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# Samuel H. Fleet: Mass. health insanity

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Albert Einstein famously said that insanity is doing the same thing over and over and expecting a different result. But it is ObamaCare that will bring this truism to life for people as they watch their health care evaporate and wonder why.

The answer will be simple. Congress and the Obama administration modeled the majority of their reforms after Massachusetts, ignoring all of its danger signs.

The similarities are clear. In 2006, Massachusetts enacted a sweeping health-care reform that promised affordability through lower costs, coverage for all through employer and individual mandates, and accessibility through Medicaid expansion and a state-run exchange. By 2014, across the nation the federal government will fine companies that don't provide insurance; tax individuals who don't buy it; expand Medicaid and Medicare eligibility, and establish health-insurance exchanges.

As for promises of lower costs and greater access, perhaps someone in Washington should have stopped to ask how the reforms have played out in Massachusetts.

After three years of living with reform, the state has the highest average health-insurance premiums in the nation. An analysis by the highly reputable Rand Corporation estimates that total health-care spending in the state will nearly double to \$123 billion by 2020. Original estimates of the people needing subsidies for insurance have been disastrously low. The state expected to cover 215,000 at a cost of \$725 million; The Boston Globe recently reported that by 2011 the total will be 342,000 at a cost of \$1.35 billion.

The proliferation of regulations, plan-design restrictions and minimum-coverage guidelines has resulted in fewer alternatives, and it could get worse. The state's regulators recently rejected most proposed health-insurance-rate increases, despite the rising medical-care costs that insurers must cover and that four of the five major health plans had operating losses last year. An internal memo by the state official in charge of monitoring insurer solvency warns that rates the regulators want to impose "have no actuarial support" and could lead to a "train wreck" in the industry. In April, several insurers boycotted the state's exchange, refusing to sell insurance at a loss.

What has gone wrong in Massachusetts?

First, there has been little attempt to rein in medical costs. The supposed “savings” from giving the uninsured regular coverage instead of treating them in emergency rooms was never going to be enough to make up for the added costs of providing them care.

Second, there has been no move toward transparency to enable consumers to make wise economic choices for health care. Not only do they have no way of finding out which hospital’s X-ray costs \$120 and which costs \$1,200, they also have little incentive to shop for the best value as they would when buying a car or flat-screen TV.

Third, health insurers are still able to hide data instead of opening them up to analysis that would lead to more competitive plans and better health outcomes. In short, what we have in Massachusetts is insanity. And now, thanks to ObamaCare, we are about to do the same thing at the national level. Don’t expect a different outcome.

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