

House Republican Press Release

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A VIEW FROM THE INSIDE
State Representative Ruth Fahrbach



**Ambitious health care plan falling
apart in Bay State**

Our neighbors to the north in the Massachusetts legislature passed a “bold” health care initiative last year aimed at giving all residents access to “affordable” health care. The plan requires employers with more than 11 employees to provide health insurance for workers, and individual residents over the age of 18 are required to purchase a health insurance policy.

A recent report by The Heartland Institute in Chicago, a non-profit organization devoted to discovering and promoting free-market solutions to social and economic problems, suggests that the Massachusetts plan is beginning to fall apart at the seams. The report cites a much higher cost (almost double) than was originally projected, an inability to enforce the mandated insurance coverage requirement, and privacy concerns as reasons why the plan is not performing as well as its proponents had forecasted.

Other parts of the Massachusetts plan are also being called into question by the Heartland report. The lowering of deductibles is projected to bring on an over-use of health services, which will lead to higher costs, while providing minimal additional health benefits to patients. Expanding Medicaid is not a reliable source of funding for providers, given that Medicaid reimbursement rates are set by the government at below-market prices causing an increasing number of physicians to refuse to accept new Medicaid patients.

The Heartland report concludes that the issue of uninsured residents and the impact on our health care system needs to be scrutinized further to determine exactly who should be targeted to alleviate the problems associated with the uninsured and access to health care. For example,

approximately 30 percent of the uninsured in this country already qualify for government health care programs, but are not enrolled. In addition, it is reported that 17 million of the uninsured live in households with annual incomes exceeding \$50,000, but presumably make a choice not to purchase health insurance.

The state of Maine also has launched a health care initiative in the last couple of years, and is dealing with problems similar to Massachusetts. Those problems were chronicled in a recent *New York Times* article. The complete article can be found in the archives at nytimes.com.

A number of legislative proposals related to health care have been introduced in Connecticut this year. One universal health care plan under consideration is projected to cost \$17 billion. The state Office of Health Care Access estimates that just six percent of Connecticut residents are currently uninsured and, just as in the Heartland study has determined in Massachusetts, many in Connecticut who are eligible have not enrolled in available plans. The high cost of health insurance is the major deterrent to individuals and businesses seeking coverage. Connecticut has more mandated health care coverage than most other states and does not allow individuals a choice in the type of coverage that may be purchased. A state health care plan will not necessarily lower the cost of health insurance, but it will simply shift the cost to increased taxes. As stated by Alan Schlessinger during the recent U.S. Senate race, "If you think health care is expensive now, just wait until it's 'free'." Given the collapse of the unsustainable Massachusetts plan, which was passed just a few short months ago, we must proceed with caution and not seek a solution in search of a problem and we need to learn from the mistakes of others.

If you would like a copy of the Heartland Institute Report on the Massachusetts plan, please call me at 240-8700 or go to their Web site at www.Heartland.org.

Rep. Ruth Fahrbach represents the 61st District, including Suffield, and parts of Windsor and East Granby, in the General Assembly.