

State leaders aim at healthcare gap Look to cut ranks of the uninsured

By Scott S. Greenberger, Boston Globe Staff | November 17, 2004

In a sign of a growing political consensus, Senate President Robert E. Travaglini and Governor Mitt Romney said yesterday in separate remarks that they want to focus next year's legislative session on dramatically cutting the number of people in Massachusetts without health insurance.

Travaglini set a goal of providing healthcare coverage to at least half of the roughly 500,000 uninsured Massachusetts residents by the end of 2006, pledging to make what he called "an economic and a moral failing" the centerpiece of the legislative session.

"The cost in dollar terms to take care of the uninsured when they need emergency treatment is high and unnecessarily wasteful," Travaglini said at a forum of healthcare insurers and providers sponsored by the Blue Cross Blue Shield of Massachusetts Foundation at the John F. Kennedy Library. "On a human level, it is morally unacceptable for a society with as much wealth as ours to leave so many fellow people without healthcare coverage."

Separately, Romney said his own ideas were "quite consistent with the Senate president's comments and goals."

House Speaker Salvatore F. DiMasi also said yesterday that reaching Travaglini's goal is "absolutely necessary."

"We are all working on the same page, and there is a very good prospect that in this coming year we'll see important improvements in our healthcare system that will bring down the cost of health insurance for everyone and increase the number of citizens that are insured," Romney said.

Together, the statements signal that Beacon Hill policy makers are setting the stage for the most serious healthcare debate on Beacon Hill in nearly a decade. But significant hurdles remain. Early forecasts suggest that the state faces another tough budget year. And the Republican governor and the Democratic-dominated Legislature have shown little sign of being able to work together on major issues.

For more than a year, the Romney administration has said it is working on a proposal to cover the uninsured and reduce healthcare costs, which are a huge and growing drain on the state budget. After listening to Travaglini's speech, Ronald Preston, secretary of health and human services, said the administration will roll out a statement of principles in January and is open to collaborating with the Legislature on specifics.

A coalition of healthcare providers, consumer groups, and labor unions also plans to push a proposal that would require small employers to cover their workers and make it less expensive for them to do so by, among other things, changing the way premiums are calculated for small groups of employees.

Last July, lawmakers approved a proposed constitutional amendment requiring the Legislature to come up with a plan for universal healthcare coverage. Under the proposal, the Legislature would have to "enact and implement such laws as will ensure

that no Massachusetts resident lacks comprehensive, affordable" health insurance coverage.

Legislators will have to approve the measure again in their next Constitutional Convention, in 2005 or 2006, to put the proposal on the ballot in November 2006. Travaglini was by far the most explicit in defining his goals yesterday, attempting to seize the political initiative, but he declined to provide many details on how he would halve the number of uninsured. Travaglini said a tax increase will not be necessary to achieve his goal, as long as the state relies on "innovation in the marketplace," instead of a huge infusion of state money.

Some advisers said he will postpone a potentially divisive debate on requiring employers to cover their workers. Instead he will focus on creating incentives for private insurers to cover people who do not receive health insurance through work and cannot currently afford to purchase it on their own. The advisers suggested yesterday that the problem under study is that state regulations make it difficult for insurers to offer low-cost coverage to individuals.

Before becoming Senate president, Travaglini proposed a single-payer system, under which the state, not private insurers, would provide healthcare coverage to all residents. But Travaglini said he now believes that a single-payer system is "not economically or politically feasible."

In 1988, Governor Michael S. Dukakis pushed through a bill creating an employer mandate that forced employers with six or more workers to either offer insurance to their employees or contribute to a fund for the uninsured. But Dukakis's successor, William F. Weld, refused to implement the new law, and the Legislature scrapped the requirement as the state staggered through a deep recession. In 1996, Massachusetts launched a program to cover uninsured children that became the model for a federal initiative and resulted in virtually universal coverage for younger state residents.

Estimates of the number of uninsured people in Massachusetts range from the state's calculation of 450,000 to the 650,000 counted by the US Census Bureau. At the high end, it is more than 10 percent of the state's population. A report by healthcare specialists at the Washington-based Urban Institute, which the Blue Cross Blue Shield Foundation released yesterday, estimates that covering all of them would cost between \$374 million and \$539 million.

The study also pointed out that the current situation also carries significant financial costs, since not having health insurance often results in medical problems that reduce worker productivity. According to the authors of the report, "expanding coverage to the uninsured in Massachusetts would result in economic and social benefits due to improved health of \$1.2 billion to \$1.7 billion."

Travaglini acknowledged that Massachusetts does not have much money to spend. The state faces a budget gap of more than \$900 million for fiscal year 2006, it may have to boost its school spending as a result of a pending court case, and it is at risk of losing nearly \$600 million in federal Medicaid money.

"We cannot achieve universal healthcare simply by increasing government spending and providing it directly," Travaglini said. "We still face a major structural deficit, and a dramatic increase in government healthcare spending would hurt our business climate."

Philip W. Johnston, chairman of the Blue Cross Blue Shield Foundation and the Massachusetts Democratic Party, said the state should be able to reach Travaglini's goal of covering half of the uninsured without employer mandates. About 75,000 of the uninsured are eligible for the state's Medicaid program, but are not enrolled because they have been deterred by rigorous reviews of their financial assets and other barriers, Johnston said.