

## Federal funds strengthen Mass. universal health insurance plan

by *Boston.com*

US to still provide Medicaid money

The state's landmark health insurance law passed an important hurdle yesterday, with the announcement that the federal government has agreed to continue providing Massachusetts \$385 million in annual Medicaid money for the next two years.

State officials have said that the money, needed to subsidize coverage for low-income residents, is crucial to carrying out the ambitious new healthcare plan, which seeks to insure nearly all Massachusetts residents over the next several years .

The federal funding was considered at-risk earlier this year because Massachusetts did not finalize the law until April. Medicaid officials had said they needed the health insurance law in place much earlier to make sure it satisfied key federal criteria.

State officials said the agreement, known as a Medicaid waiver , also includes an additional \$225 million annually to expand Medicaid programs for the poor.

The state's new healthcare plan will offer a combination of subsidized and low-cost insurance plans, the expansion of Medicaid coverage , and incentives for businesses to cover workers, and also require that everyone have some form of coverage.

“It means that Massachusetts is now at the forefront of a revolution in the way we think about healthcare,” Governor Mitt Romney said at a news conference, which was attended by Michael Leavitt, secretary of the US Department of Health and Human Services.

“The reforms we crafted bring coverage to all our citizens, without a government takeover of healthcare, and without the need to raise taxes,” Romney said.

The law gradually shifts a portion of Medicaid money from payments to hospitals that serve the poor -- primarily Boston Medical Center and Cambridge Hospital -- to using that money to insure poor residents, a change pushed by the federal government. Most immediately, the approval of the waiver will allow the state to increase enrollment in the state-federal Medicaid program for unemployed adults.

“We're pleased,” said Brian Rossman of Health Care for All, a Boston-based consumer advocacy group. “They will lift the cap in the next day or two, and 10,000 people will get immediate health insurance coverage.”

Senator Edward M. Kennedy, who worked closely with state leaders on the new health plan, said in a statement: “Final approval of the waiver not only allows Massachusetts to keep the Medicaid funds, but also allows us to move forward with health reform. Instead of facing health care cuts, we're well on our way to achieving our long-standing goal of health care for all.”

Leavitt said that “every component of our society” needs to contribute to giving all Americans access to “affordable, basic healthcare.”

He praised the Massachusetts program as “an important national model,” but he also warned that implementation of the insurance program could create unexpected problems.

“None of us should expect perfection here,” Leavitt said. “Mistakes are going to be made. Lessons are going to be learned. They'll be learned by lots of people, and we'll get better at this. But this is an important moment, and not just today in the state of Massachusetts, but also across the country.”

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By Liz Kowalczyk and Scott Helman, Globe Staff

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