

# ROMNEYCARE OBAMACARE

## Similarities Between Massachusetts Health Reform (aka: RomneyCare) and The Affordable Care Act (aka: ObamaCare)

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This analysis is based on *An Act Providing Access to Affordable, Quality, Accountable Health Care* (Chapter 58 of the 2006 Acts and Resolves of Massachusetts) and the *Patient Protection and Affordable Care Act*, as amended by the *Health Care Education and Reconciliation Act*, 2010.

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### What do these laws do to regulate where and how individual insurance coverage is sold? How will health coverage be made available for people who want to buy their own insurance?



RomneyCare creates a new individual insurance marketplace, called the “Commonwealth Health Insurance Connector,” to offer policies to consumers (Section 101).



ObamaCare creates a new individual insurance marketplace, called “exchanges,” to offer policies to consumers (Section 1311).

### What do these laws do to regulate the kind of insurance policies that can be sold in the individual marketplace?



RomneyCare authorizes “tiers” of insurance coverage, which are called Gold, Silver, Bronze, and Young Adult (Section 101).



ObamaCare sets the following tiers for policies: Platinum, Gold, Silver, Bronze, and Young Adult (Section 1302).

### What do these laws do to reduce the amount insurers can vary the premiums they charge?





RomneyCare limits the factors insurers can use—such as health status and gender—to vary premiums (Section 82).





ObamaCare limits the factors insurers can use—such as health status and gender—to vary premiums (Section 1201).



## How do these new marketplaces regulate which benefits must be offered in different insurance policies?

-  RomneyCare calls for the state's Connector to specify which benefits must be included in health plans (Section 101).
-  ObamaCare requires the Secretary of the Department of Health and Human Services to define “essential health benefits,” which must be included in health plans, and the Secretary has delegated this authority to each state's exchange (Section 1302).



## What do these laws do to help consumers make informed choices when they are purchasing private health insurance?

-  RomneyCare requires that consumers be provided clear and transparent information regarding health insurance options and offers assistance to consumers as they choose among the plans offered (Section 6).
-  ObamaCare requires that consumers be provided clear and transparent information regarding health insurance options and offers funding for states to set up programs to help individual consumers choose among the plans offered (Section 1311).



## How do these laws help small businesses shop for coverage for their workers?

-  RomneyCare created a marketplace for small employers, allowing them to make apples-to-apples comparisons of plans and benefits and providing savings by reducing administrative costs (Section 101).
-  ObamaCare creates a marketplace for small employers, allowing them to make apples-to-apples comparisons of plans and benefits and providing savings through lower administrative costs and economies of scale (Section 1311).



## What do these laws do to help young adults get coverage?

-  RomneyCare requires insurers to allow young adults to stay on their parents' health plan for up to two years after leaving school until they reach the age of 26 (Section 49).
-  ObamaCare requires insurers and employers to allow young adults to stay on their parents' health plan until they reach the age of 26 (Section 1001).



### How is health coverage made available for the lowest-income people?

-  RomneyCare extends coverage to low-income state residents through the federal-state Medicaid program (Sections 17, 105, 106, 107).
-  ObamaCare extends Medicaid eligibility to low-income Americans (Section 2001).



### How do these laws help Americans with moderate to middle incomes purchase private insurance?

-  RomneyCare offers subsidies to state residents with incomes up to three times the federal poverty level to help them purchase coverage (Section 45).
-  ObamaCare offers tax credit subsidies to Americans with incomes up to four times the federal poverty level to help them purchase coverage (Sections 1401).



### What do these laws do to protect consumers from high medical bills?

-  RomneyCare authorized regulations to eliminate annual caps on coverage and to limit the maximum amount that consumers will have to pay each year (Section 101).
-  ObamaCare eliminates lifetime and annual caps on coverage and limits the maximum amount that consumers will have to pay each year (Sections 1001, 1302, 1402).



### What do these laws do to discourage people from simply shifting their health costs to others and to the government?

-  RomneyCare requires state residents who are able to afford coverage and do not purchase it to pay tax penalties (Section 12).
-  ObamaCare requires those who are able to afford coverage and do not purchase it to pay tax penalties (Section 1501).



### What do these laws do to encourage employers to offer health insurance?

-  RomneyCare requires employers with more than 10 workers that do not offer health insurance to pay a penalty (Section 47).<sup>1</sup>
-  ObamaCare requires employers with more than 50 workers that do not offer insurance to pay a penalty if at least one of their workers receives a tax credit to buy coverage through the exchange (Section 1513).



### What do these laws do about the cost and quality of health care?

-  RomneyCare created a new Council on Health Care Quality and Cost to promote policies that will contain costs, improve quality, and enhance health care delivery (Section 3).
-  ObamaCare provides for a broad range of initiatives to contain costs, improve quality, and enhance health care delivery (Title III).



### What do these laws do to improve public health?

-  RomneyCare makes investments to bolster prevention, wellness, and public health (Section 2).
-  ObamaCare makes investments to bolster prevention, wellness, and public health (Title IV).

### What do these laws do to reduce differences in health care access and health outcomes between Americans of different races and ethnicities?

-  RomneyCare created a new Health Disparities Council to work toward the elimination of racial and ethnic health disparities (Section 3).
-  ObamaCare expanded the role of the Office of Minority Health and tasked it with developing a plan to reduce racial and ethnic health disparities (Section 10334).

### What do these laws do to improve hospital quality?

-  RomneyCare ties hospital payments to the quality of care they provide (Section 25).
-  ObamaCare ties hospital payments to the quality of care they provide (Sections 3008, 3025).

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<sup>1</sup> Governor Romney vetoed this section, and his veto was overridden by the legislature.

Families USA thanks John McDonough for his assistance in developing this analysis. Dr. McDonough, a professor at the Harvard School of Public Health, was formerly the Executive Director of Health Care for All, and was deeply involved in the design, passage, and implementation of Massachusetts Health Reform. Between 2008 and 2010, while serving as an adviser to the Senate Health, Education, Labor, and Pensions Committee, Dr. McDonough was involved in the creation of the Affordable Care Act.

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