

## State spends \$52 million on health care for workers at top employers

By KAREN TESTA  
Associated Press Writer  
Tuesday, February 1, 2005

**BOSTON**— Massachusetts spent more than \$52 million in public funds to cover the health care costs of thousands of workers at some of the state's leading employers, including major hospitals, universities and even the commonwealth itself, a new state study shows.

An array of the state's biggest companies are on a list of 138 employers that had at least 50 employees using public health assistance, either through MassHealth or the free care pool, instead of their company's insurance, according to a report released Tuesday by Executive Office of Health and Human Services.

Four companies - Dunkin' Donuts, Stop & Shop, Wal-Mart and McDonald's - had more than 1,000 employees who received public health benefits over one year, the study found.

The state's Division of Health Care Finance and Policy was required to submit this first-of-its-kind analysis of the state's companies to lawmakers by Feb. 1. It used claims from the uncompensated care pool in fiscal 2003, and MassHealth claims from fiscal 2004.

Restaurants, retailers and health care companies dominated the list. The cities of Boston, Springfield and Worcester and the U.S. Postal Service also were named.

"The first thing that strikes you is these are some of the most enlightened employers in Massachusetts," said Eric Fehrstrom, Gov. Mitt Romney's communications director. "They all responsibly offer health care insurance coverage to their employees."

Dunkin' Donuts employees and their dependents received the most public health benefits, \$3.1 million. Spokesmen for the Canton-based company did not immediately return calls seeking comment.

Also topping the list were Stop & Shop, with \$3 million in benefits for employees and their children, and Wal-Mart with \$2.9 million in public health care benefits, the report found.

Faith Weiner, a spokeswoman for Quincy-based Stop & Shop, said the company had not seen the report so it could not comment on the specifics. However, she noted the grocery store chain spends nearly \$300 million a year on health and welfare benefits. Full-time and part-time employees are offered coverage after waiting periods.

"Many of our part-timers are high school or college students and those for whom we are a secondary employer," she said.

Authors of the report cautioned against drawing conclusions about specific employers based on the figures. There are many reasons why an employee might not be on the company's insurance: high co-payments or deductibles, ineligibility due to part-time or recently hired status, or limited benefits for family members, for example.

"We should be looking to this not to label people, label companies with a scarlet letter," said Rep. Peter Koutoujian, D-Newton, co-leader of the Legislature's Health Care Committee.

Still, the report concludes policies and programs in place in the state now are a double-edged sword: they provide both an important safety net but also an incentive for employers and employees to shift health care costs to the public.

John McDonough, executive director of the advocacy group Health Care for All, said he hoped the report would trigger a frank discussion about the role of employers in providing health care coverage.

"The employer link is going to be a critical part of the policy conversation on how to get everybody covered over the next two years, so it's great to start this process with some real facts," said McDonough, whose group lobbied lawmakers to commission the report.

Koutoujian said employers seem more receptive than ever to being part of the process.

"A more stable, responsible work force is produced by a fair health care offering, and that's better for business," he said. "This is not something that I know the employers I've spoken to are taking lightly. They're just trying to figure out how they can do it."

The Legislature and Romney have pledged to make health care reform a top priority of this session. The governor has said he wants to restructure the state's uncompensated care pool, so it works more like an insurance product. That should limit the incentive to employers and workers to rely on public assistance.

Fehrstrom said the report demonstrates that access to insurance is not the problem.

"The problem is that for many people health care coverage is unaffordable and that's why the governor has proposed a low-cost insurance product that people will recognize as a good value for them," he said.