



Massachusetts In Focus

Year	Health Care Reform
1990's	Insurance Market Reforms <ul style="list-style-type: none">•Guaranteed Issue•Modified Community Rating•Pre-existing Condition Limitations
2006	Chapter 58 – Health Care Reform <ul style="list-style-type: none">•Individual Mandate•Employer responsibility•Medicaid Expansion•Insurance exchange (Connector)
2008	Chapter 305 – Cost Containment I
2010	Pending Legislation - S.B. 2447 – Cost Containment II

The Good: MA 1st for health insurance access with 98% Coverage.

Division of Health Care Finance and Policy, December 2010

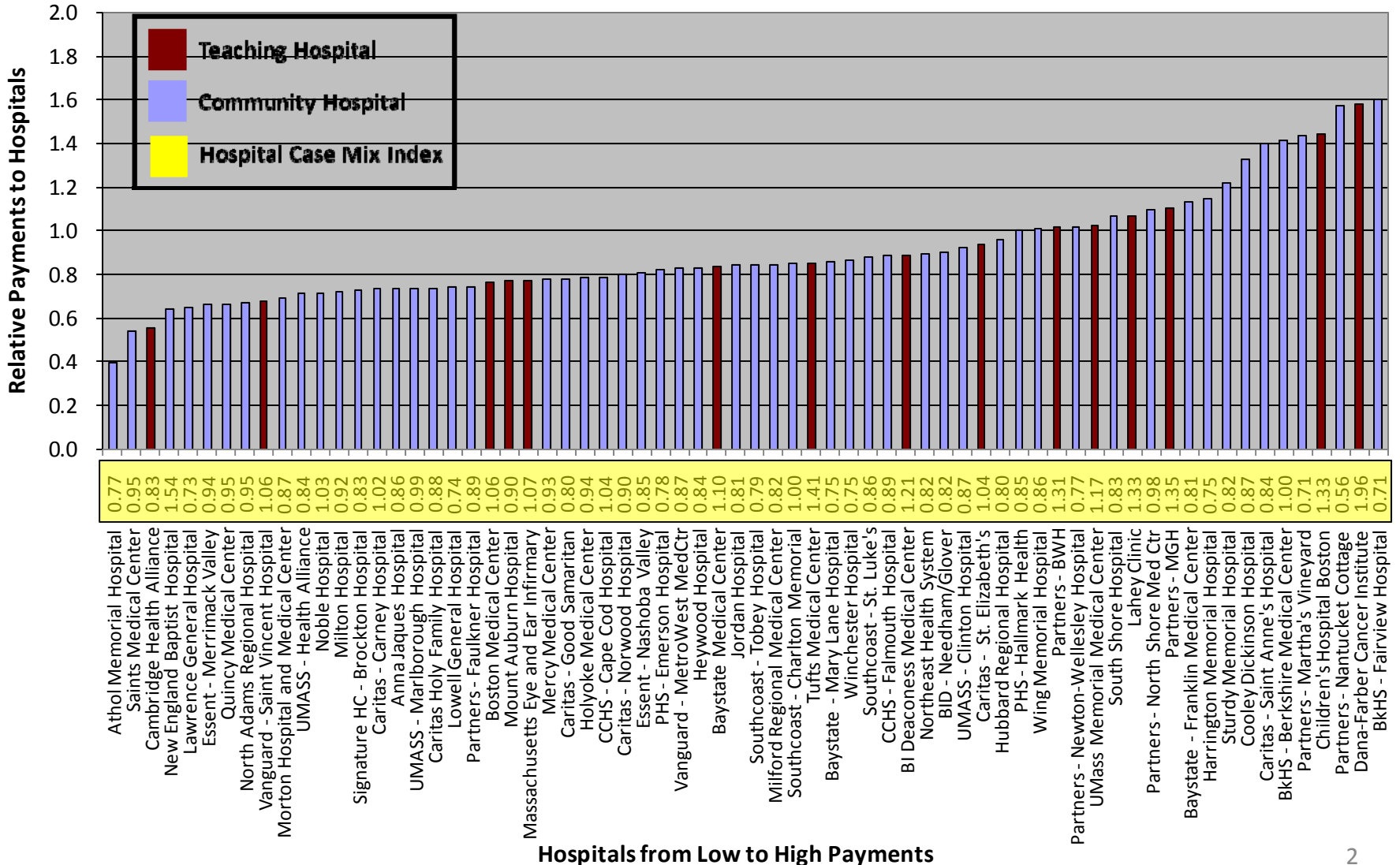
The Bad: MA Ranked Most Expensive for Family Coverage.

Commonwealth Fund Data Brief in August 2009 by Schoen, Nicholson and Rustgi.

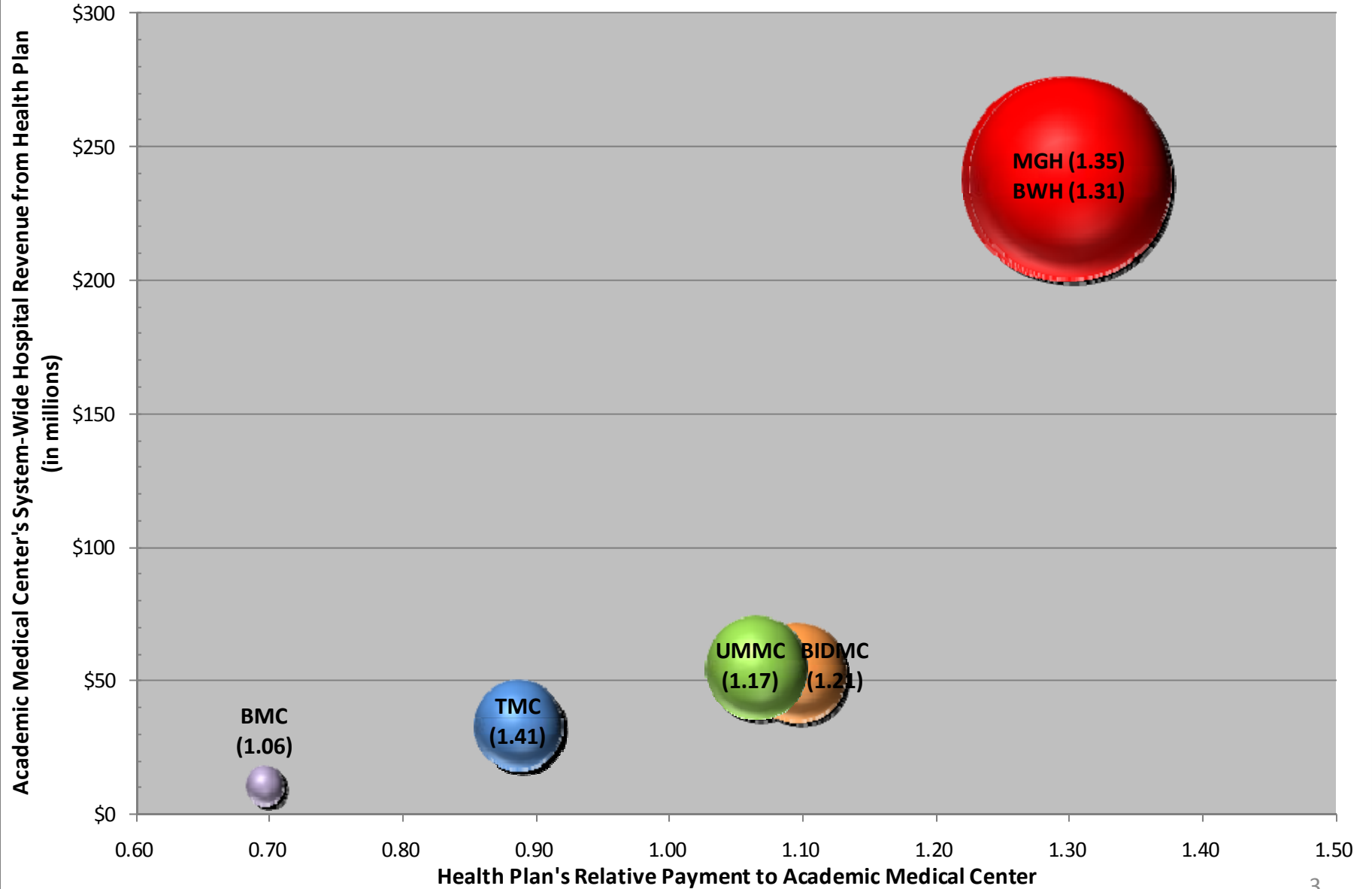
HIGHER PRICES ARE NOT TIED TO TEACHING STATUS

STATUS

HIGHER PRICES ARE NOT TIED TO INCREASED COMPLEXITY OF SERVICES

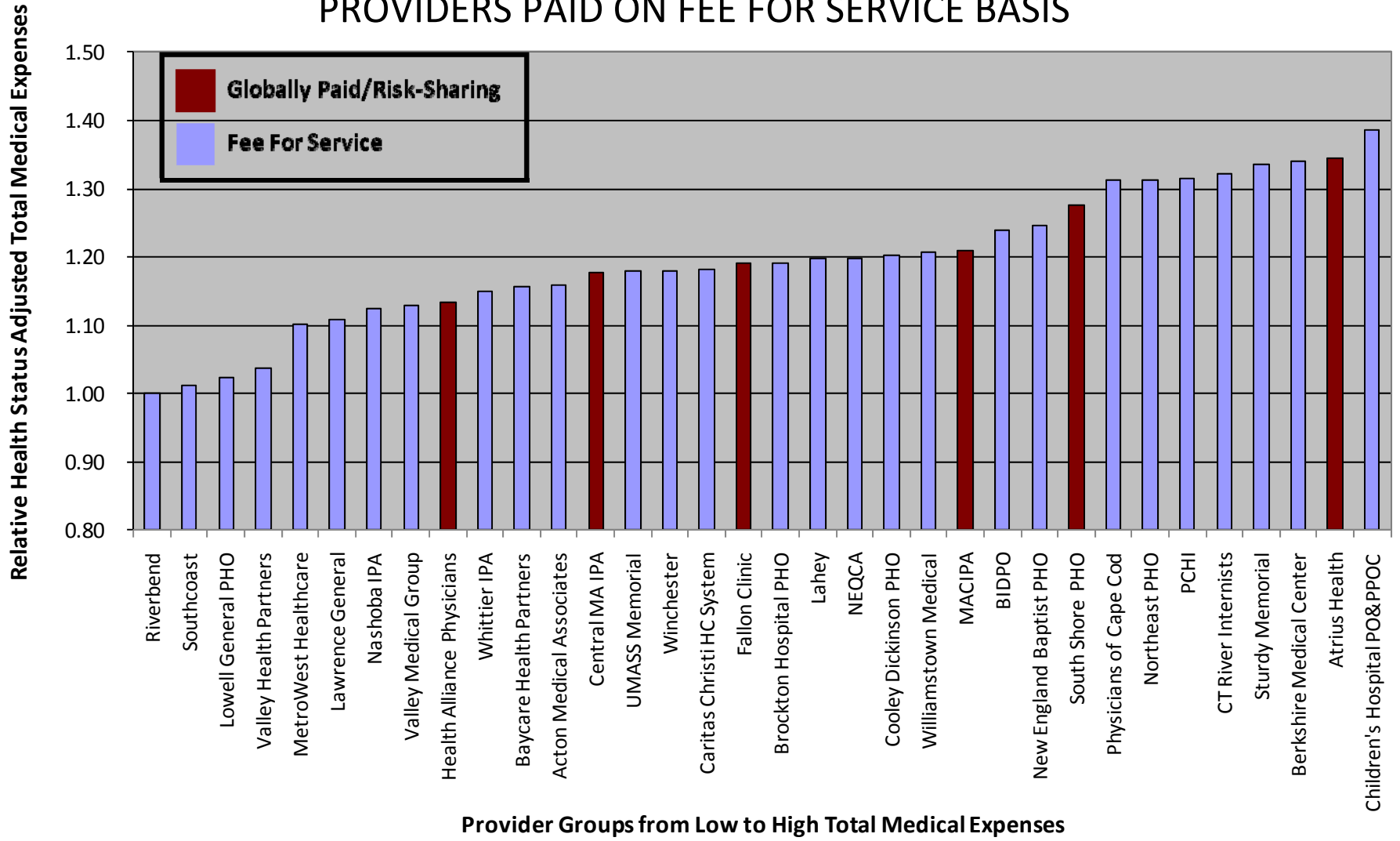


HIGHER PRICES CORRELATE WITH GREATER MARKET LEVERAGE



INFORMATION FROM A MAJOR HEALTH PLAN: FOR ILLUSTRATIVE PURPOSES ONLY

**TOTAL MEDICAL EXPENSES NOT CORRELATED TO PAYMENT METHOD:
TME SOMETIMES HIGHER FOR RISK-SHARING PROVIDERS THAN PROVIDERS PAID ON FEE FOR SERVICE BASIS**





Moving Forward in Massachusetts

- Transparency and standardization in both health care payment and health care quality measures
 - ✓ Total Medical Expense uniform public reporting
 - ✓ Price Relativity uniform public reporting
 - ✓ Standard Quality Measure Set uniform public reporting
- Promote prudent purchasing through insurance product designs
 - ✓ Require tiered and/or select network products tied to public metrics
- Reform contracting practices that perpetuate market disparities and inhibit product innovation
 - ✓ Prohibit parity provisions and restrict all-or-nothing contracting
- Mitigate market dysfunction and promote correlation between price and value
 - ❑ Examine potential reforms of delivery system, health plan product design, and provider payment models



Resources

MA AG Examination of Health Care Cost Trends and Cost Drivers Report @:

http://www.mass.gov/Cago/docs/healthcare/final_report_w_cover_appendices_glossary.pdf

MA 2010 Legislation to control costs and make market more transparent @:

<http://www.malegislature.gov/Laws/SessionLaws/Acts/2010/Chapter288>

MA Division of Health Care Finance and Policy cost trend hearing materials @:

<http://www.mass.gov/dhcfp/costtrends>

MA Proposed Regulation: Payer Reporting of TME and Relative Price @:

http://www.mass.gov/Eeohhs2/docs/dhcfp/g/regs/114_5_23_p.pdf