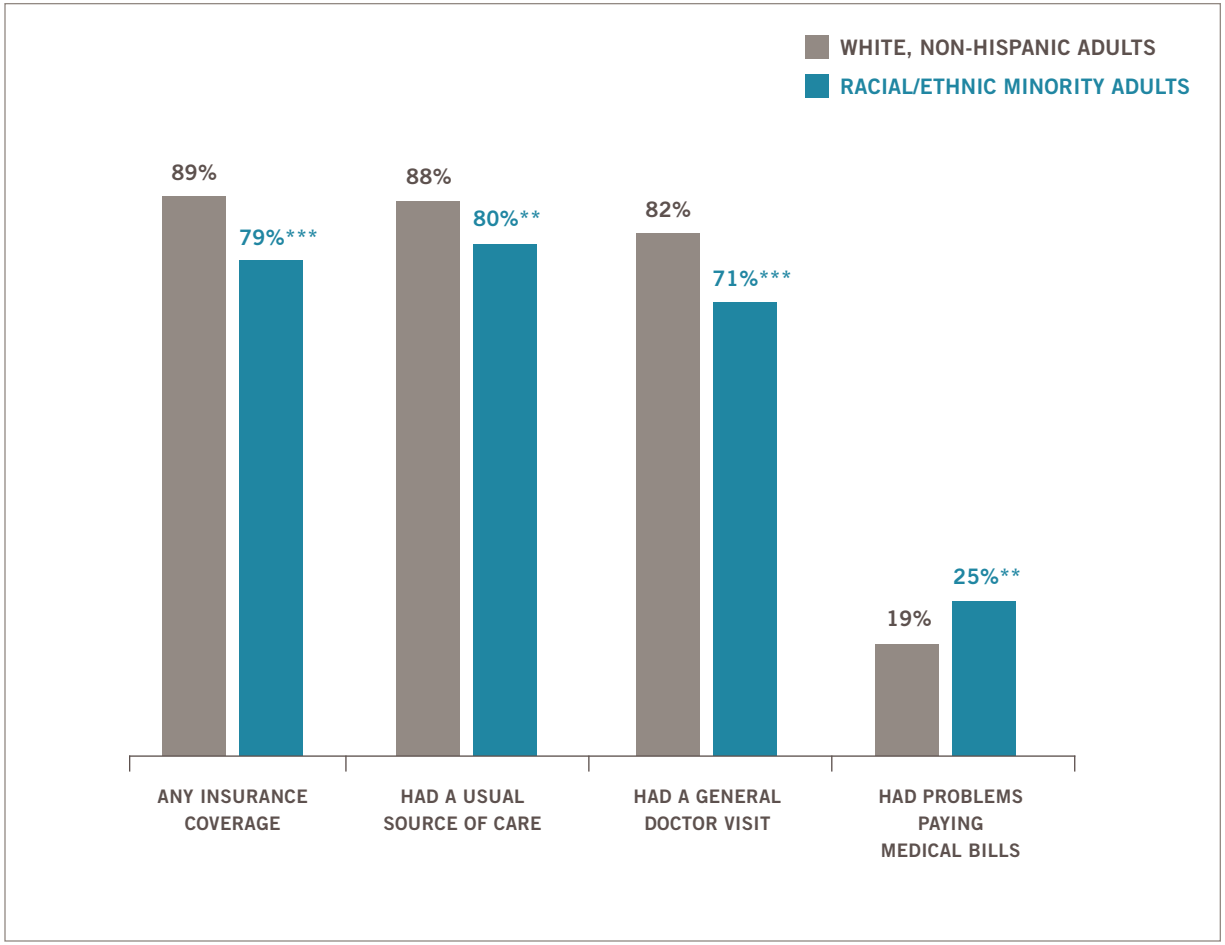
- Nonelderly adults were more likely to rate the quality of the health care they received as very good or excellent in fall 2009 than they were prior to health reform.
- Under health reform, lower-income adults experienced the strongest gains in reported quality of care.



Note: These are regression-adjusted estimates based on the sample of adults who used care in the last 12 months. Lower-income adults are defined as those with family income less than 300% of the federal poverty level.
* (**) (***) Significantly different from fall 2006 at the .10 (.05) (.01) level, two-tailed test.

RACIAL/ETHNIC DISPARITIES PRIOR TO HEALTH REFORM, 2006
PERCENT REPORTING OUTCOME

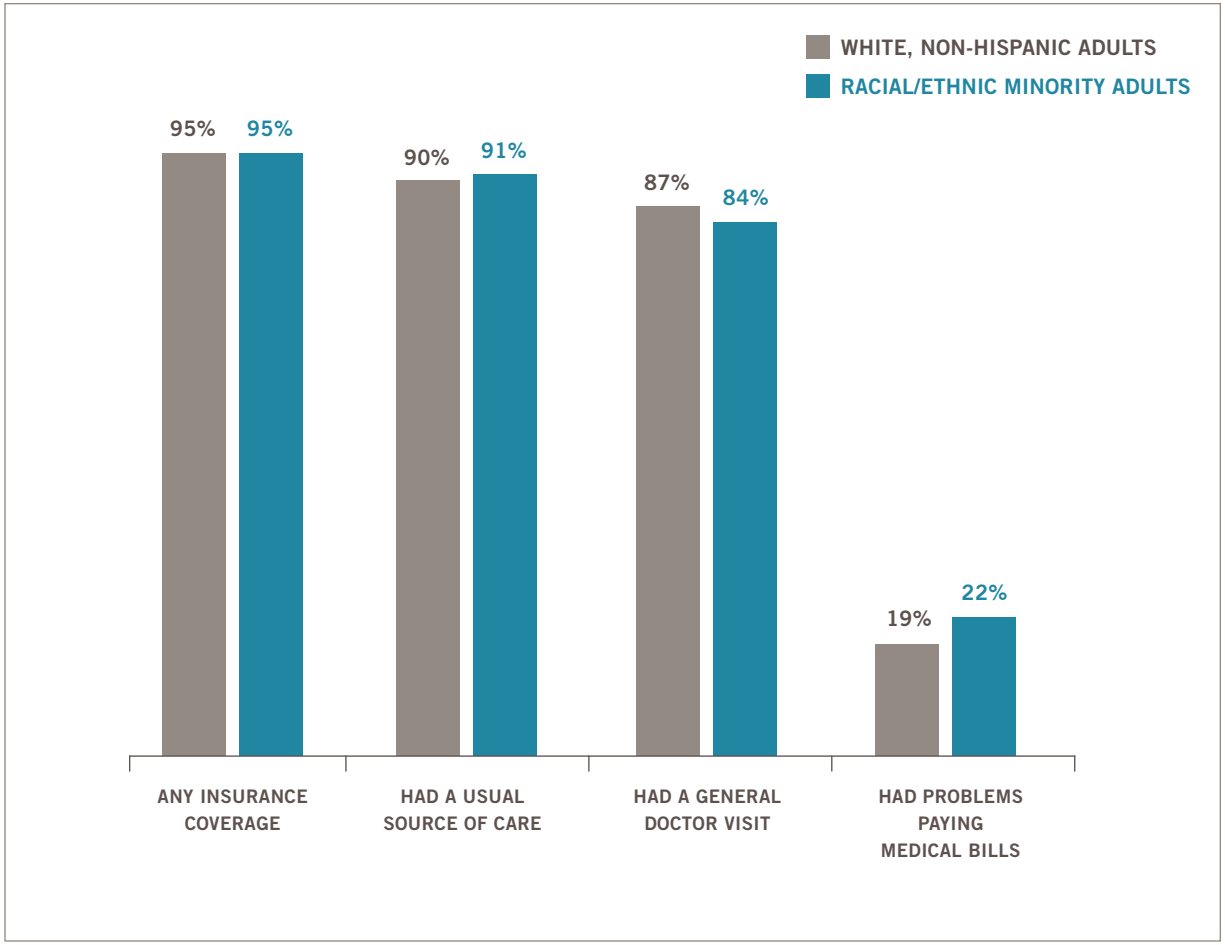
- Prior to health reform, racial/ethnic minority adults had lower levels of insurance coverage, poorer access to care, less use of care, and more problems with the affordability of care than did white, non-Hispanic adults.
- Some, but not all, of those pre-reform disparities can be explained by differences in the health and disability status and socioeconomic circumstances of minority adults compared to white, non-Hispanic adults (data not shown).



Note: These are simple (unadjusted) estimates. Racial/ethnic minority adults are non-white and Hispanic adults.
* (**) (***) Significantly different at the .10 (.05) (.01) level, two-tailed test.

RACIAL/ETHNIC DISPARITIES UNDER HEALTH REFORM, 2009
PERCENT REPORTING OUTCOME

- Under health reform, the disparity in insurance coverage between racial/ethnic minority adults and white, non-Hispanic adults was eliminated, largely due to strong gains in public coverage among minority adults.
- Many of the pre-reform disparities in health care access and use and in the affordability of care experienced by racial/ethnic minorities were also eliminated under health reform.
- Some disparities in access to and use of care persisted. For example, compared to white, non-Hispanic adults, racial/ethnic minority adults continued to report more emergency department visits for non-emergency conditions and lower quality of care in fall 2009 (data not shown).



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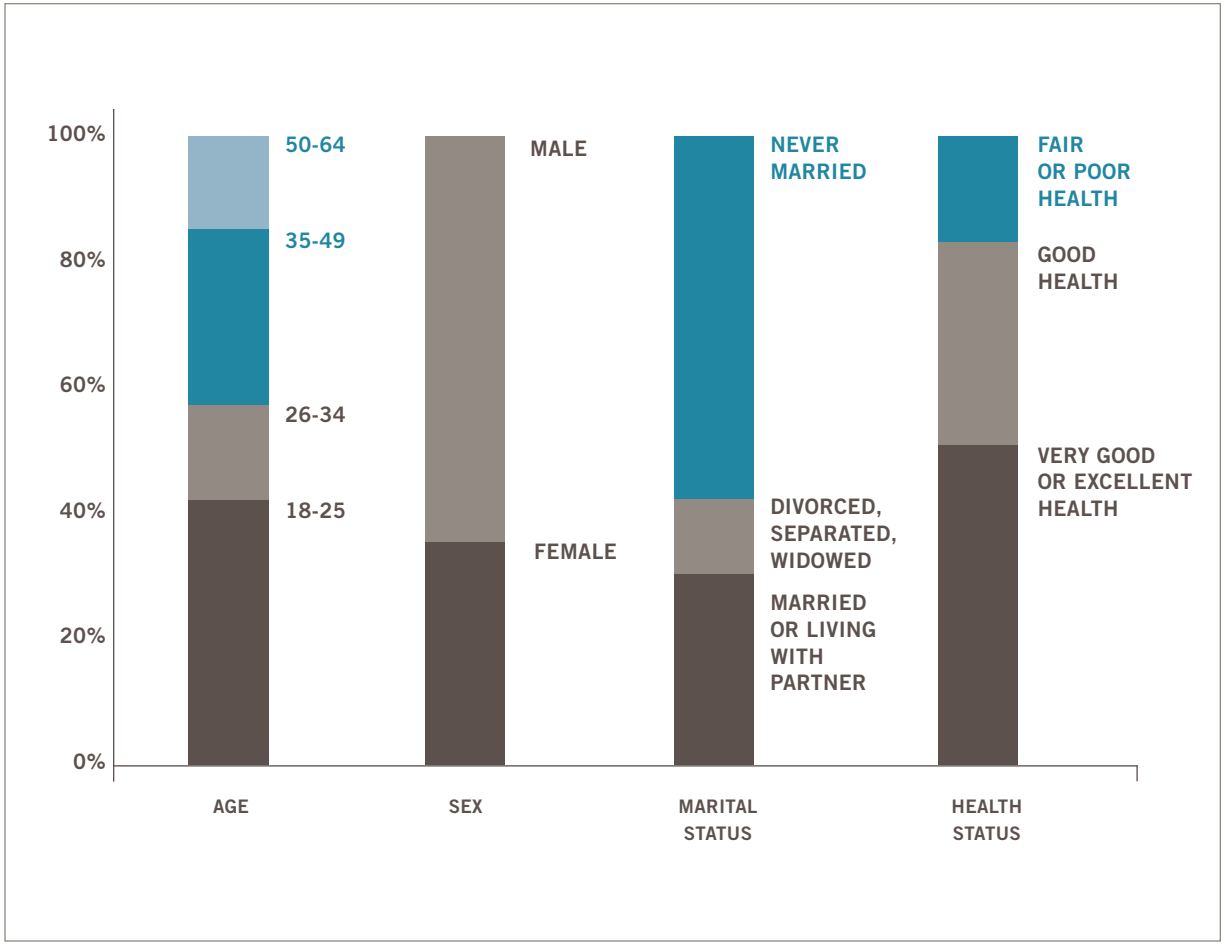
CHARACTERISTICS OF THE REMAINING UNINSURED ADULTS IN FALL 2009
PERCENT WITH CHARACTERISTIC

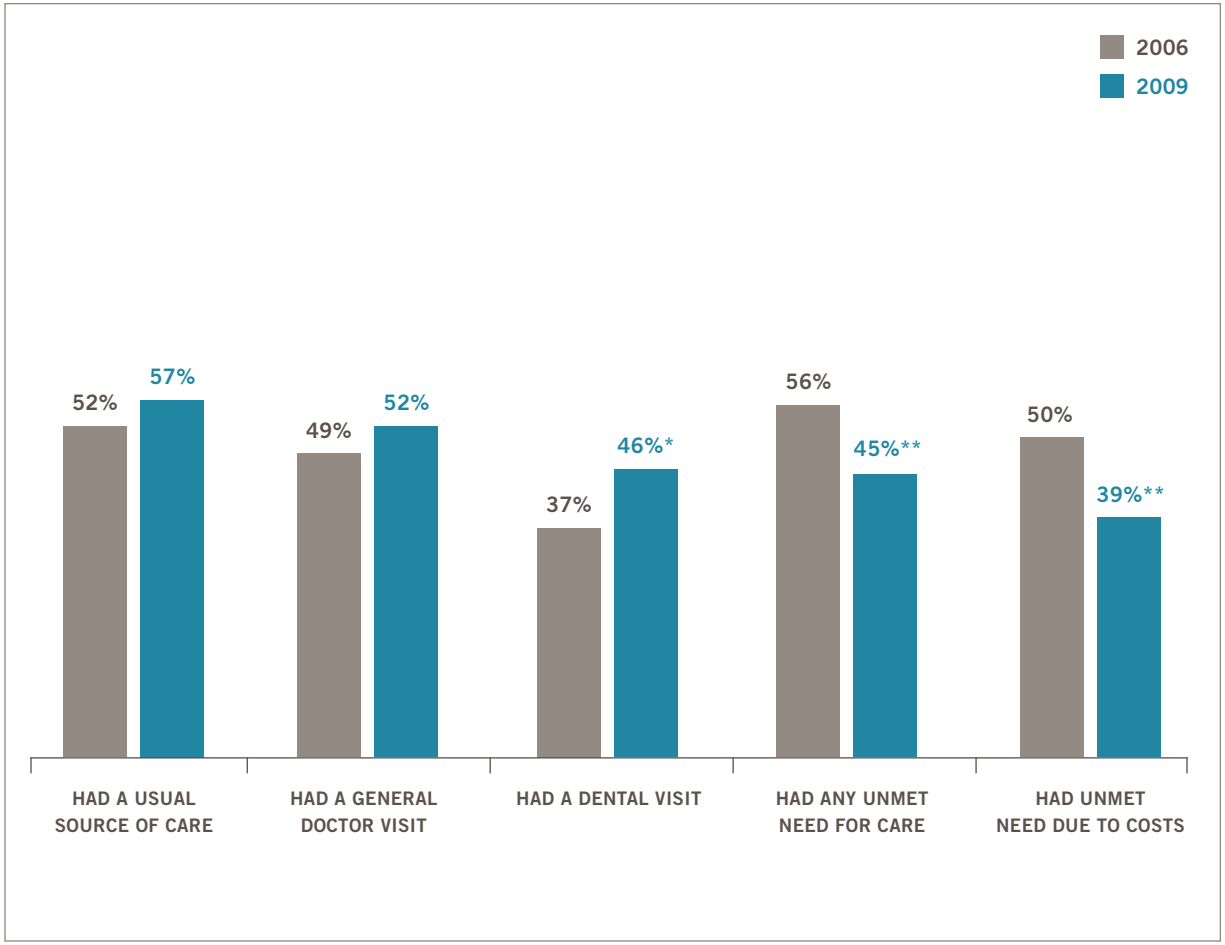
- Similar to fall 2006, uninsured adults in Massachusetts in fall 2009 were often young, male, single, and healthy.
- Cost remained a key barrier to obtaining coverage among uninsured adults in fall 2009 (data not shown).



Note: These are simple (unadjusted) estimates.

HEALTH CARE ACCESS AND USE FOR UNINSURED ADULTS, 2006 TO 2009
PERCENT REPORTING OUTCOME

- In fall 2009, uninsured nonelderly adults reported better health care access and use and fewer problems with the affordability of care than did their counterparts in fall 2006.
- This likely reflects the effects of an increase in partial-year insurance coverage, as a greater share of adults uninsured at the time of the survey in fall 2009 had been insured for at least some period over the prior year, as compared to fall 2006 (data not shown).



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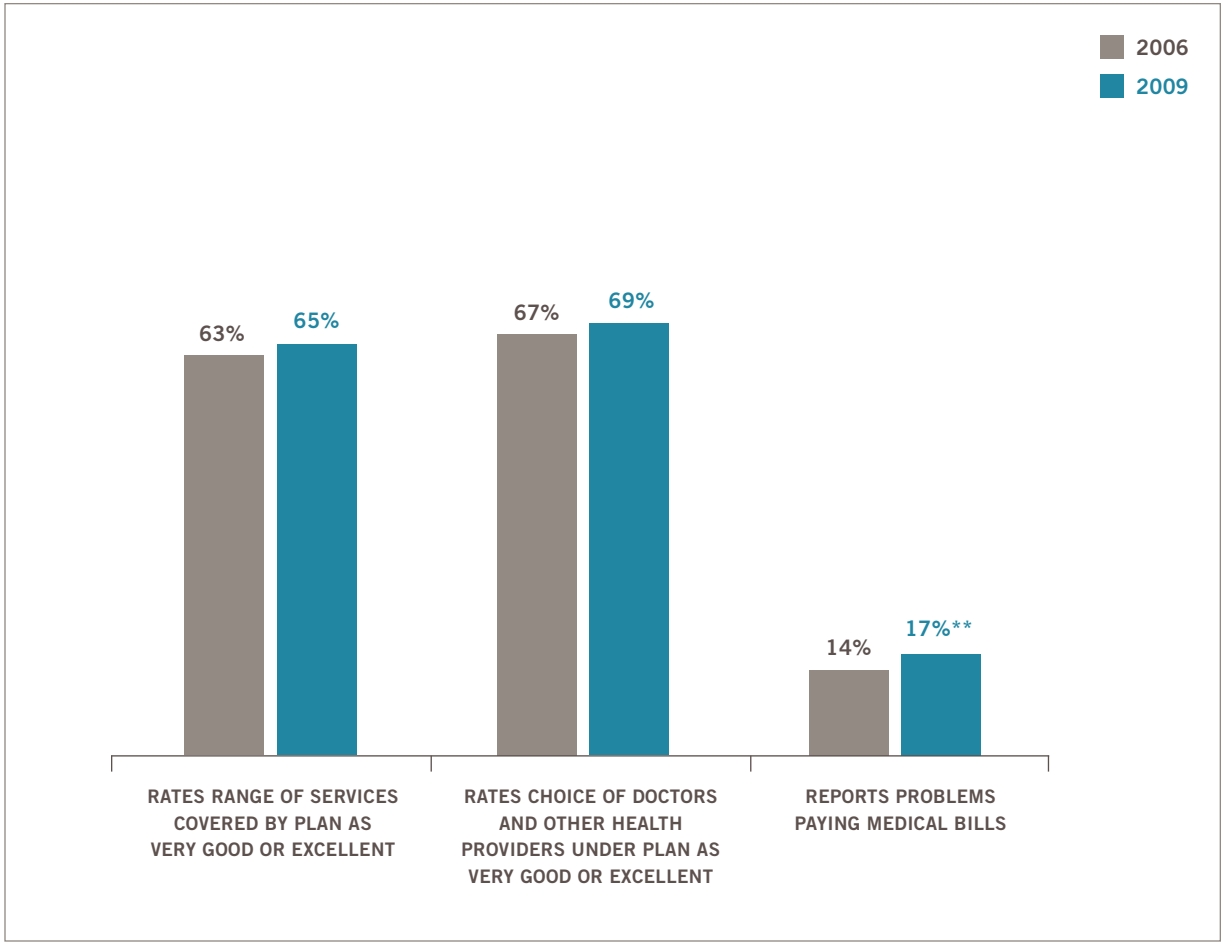
CONSUMERS' ASSESSMENT OF THEIR HEALTH INSURANCE COVERAGE, 2006 TO 2009
PERCENT REPORTING OUTCOME

- In fall 2009, consumers rated their health insurance coverage as being as good as it was prior to health reform in fall 2006.
- Affordability of care, however, was more of a problem for insured adults in Massachusetts in fall 2009 than it was in fall 2006, likely due to rising health care costs in the state.
- In fall 2009, problems paying medical bills affected insured adults of all ages and across all population groups in the state, especially those with higher health care needs and lower incomes (data not shown), a trend that predates health reform.



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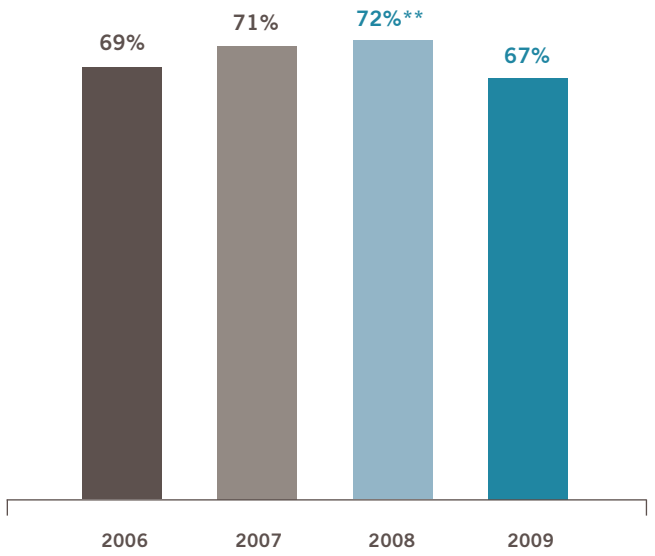
SUPPORT FOR HEALTH REFORM IN MASSACHUSETTS, 2006 TO 2009
PERCENT SUPPORTING REFORM

- Support for reform in Massachusetts among nonelderly adults remained at high levels in fall 2009, despite the recession and increasing state budgetary pressures.
- Support for health reform in fall 2009 was similar to that in fall 2006 across nearly all major subgroups of nonelderly adults in Massachusetts (data not shown).



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