



FOR IMMEDIATE RELEASE

How Employers React to Health Reform: The Massachusetts Experience

Study finds that private insurance hasn't been "crowded out" and costs have been kept in check for most Massachusetts workers

CONTACT:

Susan Ryan-Vollmar
Blue Cross Blue Shield of Massachusetts Foundation
617.246.2404
susan.ryanvollmar@bcbsma.com

October 2, 2009—Concerns that health reform in Massachusetts would push private insurers out of the market – a phenomenon known as “crowd out” – are as yet unfounded, according to a [study in Health Affairs](#). The study found that 90 percent of Massachusetts employers offered health insurance in 2008, the same as prior to health reform. However, by 2008, 84% of employees accepted that coverage—an increase over pre-reform levels. The study also found that employees are more satisfied with their employer-sponsored health plans than they were in 2006. Additionally, the study found that the share of working-age adults reporting problems with their health plan remains unchanged since 2006. The share of workers at small firms reporting premiums that were more than twice the average premium for workers in small firms, however, increased 8.6 percentage points when compared to previous levels. Nonetheless, those workers were no more likely to report that they did not get care they needed in 2008 because of costs than prior to reform.

The study, conducted by Urban Institute researchers Sharon K. Long and Karen Stockley, uses data from the 2006, 2007, and 2008 Massachusetts Health Reform surveys of Bay State adults between the ages of 18 and 64. The study was funded by the Blue Cross Blue Shield of Massachusetts Foundation, the Commonwealth Fund, and the Robert Wood Johnson Foundation. The paper on employer-sponsored health insurance is the latest in a series of briefs on the implementation of the Massachusetts reforms utilizing data from the Massachusetts Health Reform surveys.

-30-

The Blue Cross Blue Shield of Massachusetts Foundation

The mission of the Blue Cross Blue Shield of Massachusetts Foundation is to expand access to health care. Through grants and policy initiatives, the Foundation works with public and private organizations to broaden health coverage and reduce barriers to care. It focuses on developing measurable and sustainable solutions that benefit uninsured, vulnerable and low-income individuals and families in the Commonwealth, and served as a catalyst for the pioneering Massachusetts health care reform law passed in 2006. The

Foundation was founded in 2001 with an initial endowment of \$55 million from Blue Cross Blue Shield of Massachusetts. The Foundation operates separately from the company and is governed by its own 18-member Board of Directors. It is one of the largest private health philanthropies in New England and in 2007 was awarded the Paul Ylvisaker Award for Public Policy Engagement for its work on Massachusetts health care reform by the Council on Foundations.