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Mass. Bill Requires Health Coverage

State Set to Use Auto Insurance As a Model

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BOSTON, April 4 -- The Massachusetts legislature approved a bill Tuesday that would require all residents to purchase health insurance or face legal penalties, which would make this the first state to tackle the problem of incomplete medical coverage by treating patients the same way it does cars.

Gov. Mitt Romney (R) supports the proposal, which would require all uninsured adults in the state to purchase some kind of insurance policy by July 1, 2007, or face a fine. Their choices would be expanded to include a range of new and inexpensive policies -- ranging from about \$250 per month to nearly free -- from private insurers subsidized by the state.

Romney said the bill, modeled on the state's policy of requiring auto insurance, is intended to end an era in which 550,000 people go without insurance and their hospital and doctor visits are paid for in part with public funds.

"We insist that everybody who drives a car has insurance," Romney said in an interview. "And cars are a lot less expensive than people."

Tuesday's votes approving the bill -- 154 to 2 in the House and 37 to 0 in the Senate -- were the culmination of two years of politicking and several months of backroom negotiations, as rival health-care plans from Romney and the two Democrat-led chambers were hammered into one.

What resulted is a proposal that health-care experts say is unlike any other in the country. What to do about the 45 million Americans without health insurance has flummoxed both the Bush administration, whose proposal for "health savings accounts" fizzled, and that of Bill Clinton, whose broad plan for health-care changes fell flat.

On the state level, Hawaii and Maine have programs that seek to offer near-universal access to health insurance, and Illinois last year approved a subsidy plan that will widely increase coverage for needy children.

But no state, experts say, has taken the step of making health insurance coverage a legal requirement. The idea was applauded by Uwe E. Reinhardt, a professor of economics and public affairs at Princeton University, who said that he has long believed that the American system of allowing uninsured patients to receive care at the government's expense was nothing more than "freedom to mooch."

"Massachusetts is the first state in America to reach full adulthood," said Reinhardt, noting that the new

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measure is a move toward personal responsibility. "The rest of America is still in adolescence."

As simple as the idea sounds -- buy insurance or else -- the proposal is complex and, in some cases, still unfinished. For instance, it leaves the task of determining exactly how much some low-income residents will pay for their new, more affordable policies to a new agency that would serve as a liaison between the government, policyholders and private insurance companies.

Because of that uncertainty, some still worry that the residents required to buy insurance would not be able to.

"Who defines what's affordable?" said the Rev. Hurmon Hamilton, a minister in the Boston neighborhood of Roxbury and a leader in an interfaith organization that has pushed for health-care changes.

Another aspect that may change is the \$295 annual fee that the bill would require companies to pay for each employee they do not provide with insurance. Legislative leaders have insisted that this money be fed into the pool that would subsidize low-cost policies for the uninsured, but Romney said that would be unnecessary.

"That's likely to be adjusted by me," he said -- potentially through the use of a line-item veto.

This is how Massachusetts leaders envision the plan would work:

Uninsured people earning less than the federal poverty threshold would be able to purchase subsidized policies that have no premiums, and would be responsible for very small co-payment fees for emergency-room visits and other services. Those earning between that amount and three times the poverty-level amount would be able to buy subsidized policies with premiums based on their ability to pay. Though no maximum premium is set in the bill, legislators' intent seems to be for it to top out at about \$200 to \$250 per month.

All residents will have to provide details about their health insurance policy on their state income tax returns in 2008. Those who do not have insurance would first lose their personal state tax exemption, perhaps worth \$150, and later face penalties equal to half the cost of the cheapest policy they should have bought. That might work out to \$1,200 per year, officials said. Those who cannot find an affordable plan could obtain a waiver.

Enforcement of the requirement will not be done by hospitals, officials said: They will treat uninsured patients as before.

The bill's passage was celebrated as a victory in the state legislature, with House Speaker Salvatore F. DiMasi (D) telling colleagues that they had succeeded where other states had failed.

"We did something to solve the problem," he said.

The same message might provide a political boost to Romney, who is considering a presidential run in 2008. By proving he can work with Democrats, and find a health-care solution that relies on the private sector, Romney can portray himself as an executive who can work across the aisle in harshly partisan times.

"It might help him to say, 'Look, I have a solution for health insurance,' " said Julian E. Zelizer, a

professor of history at Boston University.

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