



Written by [Thomas R. Eddlem](#) on April 22, 2010

## Making a Disaster National: Massachusetts' Romney-care v. Obama-care

With all the alarm by Republicans on the “right” over Obama-care, Americans should take a closer look at Massachusetts’ health care legislation. The Massachusetts legislation — sponsored as a “conservative” program by the Governor Mitt Romney — was what Obamacare was based upon.



All of the key features in the national plan were in the Romney plan, although a few of the numbers were slightly different. Analyzing Romney-care is instructive for two reasons: it helps signal what Obama-care will do to the nation and is a warning for Republicans considering Romney as a “conservative” presidential contender.

Following is a comparison chart between Romney-care and Obama-care:

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	<b>Massachusetts “Romney-care”</b>	<b>Federal “Obama-care”</b>
Individual mandate requiring individuals purchase insurance?	<b>Yes</b> , up to \$1,116 per year added to income tax bill in 2010 for failure to purchase insurance, a fine expected to triple in coming years (though the fine has already increased 900 percent since 2007).	<b>Yes</b> , up to \$95 per year in 2014 for failure to purchase insurance, increasing to \$750 per year by 2016.
Employer mandate requiring companies offer insurance?	<b>Yes</b> , up to \$295 per employee for companies employing more than 10 people in 2010.	<b>Yes</b> , up to \$2,000 per employee for companies employing 50 or more people by 2014, plus other fines.



<p>Creates fines for employers offering insurance the government deems not "affordable"?</p>	<p><b>Yes</b>, Mass. requires employers who do not make a "fair and reasonable contribution" (usually at least 33 percent of a premium for a state-approved policy) or are required to pay a per-employee "Fair Share Contribution" tax to the state, the so-called "Free Rider Surcharge." Employers can also be liable that to pay part of the healthcare bills for uninsured employees and their dependents as additional taxes.</p>	<p><b>Yes</b>, the lower of either \$3,000 per employee requiring federally subsidized insurance or \$2,000 per employee. What constitutes "affordable" has yet to be precisely defined.</p>
<p>Creates "insurance exchanges"?</p>	<p><b>Yes</b>, Mass Connector already set up and running.</p>	<p><b>Yes</b>, creates insurance exchanges across the other 49 states.</p>
<p>No denial of coverage for preexisting conditions?</p>	<p><b>Yes</b>, leading to what the leftist <i>Boston Globe</i> <a href="#">describes</a> as people "buying insurance when they need to cover pricey medical care, such as fertility treatments and knee surgery, and then swiftly dropping coverage," a trend that costs insurers millions in losses annually and leads to price increases for year-round customers.</p>	<p><b>Yes</b>, which will inevitably mirror the Massachusetts experience.</p>
<p>Insurance company mandate to cover young adults under parents' plan?</p>	<p><b>Yes</b>, up to age 26 under parents' plan or two years after child is no longer claimed as dependent.</p>	<p><b>Yes</b>, up to age 26 under parents' plan.</p>
<p>Government subsidy on health care of poor?</p>	<p><b>Yes</b>, up to 300 percent of federal poverty rate.</p>	<p><b>Yes</b>, up to 400 percent of federal poverty rate.</p>
<p>Increases or decreases overall cost of health care insurance?</p>	<p><b>Drastic increases.</b> Extraordinarily large federal subsidies have helped some, but three of the state's largest insurance companies lost money last year and are suing the state to increase premiums by 8-to-32- percent this year in what are already the highest health insurance rates in the nation. Small business premiums have been increasing at nearly 50 percent per year.</p>	<p>If Massachusetts is any indication, health insurance <b>policies will cost much more</b> for individuals and businesses. Moreover, the federal plan will not benefit from outside subsidies like the Massachusetts plan.</p>



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<p>Regulates what procedures insurance companies have to cover?</p>	<p><b>Yes</b>, with an emphasis on so-called “preventative” medicine.</p>	<p><b>Yes</b>, e.g., the White House website claims the law will be as follows: “New plans will have to offer preventive care and immunizations at no cost.”</p>
<p>Regulates what insurance companies may charge for premiums?</p>	<p><b>Yes</b>, indirectly, by approving/disapproving premium increases. (Six insurance companies are currently suing the state over denied increases in premiums)</p>	<p><b>Probably</b>. Language in the Patient Protection Affordable Care Act requiring “Fair Health Insurance Premiums” which sets up state premium oversight agencies seems to deal primarily with discriminatory premiums rather than overall rates, but President Obama has <a href="#">proposed regulating rates</a> insurance companies can charge. That may be his window to premium rate regulation.</p>

**Sources:**

Text of The Patient Protection and Affordable Care Act, Public Law 111-148,

[Text](#) of Health Care and Education Affordability Reconciliation Act of 2010, Public Law 111-152

Massachusetts Health Connector "National Health Insurance and Massachusetts, Frequently Asked Questions"

*Photo: Former Massachusetts Gov. Mitt Romney speaks at the Neponset Heath Center to launch the Commonwealth Care insurance program in 2006: AP Images*



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