

City & Region

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MENDING THE HEALTHCARE SYSTEM

Percentage of people not covered by health insurance:

2001	US	-14.6%
	Mass.	-8.2%
2004	US	-15.7%
	Mass.	-11.7%

SOURCE: US Census Bureau

The problem A half-million people in Massachusetts do not have health insurance. And because they often don't get care until they are very sick, they end up in hospital emergency rooms, get expensive care, and drive up healthcare costs for everyone else.

The action For the first time in two decades, Beacon Hill appears ready to address the problem. And it's not only out of a desire to help the poor. The state faces a new mandate from the federal government, and could lose up to \$385 million annually unless it commits to insuring more residents by next year.

The options Governor Mitt Romney, the House, the Senate, and an advocacy group are pushing competing plans. Here's how they stack up.

	Governor's plan	House plan	Senate plan	Mass. Affordable Care Today! Campaign
The goal	Cover all the state's uninsured within two years.	Cover 95 percent of the uninsured within three years.	Cover half the state's uninsured in two years	Cover 80 percent of the uninsured, but no time frame specified. Relies on passage of 2006 ballot initiative
How it works	Individuals — except for the poorest residents — would be required to purchase health insurance or face financial penalties. No new revenues are called for. More than \$1 billion now in the state's "free care pool" that hospitals draw on to treat the uninsured would be shifted to initiatives such as subsidies for lower-income people to buy private health insurance.	Individuals must buy health insurance if they can afford it, or face a financial penalty. Employers with more than 10 workers must provide coverage or face a payroll tax. About \$600 million from payroll taxes and the state's settlement with tobacco companies would pay for Medicaid expansion and subsidize purchases of private insurance.	Companies that have at least 50 employees and do not provide health insurance would be forced to reimburse the state when employees seek treatment from "free care pool." The Senate would not require individuals to carry health insurance.	Employers would be required to provide health insurance or face a payroll tax. Those tax proceeds and a 60-cent increase in the cigarette tax would help raise \$750 million annually for new spending on Medicaid expansion and rates. The plan would also shift "free care pool" money to pay for new initiatives.
What happens to the poor?	The state would continue its push to enroll more of the poor in MassHealth, the state's Medicaid program.	The state would seek to enroll those currently eligible for Medicaid who have yet to sign up for it. But the House also would raise income limits for Medicaid eligibility, allowing an additional 205,000 people to enroll.	The Senate plan would push to enroll 70,000 residents eligible for MassHealth who haven't signed up. The plan would also increase Medicaid rates to hospitals and doctors who treat them.	As many as 225,000 people would be added to Medicaid by raising income eligibility levels. Like the House and Senate plans, the MassACT! would also boost Medicaid reimbursement rates for doctors, hospitals, and health centers.
How would private insurance change?	Government rules would be relaxed so stripped-down, private insurance plans would be offered. Romney believes that, for a single young person, plans would cost as little as \$200 a month, although they may carry high deductibles and co-payments.	A stripped-down private insurance plan would be offered to eligible residents for less than \$200 a month; the plans may have high deductibles.	It encourages insurers to offer low-cost, scaled-back health plans to the self-employed, small businesses, and individuals who don't qualify for Medicaid but cannot afford traditional insurance. It would be up to insurance companies to develop the plans.	Moderate-income residents and small businesses would qualify for reduced premiums or tax credits to help pay for coverage. A special insurance system for catastrophic medical costs would be created to lower the premiums for the majority of the insured.
The pluses	Supporters say that Romney correctly places responsibility for getting insurance on individuals, and that shifting "free care pool" money to help the poor buy insurance would cut everyone's costs.	Supporters call the House plan the most ambitious of the proposals, with new government spending and new requirements on businesses. They say it would encourage employers to provide insurance and reward those that already do.	The Senate plan doesn't aim to cover everyone immediately, so it is considered more realistic and less heavy-handed. It has fewer requirements for employers and doesn't require individuals to buy insurance.	Supporters say the MassACT! plan recognizes the need for a large-scale expansion of health coverage. It expands Medicaid to more residents than any other proposal.
The minuses	Critics worry Romney cannot extend coverage to all the uninsured without spending additional money and question whether private insurers will offer viable health plans at the rates the governor wants.	Business groups fear that the plan, because of the payroll tax, would make the state less economically competitive. Romney could veto a final bill if it contains the tax.	Critics worry that the Senate bill doesn't fully solve the problem of the uninsured.	Businesses fear the tax on employers, and anti-tax advocates probably would object to the cigarette tax increase.

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