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Massachusetts Sets Benefits in Universal Health Care Plan

By PAM BELLUCK

BOSTON, March 20 — Massachusetts took a major step toward enacting its near-universal health care overhaul, with the board that oversees the plan voting on Tuesday to require insurers to provide certain minimum benefits, including coverage of prescription drugs.

The decision, subject to final approval in June, would make Massachusetts the first state to establish standards that apply to every resident and every health insurer.

“It’s setting the definition of what is acceptable health care coverage, which is really unique in America,” said Stuart H. Altman, a professor of health economics at Brandeis University. “What you’re doing is not only affecting what the uninsured can get. You indirectly are affecting what is considered to be acceptable coverage for everybody.”

The requirements were worked out over several months and include several compromises, balancing the interests of businesses, insurers and health care advocates.

For example, the board, called the Commonwealth Health Insurance Connector Authority, agreed to phase in some of its requirements, giving residents and employers an extra 18 months to buy health plans that meet all the new criteria. While residents will still need to have some form of insurance starting in July, they will have until January 2009 to get all the required coverage.

“This is another giant step forward,” Jon Kingsdale, the executive director of the authority, said at the meeting. Later, he said, “basically we have to be thinking about January ’09. It’s not a perfect solution, but it’s an acceptable solution.”

The goal of the health insurance law, passed in April 2006, was to make sure that most of the state’s uninsured residents, about 515,00 people, would be covered. Those who fail to get insurance would face penalties that could include the loss of a personal income tax deduction.

About 47,000 of those people fall below the federal poverty line and are eligible for Medicaid. An estimated 150,000 with incomes at 100 percent to 300 percent of the poverty line will get a state-subsidized rate but will still have to pay something, typically $18 to $170

a month.

The rest will be required to buy insurance that meets standards set by the authority, and the challenge has been to make those plans affordable while ensuring enough coverage.

Earlier this month, the authority approved plans from seven insurers with premiums ranging from $175 to $288 a month and deductibles ranging from nothing to $2,000 a year.

Among the compromises the board made Tuesday was allowing insurance plans to continue to place caps on lifetime coverage, something that advocates for universal coverage had been pushing to eliminate.

The authority also voted to set a maximum deductible for basic health plans of $2,000 per individual per year, and a maximum out-of-pocket cost of $5,000 if providers within an insurer's network are used.

Prescription drugs generated some of the most impassioned discussion Tuesday.

Richard Lord, a member of the authority board and president of Associated Industries of Massachusetts, which represents 7,500 employers, appealed to the board not to require drug coverage.

"No other state does this," Mr. Lord said. "To prescribe it as a requirement I just think is going beyond what the law intended."

But Dolores Mitchell, the executive director of an agency that provides health insurance to 265,000 state employees, said that for some residents, drug coverage was "not just optional, it's maybe life and death, to say nothing of the preventive, since those people who can't afford it often end up in the hospital."

Ultimately, insurers, business interests and advocates said they found something to like in the plan.

"There are people who are satisfied with insurance that covers less than these requirements, and there are advocates who believe that all insurance should cover more than these requirements," said James Roosevelt Jr., the chief executive of the Tufts Health Plan and chairman of the Massachusetts Association of Health Plans. The authority, he said, "struck a balance."

Brian Rosman, the research director for the advocacy group Health Care for All, said he was "disappointed that the board did not eliminate lifetime maximums," but called the drug requirement "a terrific step."

He said his group's next priority was pressing the authority to delay imposing penalties on lower-income people who may struggle to afford the minimum required insurance.

That could include people like Ali Shriberg, 33, of Brookline, who is afraid she will not be able to afford a $2,000 deductible on a $40,000 salary as a freelance corporate trainer.

And Maria Alves, 39, a dental assistant from the Dorchester area of Boston, who has two children, ages 9 and 14, and a husband on disability.

"I save a lot to give my kids food to go to school and pay the rent for them to live," Ms. Alves said. "Now they will penalize me if I don't have insurance. I cannot afford it. I wish I can, but I can't."

Katie Zezima contributed reporting.