



## MASSACHUSETTS REQUIRES EVERYONE TO GET HEALTH INSURANCE

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*Massachusetts is the first state to require residents to have health insurance, a move that some say is the first-step in solving a nation-wide health care crisis.*

Governor Mitt Romney, a Republican and likely presidential candidate, signed a law last week aimed at providing health care to about 95 percent of the state's 500,000 uninsured residents by 2009.

"Every uninsured citizen in Massachusetts will soon have affordable health insurance and the costs of health care will be reduced. And we will need no new taxes, no employer mandate and no government takeover to make this happen," Romney wrote in an April 11 editorial in the Wall Street Journal.

### **The insurance crisis in America**

The Massachusetts effort is the latest attempt by government to make sure people have access to health insurance and better medical care.

In many ways, the way health insurance works is similar to car insurance.

People pay an insurance company a certain amount each month and then when they have to go to the doctor or have a medical emergency, the health insurance company pays most of the bills.

The insurance company makes money off of healthy people who don't have to go the doctor, but loses money on sick people who need a lot of care, just as the car insurance company makes money off of drivers who never have a crash, but loses it on drivers who get into big accidents.

In fact, many of the Massachusetts plan supporters compare the new law to the law that requires everyone who owns a car have car insurance.

Unlike car insurance, however, most people in the United States get health insurance from their employers.

But since health insurance premiums-- the money that companies pay for coverage-- have skyrocketed in the last five years, more and more companies have stopped paying for their employees' insurance.

This has left millions of people without insurance.

To help very low-income people, the federal government created Medicaid.

Each state decides who is eligible for Medicaid and more than 41 million Americans received Medicaid as of 2004.

But Americans who make too much money to qualify for Medicaid and cannot afford to or choose not to buy their own insurance are left uninsured. In 2004, a record 46 million Americans were uninsured.

Many uninsured people don't go to the doctor for check-ups because it is too expensive, so they end up in hospital emergency rooms when their health problems get severe.

By law, emergency care can not be withheld. The money to pay for this care comes from increasing the price of health care for everyone, according to experts.

### **The Massachusetts plan**

In the past, people could choose to have insurance or not.

But the Massachusetts lawmakers decided that wasn't working.

By 2007, all residents of the state are required to carry health insurance.

Some details of the plan have yet to be finalized, but the \$1 billion of state money that had been collected to pay for the state's uninsured patients will now be used to subsidize insurance for people who can not afford it.

The state will create low- or no-cost plans for the lowest wage earning residents. And people will get a tax break to help pay for insurance.

People who can afford health insurance and fail to buy it will be penalized on their state taxes.

### **Is this a national model?**

While lawmakers in Massachusetts hoped this health insurance reform will spread to other states, some insurance experts say it is unlikely.

Massachusetts has fewer uninsured citizens compared to the national statistics – about 10 percent compared to 18 percent – and the state already spends over \$500 million to pay to treat the uninsured.

“I think it's going to be difficult for other states” to make changes, James Mongan, chief executive of Partners HealthCare, told Boston.com.

But others say Massachusetts' combination of individual mandates and employer contributions is promising and may encourage more states to tackle the difficult problem.

“The Massachusetts plan could become a catalyst and a galvanizing event at the national level, and a catalyst for other states,” Brandeis University health policy professor Stuart Altman told Boston.com.

*--Compiled by Annie Schleicher for NewsHour Extra*

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