

So Far, Divergent Paths for Health Reform in New England

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New England is a compact and relatively liberal region, and its six states – Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, and Connecticut – all had relatively high levels of health insurance coverage before the Affordable Care Act. Yet rates of prior coverage still varied, and these states have made different choices about implementing reform.

Leading into 2014, each U.S. state had two key decisions to make: whether to use federal funds appropriated by the Affordable Care Act to expand its Medicaid program to include people just above the poverty line; and whether to set up and run its own exchange, an online market place where residents can comparison shop for private health insurance plans and find out about their eligibility for federal subsidies to help pay the premiums.

Four of the New England states – Connecticut, Rhode Island, Massachusetts and Vermont – have chosen to run their own exchanges and expand Medicaid. In contrast, New Hampshire and Maine have both refused the Medicaid expansion for 2014 and are leaving their residents to use the federal government's website, Healthcare.gov, to purchase private plans under Affordable Care. These choices have led to different pay-offs from reform so far.

Signups for Private Insurance

According to data compiled by the Kaiser Family Foundation on the number of marketplace-eligible people in each state and data from U.S. Department of Health and Human Services and state-based exchanges for private insurance signups as of December 28, 2013 or early January, the percentages of eligible residents in each state who had signed up for private insurance on the exchanges ranged from 33.4% in Vermont to 16.7% in Connecticut, 16.2% in Rhode Island, 11.2% in Maine, 8.4% in New Hampshire, and just 2.1% in Massachusetts.

The Bay State has to be understood as a special case. Because Massachusetts instituted reforms in 2006, well before Affordable Care was enacted nationally in 2010, Massachusetts had 96% of its population already insured. In addition, the state has had serious problems with its online system for managing new signups under Affordable Care. For these reasons, Massachusetts has enrolled the lowest percentage of its remaining uninsured residents who are eligible for marketplace coverage.

Setting aside Massachusetts, however, the New England states running their own exchanges have forged ahead in meeting first-year targets for private exchange purchases. Taken as a group, Connecticut, Rhode Island and Vermont have **nearly twice** the private insurance coverage rate as the two states not running exchanges, New Hampshire and Maine.

- Vermont has the highest rate of signups in the country. This state has a long history of innovations in health care delivery – such as providing visiting public health nurses to newborns and funding an extensive network of health clinics – and it is planning to use new Affordable Care funding to set up a single-payer, “Medicare for all” health insurance system starting in 2017.
- Connecticut is also doing very well at private insurance enrollments, with the third best rate of signups in the country. The private insurance industry is strong in the state, and professionals from the industry, as well as people with experience with the pre-Affordable Care Act’s Massachusetts health insurance marketplace, were brought in to implement exchange enrollments and plan outreach to eligible residents. Outreach storefronts now exist in three cities, with more coming soon.

The Expansion of Medicaid and the Children’s Health Insurance Program

On this second major prong of health insurance extensions under Affordable Care, the New England states again divide into supportive and unsupportive clusters. Connecticut, Massachusetts, Rhode Island and Vermont decided to accept new federal funds to expand Medicaid, and many additional low-income state residents are signing up in each state.

But because Maine and New Hampshire are not expanding Medicaid, only a few new people are being added to the program rolls – essentially those who tried to sign up on the federal website and learned that their incomes were low enough that they qualified for the existing, non-expanded versions of Medicaid in their home states. Approximately 24,000 Maine and 26,000 New Hampshire people fall into the “Medicaid gap” created by the refusal of their state governments to expand Medicaid. With incomes just above the poverty line, they make *too little* to be eligible for subsidies to purchase private insurance on the federal government’s exchange. Frustration and unhappiness are the result. A “navigator” working to help the uninsured get coverage explained in a letter to the *Bangor Daily News* that Maine people in the gap “are self-employed, many of them farmers, craftspeople or those with low paying jobs. They are hardworking and would suffer immensely if their health were compromised.”

Fights about Expanding Medicaid Continue

States not expanding Medicaid for 2014 can do so later, and proponents of expansion are still pushing in the two hold-out New England states.

New Hampshire’s governor, Democrat Maggie Hassan, supports expansion, as does the Democratic-controlled House. Agreement with the Republican-controlled Senate has proved elusive, but efforts are still under way. In Maine, a Tea Party-oriented GOP governor, Paul LePage, adamantly opposes Medicaid expansion, even though Democratic majorities and some Republicans in the legislature have voted for it and almost two-thirds of legislators have come close to overriding his veto. In January and February 2014, Medicaid expansion is back on the agenda and is supported by state-wide medical groups, such as the Maine Medical Association and the Maine Hospital Association. The Maine Chamber of Commerce is working with legislators to fashion a bipartisan compromise (featuring enhanced cost controls and co-pays from patients) that could pass by veto-proof majorities. If Maine expands Medicaid for most of 2014, support from moderate Republicans, medical groups and some businesses will be key.

Research and data for this brief were drawn from “Marketplace Enrollment as a Share of the Marketplace Eligible Population,” Kaiser Family Foundation, January 2014; “The Impact of the Coverage Gap in States not Expanding Medicaid by Race and Ethnicity,” Kaiser Family Foundation, December 2013; and acasignups.net, February 1, 2014.