

---

# HEALTH REFORM IN MASSACHUSETTS

## EXPANDING ACCESS TO HEALTH INSURANCE COVERAGE

# ASSESSING THE RESULTS

MARCH 2014



FOUNDATION  
MASSACHUSETTS

---

March 2014

*Health Reform in Massachusetts, Expanding Access to Health Insurance Coverage: Assessing the Results* pulls together in one publication the findings of surveys and other efforts to monitor the impact of the 2006 Massachusetts health reform law, Chapter 58.

The charts in this report track the impact of Massachusetts Chapter 58 health reform efforts on coverage and access to care, the response to the individual mandate, employer participation in providing coverage to employees, and public opinion. Data come from surveys and analyses by state government agencies including the Massachusetts Center for Health Information and Analysis (formerly the Division of Health Care Finance and Policy), the Massachusetts Department of Revenue, and the Massachusetts Health Insurance Connector Authority. In addition, highlights from health reform tracking surveys conducted annually by the Urban Institute are included as well (the Massachusetts Health Insurance Survey and the Massachusetts Health Reform Survey).

This report has been designed to support use of the charts in slide presentations and we encourage readers to do so. We plan to update this publication regularly with the latest results from ongoing monitoring efforts as they become available.

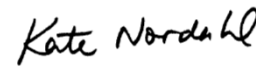
Sincerely,



Audrey Shelto, President  
Blue Cross Blue Shield of Massachusetts Foundation



Kaitlyn Kenney Walsh, Director of Policy and Research  
Blue Cross Blue Shield of Massachusetts Foundation



Kate Nordahl, Director  
Massachusetts Medicaid Policy Institute

# TABLE OF CONTENTS

---

- SLIDE 3 Executive Summary
- SLIDES 4-5 Key Components of Massachusetts Health Reform
- SLIDES 6-12 Coverage
- SLIDES 13-15 Individual Responsibility
- SLIDES 16-22 Employer Responsibility
- SLIDES 23-27 Access and Use
- SLIDES 28-32 Public Support for Reform
- SLIDES 33-39 Remaining Opportunities and Challenges

# EXECUTIVE SUMMARY

---

- 439,000 more Massachusetts residents have health insurance coverage than did before reform.
- Massachusetts has the highest rate of insurance in the country with 96.9 percent of residents insured.
- There has been no evidence of subsidized coverage “crowding out” employer-sponsored insurance, and employer offer rates have grown from 70 percent to 76 percent since implementation of reform.
- Public support for Massachusetts health reform has remained strong with two out of three adults supporting reform.
- Most employers believe health reform has been good for Massachusetts, and 88 percent of Massachusetts physicians believe reform improved, or did not affect, care or quality of care.
- The cost of health care and the annual rate of increase in health care spending remain challenges. With no intervention, per capita health care spending in Massachusetts is projected to nearly double by 2020.

# KEY COMPONENTS OF MASSACHUSETTS HEALTH REFORM UNDER CHAPTER 58

## INDIVIDUAL RESPONSIBILITY

- Applies to all adults (ages >17 years) if affordable coverage is available
- Coverage must meet “minimum creditable coverage” standards
- Mandate penalties may not exceed one-half of least expensive monthly premium available through the Health Connector and do not apply to individuals with incomes <150% FPL or those with a religious exemption

## EMPLOYER RESPONSIBILITY

- Employers with  $\geq 11$  full-time equivalent (FTE) employees must demonstrate a “fair and reasonable” contribution toward employee coverage or pay a penalty of up to \$295 per FTE\*
- Employers with  $\geq 11$  FTE employees must offer a Section 125 plan or pay a “free rider” surcharge if employees use significant Health Safety Net resources

## GOVERNMENT SUBSIDIES FOR LOW- INCOME RESIDENTS

- Expansion of Medicaid (MassHealth) for children up to 300% FPL
- Creation of subsidized insurance (Commonwealth Care) for adults up to 300% FPL offered through the Health Connector\*\*

## EXPANDED INSURANCE OPTIONS FOR INDIVIDUAL DIRECT PURCHASE

- Merged small and non-group insurance markets to pool insurance risk and allow for broader array of products
  - Premiums based on broader risk pool of each insurer’s combined small group and individual purchase members
- Standardization of direct purchase products (Commonwealth Choice)\*\*\*
  - Premiums based on merged small and individual market within ratings bands (age, geography, industry)
  - Three standard benefit levels: Bronze, Silver, and Gold
  - Available for purchase via the Health Connector or directly from health plans
- Creation of new insurance products with limited benefits for young adults (ages 18 to 26)\*\*\*\*

\*This provision has been eliminated; some employers will be subject to the employer responsibility requirements of the Affordable Care Act (ACA) beginning January 1, 2015.

\*\*Commonwealth Care will be eliminated at the end of June 2014; those enrolled will be eligible for MassHealth or subsidized coverage through the Connector known as ConnectorCare.

\*\*\*Due to the creation of Qualified Health Plans and Advanced Premium Tax Credits under the ACA, Commonwealth Choice will be eliminated at the end of March 2014.

\*\*\*\*Young Adult Plans will be phased out as Massachusetts implements federally defined Catastrophic Health Plans.

NOTE: FPL is the Federal Poverty Level.

# PRE-REFORM FACTORS FACILITATED MASSACHUSETTS HEALTH REFORM IMPLEMENTATION

---

- Low rate of uninsurance
  - Primarily due to high rates of employer offer of health insurance, prior Medicaid eligibility expansions, and deep Medicaid penetration among those eligible
- Strong existing financing infrastructure
  - Expansive Medicaid (“MassHealth”) 1115 waiver program upon which to implement eligibility determination and managed care plan contracting to support subsidized Commonwealth Care Plan
  - Existing 1115 waiver funding able to be shifted from institution-based support to subsidize coverage for previously uninsured
- Many key insurance market reforms already in place
  - Guaranteed issue in non-group market
  - Modified community rating in small group market
- Well-developed network of outreach programs and training
  - State- and Blue Cross Blue Shield of Massachusetts Foundation-funded mini-grants
- Ch. 58 intentionally focused on access to coverage; cost containment left for future reforms
  - Most significant cost containment element of Ch. 58 legislation was creation of a Health Care Quality and Cost Council to develop statewide goals for cost and quality and make cost and quality information transparent to consumers

## WHAT HAS MASSACHUSETTS ACHIEVED RELATIVE TO ITS HEALTH COVERAGE GOALS?

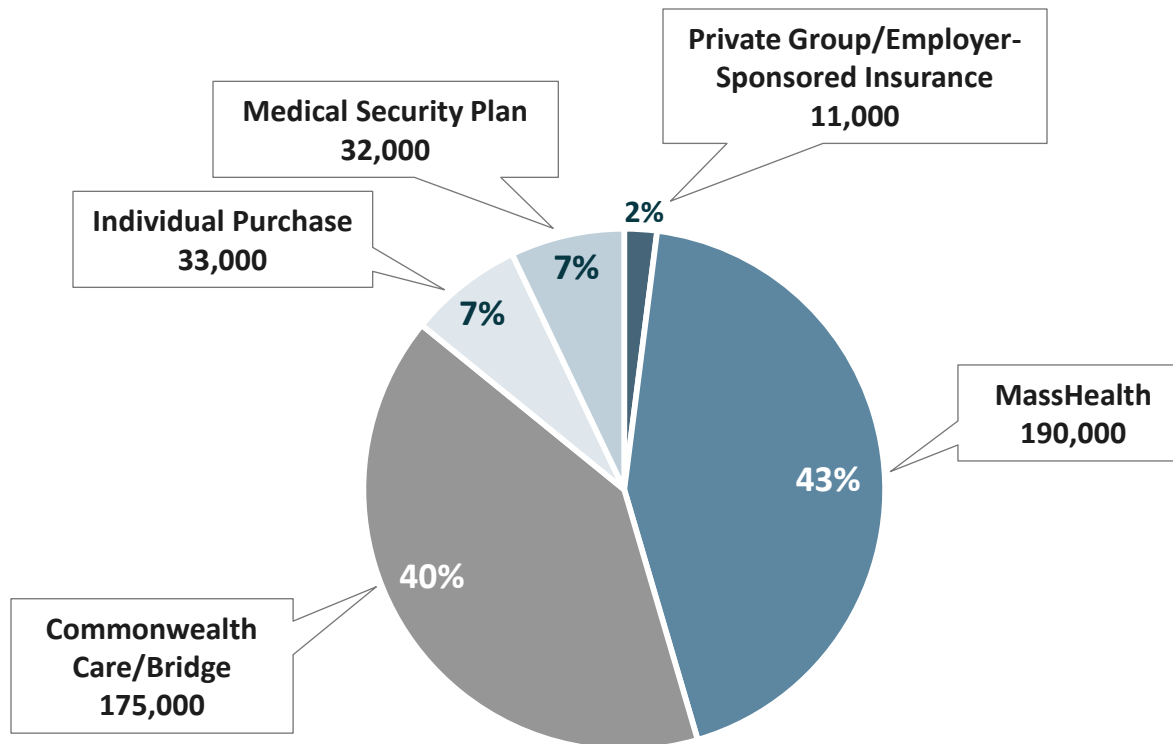
---

- 439,000 more Massachusetts residents have gained health insurance coverage than had it before reform.
- Massachusetts now has the highest rate of health insurance coverage in the nation.
  - 96.9 percent of Massachusetts residents are insured.
  - 98.1 percent of Massachusetts children are insured.
- Since reform, insurance coverage has increased most significantly for non-elderly adults, particularly for low-income adults.
- The remaining uninsured are more likely to be young, single, male, non-elderly low-income adults, and/or of Hispanic ethnicity.

SOURCE: Massachusetts Division of Health Care Finance and Policy, *Key Indicators*, June 2011; Massachusetts Center for Health Information and Analysis, *Massachusetts Health Insurance Survey*, January 2013.

## 439,000 MORE RESIDENTS HAVE COVERAGE THAN HAD IT BEFORE HEALTH REFORM

INCREASE IN NUMBER OF INSURED MASSACHUSETTS RESIDENTS BETWEEN 2006 AND 2011, BY COVERAGE TYPE



NOTE: Numbers may not add due to rounding.

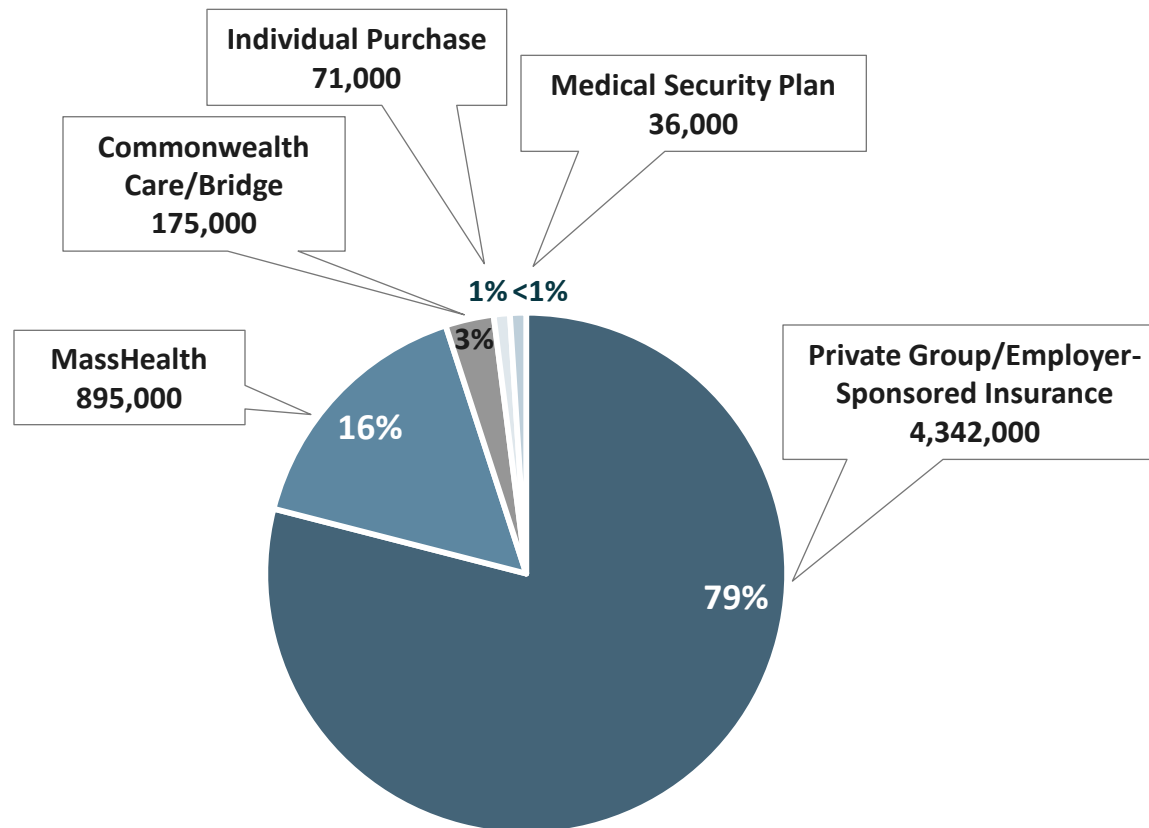
SOURCES: Massachusetts Division of Health Care Finance and Policy, *Key Indicators*, May 2011 and June 2011.

As of March 2011, most of the increased coverage since reform has been through public programs. Increases in employer-sponsored insurance initially were much larger but have since declined as a result of the recession. These categories will change with implementation of the Affordable Care Act in 2014.



## EMPLOYER-SPONSORED INSURANCE REMAINS THE DOMINANT SOURCE OF COVERAGE

INSURED POPULATION 2011, BY COVERAGE TYPE

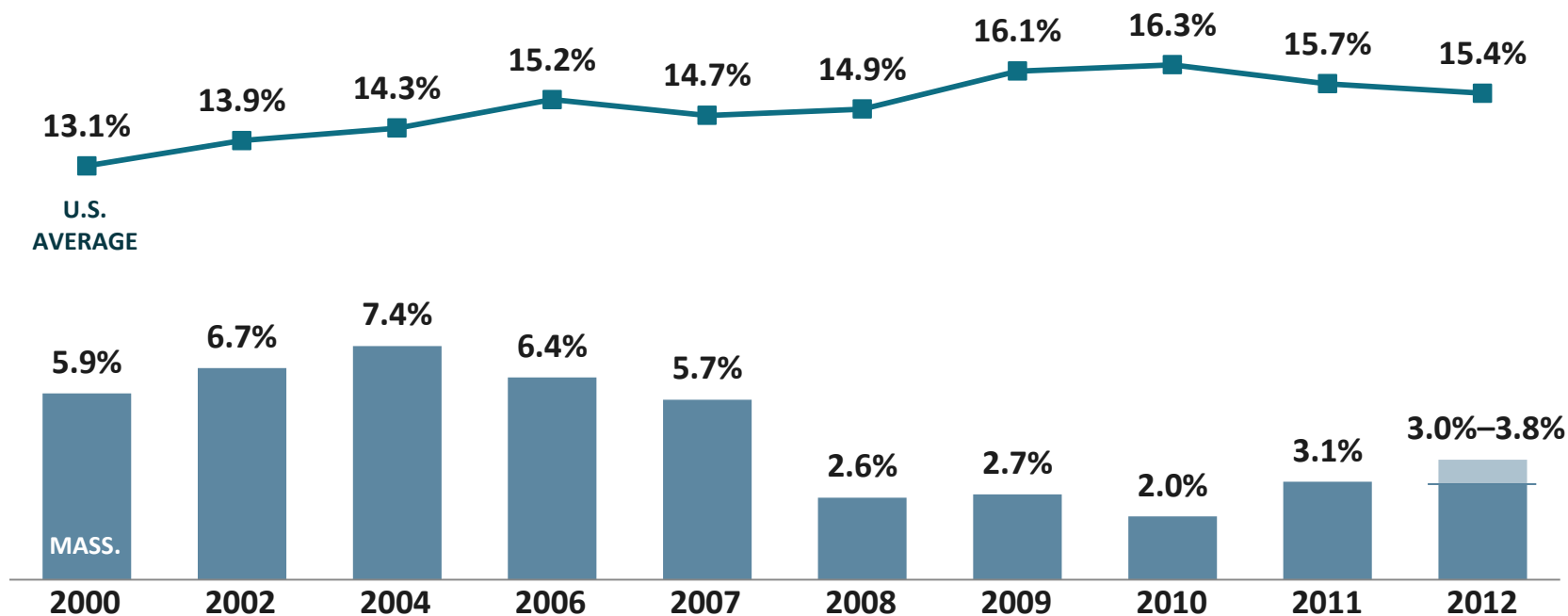


Private group and employer-sponsored coverage continues to be the most common type of coverage (79 percent) for Massachusetts residents under health reform. These categories will change with implementation of the Affordable Care Act in 2014.

SOURCE: Massachusetts Division of Health Care Finance and Policy, *Key Indicators*, June 2011.

# MASSACHUSETTS HAS THE LOWEST RATE OF UNINSURANCE IN THE COUNTRY

PERCENT UNINSURED, ALL AGES

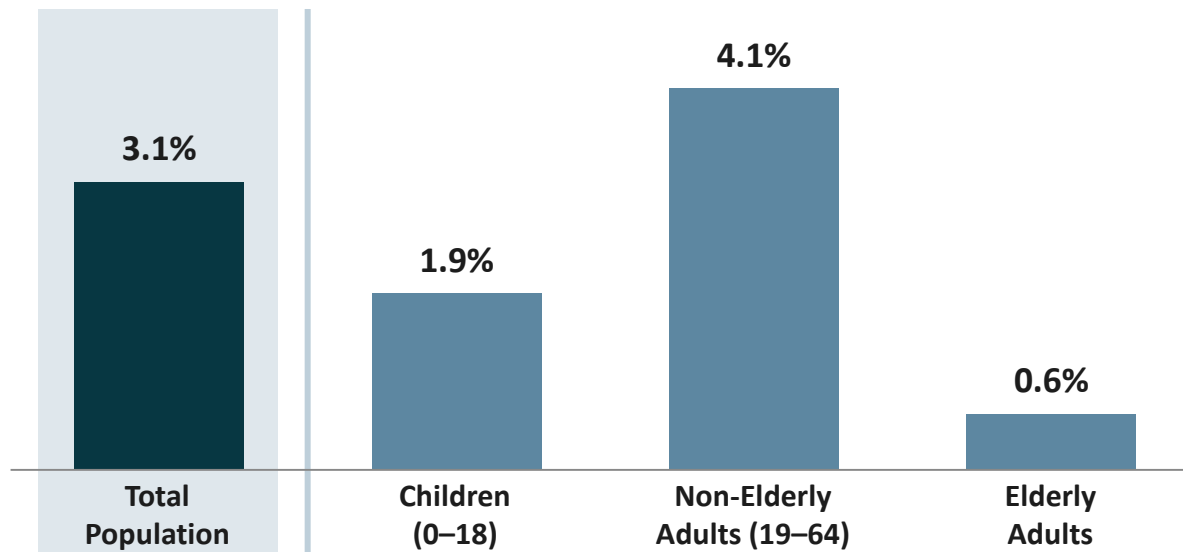


NOTE: The Massachusetts specific results are from a state-funded survey — the Massachusetts Health Insurance Survey (MHIS). Using a different methodology, researchers at the Urban Institute estimated that 507,000 Massachusetts residents were uninsured in 2005, or approximately 8.1 percent of the total population. Starting in 2008, the MHIS sampling methodology and survey questionnaire were enhanced. These changes may affect comparability of the 2008 and later results to prior years. The national comparison presented here utilizes a different survey methodology, the Current Population Survey, which is known to undercount Medicaid enrollment in some states.

SOURCES: Urban Institute, *Health Insurance Coverage and the Uninsured in Massachusetts: An Update Based on 2005 Current Population Survey Data In Massachusetts*, 2007; Massachusetts Center for Health Information and Analysis (formerly the Division of Health Care Finance and Policy) *Massachusetts Health Insurance Survey* data for years 2000, 2002, 2004, 2006, 2007, 2008, 2009, 2010, 2011; *Massachusetts Health Insurance Coverage 2012 Estimate*, Massachusetts Center for Health Information and Analysis, December 2, 2013; U.S. Census Bureau, Current Population Survey, Health Insurance Historical Tables (HIB Series).

## NON-ELDERLY ADULTS ARE MORE LIKELY TO BE UNINSURED THAN CHILDREN OR ELDERLY ADULTS

PERCENT UNINSURED, 2011, BY AGE



Non-elderly adults represent 82.5 percent of the remaining uninsured in Massachusetts, but also experienced the greatest age-related gains in coverage under health reform.

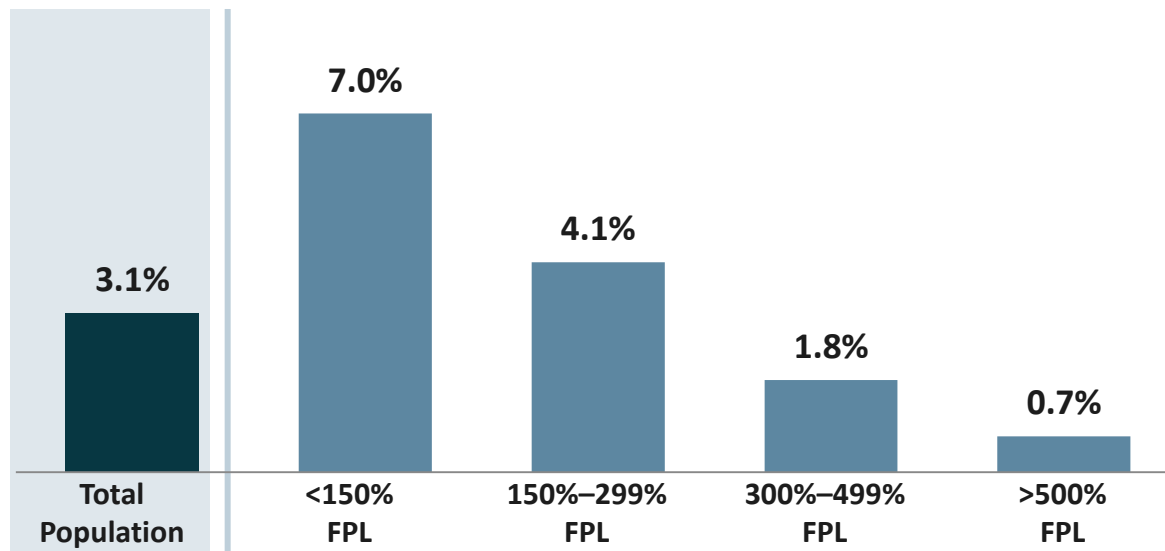
REMAINING UNINSURED, BY AGE

Total Uninsured	Children (0-18)	Non-Elderly Adults (19-64)	Elderly Adults
204,000	14.4%	82.5%	3.1%

SOURCE: Massachusetts Center for Health Information and Analysis, *Massachusetts Health Insurance Survey*, January 2013; data provided to the Foundation by the Center for Health Information and Analysis.

## LOW-INCOME RESIDENTS ARE MORE LIKELY TO BE UNINSURED THAN HIGHER-INCOME RESIDENTS

PERCENT UNINSURED, 2011, BY INCOME



REMAINING UNINSURED, BY INCOME

Total Uninsured	<150% FPL	150%–299% FPL	300%–499% FPL	>500% FPL
204,000	51.6%	26.4%	14.2%	7.9%

NOTE: FPL is the Federal Poverty Level.

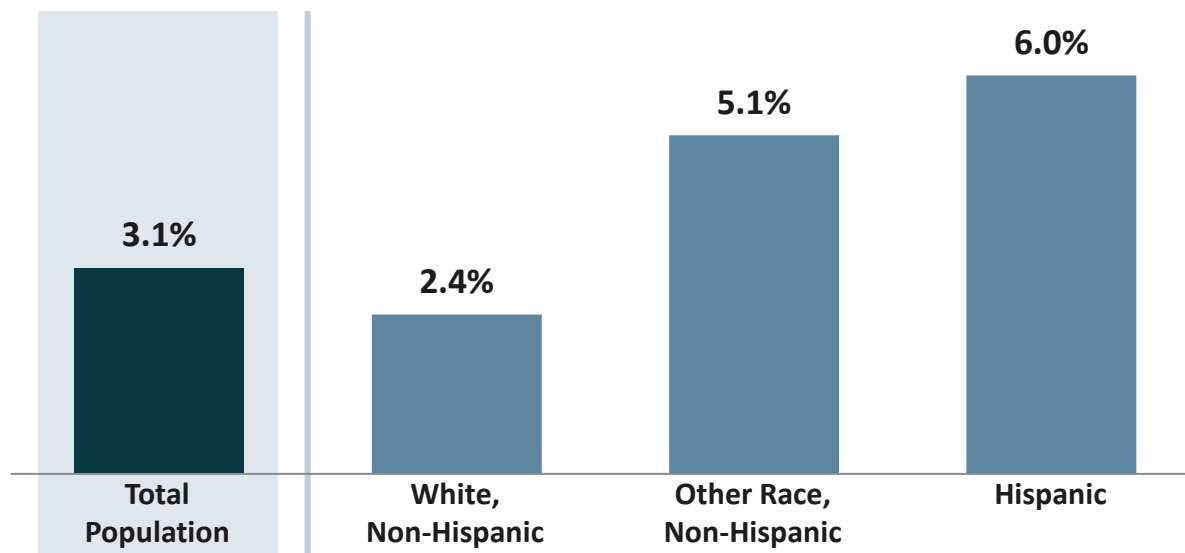
SOURCE: Massachusetts Center for Health Information and Analysis, *Massachusetts Health Insurance Survey*, January 2013; data provided to the Foundation by the Center for Health Information and Analysis.

Low-income residents (family household income under 300 percent of the FPL) make up 78 percent of the remaining uninsured in Massachusetts.

While low-income residents are more likely to be uninsured, they have demonstrated the most dramatic income-related gains in coverage under health reform.

# HISPANIC RESIDENTS ARE MORE LIKELY TO BE UNINSURED

PERCENT UNINSURED, 2011, BY RACE/ETHNICITY



While there are few disparities in coverage between white and other residents of non-Hispanic ethnicity, residents of Hispanic ethnicity are twice as likely to be uninsured and make up 16 percent of the remaining uninsured.

REMAINING UNINSURED, BY RACE/ETHNICITY

Total Uninsured	White, Non-Hispanic	Other Race, Non-Hispanic	Hispanic
204,000	59.1%	24.9%	16.0%

SOURCE: Massachusetts Center for Health Information and Analysis, *Massachusetts Health Insurance Survey*, January 2013; data provided to the Foundation by the Center for Health Information and Analysis.

## WHAT HAS BEEN THE EXPERIENCE WITH THE INDIVIDUAL MANDATE IN MASSACHUSETTS?

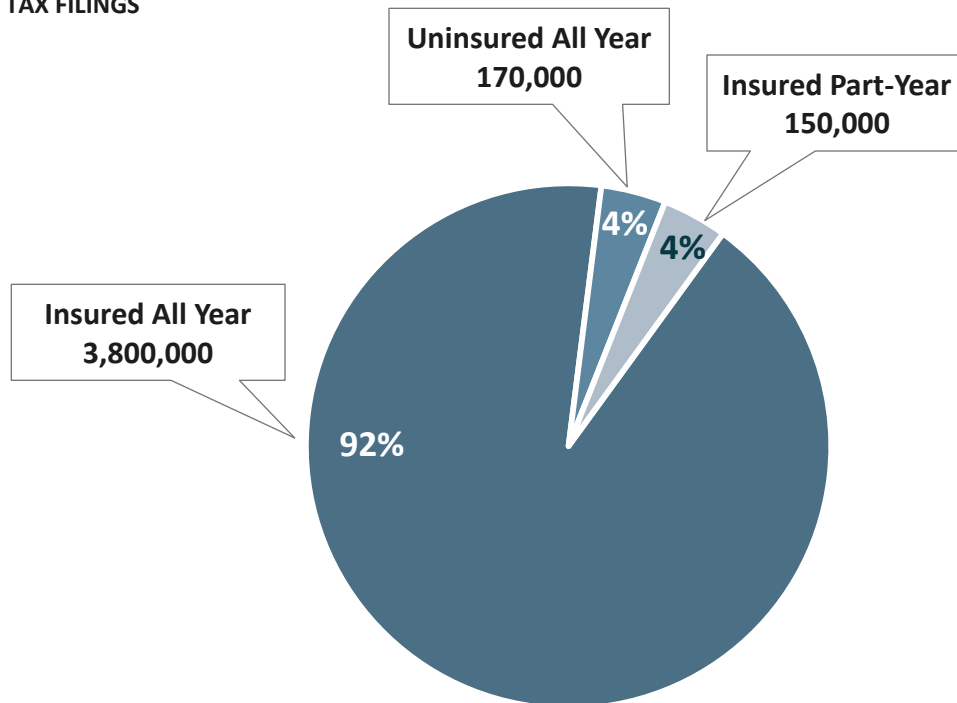
---

- 99 percent of the 4.2 million tax filers required to file information on their health insurance status complied with the filing requirement.
- Most (92 percent) tax filers comply with the individual mandate by having insurance year-round.
- Most uninsured tax filers were exempt from the individual mandate due to their low income (<150 percent of the FPL), inability to afford coverage, or religious exemption.
- 1 percent of tax filers who were subject to the mandate were assessed a penalty on their 2010 return.

SOURCE: Massachusetts Health Connector and Department of Revenue, *Data on the Individual Mandate Tax Year 2010*, June 2012.

# MOST MASSACHUSETTS TAX FILERS COMPLY WITH THE INDIVIDUAL MANDATE BY HAVING INSURANCE YEAR-ROUND

## 2010 TAX FILINGS

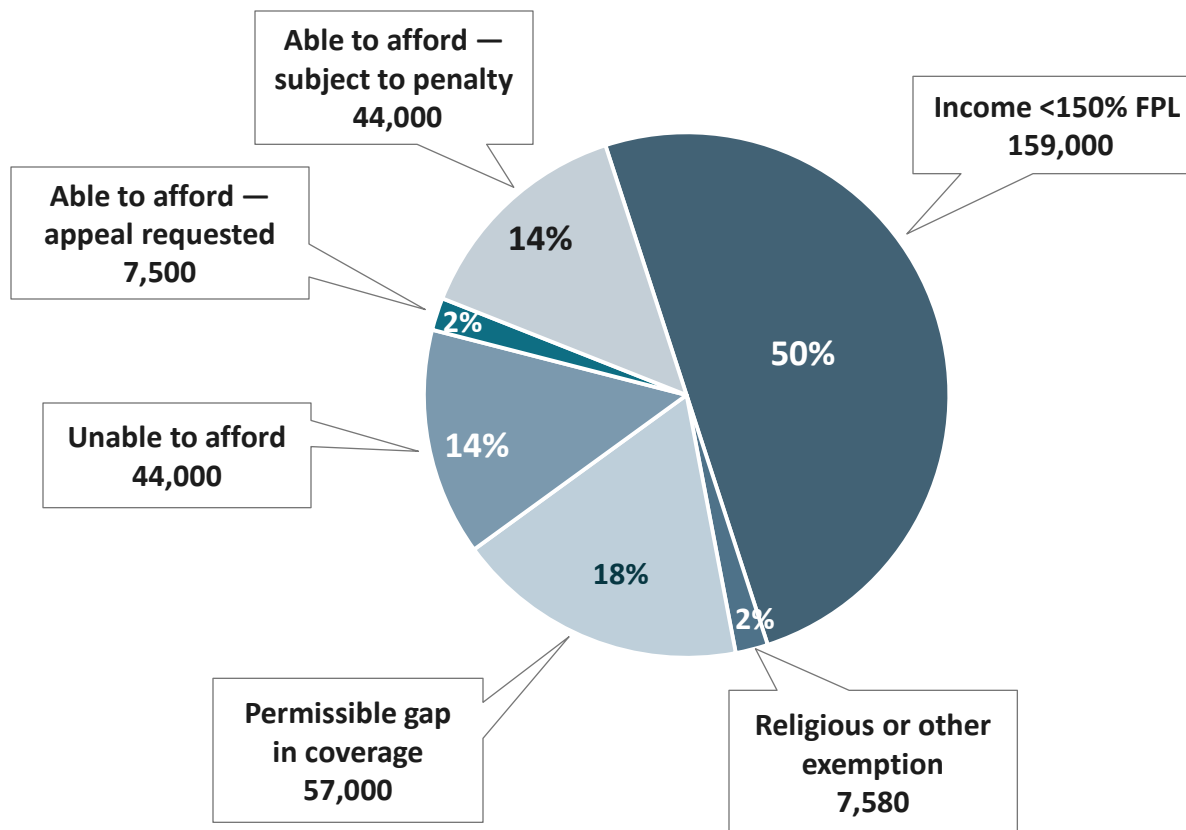


During calendar year 2010, 4 percent of tax filers were uninsured for part of the year, and 4 percent were uninsured for the entire year.

SOURCE: Massachusetts Health Connector and Department of Revenue, *Data on the Individual Mandate Tax Year 2010*, June 2012.

## VERY FEW MASSACHUSETTS TAX FILERS WERE SUBJECT TO A PENALTY

DISTRIBUTION OF FULL-YEAR AND PART-YEAR UNINSURED, 2010 TAX FILINGS



Most (82 percent) tax filers who were uninsured for some or all of the year were exempt from the penalty due to low income or inability to afford coverage, or they experienced a permissible gap in coverage during the year.

SOURCE: Massachusetts Health Connector and Department of Revenue, *Data on the Individual Mandate Tax Year 2010*, June 2012.



## WHAT HAS BEEN THE ROLE OF EMPLOYERS UNDER MASSACHUSETTS HEALTH REFORM?

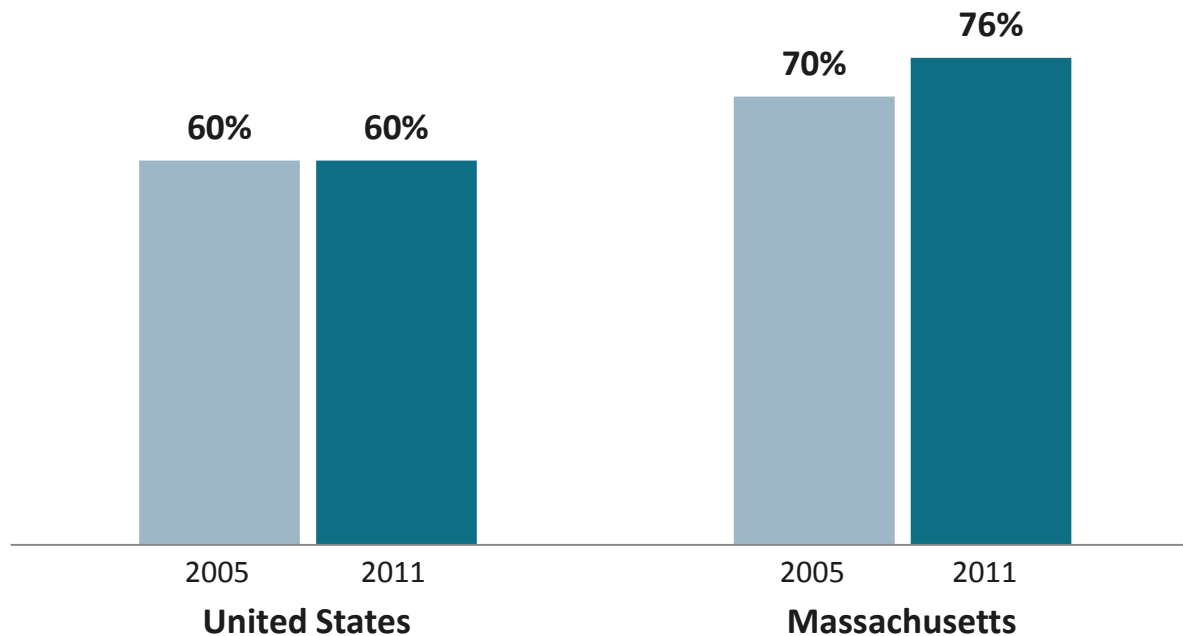
---

- There has been no evidence of subsidized coverage “crowding out” employer-sponsored insurance (ESI).
  - Employer offers of coverage have increased.
  - Take-up of employer-offered coverage has remained high.
  - The number and percentage of people with ESI coverage have increased.
- Overall, employers have decreased their contributions toward the cost of employee health insurance as premiums have grown. However, as premium growth slowed in 2010 and 2011, employer contributions rose.
- Most employers have met the state’s “Fair Share” requirements.
- More employers are taking advantage of federal Section 125 tax provisions, which allow employees to purchase health insurance on a pre-tax basis.

SOURCES: Massachusetts Center for Health Information and Analysis, *Massachusetts Employer Survey*, January 2013, and *Fair Share Contribution: Filing Year 2010 Results and Analyses*, September 2011.

## EMPLOYER OFFER RATES HAVE GROWN UNDER MASSACHUSETTS REFORM

PERCENT OFFERING INSURANCE COVERAGE AT TIME OF SURVEY

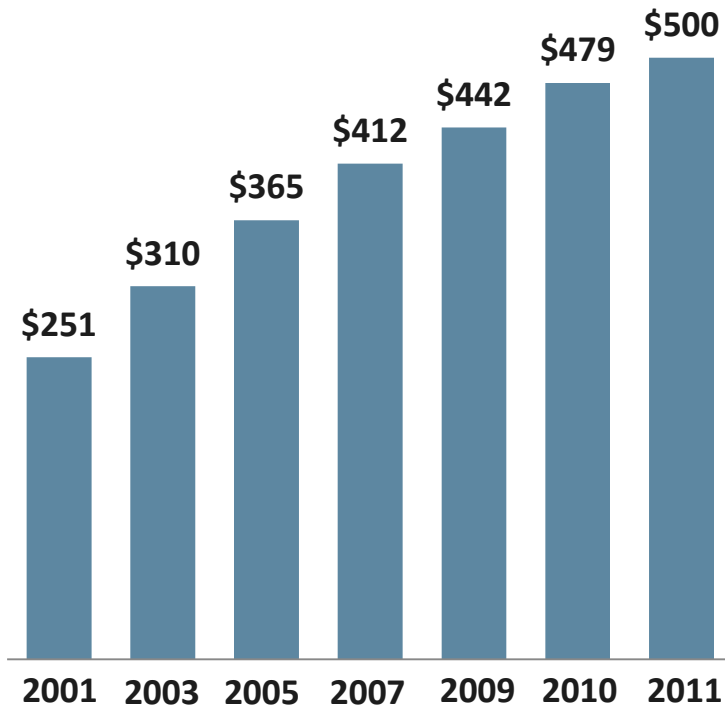


More Massachusetts employers are offering health insurance as compared with the national offer rate.

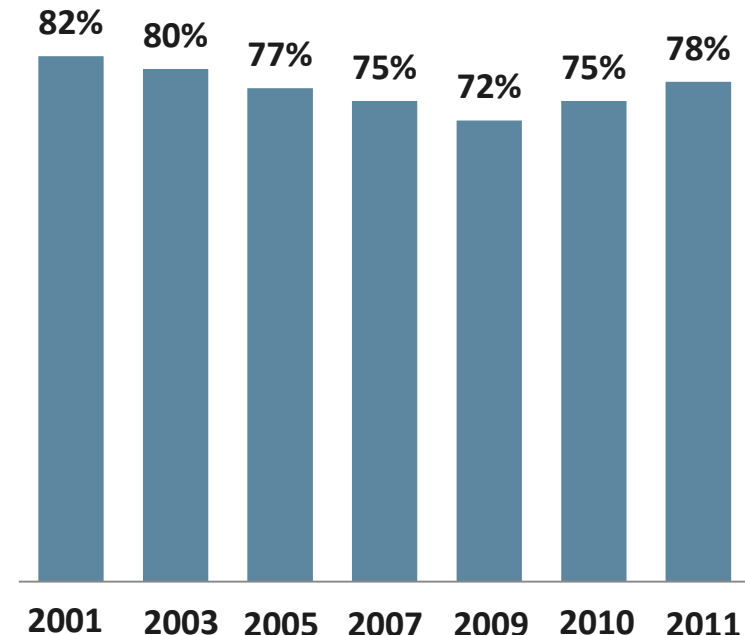
SOURCES: Massachusetts Center for Health Information and Analysis, *Massachusetts Employer Survey*, January 2013; Kaiser/HRET, *Survey of Employer Sponsored Benefits*, 2011.

## AS PREMIUMS HAVE INCREASED, EMPLOYERS' SHARE OF PREMIUMS FELL, BUT IN 2010 AND 2011 CONTRIBUTIONS ROSE AS PREMIUM GROWTH SLOWED

MEDIAN PREMIUM FOR INDIVIDUAL COVERAGE IN MA



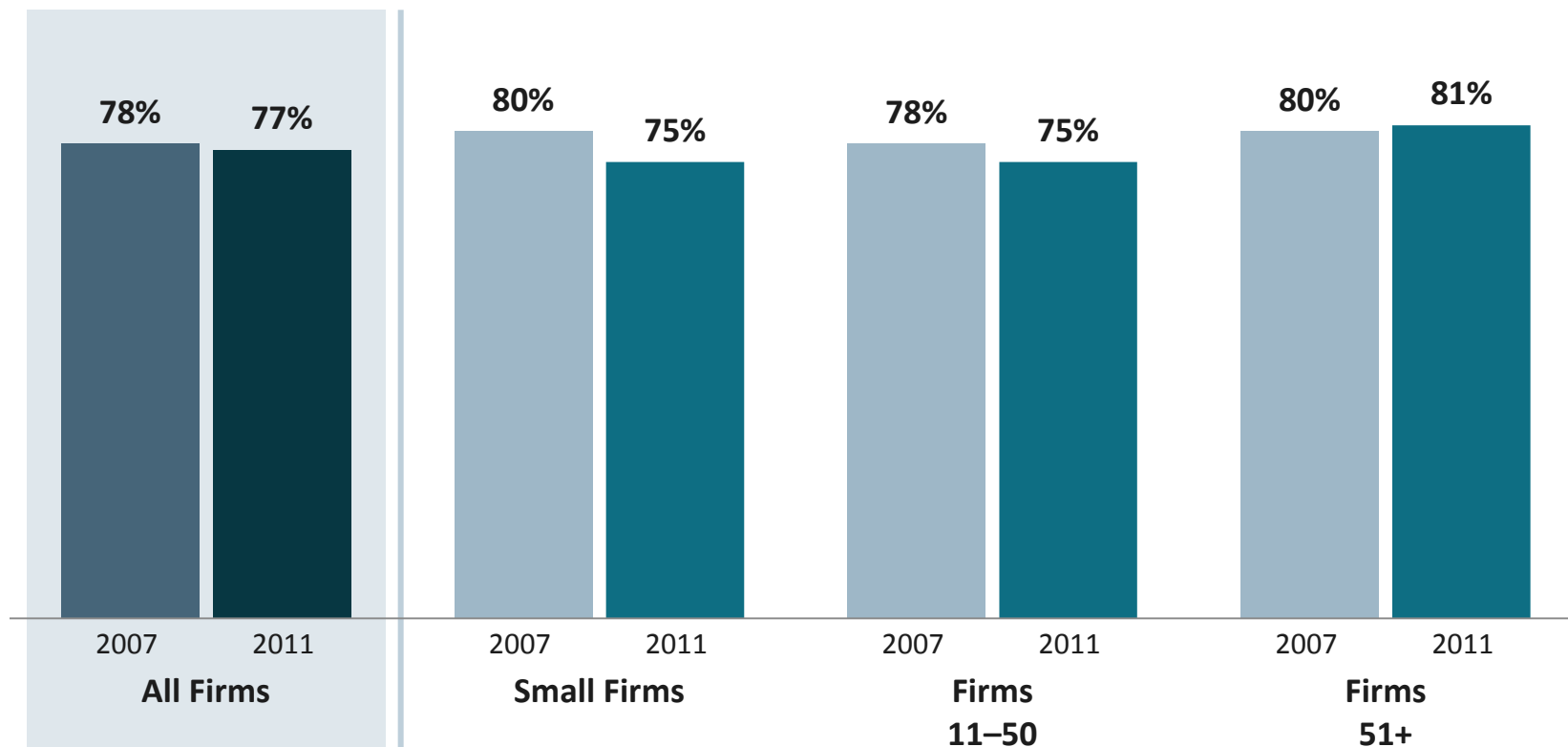
MA EMPLOYER CONTRIBUTION TOWARD INDIVIDUAL COVERAGE



source: Massachusetts Center for Health Information and Analysis, *Massachusetts Employer Survey*, January 2013.

# EMPLOYEE TAKE-UP OF EMPLOYER-SPONSORED INSURANCE HAS REMAINED STRONG OVERALL

PERCENT TAKE-UP OF EMPLOYER OFFER OF INSURANCE

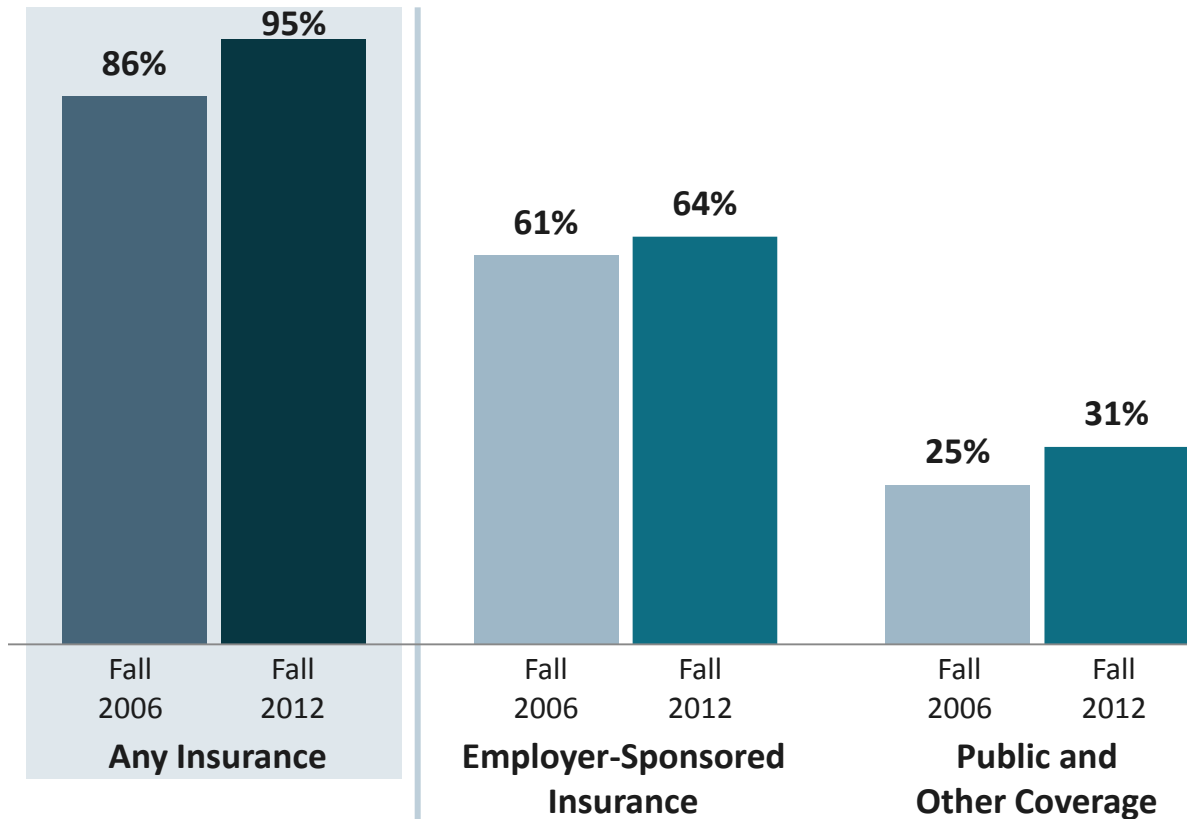


NOTE: In 2007, "small firms" referred to firm size of 2 to 9 employees but in 2011, this category referred to firm size of 3 to 10 employees.

SOURCE: Massachusetts Division of Health Care Finance and Policy, *Massachusetts Employer Survey*, July 2011; data provided to the Foundation by the Center for Health Information and Analysis.

# THERE IS NO EVIDENCE OF PUBLIC COVERAGE “CROWDING OUT” EMPLOYER-SPONSORED INSURANCE AMONG WORKING-AGE ADULTS

SOURCE OF INSURANCE COVERAGE FOR NON-ELDERLY ADULTS IN MASSACHUSETTS

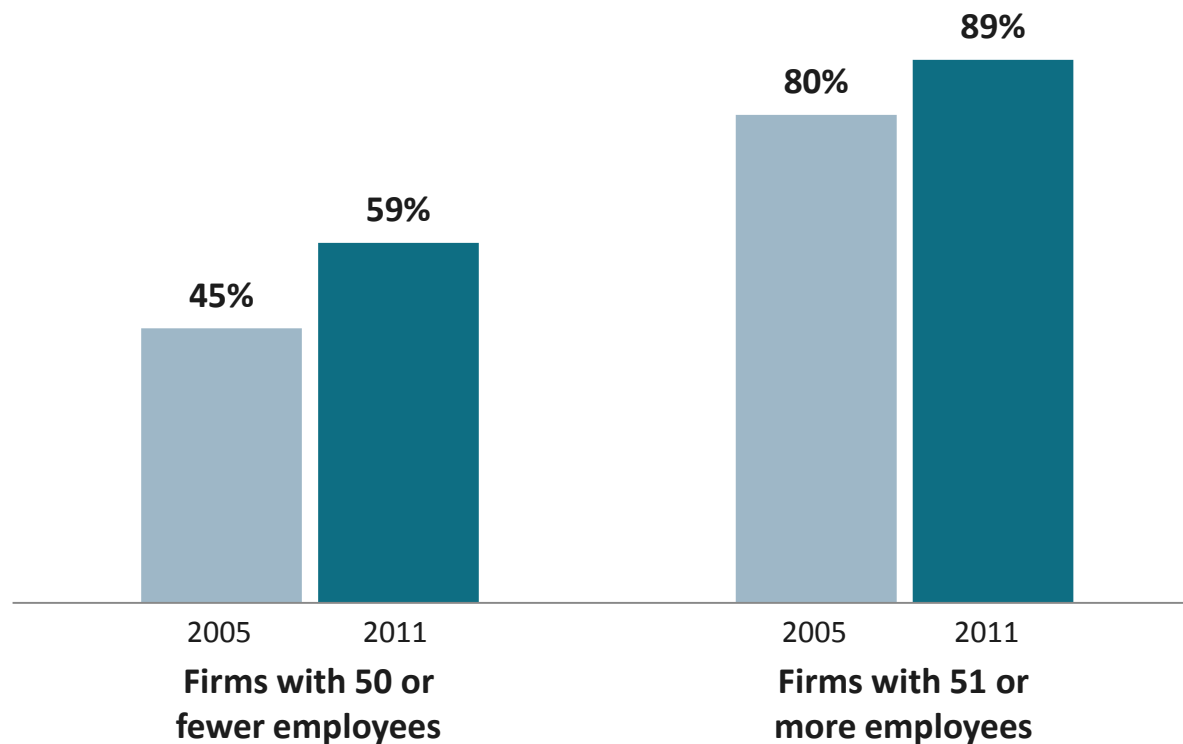


Most Massachusetts residents continue to be covered by employer-sponsored insurance. Since reform, the percent of Massachusetts working-age adults with employer-sponsored coverage has grown.

SOURCE: Urban Institute, *Massachusetts Health Reform Survey*, 2014.

# NEARLY ALL LARGE EMPLOYERS NOW OFFER SECTION 125 PLANS AND MANY MORE SMALL EMPLOYERS OFFER THEM THAN DID PRIOR TO HEALTH REFORM

PERCENT OF EMPLOYERS OFFERING SECTION 125 PLANS



Section 125 plans allow employees to purchase health insurance coverage using pre-tax income.

Massachusetts health reform requires employers with 11 or more employees to offer a Section 125 plan. Many more small employers now offer them than did prior to health reform.

source: Data provided to the Foundation by the Massachusetts Center for Health Information and Analysis.

## MOST MASSACHUSETTS EMPLOYERS HAVE BEEN FOUND TO MEET THE STATE'S DEFINITION OF A "FAIR AND REASONABLE" CONTRIBUTION TOWARD HEALTH INSURANCE COVERAGE

---

- Approximately 12 percent of all employers in Massachusetts are subject to Fair Share requirements (i.e., have 11 or more FTEs).
- More than 93 percent of filing firms have passed the Fair Share test in each year of health reform implementation.
- In filing year 2011, 1,272 firms were found not to be making a "fair and reasonable" contribution and were liable for \$18.4 million in assessments.

NOTE: "Fair Share" was defined more leniently during FY07 and FY08. Firms with 50 or more full time equivalent employees (FTEs) were able to pass the Fair Share test if either they demonstrated a take up of their offer of insurance by 25% of employees or they offered to pay 33% of insurance cost. In FY09, the test was changed such that an employer with more than 50 FTEs in Massachusetts needed to satisfy both conditions or, alternatively, have at least 75% of its FTEs enrolled in its plan. The Fair Share requirement was eliminated in 2013 and will be replaced by federal employer responsibility provisions in 2015 and 2016.

SOURCE: Percentage of firms subject to Fair Share based on data filed with Division of Unemployment Assistance. Data on Fair Share results from Massachusetts Center for Health Information and Analysis, *Fair Share Contribution: Filing Year 2011 Results and Analyses*, February 2013.

## HOW HAS MASSACHUSETTS HEALTH REFORM AFFECTED ACCESS AND USE OF HEALTH CARE?

---

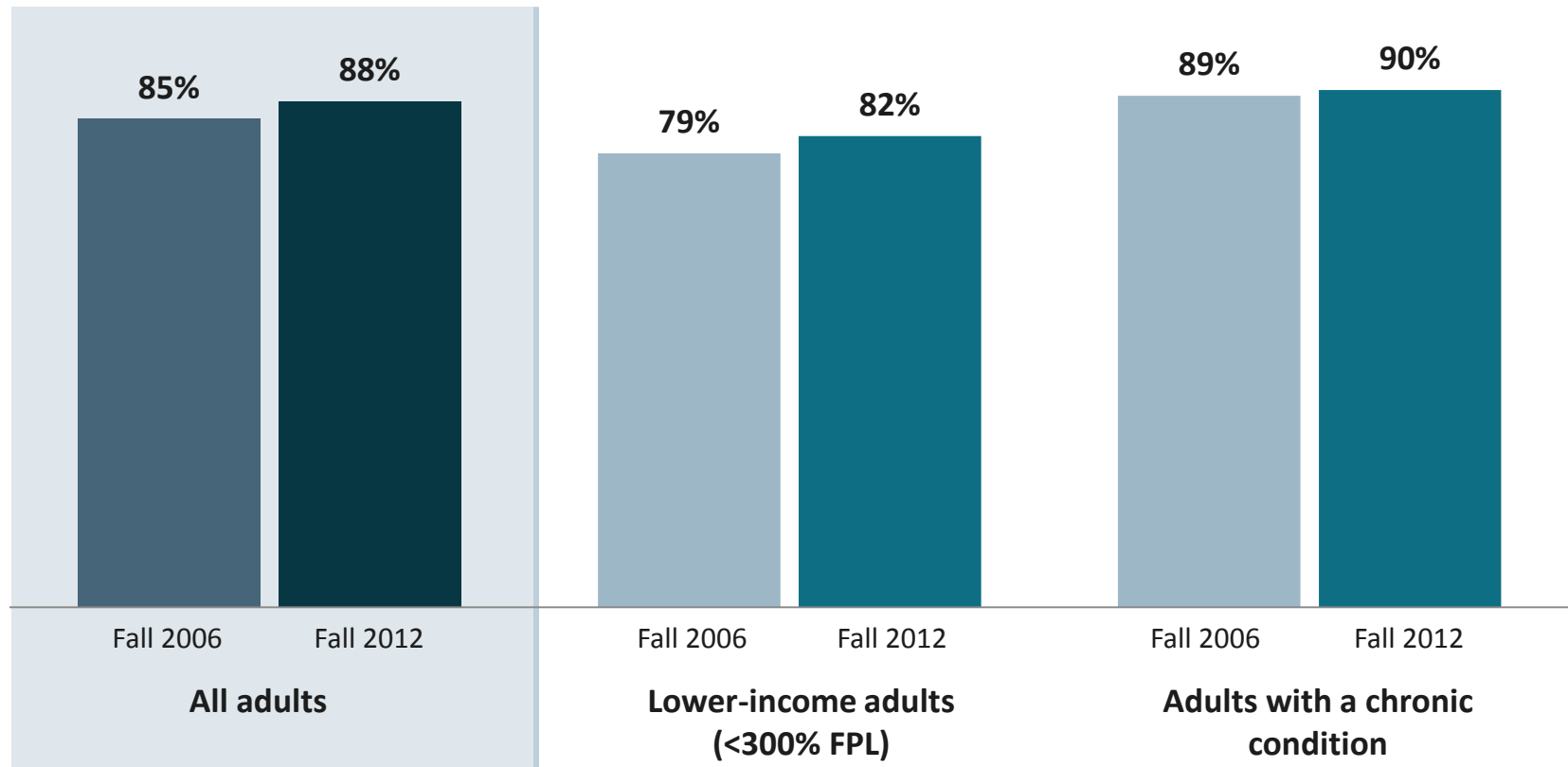
- Access to care increased for all adults, with increases in the use of doctors, preventive care, and dental services, and in the percent of adults with a usual source of care.
- Racial and ethnic disparities in access to and use of care have decreased significantly.
- Even for the remaining uninsured in Massachusetts, access to care improved and barriers to care decreased.

source: Urban Institute, *Massachusetts Health Reform Survey*, 2010 and 2012.



# THE VAST MAJORITY OF MASSACHUSETTS ADULTS HAVE A USUAL SOURCE OF CARE

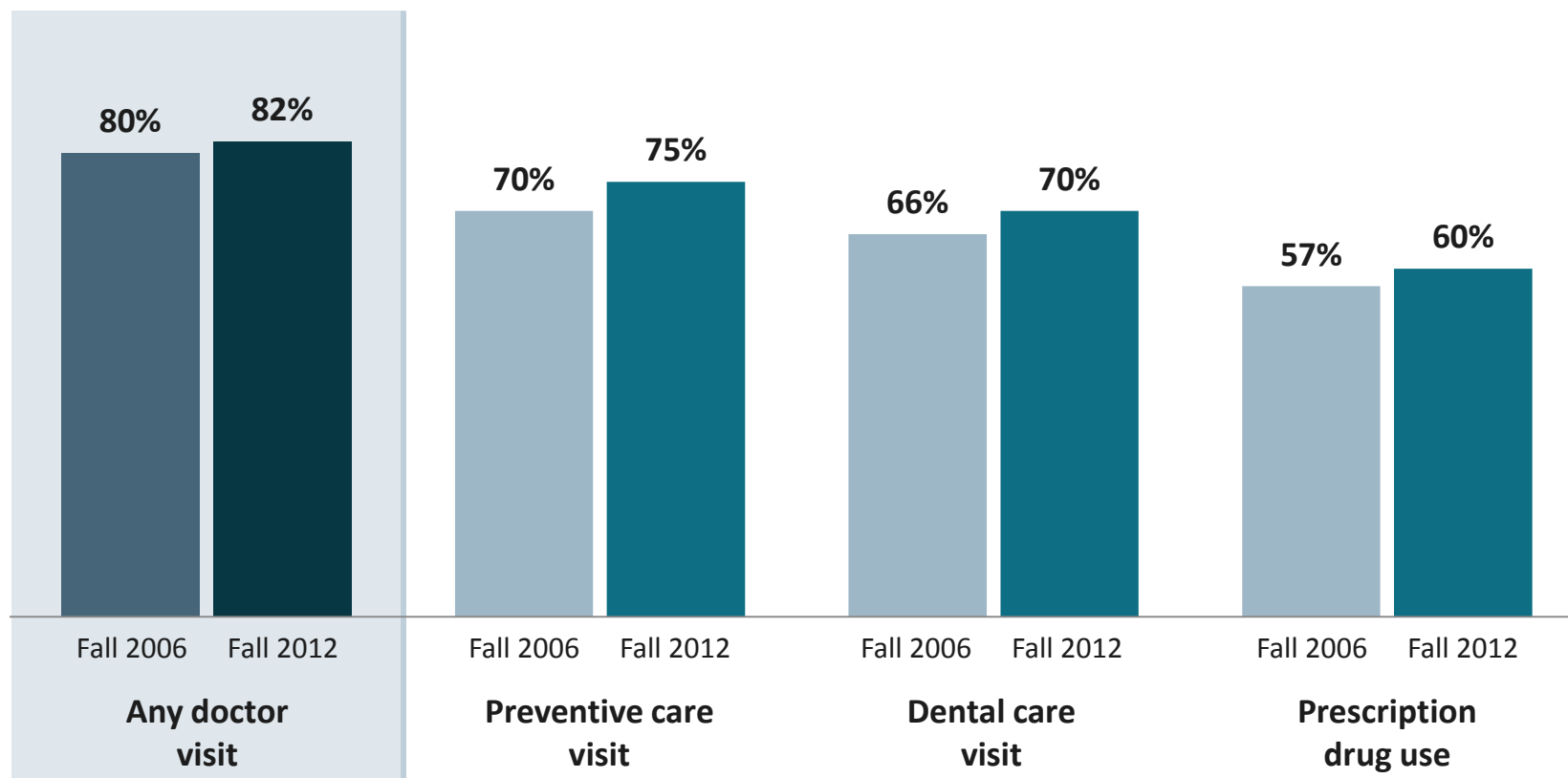
PERCENT OF NON-ELDERLY ADULTS REPORTING A USUAL SOURCE OF CARE, SELECTED POPULATIONS



SOURCE: Urban Institute, *Massachusetts Health Reform Survey*, 2014.

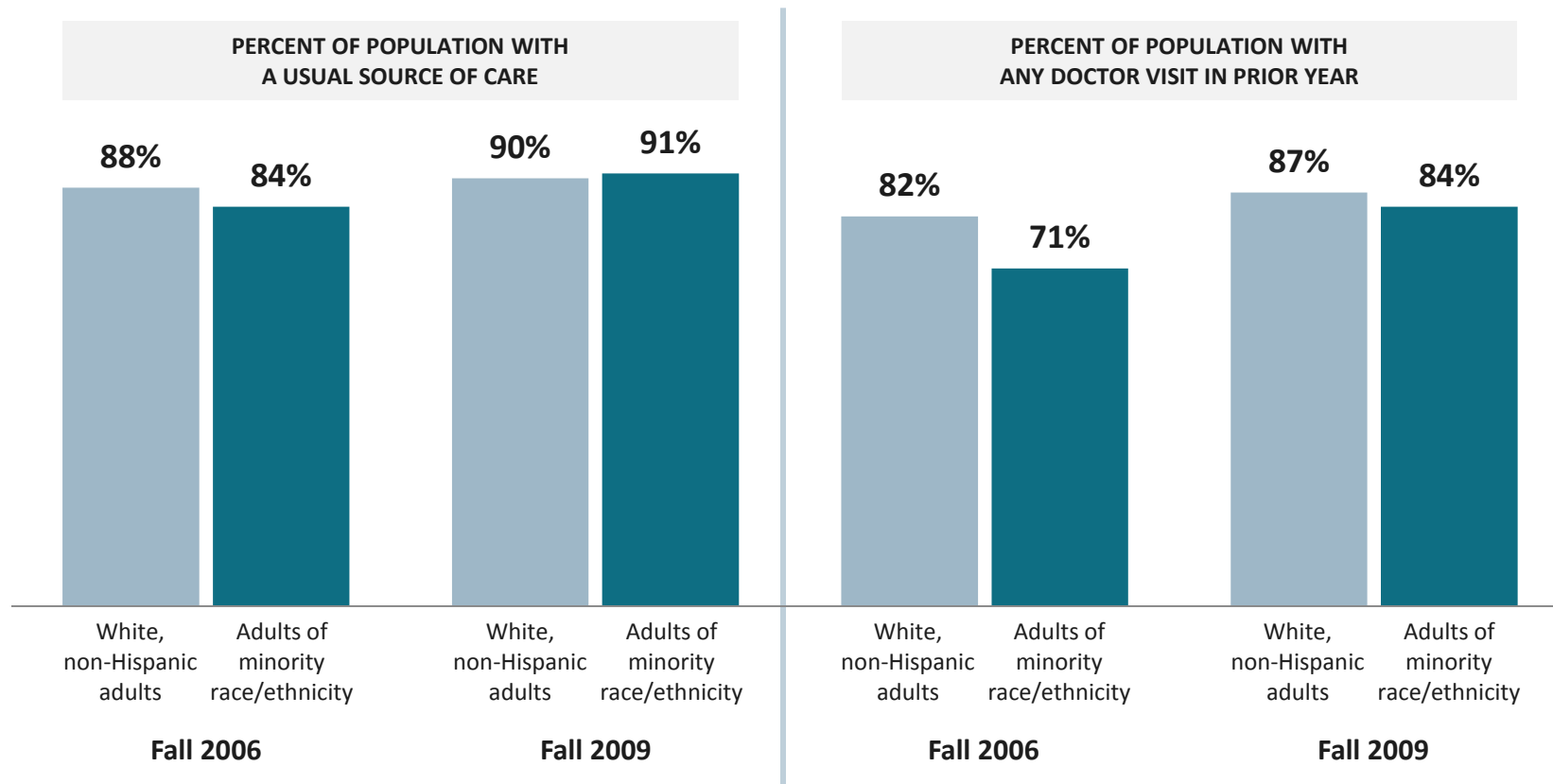
# PREVENTIVE CARE AND USE OF OTHER MEDICAL SERVICES HAVE INCREASED AMONG MASSACHUSETTS ADULTS SINCE REFORM

PERCENT OF NON-ELDERLY ADULTS REPORTING USE IN PRIOR YEAR, BY TYPE OF SERVICE



SOURCE: Urban Institute, *Massachusetts Health Reform Survey*, 2014.

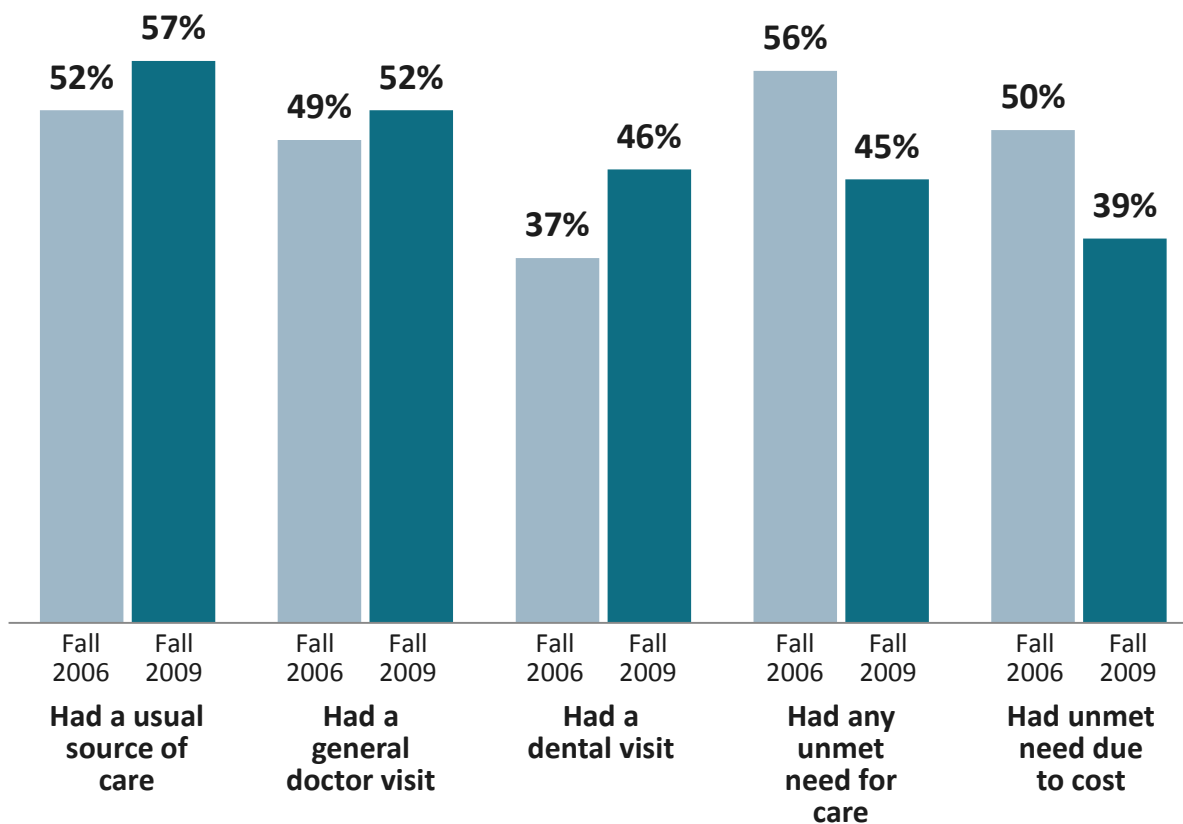
# RACIAL/ETHNIC DISPARITIES IN ACCESS TO AND USE OF CARE HAVE LARGELY DISAPPEARED IN MASSACHUSETTS SINCE REFORM



source: Urban Institute, *Massachusetts Health Reform Survey*, 2010.

## ACCESS AND USE IMPROVED AMONG REMAINING UNINSURED

PERCENT OF NON-ELDERLY ADULTS REPORTING USE IN PRIOR YEAR, BY TYPE OF SERVICE



Even for the remaining uninsured in Massachusetts, access to care has improved and barriers to care have decreased.

source: Urban Institute, *Massachusetts Health Reform Survey*, 2010.

## HOW DOES THE PUBLIC FEEL ABOUT MASSACHUSETTS HEALTH REFORM?

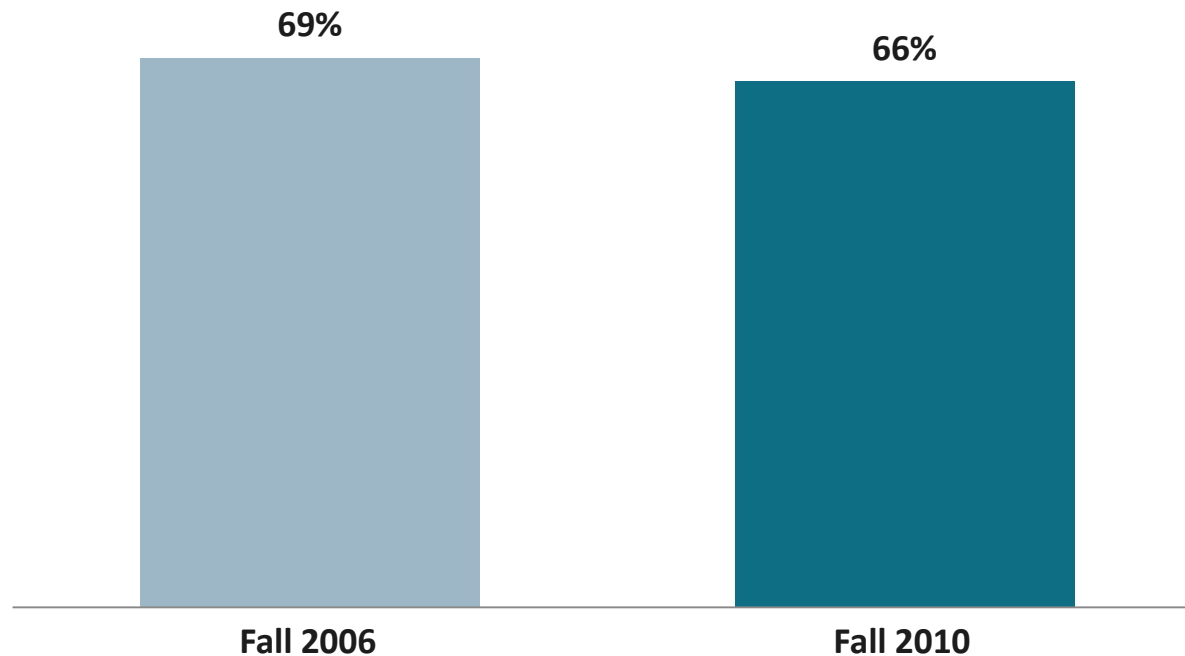
---

- Two out of three adults support Massachusetts health reform.
- Physician support for reform remains high.
- Most employers agree that health reform has been good for Massachusetts.

SOURCES: Urban Institute, *Massachusetts Health Reform Survey*, 2012. Gabel JR, et. al., "After the Mandates: Massachusetts Employers Continue to Support Health Reform as More Firms Offer Coverage", *Health Affairs*, web exclusive, October 28, 2008. SteeleFisher GK, et. al., "Physicians' Views of the Massachusetts Health Care Reform Law — A Poll", *NEJM*, Oct 21, 2009.

# PUBLIC SUPPORT FOR MASSACHUSETTS HEALTH REFORM HAS REMAINED HIGH

PERCENT OF NON-ELDERLY ADULTS INDICATING SUPPORT FOR MASSACHUSETTS HEALTH REFORM LAW



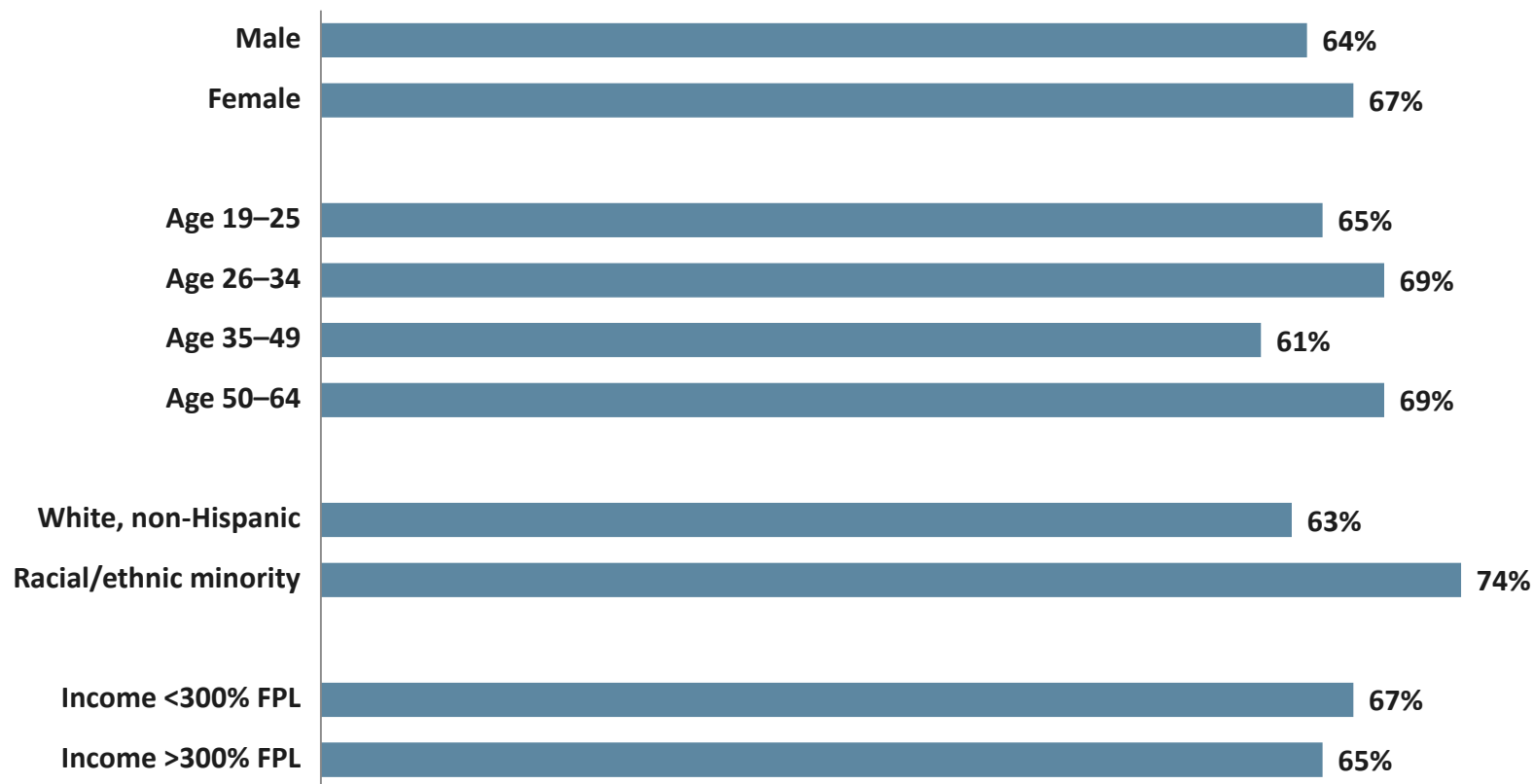
Two out of three adults support Massachusetts health reform.

Support for reform has been relatively stable throughout reform implementation.

SOURCE: Urban Institute, *Massachusetts Health Reform Survey*, 2012.

# PUBLIC SUPPORT FOR MASSACHUSETTS HEALTH REFORM IS CONSISTENT ACROSS VARIOUS POPULATION GROUPS

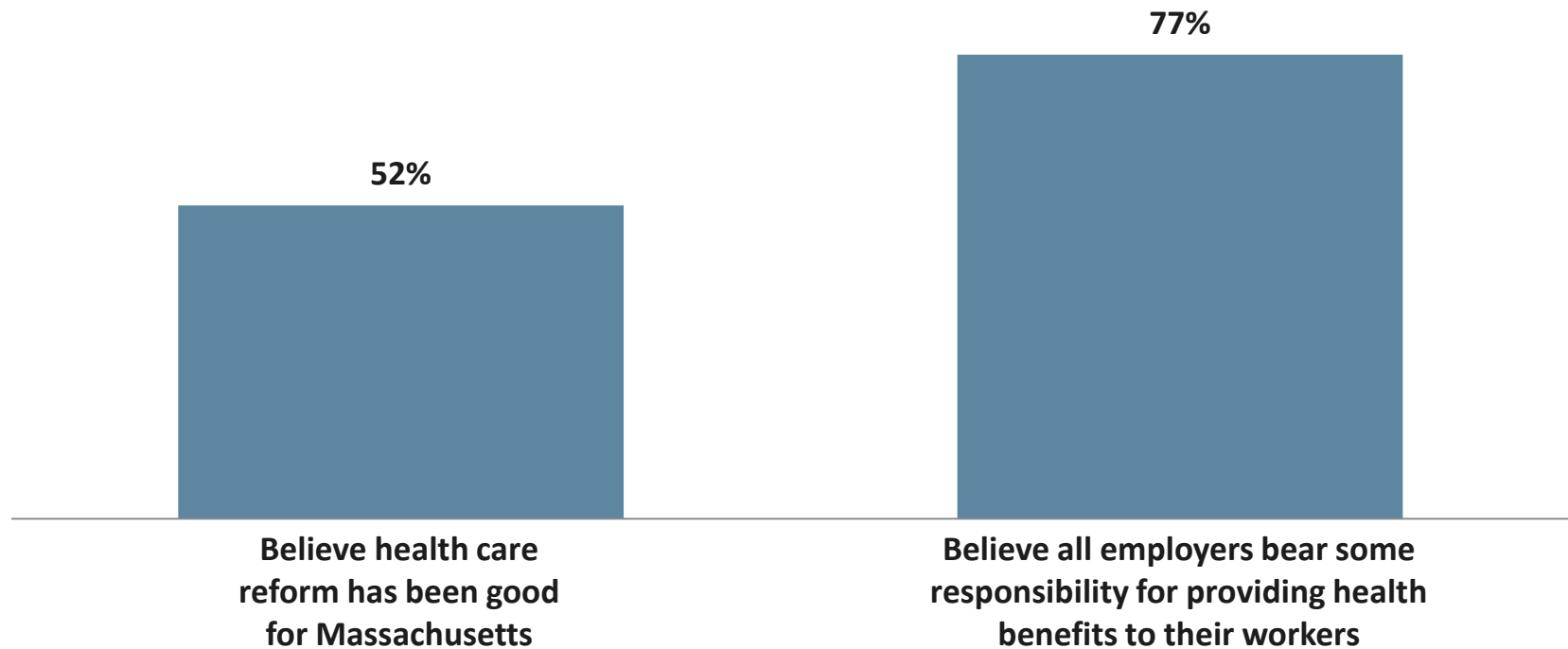
PERCENT OF NON-ELDERLY ADULTS INDICATING SUPPORT FOR MASSACHUSETTS HEALTH REFORM LAW, BY SELECTED POPULATIONS, 2010



SOURCE: Urban Institute, *Massachusetts Health Reform Survey*, 2012.

# MOST EMPLOYERS BELIEVE HEALTH REFORM HAS BEEN GOOD FOR MASSACHUSETTS

PERCENT OF MASSACHUSETTS EMPLOYERS REPORTING BELIEF, 2008

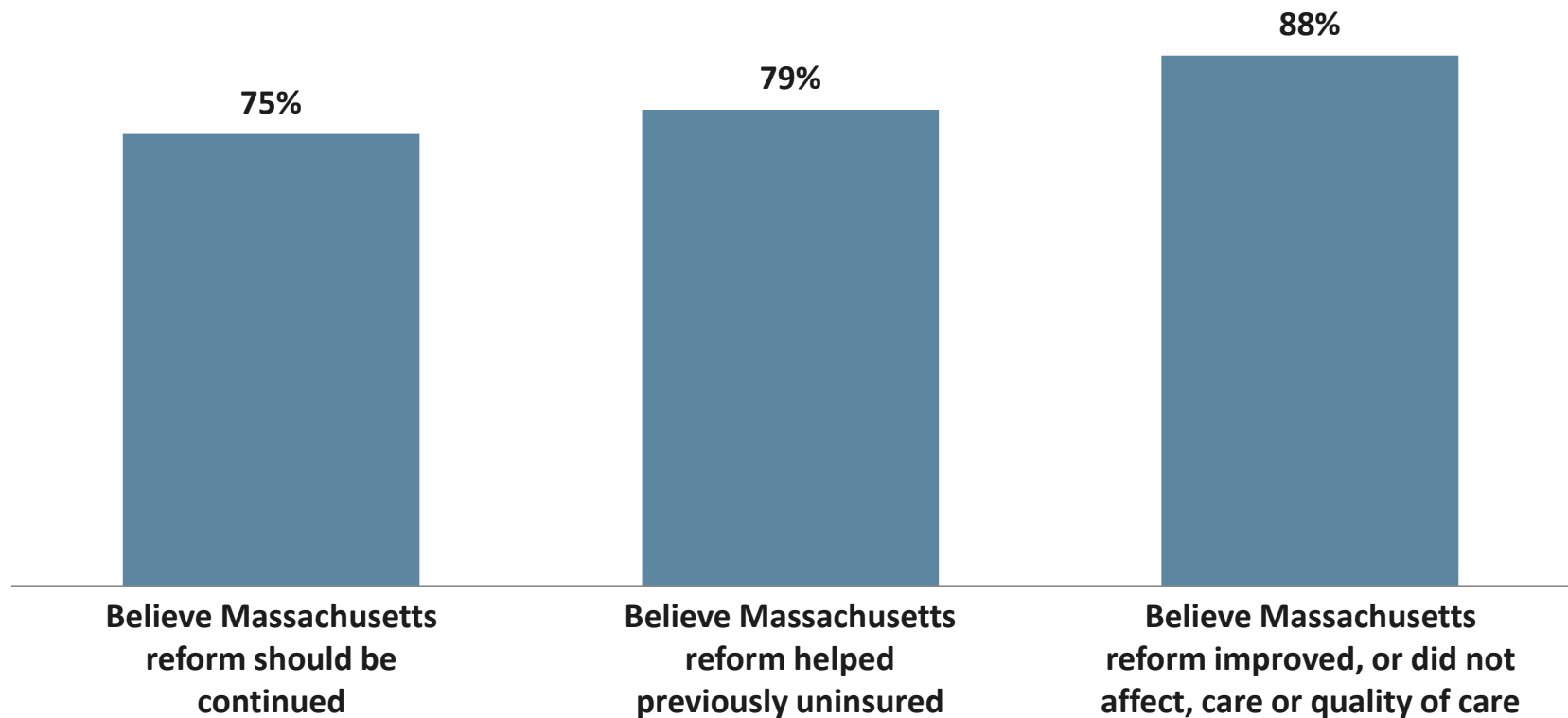


SOURCE: Gabel JR, et. al., "After the Mandates: Massachusetts Employers Continue to Support Health Reform as More Firms Offer Coverage", *Health Affairs*, web exclusive, October 28, 2008.



# MASSACHUSETTS PHYSICIANS VIEW HEALTH REFORM AS A SUCCESS

PERCENT OF MASSACHUSETTS PHYSICIANS REPORTING BELIEF, 2009



source: SteeleFisher GK, et. al., "Physicians' Views of the Massachusetts Health Care Reform Law — A Poll", *NEJM*, Oct 21, 2009.

## WHAT CHALLENGES REMAIN FOR MASSACHUSETTS HEALTH REFORM?

---

- The remaining uninsured include some who may be more difficult to persuade to obtain coverage and many who do not qualify for government-subsidized or employer-sponsored coverage.
- Affordability of health care services remains a challenge for Massachusetts residents.
- Rising health care costs, independent of reform, threaten the sustainability of the entire health care system.

## UNINSURED ADULTS MAY BE DIFFICULT TO PERSUADE TO BUY COVERAGE OR MAY NOT QUALIFY FOR ESI OR SUBSIDIZED COVERAGE

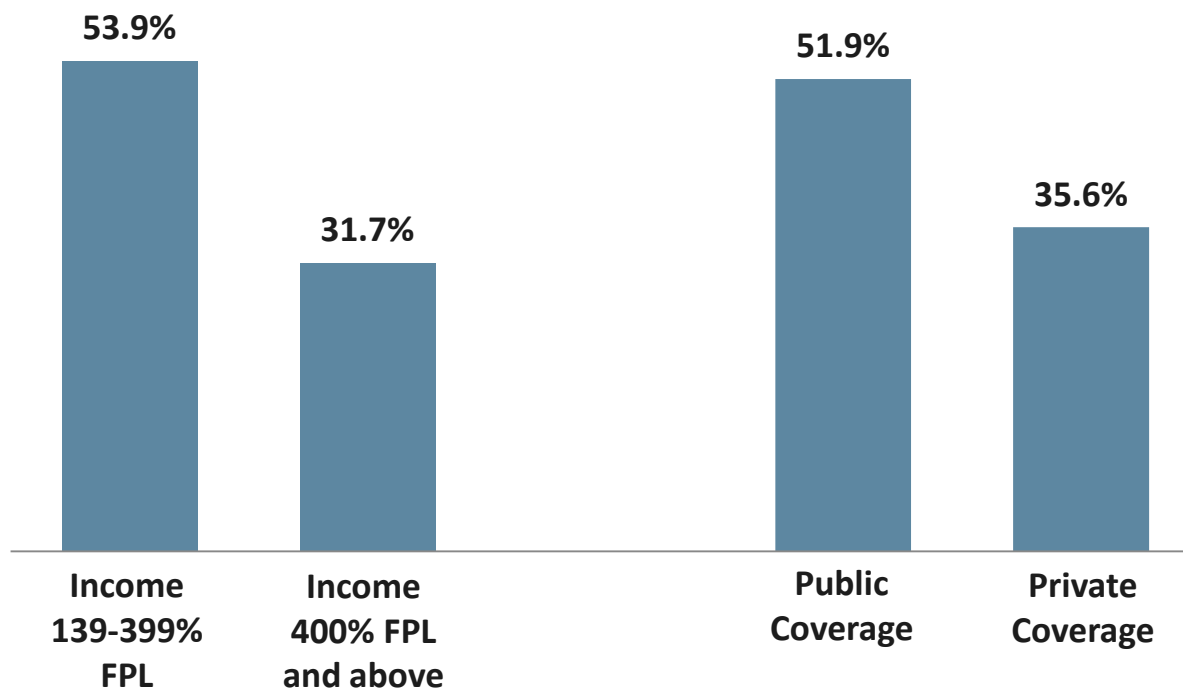
---

- 31 percent are young adults (19–25 years of age).
- 60 percent are male.
- More than half (58 percent) work either full-time (37 percent) or part-time (21 percent).
- 87 percent report they were in good, very good, or excellent health.
- 73 percent have incomes less than 3 times the federal poverty level.

SOURCES: Urban Institute, *Massachusetts Health Reform Survey*, 2012.

## AFFORDABILITY OF COVERAGE REMAINS A CHALLENGE IN MASSACHUSETTS, PARTICULARLY FOR THOSE WITH LOWER INCOME AND PUBLIC INSURANCE

PERCENT OF NON-ELDERLY MASSACHUSETTS ADULTS REPORTING THAT HEALTH CARE COSTS WERE A PROBLEM IN THE PAST YEAR, 2012

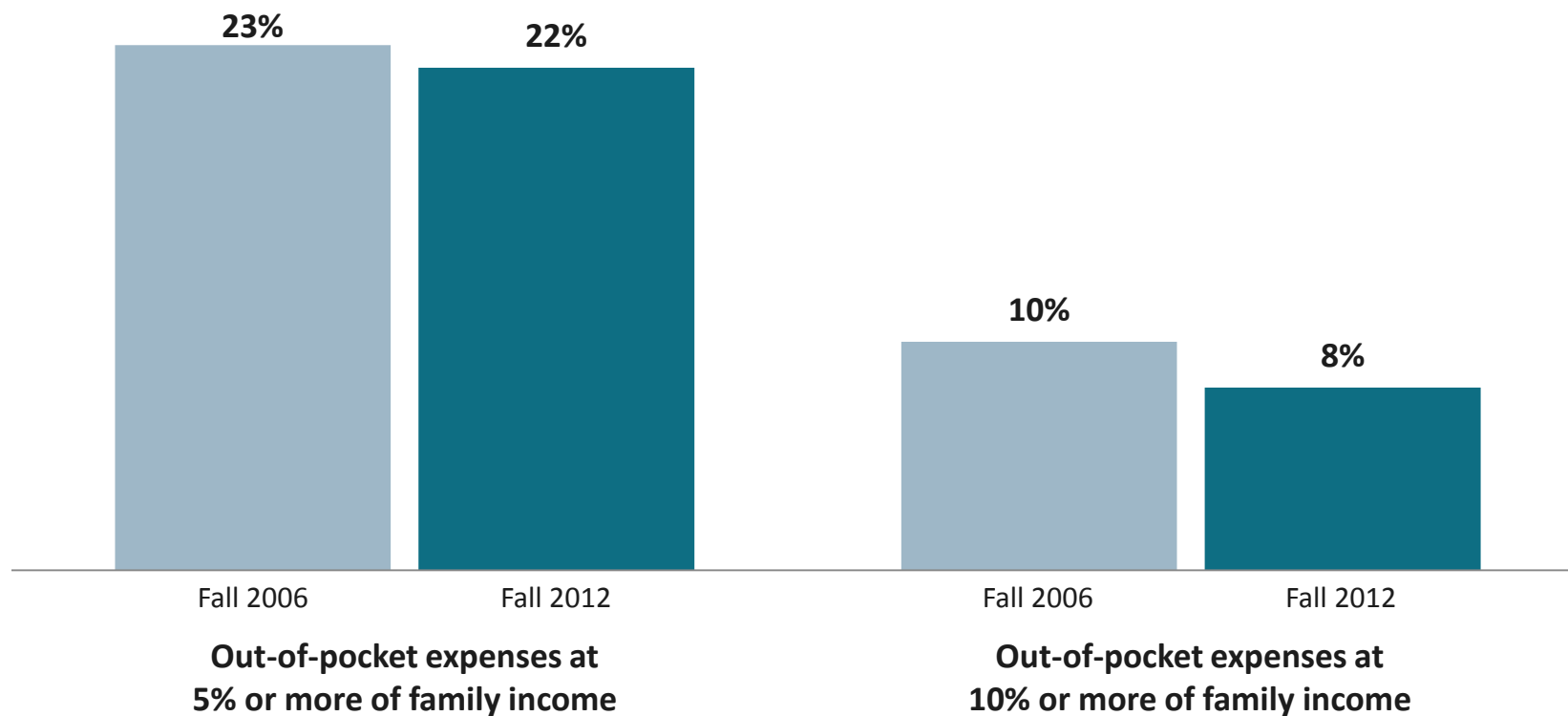


Lower-income residents and those receiving public insurance coverage were significantly more likely to report that health care costs were a problem in the past year than higher-income and privately insured residents. This suggests that health care costs disproportionately negatively affect those with lower incomes and public coverage.

SOURCE: Urban Institute, *Massachusetts Health Reform Survey*, 2014.

# REFORM HAS NOT MEANINGFULLY REDUCED THE NUMBER OF ADULTS WITH SIGNIFICANT OUT-OF-POCKET HEALTH EXPENSES

PERCENT OF NON-ELDERLY ADULT POPULATION WITH FAMILY INCOME LESS THAN 500% FPL WHO SPENT 5 OR 10 PERCENT OF INCOME ON OUT-OF-POCKET HEALTH CARE COSTS



NOTE: "Out-of-pocket" health care costs include deductibles, co-insurance, and co-payments, but exclude the cost of premiums.

SOURCE: Urban Institute, *Massachusetts Health Reform Survey*, 2014.

## EVEN WITH HEALTH INSURANCE COVERAGE, THE COST OF HEALTH CARE CAN BE A CHALLENGE FOR SOME

AMONG ADULTS REPORTING FINANCIAL PROBLEMS DUE TO HEALTH CARE SPENDING, STRATEGIES USED TO ADDRESS THOSE FINANCIAL PROBLEMS INCLUDE:

Cut back on other spending



Cut back on savings/  
took funds from savings



Cut back on health care



Borrowed or took on credit card debt



Increased work hours or took on another job



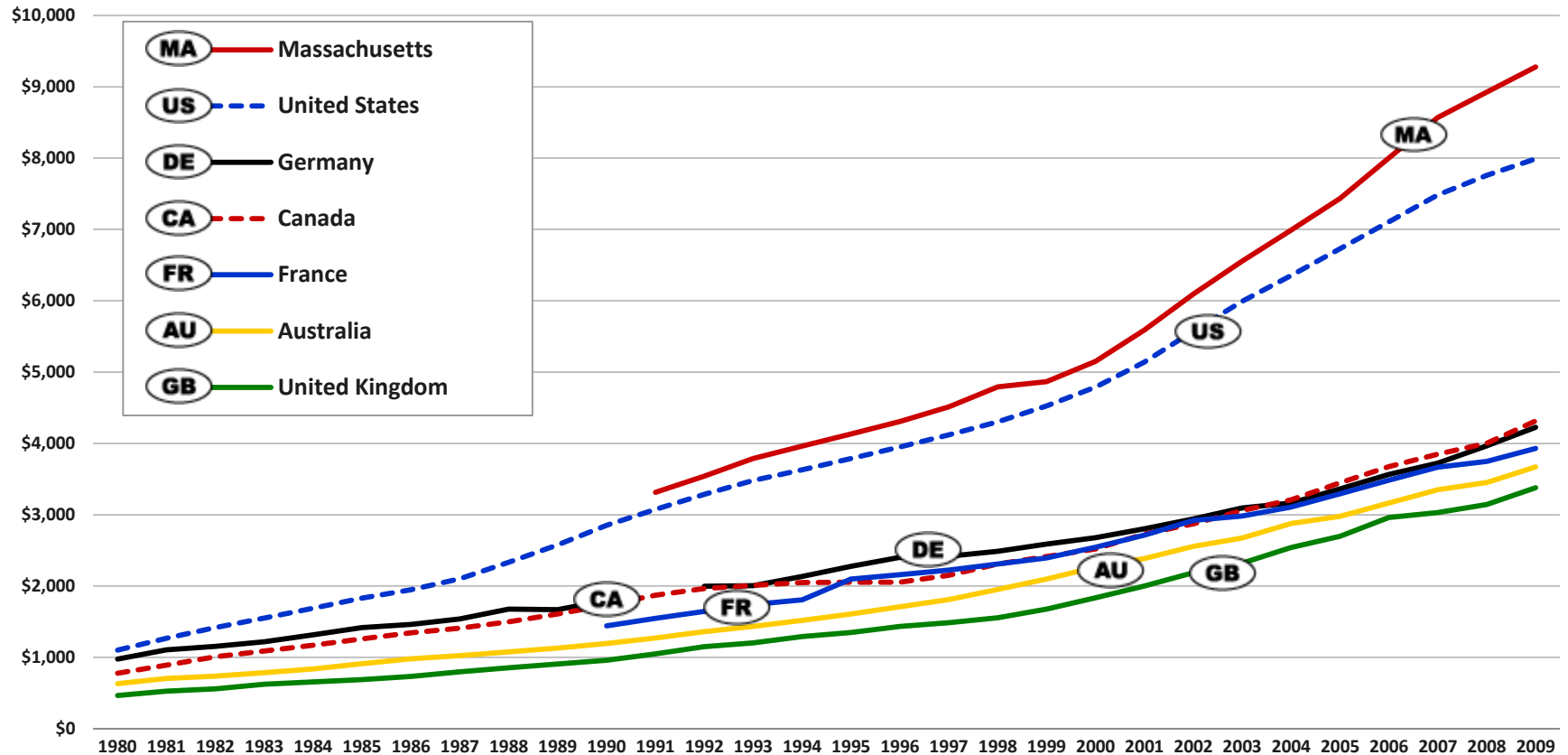
Declared bankruptcy



In 2012, nearly one quarter (24.3 percent) of full-year insured Massachusetts adults reported that health care spending caused financial problems in the past year. Among those adults, nearly 9 in 10 cut back on other spending, more than 3 in 4 cut back on savings or took funds from savings, and more than half cut back on health care.

SOURCE: Urban Institute, *Massachusetts Health Reform Survey*, 2014.

# THE U.S. HAS THE HIGHEST HEALTH CARE EXPENDITURES PER CAPITA AMONG INDUSTRIALIZED NATIONS, AND MASSACHUSETTS HAS THE HIGHEST HEALTH CARE COSTS IN THE U.S. (1980-2009)

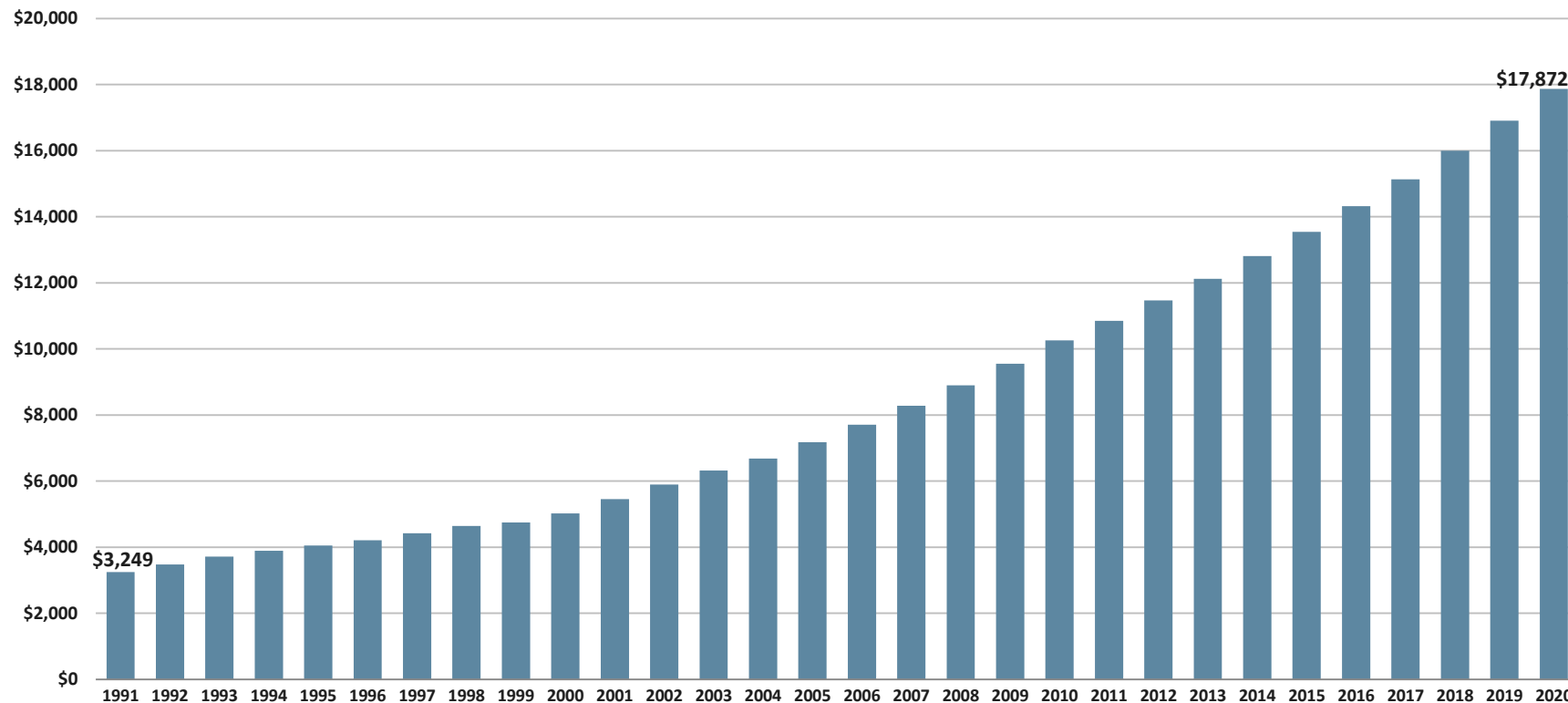


NOTE: U.S. dollars are current-year values. Other currencies are converted based on purchasing power parity.

SOURCES: OECD Health Data; *National Health Expenditures by State of Residence*, CMS Office of the Actuary, 2011.

# WITH NO INTERVENTION, PER CAPITA HEALTH CARE SPENDING IN MASSACHUSETTS IS PROJECTED TO NEARLY DOUBLE BETWEEN NOW AND 2020

## MASSACHUSETTS PER CAPITA HEALTH CARE EXPENDITURES



NOTE: Health expenditures are for Massachusetts residents; data include personal health care expenditures, which exclude expenditures on health plan administration, public health, and construction. Data for 2005–2020 are projected assuming 7.4% growth 2005–2010 and 5.7% growth 2010–2020.

SOURCES: Centers for Medicare & Medicaid Services (CMS), Office of the Actuary, National Health Statistics Group, 2007. Projections for 2005–2020 by MA Division of Health Care Finance and Policy.