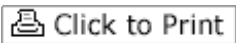




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# Mass. health plan finds cost is too high for 20% of people

By Julie Appleby, USA TODAY

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Massachusetts regulators Thursday tackled a difficult question: What is considered affordable health insurance?

In an answer that pleased many of the state's patient advocates, the board overseeing the first-in-the-nation effort to require everyone to carry insurance exempted up to 20% of the state's estimated 328,000 uninsured adults from penalties if they do not purchase coverage.

For that 20%, the board determined that even the lowest-cost insurance plans made available through the law enacted one year ago may not be affordable.

The insurance plans, approved in March, range in monthly cost from \$122 to more than \$800, with the lowest premiums paid by young adults and the highest by those over 55. The least costly premium for those in middle age is about \$175 a month.

Those not exempted by the new rules are required by the law to have coverage by July 1 or lose a tax exemption worth about \$200 per person.

The decision follows weeks of debate over how much people should be able to spend on health insurance and foreshadows what are expected to be similar debates in other states, such as California, aiming to cover more uninsured. The new rules in Massachusetts will ensure that about 99% of the state's residents will be required to have insurance, the law's supporters say.

The rules, which also expand the number of people who will get free coverage, generally pleased advocates for the poor, who had vowed to fight them if affordability standards were set too high.

"It's a tremendous victory," said the Rev. Hurmon Hamilton, pastor of Roxbury Presbyterian Church and president of the Greater Boston Interfaith Organization. "It casts the widest possible net across those who are uninsured, while protecting the most vulnerable."

In a unanimous vote, the Commonwealth Health Insurance Connector Authority extended free care to those earning up to 150% of the federal poverty level, about \$15,315 for individuals or \$20,535 for couples. It lowered monthly premiums for residents who earn up to twice that much — and therefore qualify for state-subsidized coverage.

It also determined affordability for most of the state's other residents on a sliding scale, based on income and family size, generally saying affordability means spending at least 5% but no more than 10% of income

on premiums. The board did not consider other costs, such as annual deductibles, in the affordability standard.

Increasing the subsidies to low-income residents will add an additional \$13 million in cost to the program this year, bringing the total to an estimated \$483 million.

The decision will be watched closely as other states also work on plans that aim to reduce the number of uninsured.

"What the Massachusetts decision will do is put down a marker that other advocates will use to say that costs can't be more than 10%," says Len Nichols, an economist with the New America Foundation, a Washington-based think tank.

Nichols says that standard is fairly generous, calculating that the median American household currently spends about 17% of income on total health care costs, including impact on wages of employers offering coverage.

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