



News Release

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Report Confirms Massachusetts Will Realize Coverage Gains and Financial Benefits Through National Health Reform

BOSTON — June 21, 2010 — The federal Patient Protection and Affordable Care Act will direct billions of new federal dollars into the Massachusetts health care system and expand public coverage to reach more of the state's residents, according to a report released today by the [Blue Cross Blue Shield of Massachusetts Foundation](#). The law also has the potential to help the state make progress toward its cost containment and quality of care goals by providing funding opportunities for innovative pilot programs aimed at improving quality and affordability.

The report, [Re-Forming Reform: What the Patient Protection and Affordable Care Act Means for Massachusetts](#), was written by Robert Seifert and Andrew Cohen of the Center for Health Law and Economics at the University of Massachusetts Medical School. It was the subject of a forum of health care leaders that was convened today in Boston by the Foundation and the Massachusetts Health Policy Forum. Speakers included U.S. Senator John Kerry, Massachusetts Health and Human Services Secretary JudyAnn Bigby, and the new executive director of the state's Health Connector, Glen Shor.

"The Center's report is the most comprehensive assessment to date of how Massachusetts will be affected by national reform," said Sarah Iselin, president of the Foundation. "It shows that with continued attention to the details of implementation at both the state and national levels, we can build on the extraordinary gains we've made in coverage and access, and accelerate progress toward a more effective, efficient, and patient-centered health care system."

Key findings in the three broad areas examined in the report include:

Financial and coverage gains for the state as well as many individuals, businesses, and providers

- Over the next decade, national health reform will bring nearly \$3 billion in new federal funds to the state for its MassHealth and Commonwealth Care programs.
- Tens of thousands of additional residents will benefit from federal insurance subsidies than are currently eligible for state coverage programs.
- More than 100,000 small businesses may be eligible to receive tax credits to help purchase insurance for their employees.

Taxes, assessments, and provider payment adjustments

- A small percentage of the state's tax filers will be subject to an increase in the federal Medicare payroll tax for high-earners.
- An excise tax that will be levied on high-cost health plans could have a disproportionate impact on Massachusetts health plans due to the Commonwealth's historically high premium levels.
- Rate adjustments in federal payments to Medicare providers will reduce the rate of growth in Medicare fee-for-service payments to Massachusetts hospitals and physicians.

Differences between the Massachusetts and national reform laws requiring policy attention

- Despite similarities between the federal law and state health reform in Massachusetts, some details differ significantly, including coverage requirements for individuals, families, and businesses; insurance subsidies for state residents; rules for health benefits exchanges; and insurance market reforms.

Seifert, the study's lead author, stressed that, despite major similarities between the federal law and Massachusetts health reform, some of the differences will require the attention of state policy makers. "Many of the details of implementation have been left to further regulation," he said. "The Commonwealth will have to be an active and thoughtful participant in shaping the regulations in order to maintain the reach and intent of state reforms."

About the Center for Health Law and Economics, University of Massachusetts Medical School:

The Center for Health Law and Economics (CHLE) at UMass Medical School partners with public agencies, non-profit organizations and foundations striving for health care system improvement and health policy analysis. The staff at CHLE is dedicated to improving access to and quality of health care for uninsured and underserved populations. CHLE's collective expertise lies at the intersection of health law and health policy. This junction affects vulnerable populations and their access to high-quality, cost-effective health care. CHLE provides its clients with interdisciplinary expertise in areas necessary for health care reform, including health law and economics, policy impact analysis, and structuring new policy, legal and financial frameworks.

About the Blue Cross Blue Shield of Massachusetts Foundation:

The mission of the Blue Cross Blue Shield of Massachusetts Foundation is to expand access to health care. It focuses on collaborating with public and private stakeholders to develop measurable and sustainable solutions that benefit uninsured, vulnerable, and low-income individuals and families in the Commonwealth. The Foundation was formed in 2001 with an endowment from Blue Cross Blue Shield of Massachusetts. It operates separately from the company and is governed by its own Board of Directors.

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