



The Impact of Massachusetts: Medicaid Reform throughout the Nation

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About Sellers Feinberg

www.sellers-feinberg.com

We Are:

- ▶ A market-leading healthcare consulting firm specializing in creating transformational change in public healthcare programs

Our Firm:

- ▶ Focuses on Medicaid and the uninsured
- ▶ Works primarily for state governments and for a growing number of private sector clients
- ▶ Possesses an exceptional combination of policy and political expertise that enables us to achieve real-world results for our clients

A New Hope

Massachusetts Sets Health Plan for Nearly All

The New York Times

Issue of Uninsured Should Be Top Priority

THE WALL STREET JOURNAL.

**Health Care Reform Revs Up
Hartford Courant**

Louisiana Works on Fixing Health Care System

AP Associated Press

Universal Care Appeals to USA



The Philadelphia Inquirer

Uninsured PA Children To All Get Coverage

Healthcare Problems Facing States

- ▶ **Increasing number of uninsured**
- ▶ **High cost of healthcare and impact on business (large and small employers)**
- ▶ **Medicaid as we know it is unsustainable**
- ▶ **Just controlling costs is not enough**
- ▶ **Sense that something needs to change**

New Opportunities for Change

- ▶ **Tackle many healthcare problems at once**
- ▶ **Substantially reduce number of uninsured**
- ▶ **Tear down wall between Medicaid and the uninsured**
- ▶ **Increase access to affordable health coverage, esp. for small business**
- ▶ **Make big change in a bipartisan manner**
- ▶ **Forge a new partnership with the feds**
- ▶ **Positively impact residents' health status**

Federal-State Dynamics

- ▶ **Feds encouraging state-based reform**
- ▶ **Feds are open to bold, creative approaches**
- ▶ **DRA gives states some flexibility**
- ▶ **What feds are looking for in state-based reform**
 - Private market solutions
 - DRA-based flexibility
 - Health insurance Exchange/Connector
 - More managed care - esp. of high-needs individuals
 - Premium subsidies **not** provider payments
 - Savings
 - Consumer Responsibility
 - Budget neutrality, if 1115 waiver needed

How States are Addressing Health Reform

▶ **Real reform is a mix of money, public policy and private insurance:**

- Medicaid Financing
- Insurance market reforms
- Subsidized and unsubsidized options
- High risk pools
- Reinsurance
- Exchange/Connector concept
- Limited benefit packages
- More managed care

▶ **Ultimately, it all comes down to:**

- The business climate, and
- Access to affordable coverage

How Massachusetts Revitalizes Reform Efforts

Key Players in Massachusetts Reform

- ▶ **HHS Secretary Tommy Thompson**
- ▶ **HHS Secretary Mike Leavitt**
- ▶ **Governor Mitt Romney**
- ▶ **Dennis Smith of CMS**
- ▶ **Senator Edward Kennedy**
- ▶ **Major Boston Hospitals and their MMCOs**
- ▶ **Legislature and Legislative Leaders**
- ▶ **Massachusetts Business Roundtable**

What Does Mass. Reform Look Like?

1. Coverage:

- ⇒ Maximize and streamline Medicaid enrollment to those eligible, but not yet enrolled
- ⇒ Create subsidized version of Commonwealth Care for low-income uninsured
- ⇒ Create unsubsidized version of Commonwealth Care for higher income uninsured

2. Individual Mandate: Personal Responsibility Principle

3. Insurance Market Reforms: Small Group & Individual Markets

4. Medicaid s. 1115 Waivers:

- ⇒ Leverage existing state dollars
- ⇒ Retain, redirect federal dollars

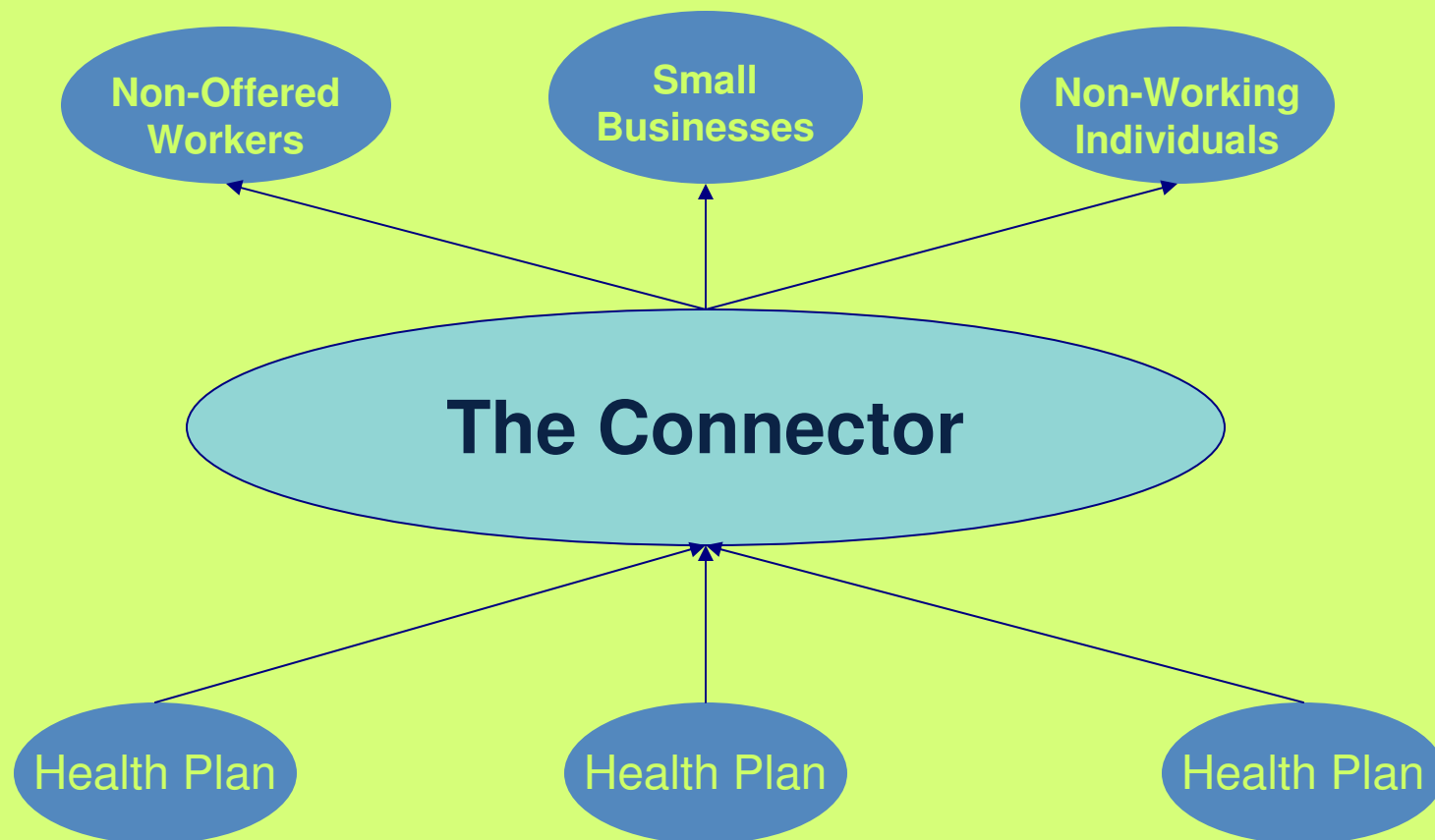
5. Reforms to Contain Costs:

- ⇒ Transparency
- ⇒ E-health initiatives
- ⇒ Program integrity
- ⇒ Medical malpractice reforms

6. The Connector:

- ⇒ Leverage pretax dollars
- ⇒ Connect individuals, employers and health plans

The Connector in Detail



What Are Other States Doing?

▶ Michigan

- Governor Granholm's Healthcare Reform Project seeks to significantly expand healthcare coverage to the state's 1.1 million uninsured

▶ Indiana

- Governor Mitch Daniels is looking to the private market and subsidies for HSA-type insurance

▶ Washington

- Governor Christine Gregoire is co-chairing her state's *Blue Ribbon Healthcare Commission* to improve access to affordable healthcare for all Washingtonians

▶ New Mexico

- Health Coverage for New Mexicans Committee to explore various reform options for extending coverage

Massachusetts Reform and Private Sector Business

Opportunities from Coverage Expansion

- ▶ **Comprehensive health insurance coverage initiatives potentially bring *hundreds of thousands of additional lives* to the market**
- ▶ **Cost-shifting due to care for the uninsured will be lessened**
- ▶ **States are keenly interested in bringing people to the table who largely haven't been there previously** (employers and insurers)

Questions and Discussion