

Many workers draw on state free-care pool

By Alice Dembner, Boston Globe Staff | February 2, 2005

Massachusetts spent more than \$52 million in a one-year period to provide healthcare coverage to employees of some of the state's largest businesses through Medicaid or the state's free-care program for the uninsured, according to a state report released yesterday that is expected to help shape state healthcare policies.

More than 27,000 employees, along with 27,000 of their dependents, qualified for Medicaid or got healthcare paid by the state free-care pool, according to the report on employers who have 50 or more workers using public health aid. Dunkin' Donuts, Stop & Shop, and Wal-Mart topped the list, which also includes the City of Boston, state government, and the largest hospitals and universities in Massachusetts.

"It's shocking that the state is spending so much money for employees who work in places where employers can afford to pay for healthcare," said state Representative Martin Walsh, a Dorchester Democrat who sponsored a bill last year commissioning the report. "If employers would pick up the slack, we could help more people."

The report, prepared by the state Division of Health Care Finance and Policy, found that nearly all of the 138 employers on the list subsidizes health insurance premiums for at least some workers. However, the report suggests that policies may still be too expensive for many low-wage employees.

Others may not qualify for insurance because they work part-time or because the company has a waiting period before new employees can buy insurance. Still other workers may decide that they don't need coverage or that Medicaid or the free-care system provides better coverage for less money than their work-based plan. The report was based on state records that did not include the reason workers got state aid.

The report does not place blame, but said that state programs, while providing a safety net for low-income residents, also "provide incentives, for both employers and employees, to shift healthcare costs to the public sector."

The Medicaid program covers families with incomes below \$25,000 for a family of four and children whose parents earn less than \$37,700 for a family of four. The free-care program pays for care for individuals making up to about \$18,000 and subsidizes care for people earning up to twice that amount.

The report was prepared at the urging of Health Care for All, an advocacy group that is backing a bill to provide universal healthcare coverage via an increase in cigarette taxes and a requirement that employers offer coverage or pay the state. Yesterday, the group's leader, John McDonough, said he hoped the report would spur employers to do more for their employees.

State Senator Richard T. Moore, chairman of the Health Care Committee, said that the state should subsidize insurance premiums for workers.

Governor Mitt Romney has opposed a mandate for employer coverage and instead suggested implementing a system to encourage employers to provide insurance and

workers to buy it. He has proposed revising state laws to allow employers to offer stripped-down coverage at lower cost.

"This report demonstrates that the uninsured in Massachusetts do not lack access to healthcare, but the manner in which they receive it is inefficient and costly," said Dick Powers, a spokesman for the state Department of Health and Human Services. Powers said he was surprised "to see so many enlightened Massachusetts institutions on the list."

Boston Medical Center was 10th, with 566 employees using the two state programs. Spokesman Robert Brogna said that all employees are offered insurance within a month of being hired and that the hospital tries to ensure that everyone has coverage.

The report said The Boston Globe has 113 employees on public health aid. The company offers "a wide variety of health plans to our employees at rates that are competitive with other companies," said Nicki Roth, vice president of human resources. "Each year, some employees elect not to participate."

Stop & Shop spokesman Rob Keane said that the company spends close to \$300 million annually on "health and welfare benefits," but that there is a waiting period for coverage. The report found that 1,352 of its 80,000 employees were getting public health aid. Officials for Dunkin Donuts, which topped the list with 1,923 employees on aid, declined comment because they were still reviewing the report.

Wal-Mart, which has 1,257 employees on state aid, said the company has a waiting period of 180 days before full-time workers can buy insurance and two years for part-timers. Part-timers are not eligible for family coverage. "We do not design our plans to be supplemented by public assistance programs, nor do we encourage our associates to apply for them," said spokesman Dan Fogleman.

The study included people on Medicaid from July 1, 2003, through June 30, 2004, and those who drew on the free-care pool from Oct. 1, 2002, through Sept. 30, 2003.