

# COVERAGE AND OVERALL USE OF CARE ARE STRONG BUT OPPORTUNITIES PERSIST TO IMPROVE AFFORDABILITY: SUMMARY OF FINDINGS FROM THE 2013 MASSACHUSETTS HEALTH REFORM SURVEY

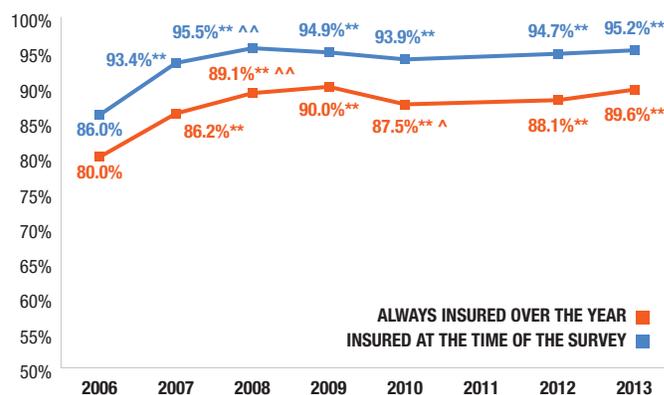
NOVEMBER 2014

The Massachusetts Health Reform Survey (MHRS) has been conducted since 2006 to monitor and understand the state's health care system. The 2013 MHRS provides a new baseline for assessing the impacts of the state's efforts to improve the affordability of care and reduce health care spending because it coincides with the first full year under the provisions of Chapter 224 of 2012 (An Act Improving the Quality of Health Care and Reducing Costs Through Increased Transparency, Efficiency and Innovation) and precedes the roll-out of major changes under the Affordable Care Act (ACA) that began in January 2014.

The 2013 MHRS highlights the state's ongoing success at maintaining near universal health insurance coverage and high levels of health care use following the 2006 health care reform initiative, as well as the continued need to address the burden of health care costs on the state's residents.

**Health insurance coverage.** Massachusetts' 2006 health care reform law sought to move the state to near universal health insurance coverage. Massachusetts attained near universal coverage by the second year, an achievement that continues seven years after the initiative began. More than 95 percent of adults in Massachusetts aged 19 to 64 had health insurance at the time of the 2013 survey (Exhibit 1), a rate well above the 79.6 percent for adults in the nation as a whole.<sup>1</sup> Employer-sponsored insurance (ESI) coverage remained the dominant form of insurance in Massachusetts in 2013, covering 63.5 percent of adults (Exhibit 2). ESI coverage was at as high a level in 2013 as it was in 2006.

**EXHIBIT 1: SIMPLE (UNADJUSTED) TRENDS IN HEALTH INSURANCE COVERAGE FOR ADULTS 19 TO 64 IN MASSACHUSETTS, FALL 2006 TO FALL 2013**



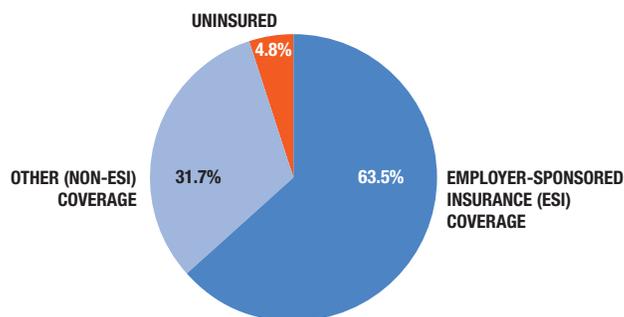
Source: 2006–2013 Massachusetts Health Reform Survey (N=22,374). The survey was not fielded in 2011.

Note: These are simple (unadjusted) estimates.

\*\* Significantly different from the value in 2006 at the .05 (.01) level, two-tailed test.

^^ Significantly different from the value in the prior year at the .05 (.01) level, two-tailed test.

**EXHIBIT 2: HEALTH INSURANCE COVERAGE TYPE FOR ADULTS 19 TO 64 IN MASSACHUSETTS, FALL 2013**



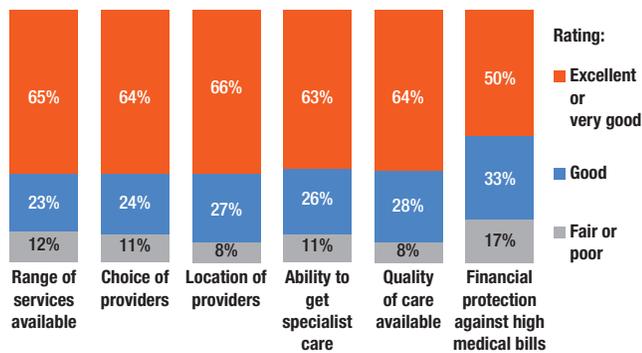
Source: 2013 Massachusetts Health Reform Survey (N=3,024).

Note: These are simple (unadjusted) estimates.

Stability of insurance coverage was also high in Massachusetts in 2013, with almost 90 percent of adults covered for all of the past year and 81 percent covered by the same insurance for all of the past year. Stable health insurance was more common for those likely to have higher levels of health care needs, including women and individuals with health limitations, and for those with greater financial resources, as indicated by a higher family income.

Insured adults in Massachusetts are generally satisfied with many but not all aspects of their coverage. Two-thirds rated their coverage as very good or excellent in terms of range of services available, choice of providers, location of providers, ability to get specialist care, and quality of care (Exhibit 3). However, only about half rated the financial protection against high medical bills under their health plan as very good or excellent. Adults with ESI coverage were more likely to provide high ratings for their coverage than were adults with non-ESI coverage.<sup>2</sup>

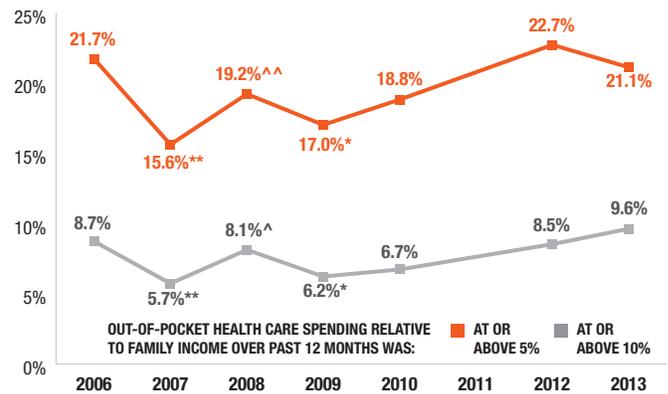
**EXHIBIT 3: RATING OF CURRENT HEALTH INSURANCE COVERAGE BY CURRENTLY INSURED ADULTS 19 TO 64 IN MASSACHUSETTS, FALL 2013**



Source: 2013 Massachusetts Health Reform Survey (N=2,924).  
 Note: These are simple (unadjusted) estimates.

**Health care affordability.** Affordability of health care has long been an issue in Massachusetts and continued to be a problem for adults in 2013. Among adults with family income below 500 percent of the Federal Poverty Level (FPL), about one in five reported out-of-pocket health care spending at or above five percent of family income, and one in 10 reported spending at or above 10 percent of family income (Exhibit 4).<sup>3</sup> Among all adults, one in five reported problems paying their medical bills over the past year, and almost one in five reported having medical

**EXHIBIT 4: SIMPLE (UNADJUSTED) TRENDS IN OUT-OF-POCKET HEALTH CARE SPENDING FOR ADULTS 19 TO 64 IN MASSACHUSETTS, FALL 2006 TO FALL 2013**



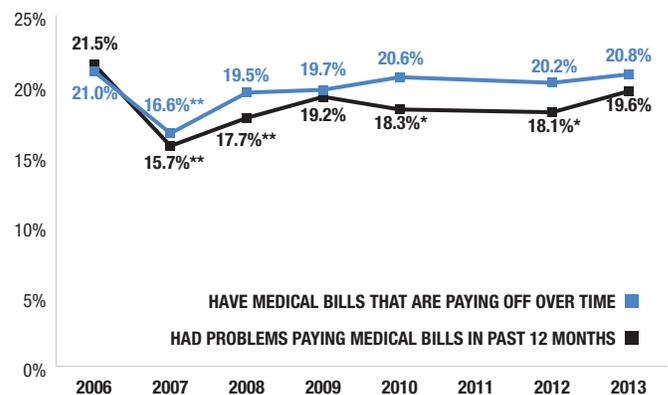
Source: 2006-2013 Massachusetts Health Reform Survey (N=22,374). The survey was not fielded in 2011.

Notes: These are simple (unadjusted) estimates. Because of the way the income information is collected in the survey, the measures of spending relative to family income cannot be constructed for adults with family income above 500 percent of federal poverty level (FPL) for all years.

\*\* Significantly different from the value in 2006 at the .05 (.01) level, two-tailed test.

^(^)^ Significantly different from the value in the prior year at the .05 (.01) level, two-tailed test.

**EXHIBIT 5: SIMPLE (UNADJUSTED) TRENDS IN OUT-OF-POCKET HEALTH CARE SPENDING FOR ADULTS 19 TO 64 IN MASSACHUSETTS, FALL 2006 TO FALL 2013**



Source: 2006-2013 Massachusetts Health Reform Survey (N=22,374). The survey was not fielded in 2011.

Notes: These are simple (unadjusted) estimates.

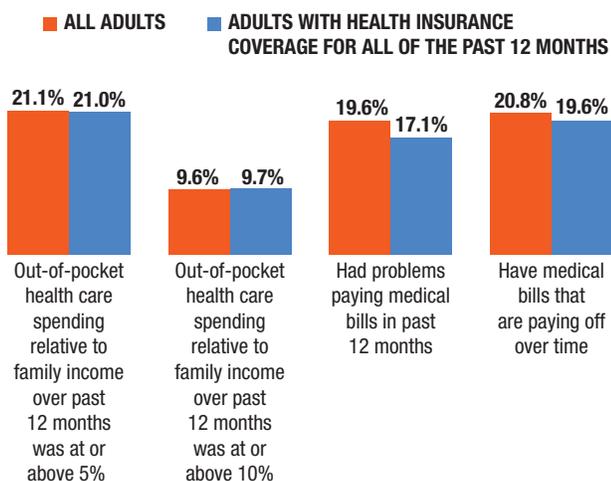
\*\* Significantly different from the value in 2006 at the .05 (.01) level, two-tailed test.

^(^)^ Significantly different from the value in the prior year at the .05 (.01) level, two-tailed test.

debt (Exhibit 5). These levels are similar to those in 2006, although they are higher than the levels in the period immediately following health reform in 2006. As in 2012, roughly 40 percent of adults reported that health care costs caused problems for them and their family in 2013 (42.8 percent in 2012 versus 40.8 percent in 2013).

Health insurance coverage does not guarantee affordable health care: the levels of high out-of-pocket health care spending, reported problems paying medical bills, and medical debt were also high for adults with full-year insurance coverage in 2013 (Exhibit 6). In 2013, 38.6 percent of full-year insured adults reported that health care costs had caused financial and/or nonfinancial problems for them and their families over the past 12 months. This compares with 39.1 percent for full-year insured adults in 2012.

**EXHIBIT 6: HEALTH CARE AFFORDABILITY FOR ALL ADULTS AND FULL-YEAR INSURED ADULTS 19 TO 64 IN MASSACHUSETTS, FALL 2013**

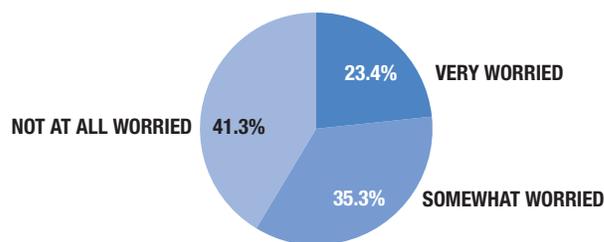


Source: 2013 Massachusetts Health Reform Survey (N=2,795).  
 Notes: These are simple (unadjusted) estimates. Because of the way the income information is collected in the survey, the measures of spending relative to family income cannot be constructed for adults with family income above 600 percent of federal poverty level (FPL).

Problems due to health care costs include going without needed care because of the cost of the care, problems paying medical bills, medical debt, and other issues (e.g., drawing down savings to pay medical bills). Based on the multivariate analysis, the strongest predictors of problems caused by health care costs were related to higher health care needs due to health and disability issues, lower family income, and higher out-of-pocket costs as an enrollee in a high-deductible health plan.

Overall, nearly 60 percent of adults in the Bay State in 2013 were somewhat or very worried about their ability to pay their medical bills in the future (Exhibit 7).

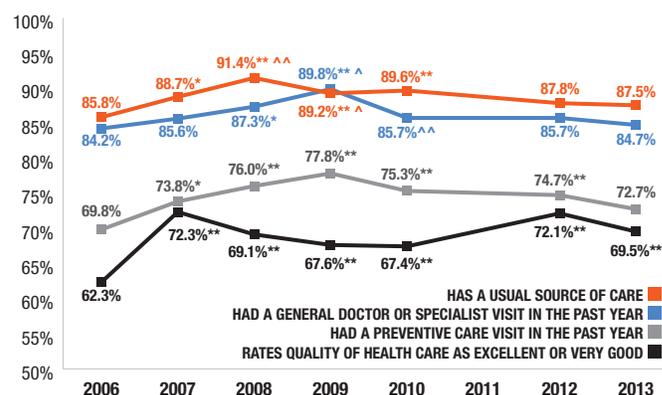
**EXHIBIT 7: WORRY ABOUT ABILITY TO PAY MEDICAL BILLS IN THE FUTURE BY ADULTS 19 TO 64 IN MASSACHUSETTS, FALL 2013**



Source: 2013 Massachusetts Health Reform Survey (N=3,024).  
 Note: These are simple (unadjusted) estimates.

**Health care access and quality.** Most adults (87.5 percent) in Massachusetts had an established relationship with a health care provider in 2013, and most (84.7 percent) had had a health care visit to a general doctor or specialist in the past year, including a preventive care visit (72.7 percent) (Exhibit 8). While quite similar to the levels in 2006, these levels are somewhat lower than those reported in the three years following the 2006 health reform legislation. However, the share of adults rating the quality of the health care that they received as very good or excellent continued in 2013 to be higher than it was in 2006, at 69.5 percent in 2013 as compared with 62.3 percent in 2006.

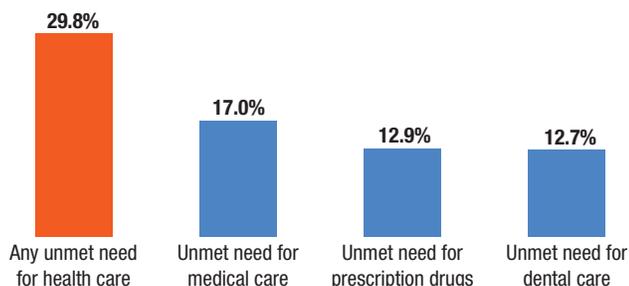
**EXHIBIT 8: SIMPLE (UNADJUSTED) TRENDS IN ACCESS TO HEALTH CARE OVER THE PAST YEAR FOR ADULTS 19 TO 64 IN MASSACHUSETTS, FALL 2006 TO FALL 2013**



Source: 2006–2013 Massachusetts Health Reform Survey (N=22,374). The survey was not fielded in 2011.  
 Note: These are simple (unadjusted) estimates.  
 (\*\*\*) Significantly different from the value in 2006 at the .05 (.01) level, two-tailed test.  
 (^) Significantly different from the value in the prior year at the .05 (.01) level, two-tailed test.

Just as it does not guarantee affordability, insurance in Massachusetts does not guarantee access to health care. Almost one-third of adults in the state who had insurance for all of the past year reported unmet need for health care (29.8 percent), including unmet need for medical care (17.0 percent), prescription drugs (12.9 percent), and dental care (12.7 percent) (Exhibit 9). Almost half of those with unmet need overall reported the cost of care as a reason (13.8 percent).

**EXHIBIT 9: TYPES OF UNMET NEED FOR HEALTH CARE REPORTED BY FULL-YEAR INSURED ADULTS 19 TO 64 IN MASSACHUSETTS, FALL 2013**



Source: 2013 Massachusetts Health Reform Survey (N=2,795).  
 Note: These are simple (unadjusted) estimates.

Unmet need for health care was more common for lower-income full-year insured adults (family income below 300 percent of FPL) than for higher-income full-year insured adults (38.6 percent versus 22.1 percent) and for adults with non-ESI coverage than for adults with ESI coverage (44.5 percent versus 23.0 percent). The strongest predictors of unmet need from the multivariate findings were related to higher health care needs and being enrolled in a high-deductible health plan.

**Opportunities.** While Massachusetts has been successful at expanding and maintaining gains in health insurance coverage following the 2006 health care reform initiative,<sup>4</sup> the evidence from 2013 suggests little progress so far at improving the affordability of health care for individuals since the passage of Chapter 224, the state’s cost-containment legislation. The findings for 2013, which are unchanged from those in 2012, suggest that, at best, any moderating of health care cost trends in Massachusetts has maintained and not improved affordability for individuals. This is consistent with findings from the Massachusetts Center for Health Information and Analysis (CHIA),

which found that while growth in health care spending on insured services<sup>5</sup> in the state moderated between 2012 and 2013, it still exceeded inflation.<sup>6</sup>

While consumers might be the ultimate beneficiaries of moderating the growth of health care spending in Massachusetts, there is no evidence in the MHRS to suggest that they are seeing benefits in 2013, perhaps reflecting the shift of more of the direct costs of care onto consumers, such as through high-deductible health plans. Having a high-deductible health plan was often a strong predictor of access and affordability issues, including the probability of health care costs causing problems for the respondent or his/her family. Overall, nearly 40 percent of adults with coverage all year reported that health care costs had caused financial or nonfinancial problems for them and their families over the past year, with lower-income adults and adults with non-ESI coverage more likely to report such problems. With such a large share of Massachusetts families reporting difficulties due to high health care costs, there are clear opportunities to improve the quality of life for Massachusetts families, particularly lower-income families, by addressing the burden of health care costs.

There are also opportunities to improve access to care in the state. While some of the access problems reported by Massachusetts residents are financial, nearly one in four Massachusetts adults reported difficulties obtaining care due to provider access issues, including difficulty finding a provider (both general doctors and specialists), difficulty getting an appointment as soon as needed, and difficulty getting to the provider. As with the burden of health care affordability, gaps in health care access are more common for lower-income adults and adults with non-ESI insurance coverage. They were also common for adults with health and disability issues, who rely most heavily on health care. In this case, improving access to care could lead to both cost savings and improved quality of care, if it leads to more effective care in the community and less reliance on the emergency department, especially for the adult with high health care needs and low financial resources.

As was true of the 2012 MHRS, the 2013 MHRS is a reminder that the goals of health care reform are not achieved by simply reducing the number of people in

Massachusetts who are uninsured. Even with near universal health insurance coverage in Massachusetts, many insured residents of the state experience gaps in financial protection. Many are burdened by health care costs, either directly or indirectly, by going without needed care. With the strongest predictors of affordability problems in Massachusetts including being female, being a parent, having health and disability problems, and having lower income, it is important that changes be introduced that remove unnecessary costs from the system, particularly for the Massachusetts residents with higher health care needs

and lower economic resources. For these individuals, it is important to pay attention to the relative affordability of care, as deductibles and co-pays will be a much greater burden for an individual with lower income and for an individual who requires multiple visits to address high health care needs than for those with higher income or only occasional health care needs. Future work will delve more deeply into differences in affordability and access among adults with similar health care needs and socioeconomic status in Massachusetts.

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## ENDNOTES

- 1 Cohen RA, Martinez ME. Health insurance coverage: Early release of estimates from the 2013 National Health Interview Survey, National Center for Health Statistics, June 2014. <http://www.cdc.gov/nchs/nhis/releases.htm>.
- 2 Non-ESI coverage includes Medicare, MassHealth, Medicaid, Commonwealth Care, CHIP, military-provided coverage, and insurance purchased directly from an insurance company or through Commonwealth Choice. Two-thirds of the adults with non-ESI coverage have public coverage.
- 3 Because of the way income information is collected in the survey, the measures of spending relative to family income cannot be constructed for adults with family income above 500 percent of the FPL in all years.
- 4 Long SK, Stockley K, and Nordahl KW. "Coverage, Access and Affordability Under Health Reform: Learning from the Massachusetts Model." *Inquiry*, 2012/2013, 49 (Winter): 303-316.
- 5 The measure of health care expenditures tracked by CHIA excludes services paid for by consumers outside of their insurance policy, which often includes over-the-counter expenditures, spending on services not covered by the health plan, and vision and dental services.
- 6 Center for Health Information and Analysis. Annual Report on the Performance of the Massachusetts Health Care System. Boston, MA: Center for Health Information and Analysis, September, 2014. <http://www.mass.gov/chia/docs/r/pubs/14/chia-annual-report-2014.pdf>.