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# Governor Deval Patrick

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## GOVERNOR PATRICK SIGNS 'NEXT BIG STEP FORWARD' ON HEALTH CARE REFORM, MASSACHUSETTS POISED TO LEAD NATION ON COST CONTROL

**At State House ceremony, Governor credits broad coalition for making landmark law possible; Cites better care at lower costs, savings of nearly \$200 billion over 15 years & increase in take home pay for workers, savings for families**



*Governor Patrick signs the health care reform bill in Nurses Hall at the State House. (Photo Credit: Eric Haynes / Governor's Office) [View full size photo.](#)*

BOSTON – Monday, August 6, 2012 – Governor Deval Patrick today launched the next phase of health care reform, signing legislation that builds on the Commonwealth's nation-leading access to care through landmark measures that will lower costs and make quality, affordable care a reality for all Massachusetts residents.

"Today, we take our next big step forward. Massachusetts has been a model to the nation for access to health care. Today we become the first to crack the code on cost. And we have come this far together," said Governor Patrick. "The law I have signed makes the link between better health and lower costs, that we need a real health care system in place of the sick care system we have today. What we're really doing is moving towards a focus on health outcomes, and a system to reward that. We are ushering in the end of fee-for-service care in Massachusetts in favor of better care at lower cost." ([Read the Governor's full remarks here.](#))

During a ceremony at the State House, Governor Patrick joined medical, business and labor leaders, caregivers and patient advocates, and legislators and policy makers, crediting the broad coalition for delivering on the promise of the Commonwealth's 2006 health care reform law that expanded coverage to over 98% of residents, including 99.8% of children. The Governor noted that the first phase of health care reform, which the Patrick-Murray Administration successfully implemented, has led to more

residents having a primary care physician, more businesses offering coverage and an increase in preventive care.

"Our Administration has worked to increase access to quality health care for Massachusetts residents, and we have built a strong partnership with providers, consumers, and other stakeholders to address the affordability of care within the system," said Lieutenant Governor Timothy Murray. "We thank the state legislature and all who have been dedicated to working with us as we prepare for the next phase of health care reform, reducing the rising cost within our health care system and easing the burden on Massachusetts families, businesses, and residents."

"By striking just the right balance, this bill will help slow the spiraling health care costs faced by businesses and individual consumers while also allowing the marketplace to grow and function," said Attorney General Martha Coakley. "We are proud to be part of this first-in-the-nation effort and are prepared to ensure the law's fair and effective implementation. I thank Governor Patrick for his leadership on this issue and applaud the Legislature, particularly the work of Chairmen Walsh and Moore, as well as Senate President Murray and Speaker DeLeo, for this landmark health care bill."

"Since we passed health care reform and became a model for the country, we have been working toward this moment," said Senate President Therese Murray. "Health care costs are a burden on businesses and many individuals and families, despite recent successes in bringing down premiums in some cases. With this bill, we are once again showing the nation that shared concerns and a willingness to work together can provide answers. This bill will reel in health care costs, removing a major roadblock to long-term job growth and allowing essential investments in education and transportation without harming our number one industry or patient care."

"I am proud of the health care cost containment legislation we worked together to craft. Our collective focus is on cutting health care costs for businesses and families," said House Speaker Robert A. DeLeo. "I am confident this bill will lower our health care costs in a way that maintains our historic strengths, among them high quality patient care and medical innovation. As we have done previously with municipal health care reform and the sound management of our state budget and other pieces of legislation, we are putting Massachusetts at the top of states for people to live and work."

The Governor also noted ways in which government and the private sector have worked together to make progress on controlling costs in advance of this bill becoming law. Small businesses and working families saved over \$600 million in the last two years as the Administration slowed the average annual increase in health insurance premiums from over 16% to less than 1%. Over the same period, the Health Connector reduced rates by 10% without sacrificing scale or quality of coverage. Providers and insurers reopened contracts and reduced preset increases to cut millions out of future cost growth. Thanks to legislation passed by the Legislature in 2010, small businesses can now band together into health insurance cooperatives to improve their buying power and limited network plans are available at up to 12% less than ordinary rates.

The legislation the Governor signed today makes this progress sustainable, advances the market innovation already on full display and strengthens the state's world-renowned health care sector so that patients receive better care at lower costs and businesses and working families benefit from long-term savings.

The new law will:

#### Achieve Billions in Savings:

- Sets a first-in-the-nation target for controlling the growth of health care costs. The law holds the annual increase in total health care spending to the rate of growth of the state's Gross State Product (GSP) for the first five years, through 2017, and then even lower for the next five years, to half a percentage point below the economy's growth rate, and then back to GSP.
- Results in nearly \$200 billion in health care cost savings over the next 15 years, which will lead to up to \$10,000 in additional take-home pay, per worker, over 15 years.
- The average family will see an estimated savings of \$40,000 on their health care premiums over 15 years.

#### Move to Alternative Payments:

- To control costs and improve quality of care, the law requires government agencies like MassHealth, the GIC and the Connector to use global and other alternative payments to achieve savings for taxpayers.
- Encourages alternative delivery systems across health care fields to deliver additional savings for patients, business owners and working families.

#### Increase Transparency:

- The law also gives consumers better information about the price of procedures and health care services by requiring health insurers to provide a toll-free number and website that enables consumers to request and obtain price information.

#### Address Market Power:

- To monitor and address the market power and price disparities that can lead to higher costs, the law allows a Health Policy Commission to conduct a cost and market impact review of any provider organization to ensure that they can justify price

variations. The law identifies triggers for when a provider or provider organization will be referred to the attorney general for investigation. An independent Center for Health Information and Analysis will conduct data collection and reporting functions.

#### Promote Wellness:

- The law creates a Wellness Fund of \$60 million administered by the Massachusetts Department of Public Health for competitive grants to community-based organizations, health care providers and regional planning organizations.

#### Enact Malpractice Reform:

- The law includes malpractice provisions proposed by Governor Patrick, requiring a “cooling-off” period before a party may initiate a suit, while making providers’ apologies inadmissible as evidence. Many studies show that an apology can prevent a lawsuit but due to the threat of litigation, providers have oftentimes remained silent.

#### Support Health Information Technology

- Massachusetts is already a national leader in adopting electronic health records and health IT efforts. The law complements these efforts, by advancing several health information technology programs, including the Executive Office of Health and Human Services’ work with the Obama Administration to build and operate the statewide health information exchange.

Over 90% of Massachusetts residents have a primary care physician, and four out of five have seen their doctor in the last 12 months. 78% of Massachusetts businesses offer health insurance to their employees today, compared to the national average of about 69%. More people are receiving cancer screenings, more women are getting early prenatal care and visits to emergency rooms have decreased for non-emergencies.

#### SUPPORTIVE QUOTES

“The passage of today’s bill is all about seeing our health care system through the eyes of the patient,” said Representative Steven M. Walsh, House Chair of the Joint Committee on Health Care Financing. “We have the highest quality medical system in the nation and the highest percentage of health care coverage, yet it is a struggle for families to afford their health insurance premiums. This legislation focuses on increasing efficiency and cutting costs within our system, while enhancing the quality of care that our patients receive and empowering them to make the best personal health decisions.”

“Today, we take another big step forward towards achieving affordable health care for all of our residents,” said Secretary of Health and Human Services Dr. JudyAnn Bigby. “We are moving towards a health care system that is more focused on better care and better health at lower cost. I am proud of Governor Patrick for signing this historic legislation.”

“This groundbreaking legislation takes on the biggest threat to fiscal sustainability for government, businesses and families - growth in health care costs,” said Secretary of Administration and Finance Jay Gonzalez. “We’re proud of the many successes we have had containing health care costs and today’s announcement brings us one step closer to a permanent solution to that challenge.”

“Making Massachusetts more affordable for businesses is a priority in the Patrick-Murray Administration’s long-term economic plan, and this law signed by Governor Patrick is a significant step forward on this important issue,” said Greg Bialecki, Secretary of Housing and Economic Development. “Small businesses are the driving force of our economic recovery, and business owners can be assured that we are doing everything we can to put the brakes on escalating health care costs now and in the future.”

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