

Impact of the Affordable Care Act in Massachusetts

Thousands of Massachusettsans have gained coverage, and millions more have had their coverage substantially improved

Today, the U.S. Department of Health and Human Services released an extensive compilation of state-level data illustrating the substantial improvements in health care for all Americans over the last six years. The data show that the uninsured rate in Massachusetts has fallen by 36 percent since the Affordable Care Act (ACA) was enacted in 2010, translating into 107,000 Massachusettsans gaining coverage. And, in addition to residents who would otherwise be uninsured, millions more Massachusettsans with employer, Medicaid, individual market, or Medicare coverage have also benefited from new protections as a result of the law.

“As our nation debates changes to the health care system, it’s important to take stock of where we are today compared to where we were before the Affordable Care Act,” said Secretary Sylvia M. Burwell. “Whether Massachusettsans get coverage through an employer, Medicaid, the individual market, or Medicare, they have better health coverage and care today as a result of the ACA. Millions of Americans with all types of coverage have a stake in the future of health reform. We need to build on our progress and continue to improve health care access, quality, and affordability, not move our system backward.”

Highlights of today’s data release include:

Employer Coverage: 4,232,000 people in Massachusetts are covered through employer-sponsored health plans. Since the ACA was enacted in 2010, this group has seen:

- **An end to annual and lifetime limits**: Before the ACA, 2,520,000 Massachusettsans with employer or individual market coverage had a lifetime limit on their insurance policy. That meant their coverage could end exactly when they needed it most. The ACA prohibits annual and lifetime limits on policies, so all Massachusettsans with employer plans now have coverage that’s there when they need it.
- **Young adults covered until age 26**: An estimated 52,000 young adults in Massachusetts have benefited from the ACA provision that allows kids to stay on their parents’ health insurance up to age 26.

- **Free preventive care:** Under the ACA, health plans must cover preventive services — like flu shots, cancer screenings, contraception, and mammograms – at no extra cost to consumers. This provision benefits 3,399,092 people in Massachusetts, most of whom have employer coverage.
- **Slower premium growth:** The average premium for Massachusetts families with employer coverage grew 4.8 percent per year from 2010-2015, compared with 7.1 percent over the previous decade. Assuming Massachusetts premiums grew in line with the national average in 2016, family premiums in Massachusetts are \$3,000 lower today than if growth had matched the pre-ACA decade.
- **Better value through the 80/20 rule:** Because of the ACA, health insurance companies must spend at least 80 cents of each premium dollar on health care or care improvements, rather than administrative costs like salaries or marketing, or else give consumers a refund. Massachusettsans with employer coverage have received \$56,787,089 in insurance refunds since 2012.
- **Medicaid:** 1,684,328 people in Massachusetts are covered by Medicaid or the Children’s Health Insurance Program, including 672,309 children and 277,682 seniors and people with disabilities covered by both Medicaid and Medicare. The ACA expanded Medicaid eligibility and strengthened the program for those already eligible. **More coverage:** Thanks in large part to Medicaid expansion, 15.7 million more people nationwide have Medicaid coverage today than before the ACA’s major coverage provisions took effect.
- **Better health and financial security:** Medicaid expansion has resulted in more than 500,000 people nationwide getting all needed care, over 625,000 fewer people struggling to pay bills, and more than 5,000 fewer avoidable deaths each year.
- **Children, people with disabilities, and seniors can more easily access Medicaid coverage:** The ACA streamlined Medicaid eligibility processes, eliminating hurdles so that vulnerable Massachusettsans could more easily access and maintain coverage.
- **Massachusetts is improving care coordination:** Massachusetts is introducing delivery system reforms that will improve care and bring down costs by encouraging better coordination among providers and testing out new ways to pay providers for quality health care.

Individual market: 207,121 people in Massachusetts have coverage through the Marketplace.

- **No discrimination based on pre-existing conditions:** Up to 2,931,068 people in Massachusetts have a pre-existing health condition. Before the ACA, Americans with pre-existing conditions could be denied coverage or charged an exorbitant price if they needed individual market coverage. Now, health

insurance companies cannot refuse coverage or charge people more because of pre-existing conditions.

- **Tax credits available to help pay for coverage:** 157,751 moderate- and middle-income Massachusettsans receive tax credits averaging \$190 per month to help them get covered through HealthCare.gov.
- **Transparency and choice:** Under the ACA, Massachusetts has received \$9 million in federal funding to provide a more transparent marketplace where consumers can easily compare plans.

Medicare: 1,252,277 people in Massachusetts are covered by Medicare. The ACA strengthened the Medicare Trust Fund, extending its life by over a decade. In addition, Medicare enrollees have benefited from:

- **Lower costs for prescription drugs:** Because the ACA is closing the prescription drug donut hole, 83,303 Massachusetts seniors are saving \$87 million on drugs in 2015, an average of \$1,039 per beneficiary.
- **Free preventive services:** The ACA added coverage of an annual wellness visit and eliminated cost-sharing for recommended preventive services such as cancer screenings. In 2015, 725,251 Massachusetts seniors, or 79 percent of all Massachusetts seniors enrolled in Medicare Part B, took advantage of at least one free preventive service.
- **Fewer hospital mistakes:** The ACA introduced new incentives for hospitals to avoid preventable patient harms and avoidable readmissions. Hospital readmissions for Massachusetts Medicare beneficiaries dropped 6 percent between 2010 and 2015, which translates into 2,213 times Massachusetts Medicare beneficiaries avoided an unnecessary return to the hospital in 2015.
- **More coordinated care:** The ACA encouraged groups of doctors, hospitals, and other health care providers to come together to provide coordinated high-quality care to the Medicare patients they serve. 14 Accountable Care Organizations (ACOs) in Massachusetts now offer Medicare beneficiaries the opportunity to receive higher quality, more coordinated care.

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