

## Western Massachusetts

# Health Access Network Notes

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**COMMUNITY PARTNERS, INC.**

April 6, 2007

Jones Library – Amherst, MA

### GUEST PRESENTER:

*Lisa Kaplan Howe, Health Care For All,  
Commonwealth Choice and the Private Insurance Market*

#### Health Care Reform update:

- As of April 1, approximately 63,000 people have enrolled in Commonwealth Care. Over 52,000 are on Plan Type 1 (under 100% FPL). The average age on Plan 1 is 36 years; the average age for other plans is 47. The majority are located outside of Boston.
- The Connector has voted on draft regulations for minimum creditable coverage. HCFA's biggest concern is cost-sharing around these plans. There will be hearings state-wide on these regulations and on the individual mandate regulations.
- On May 1 plans for young adults 19-26 will go on the market.

**Private market merger:** Before health care reform three types of private insurance were available: large group, small group (for businesses with fewer than 50 employees) and non-group. As of July 1, 2007 the small group and non-group categories will merge.

- Hoped-for advantages: premiums lower by 15% - 50%; increase in portability of coverage; more choice of plans (individuals can choose same plans as small businesses); for those with continuous-coverage-related waiting periods, the maximum time has been reduced from 6 months to 4 months (emergency and pregnancy services will be covered during the waiting period)
  - no waiting period for people who have had insurance within the last 63 days
  - no waiting period for those who enroll in any of the new merged non- or small-group plans between May 1 and July 31 of 2007
- Challenges: increase in portability can mean higher premiums; too much plan choice can cause customer confusion.

## What's the difference between Commonwealth Care and Commonwealth Choice?

### Commonwealth Care

- Publicly subsidized
- Income limits
- Enroll through MassHealth

### Commonwealth Choice

- Private, unsubsidized
- No income limits – any uninsured MA resident can enroll or be covered through a family plan IF not offered insurance by employer
- Enroll directly through Connector

For people under 300% FPL, Commonwealth Care is more affordable and provides more comprehensive coverage than Commonwealth Choice. In July the Connector will consider whether to allow people under 300%, ineligible for Commonwealth Care because their employers offer insurance, to enroll in Commonwealth Choice if they find the insurance unaffordable.

### General information about Commonwealth Choice:

- It is a new health insurance program for uninsured Massachusetts residents connecting individuals and small groups to high quality, affordable private plans (part of merged market).
- The state is planning to send information about Commonwealth Choice to every Massachusetts taxpayer.
- Enrollment begins in May 2007; coverage will be effective July 1, 2007.
- The Connector has approved plans offered by 7 carriers: Blue Cross Blue Shield, Tufts, Harvard, Fallon, Health New England, Neighborhood Health Plan, and ConnectiCare (update: ConnectiCare is no longer participating as of mid-April)
- Only Blue Cross Blue Shield and Harvard Pilgrim will offer plans statewide; every locale in the state must have at least 2 options.
- Each plan will offer three levels of coverage, plus plans for young adults 19 through 25.
- Each carrier will offer 1-2 plans per level of coverage.

### New coverage options for young adults

- Extended Dependent Coverage: 19- through 25-year-old children of any resident of Massachusetts with Massachusetts insurance (private or publicly subsidized) that covers their children may stay on their parent's plan for two years after they no longer are considered dependents for federal tax purposes – unless the employer providing coverage is "self-insured" and not regulated by the state. The parent's employer may not choose not to cover the young adult.
- Young Adult Plans (YAPs) for those 19-26: New plans offered only through the Connector provide minimal benefits for lower prices (starting at about \$100/month) Yearly maximum of \$50,000.

### Details about adult and family plans

For specific information about eligibility, benefits and cost, click on the following:

- Resources
  - PowerPoint handout of [Lisa Kaplan Howe's presentation](#)

- [Commonwealth Choice Q&A](#) document prepared by MassResources
- Community Partners web site at <http://www.compartners.org/node/692>
- Health plan summaries of plan benefits should be released this month (April).

#### Application and enrollment

- People can enroll online. The Connector expects to have its enrollment tool web site up on May 1. Check [www.mass.gov/connector](http://www.mass.gov/connector)
- Those without computer access will be able to call an 877-number; staff will put information into the computer on their behalf.
- For more details, refer to [Lisa Kaplan Howe's presentation](#)

#### Cost-sharing concerns

- Monthly premium amounts discussed publicly have been based on the average amount a healthy 37-year old will pay. Actual premiums will vary by age, location, plan, and plan level. Premiums for older people will be quite a bit higher.
- Some plans have co-insurance instead of co-pays. That means that instead of paying a defined flat amount for each service, people will pay a percentage of the bill – which can't be known and planned for in advance.
- While there will be more plan choice for individuals, small employers will offer only one level of coverage to employees.
- Payments for prescriptions or co-pays won't be considered as part of out-of-pocket caps