TOWARD MORE EFFECTIVE USE OF RESEARCH IN STATE POLICYMAKING

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ABSTRACT: This report sets out a conceptual framework to support effective use of health services research in state health policymaking. The four stages of the research and policymaking framework are: understanding the scope and extent of the problem; developing options; implementing a program or policy; and evaluating the program or policy. For each of these stages, the authors discuss practical lessons and communication strategies gleaned from interviews with researchers and policymakers. To illustrate the four stages, the report includes a case study of Massachusetts' groundbreaking health care reform legislation, under which low-income subsidies, employer assessments, and a health insurance clearinghouse are intended to expand health insurance coverage to all state residents.

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EXECUTIVE SUMMARY

Health services research can be used to inform policymakers about pressing issues; provide them with data and resources needed to develop new programs or reform existing ones; guide the implementation process; and evaluate programs or policies to determine whether they are meeting their goals. Yet, putting new and innovative research to work in the policymaking process takes tenacity and understanding on the part of both researchers and policymakers. Effective partnerships between researchers and policymakers are grounded in sustainable relationships and mutual trust.

This report sets out a conceptual framework to support effective use of research in health policymaking and improve communications between researchers and state policymakers and program administrators. States are essential players in disseminating evidence-based practices and policies that can lead to better care. Strengthening channels of communications between researchers and policymakers at the state level is a practical way to accelerate health system improvement.

The framework includes the following four stages:

- *Understanding the scope and extent of the problem*. Policymakers or program administrators and their staff become aware of problems in the health system and scan existing research to learn about the issue.
- *Developing options*. As they develop policies or programs, they look to already existing research and/or interpret research results or commission new research to guide possible solutions.
- *Implementing a program/policy*. Policy and/or program staff consult with researchers on strategies for implementing new programs or reforming existing programs.
- *Evaluating the program/policy*. Researchers examine the effects of changes in program and policy to inform policymakers of positive and negative outcomes.

This report includes practical lessons and communication strategies gleaned from interviews with researchers working on state issues and state health policymakers. To illustrate the four stages, it also includes a case study of the creation and launch of Massachusetts' health care reform act, which requires all state residents to have health insurance and creates policies and programs to achieve this goal.

Key Lessons for Stage 1: Understanding the Scope and Extent of the Problem

For Policymakers:

- Before a crisis hits, build and maintain relationships with researchers in order to be better informed on key policy issues relevant to your state.
- Assign each staff person a portfolio of key issues to track and monitor and identify researchers who are experts in these fields.

For Researchers:

- Develop relationships with the administrative and legislative staff responsible for "your" issues. This is the point at which influencing the policy process begins. Build your audience before you need it.
- Identify which issues are most important to policymakers in your state, and develop strategies for helping them address those issues.

Key Lessons for Stage 2: Developing Options

For Policymakers:

- While developing policy options, remain open-minded—allow the research findings to guide decision-making.
- Recognize that there are often limitations to the data that researchers have available to them, and that this may diminish their ability to address certain policy options.
- Ideally, engage the community, relevant stakeholder groups, and potential end-users in the process of developing policy options.

For Researchers:

- Recognize that databases may be limited, particularly when it comes to identifying gaps in services, programs, and unmet needs.
- Become familiar with proxy data sets for studying salient state issues, as often "ideal" state data may not be readily available.
- Be flexible about finding useful data and developing workable research models.
- Be ready and willing to modifying policy options as stakeholder feedback emerges.

Key Lessons for Stage 3: Implementing a Policy

For Policymakers:

- Be aware that researchers need to have a different set of skills for the implementation stage than for the policy options development stage.

- Generally, researcher involvement at the implementation stage is limited. A government agency typically takes over, often with the assistance of consultants. Still, researchers can help analyze the potential effects of choices made during implementation.

For Researchers:

- Recognize the unique set of skills needed for the implementation stage.
- Since trial and error are the norm during this phase, researchers can prove useful by explaining early results as they occur.

Key Lessons for Stage 4: Evaluating the Program/Policy

For Policymakers:

- To avoid the perception of bias, seek an outside, nonpartisan research team to evaluate a program.
- Build into prospective legislation a comprehensive evaluation plan, including the collection of baseline data before program implementation.
- Commit to an ongoing assessment of the program to promote a culture of continuous quality improvement.
- Communicate clearly to researchers how you want findings from the evaluation to be packaged and presented to ensure the findings are understandable and meaningful to your targeted audiences.

For Researchers:

- Call upon the relationships developed during stage one to build a case for conducting an evaluation. Relationships will also be crucial to secure necessary data and, ultimately, to get the evaluation results acted upon.
- Be willing to use a mix of qualitative and quantitative research methods. Take advantage of statistical methods developed to control for confounding variables in order to help identify the independent effect of the new policy.
- Concise executive summaries of lengthy reports can be helpful. In addition, one-page issue briefs, graphs, charts, or PowerPoint presentations can be easily digested—key to having research findings read and remembered.
- Identify conduits for moving your research findings up the bureaucratic ladder.

TOWARD MORE EFFECTIVE USE OF RESEARCH IN STATE POLICYMAKING

Research: n. *Scientific or scholarly investigation; close careful study.* **v.** *To study thoroughly.*

Policy: n. *A plan or course of action, as of a government, political party, or business, designed to influence and determine decisions and actions.*

Symbiosis: n. *The relationship of two or more different organisms in a close association that is not harmful and may be but is not necessarily of benefit to each.*

Source: Webster's II New College Dictionary, published 1995, Houghton Mifflin.

INTRODUCTION

Many health services researchers thrive on being involved in the policymaking process: informing policymakers about important health issues; providing them with the data and resources needed to develop new programs or reform existing ones; guiding them through the implementation process; and, finally, evaluating programs to determine whether they are meeting their goals. Indeed, for many researchers, the idea that their analyses may someday shape policy decisions is a significant motivator. Across the broad spectrum of topics in health care—covering the uninsured, quality improvement, cost containment, and health disparities—research is being conducted to educate and inform policymakers, with the ultimate goal of improving health outcomes and reducing costs.

In a perfect world, research and policymaking would go hand in hand. Yet, in practice, communication between researchers and policymakers frequently does not occur. Some policymakers are busy with immediate problems and may not be well acquainted with researchers. At the same time, some researchers are focused more on academic studies and may be removed from the policy process. Putting new and innovative research to work in the policymaking process takes tenacity and understanding on the part of both researchers and policymakers. Effective partnerships between researchers and policymakers are grounded in sustainable relationships and mutual trust. While there is no formula to guide communication and knowledge transfer between health services researchers and policymakers, certain steps can help to ensure an effective, symbiotic relationship between the research and policymaking worlds.

CONCEPTUAL FRAMEWORK

This report sets out a conceptual framework to guide more effective use of research in state policymaking. The research and policymaking framework includes four stages:

- *Understanding the scope and extent of the problem*. Policymakers or program administrators and their staff become aware of problems in the health system and scan existing research to learn about the issue.
- *Developing options*. As they develop policies or programs, they look to already existing research and/or interpret research results or commission new research to guide possible solutions.
- *Implementing a program/policy*. Policy and/or program staff consult with researchers on strategies for implementing new programs or reforming existing programs.
- *Evaluating the program/policy*. Researchers examine the effects of changes in program and policy to inform policymakers of positive and negative outcomes.

While these four stages appear straightforward, they can take many different forms, all dependent upon individuals communicating with each other effectively and often.

In preparing this report, we elicited the perspectives of researchers and state health policymakers and synthesized practical lessons and communication strategies gleaned from these experts. The report is intended to inform researchers seeking to create new and improved conduits to reach state policymakers and, in turn, to provide state policymakers with guidance in building effective relationships with researchers. Strengthening the relationship between researchers and policymakers at the state level should improve the overall performance of the health care system. As states look for ways to stretch their health care budgets, high-quality research will continue to be crucial to guide policymaking decisions.

States play a key role in developing and implementing policies and practices that can result in improved care. Improvement to the health care system can be fostered by strengthening channels of communications between researchers and state level policymakers.

Stage 1: Understanding the Scope and Extent of the Problem

At the information gathering stage, state policymakers will frequently utilize existing research to better understand an issue or problem. For example, a program staff member will gather research on an issue that has suddenly "bubbled up" as a hot topic in the legislature or governor's office. After collecting pertinent data (mainly via the internet), the staff member will contact researchers who are knowledgeable on the subject. If the state agency already has a relationship with a research institution, or if it has a research division within its own walls, state officials will most likely turn to those researchers first.

For example, the Minnesota Department of Health's Health Policy Program continuously tracks a wide range of issues that are relevant to the state's health care system, making it ready to meet the questions posed by legislators or the governor. Staff in this department are familiar with the health services research literature and current events, and know who the top researchers are for each of their portfolio issues. Thus, when a bill is proposed in the legislature, they can quickly bring the pertinent research into their analysis. The department has also developed a close working relationship with health services researchers at the University of Minnesota. Similarly, Rhode Island's Department of Human Services has developed a close working relationship with health services researchers at Brown University, with some professors at Brown holding part-time positions with the state.

TOOLBOX FOR STAGE 1

For Policymakers:

- Before a crisis hits, build and maintain relationships with researchers in order to be better informed on key policy issues relevant to your state.
- Assign each staff person a portfolio of key issues to track and monitor and identify researchers who are experts in these fields.

For Researchers:

- Develop relationships with the administrative and legislative staff responsible for "your" issues. This is the stage where influencing the policy process begins. Build your audience before you need it.
- Identify which issues are most important to policymakers in your state, and develop strategies for helping them address those issues.

Key Lessons

State policymakers should cultivate relationships with researchers so that they will be able to reach out to them and respond quickly when pressing policy issues arise. Likewise, researchers should develop informal relationships with state officials to keep abreast of what issues are of greatest concern to policymakers. Additionally, researchers should be reactive, rather than proactive, during this early stage. They should not begin the policy development process with their own preconceived agendas.

Stage 2: Developing Options

While developing policy options, the relationship between researchers and policymakers, and the exchange of information, typically becomes more formal. State policy and program staff frequently commission research to determine the effects of various policy options on target populations, program costs, and costs or savings that the policy may have on other state agencies and programs.

Designing Policy Options

During the policy formulation stage, researchers may be asked to help design policy options and objectively lay out their strengths and weaknesses. For example, they might develop alternatives for expanding health insurance coverage for the uninsured. Such an approach would require researchers to present a range of potential policy options, such as introducing single-payer systems or mandating employer or individual coverage. More incremental reform strategies might feature statewide purchasing pools, expanded Medicaid eligibility, or tax credits. An analysis of these strategies would consider the possible impact of each policy on various stakeholder groups, different modes of financing, and the relationship between the private and public sectors. The task of the researcher would be to provide a strategic framework within which policymakers could determine which option is best aligned with their intended policy goals.

Work at this stage might also involve investigations of ways for states to build quality and efficiency into their purchasing negotiations under Medicaid and the State Children's Health Insurance Program or state employee benefit programs. Researchers could help policymakers understand and use quality improvement tools, such as "pay-for-performance" incentives.

Forecasting Impacts of Policy Interventions

In addition to evaluating policy options, researchers might be called upon to forecast the likely impact of policies on various outcomes related to health status, insurance coverage, and costs.

Researchers might use micro-simulation models to estimate the likely impact of proposed policies. For example, researchers could forecast how the coverage expansion policies noted above would affect the number of uninsured as well as their costs. Such an *ex ante* quantitative analysis could predict, based on the best research available about behavioral responses to new policies, how many people will be newly insured, the cost per newly insured person, the impact on state and federal budgets, and the effects on employer and household payments for health care.

Alternately, researchers might use process and outcome measures to track progress toward better health and patient safety. Process measures might include changes in the proportion of a population that receives recommended preventive screening, starts prenatal care in the first trimester of pregnancy, or gets timely immunizations. Outcomes measures might include changes in ambulatory-sensitive hospital admissions and emergency department use, and risk-adjusted mortality and complication rates associated with hospital care as well as employers' savings in the form of higher worker productivity, lower absenteeism, and reduced health care claims. Researchers could model the potential impact of an intervention by comparing baseline data for such measures to their anticipated effects.

TOOLBOX FOR STAGE 2

For Policymakers:

- While developing policy options, remain open-minded—allow the research findings to guide the decision-making.
- Recognize that there are often limitations to the data that researchers have available to them, and that this may diminish their ability to address certain policy options.
- Ideally, engage the community, relevant stakeholder groups, and potential end-users in the process of developing policy options.

For Researchers:

- Recognize that databases may be limited, particularly when it comes to identifying gaps in services, programs, and unmet needs.
- Become familiar with proxy data sets for studying salient state issues, as often "ideal" state data may not be readily available.
- Be flexible about finding useful data and developing workable research models.
- Be ready and willing to modifying policy options as stakeholder feedback emerges.

The policy development stage brings its own set of challenges. Researchers need to be able to work rapidly to provide policymakers with viable options for program improvements and assemble credible data that can be used to predict the potential impact of these options. Often, researchers must accept that they may have less-than-perfect data to test their models. In drawing conclusions, they must discuss the limitations of their analyses in simple terms that can be understood by policymakers. Researchers also must be prepared to revise and refine their estimates and models many times in order to account for evolving policy parameters and provide assurances to policymakers about the likely

impact of new policies. They must recognize that weeks and months of hard work may not be used in the end due to a shift in the political climate. Finally, researchers may need to be cognizant of the concerns of community advocates and other stakeholder groups that may be affected, either positively or negatively, by pending legislation and may need to weigh theses concerns when evaluating a particular option.

Key Lessons

Policymakers should consider a researcher's professional opinion if their specific request for information cannot feasibly be addressed with existing data. Additionally, when a study is undertaken, policymakers should avoid drawing conclusions that the researchers do not believe are a logical result of the findings. For example, if researchers find that people participating in a new program appear to have slightly better outcomes (e.g., health status) than those who do not participate, but the difference is not statistically significant, policymakers should not override the researchers' conclusion and say the program had a positive impact. Researchers should try to find the best data available to model policy options. If high-quality data are not available, they should consider using proxy data sets (i.e., data collected for other reasons or for other populations that, with adjustments, can be used to calculate potential policy impacts), as long as the results obtained from them would not be misleading.

From the onset, researchers must understand the needs and demands of their clients (i.e., policymakers) and all those who may have influence over them. Researchers need to understand that the policy development stage can be fraught with challenges and disappointments, particularly if it does not lead to the immediate enactment of legislation or approval of a new program or policy. Both parties must recognize that identifying the best option will frequently require many modeling runs to test alternative assumptions and most likely several drafts of reports.

Stage 3: Implementing a Policy

While stage two involves modeling potential outcomes, implementation involves the trial and error of testing policy options and determining their robustness under a wide variety of real-world circumstances.

At this stage, the traditional role of researchers may be limited. Policymakers may instead need consultants with experience in getting programs and policies up and running. While policy development entails creating proposals that can survive the legislative process and ensuring feasibility in their design, the implementation stage is about making necessary mid-course corrections and fine-tuning the details. During this stage, researchers or consultants work closely with state officials to work through the technical issues that were not necessarily

pertinent to the program development process. However, as in policy development, the implementation stage frequently requires intensive surveying and other data collection as well as data analyses. For example, before researchers were able to draft the Request for Quotes sent to health plans bidding for contracts under Maine's new Dirigo Health plan, they had to analyze the population to estimate how many people might apply, their characteristics, the number of individual and family applicants, and how different pricing structures would affect the final product. Refining these profiles and models was necessary to provide the health plans with the information required to develop realistic proposals.

TOOLBOX FOR STAGE 3

For Policymakers:

- Be aware that researchers need to have a different set of skills for the implementation stage than for the policy options development stage. Generally, researcher involvement at the implementation stage is limited. A government agency typically takes over, often with the assistance of consultants. Still, researchers can help analyze the potential effects of choices made during implementation.

For Researchers:

- Recognize the unique set of skills needed for the implementation stage.
- Since trial and error are the norm during this phase, researchers can prove useful by explaining early results as they occur.

In general, at the implementation stage, researchers are asked to build demographic assumptions, identify and set benchmarks, and estimate demand or "take-up" under new programs. At this juncture, financial analysis is interwoven with health policy data analysis, given states' budget concerns. Researchers might interact with players outside of the policy development realm, including staff from other agencies. Policymakers, program administrators, and researchers see whether the models and figures they cited during the development stage match the reality of program operation "on the ground." In order for a researcher to have input at this stage, he or she often must win a competitive bidding process or have an existing strong relationship with state leaders.

Key Lessons

At the implementation stage, researchers become more like consultants, with state policymakers as their clients. They must enjoy "working under the hood" of the policymaking vehicle, using a variety of tools to calibrate and fine-tune new programs. For both parties, having the best possible data is just as crucial at the implementation stage as at the options development stage.

Stage 4: Evaluating the Program/Policy

At this stage, program and policy evaluation might be spurred by the state, especially if evaluation is required by the program's enabling legislation or a mandate is attached to federal funding. Alternatively, an evaluation might be initiated and funded by an outside party, such as a foundation. In either case, researchers must have open lines of communication with the state in order to access the qualitative and quantitative data necessary for a comprehensive and accurate evaluation. The role of program evaluator often falls to an institution, such as a university department or a think tank, with which the state has an ongoing relationship, and perhaps also a standing contract for specific projects. For example, the University of Florida's Center for Medicaid and the Uninsured negotiates a contract each year with the state's Agency for Health Care Administration (AHCA) based on investigative projects that have been approved by both parties. In this case, the university researchers interact mainly with staff in AHCA's Bureau of Quality Management. These staff members act as program officers for the various projects.

The Rhode Island Department of Health (RIDOH) works closely with Brown University to pursue research projects that will help the state assess the health care needs of its residents and develop policy options for meeting them. State officials and researchers meet once a month to discuss current projects, new proposals, and dissemination efforts. These meetings give program staff opportunities to provide input into future research topics and the design of current projects, which in turn helps to ensure that the fruits of the researchers' labors will be transmitted to the proper audience.

The state also cultivates the next generation of health policy researchers by providing funding opportunities for two students at Brown University to work on state-level issues. To further assist researchers examining state issues, the RIDOH created an extract of the Medicaid Management Information System (MMIS) database called the Medicaid Utilization Research File. This database holds a wealth of utilization data, including enrollees' ages, locations, diagnoses, program eligibility, and providers. The department wrote a code book and developed a three-day training course for those who wanted to learn how to use the file. Efforts such as these are not yet common in most states, and they speak to the level of investment that is needed to create a strong link between researchers and policymakers.

One of the challenges at this stage is to get the evaluation findings on the radar of state officials, ensuring that program administrators and state legislators pay attention to the results, absorb them, and use them. For example, University of Florida researchers identified a gap in the communication chain: they would share their findings with their

AHCA counterparts, but in many cases the findings were not going beyond the Bureau of Quality Management and therefore not reaching program administrators. To close this gap, the researchers developed a protocol by which the Bureau of Quality Management staff members develop a regular working relationship with specific program staff in the agency, and interim and final research findings are directly communicated to all staff members. This has placed the university and AHCA in a stronger position to share knowledge and make informed decisions.

A second challenge at the evaluation stage involves situations where interim findings reflect positively on a program, but final data on outcomes or impact do not. This was the case for one research team that was hired to do a baseline assessment of a state's health care costs under managed care arrangements, relative to the prior fee-for-service payment system. Two follow-up analyses (one year after baseline and three years after baseline) followed the implementation of a managed care system. The interim data analyses indicated cost savings associated with the managed care program, and an agency involved in implementing the program used those findings to promote it. Two years later, however, the final analyses indicated that the program had ultimately not resulted in significant cost savings, and that the system was more cost-effective under the fee-for-service reimbursement structure. The state agency continued to cite interim findings. While this situation may not be the norm, it underscores an important challenge inherent in this stage of the research-policy cycle: at what point does the researcher's responsibility to ensure that findings are presented in an honest and straightforward manner end, and where does the policymaker's responsibility begin? There is no easy answer to this question, but researchers and policymakers alike should consider it carefully when conducting program evaluations. By developing a culture in which both the research team and the policy team feel able to question the data and its public representation, such situations may be avoided. As in all stages of this process, good communication is critical.

Another challenge relates to the appropriateness of a research team or facility engaging in the evaluation process if they have been intimately involved in the program planning. As one researcher described it, ethical issues may arise if a research facility or university has a longstanding contract with a state agency to prepare policy options and implementation planning analysis, and is then asked to conduct an evaluation. If the evaluation results could affect the agency that funds the contract for the research team, there may be a conflict of interest.

Program evaluation requires a solid research methodology, but no single methodology fits all situations. Some researchers favor quantitative analyses and may

devalue such qualitative tools as case studies, interviews, surveys, and site visits, which can in fact be useful tools in program evaluations. Similarly, others dismiss quantitative evaluations even though, when appropriately designed, such studies can question or even overturn the conventional wisdom about program impact. In practice, qualitative and quantitative research can be used in complementary ways. For example, a qualitative evaluation might uncover process and implementation issues that could be addressed, or help researchers doing quantitative work to formulate hypotheses.

It is crucial to collect baseline information prior to implementing new initiatives. This provides a benchmark against which to track process in terms of key indicators, and sets the stage for an effective evaluation. It is also important to develop a clear and manageable set of performance indicators to use in gauging progress.

TOOLBOX FOR STAGE 4

For Policymakers:

- To avoid the perception of bias, seek an outside, nonpartisan research team to evaluate a program.
- Build into prospective legislation a comprehensive evaluation plan, including the collection of baseline data before program implementation.
- Commit to an ongoing assessment of the program to promote a culture of continuous quality improvement.
- Communicate clearly to researchers how you want findings from the evaluation to be packaged and presented to ensure the findings are understandable and meaningful to your targeted audiences.

For Researchers:

- Call upon the relationships developed during stage one to build a case for conducting an evaluation. Relationships will also be crucial to secure necessary data and, ultimately, to get the evaluation results acted upon.
- Be willing to use a mix of qualitative and quantitative research methods. Take advantage of statistical methods developed to control for confounding variables in order to help identify the independent effect of the new policy.
- Concise executive summaries of lengthy reports can be helpful. One-page issue briefs, graphs, charts, or PowerPoint presentations can be easily digested—key to having research read and remembered.
- Identify conduits for moving your research findings up the bureaucratic ladder.

Key Lessons

State policymakers should build into any new initiative a targeted but thorough evaluation design. This should include baseline data collection as well as the tracking of process and outcomes measures. As appropriate, case studies and other qualitative evaluation tools should be utilized as they can effectively supplement quantitative analysis. Policymakers should work closely with researchers in order to interpret the data.

Strong relationships between states and research teams are critical, as it is often difficult to obtain sufficient funding for an evaluation project unless access to high-quality state-based data is secured. In collecting data from state officials, researchers should recognize the potential time and resource constraints. Finally, while research findings can be written in the form of in-depth reports, findings should also be summarized in a concise format for policymakers. Many studies are ignored not because the research is flawed, but because executive branch leaders, legislators, and journalists find the research tomes too daunting.

CASE STUDY: THE MASSACHUSETTS HEALTH CARE REFORM ACT

On April 12, 2006, Governor Mitt Romney of Massachusetts signed into law legislation (H 4850) requiring all state residents to have health insurance. Key components of the legislation include:

- a mandate requiring all state residents to purchase health insurance;
- a provision that employers offer health insurance or pay an assessment;
- a state insurance "connector" designed to make health insurance more affordable and accessible; and
- subsidies for low-income residents to expand access to health insurance.

This case study describes Massachusetts' health care reform legislation to illustrate the four stages of research in developing and implementing new programs and policies.

Stage 1: Understanding the Scope and Extent of the Problem

The Massachusetts state government has a rich history of collaboration with researchers and these relationships were instrumental in shaping the reforms in this legislation. For example, they have longstanding partnerships with the University of Massachusetts Center for Survey Research and the University of Massachusetts Medical School. They also seek analytic services from nonpartisan research organizations such as the Urban Institute and a

variety of private consultants. During the formative stage, researchers worked with state officials and built upon existing relationships to expedite the policymaking process.

From the bill's inception, state policymakers were informed by data provided by the research community to define and frame the problem of the uninsured in the state. For example, a household survey conducted biennially since 1998 signaled rising numbers of uninsured: 460,000, or 7 percent of the population in 2004. Additionally, an analysis conducted by the Urban Institute revealed that, in 2004, Massachusetts spent approximately $1.1 billion on the uninsured for care provided in hospitals, community health centers, and physician offices.[1] Ensuring appropriate preventive services could potentially avert more costly and burdensome health problems downstream. These and other findings helped to build the argument for universal coverage as an effective strategy for addressing the state's rising health care expenditures. Another powerful lever accelerating adoption of the legislation was a pending renewal of a Medicaid Section 1115 waiver. Renewal required a shift of funding from safety net institutions to insurance coverage—with $385 million in federal funds at risk if no agreement was reached by July 2006.

Stage 2: Developing Options

During this stage, state policymakers worked closely with researchers to develop viable policy options. Externally conducted research coupled with internally generated state data was used to evaluate potential options to best achieve universal coverage. The decision-making process was guided, in part, by timely access to this information.

Individual Mandate

Analysis of employer and household data revealed that a decrease in the number of individuals taking up health insurance—not a drop in the number of employers offering it—was a major reason for the rising number of uninsured. Contributing factors identified by survey respondents included: lack of affordability; the plan offered by their employer did not meet their needs; or the perception that they didn't really need health insurance. Estimates also revealed that 106,000 uninsured people who were eligible for Medicaid—a fully subsidized program—were not enrolling in the program. A modeling exercise demonstrated that subsidies alone, either from public–private partnership programs or under more traditional publicly funded routes, would be insufficient to address the problem. It was concluded that, without an individual mandate, uptake rates would remain low.

Employer Assessment

Data from the Medical Expenditure Panel Survey (MEPS) rank Massachusetts among the top three states in the nation in terms of the percentage of employers offering health insurance coverage to their employees.[2] Even among small employers, Massachusetts has a very high offer rate compared with national averages. Thus, it was concluded that little gain would come from mandating employers to offer coverage, as the offer rate was already well above the national average. Rather, the legislature decided to levy an "assessment" of no more than $295 per worker per year on employers who choose not to offer health insurance to their employees.[3] The rationale for this strategy is that these employers should pay their fair share toward the uncompensated care pool that benefits their employees when they seek high-cost emergency department care or other services. Although this part of the bill was initially vetoed by the governor, it was later overridden by the legislature. In addition, another important feature of the reform is that employers with more than 10 employees must offer them the option of making pretax contributions to pay for their premiums.

Insurance Connector

Surveys conducted by the University of Massachusetts Center for Survey Research revealed that small employers face many obstacles in providing health insurance to their employees that hinder them from offering affordable coverage. For example, if an employer with fewer than 10 employees hires an older person, premiums go up for all of workers because risk is not distributed across a sufficiently large pool of employees. The survey also revealed that only 45 percent of employers were offering "cafeteria plans" authorized under Section 125 of the IRS code, which allow employees to purchase health insurance with pre-tax dollars. In addition, small employers reported that it is difficult to shop for one plan for all of their employees since "one size just doesn't fit all."

Based on this feedback, and building on work undertaken by the Heritage Foundation that conceptualized a mechanism for addressing this problem, the legislation requires the establishment of "The Commonwealth Insurance Connector." This mechanism will serve as a clearinghouse in which individuals and small employers can pool their numbers to purchase more affordable insurance. The Insurance Connector will serve a merged small group and non-group market to help achieve economies of scale and expand access to insurance for a greater number of residents.

Subsidies

In an effort to broaden access to coverage to those with low incomes, the "Commonwealth Care Health Insurance Program" will provide subsidies to state residents

with incomes below 300 percent of the federal poverty level (FPL) to purchase insurance through the Connector. Additionally, full subsidies will be provided to residents whose income falls below 100 percent of FPL. Once again, data played an important role in informing this decision. A breakdown of the 460,000 uninsured in the state revealed that 106,000 individuals were eligible for Medicaid but not enrolled and 150,000 residents had incomes between 100 and 300 percent of FPL.[4]

Stage 3: Implementation

At the time of publication, plans were under way to implement these health care reforms. Many of the important factors, such as what constitutes an affordable policy, are not included in the statute and will need to be fleshed out and ultimately enforced through regulation. An 11-member board, with representation from a broad range of stakeholder groups, will be appointed to oversee the Insurance Connector and will be responsible for assessing the affordability and benefit offerings of the plans.

To explore the issue of affordability, the state hired Mercer Human Resource Consulting and The Lewin Group to perform an actuarial analysis. The research team developed an analytic tool with "turn dials," enabling analysis of variables such as copayments, deductibles, and covered benefits along with demographics such as an enrollee's age to determine whether a product with affordable premiums could be constructed. Adjustments to this program could be "plugged" into the tool to determine if they result in significant gains in affordability. This is similar to the Choosing Healthplans All Together (CHAT) tool, which assists consumers under the direction of a trained facilitator in choosing basic, medium, or high options under a variety of benefit categories, such as pharmacy and mental health, within predetermined resource constraints.[5]

Stage 4: Evaluation

At this point, the state has not issued a request for proposals to evaluate the impact of the proposed policy interventions. The time is ripe to identify key issues or concerns that warrant further evaluation and begin to collect baseline data. Research might consider whether the premium subsidies are making coverage more affordable for state residents, including the near-poor, who have incomes of less than 300 percent of the FPL but are not eligible for Medicaid. Studies also might consider whether the legislation provokes potential unintended consequences such as crowding out, when individuals or employers drop private insurance to take up public coverage. In the long run, did the legislation achieve its goal of near-universal coverage?

CONCLUSION

Due to the many variables involved in translating research into policy, a uniform protocol for undertaking this task is not feasible. Rather, this report outlines a framework for effective use of research at the state level and practical strategies for enhancing communication between policymakers and researchers.

To ensure effective collaboration, policymakers need to reach out to the research community, get to know scholars, and use them in an advisory capacity. While policymakers may sometimes need to push researchers to be timely and adaptable, they should recognize that there are lines that good researchers will not cross. Policymakers should ask researchers to suggest alternative options based on varying assumptions and conduct sensitivity analyses on these options. Finally, policymakers and state officials must commit to using evidence effectively to examine the most pertinent questions facing the state and its communities.

Researchers, for their part, should be flexible, nimble, and timely. Researchers need to present their findings in clear and concise terms that non-experts can digest and use. Finally, it is important to determine what types of research are best aligned to the various stages of policy development or program implementation. For example, state officials may not be receptive to modeling when they are at the early, "understanding the problem" stage. Likewise, they will not be receptive to the introduction of new policy options at the implementation stage.

States are essential players in disseminating evidence-based practices and policies that can lead to better care. Strengthening channels of communications between researchers and policymakers at the state level is a practical way to accelerate health system improvement.

NOTES

[1] J. Holahan, R. Bovbjerg, and J. Hadley, *Caring for the Uninsured in Massachusetts: What Does It Cost, Who Pays and What Would Full Coverage Add to Medical Spending?* (Boston: Blue Cross Blue Shield of Massachusetts Foundation, Nov. 2004). Available at: http://www.bcbsmafoundation.org/foundationroot/en_US/documents/roadmapReport.pdf.

[2] MEPS is a large-scale national survey of employers, families, individuals, and their medical providers conducted by the Agency for Healthcare Research and Quality. See http://www.meps.ahrq.gov/.

[3] Assessment based on calculation of the cost of free care provided to workers whose employers do not provide health coverage. Presentation by Nancy Turnbull, United Hospital Fund, New York, N.Y., June 9, 2006.

[4] The remaining 204,000 uninsured individuals had incomes above 300 percent of the federal poverty level and are required to purchase health insurance either through the Insurance Connector or in the private market. Presentation by Amy Lischko, Commissioner, Division of Health Care Finance and Policy (DHCFP) at the State Coverage Initiatives Summer Workshop for State Officials, Chicago, Ill., Aug. 2006 using data from DHCFP statewide survey, Aug. 2004.

[5] S. D. Goold, A. K. Biddle, G. Klipp et al, "Choosing Healthplans All Together: A Deliberative Exercise for Allocating Limited Health Care Resources," *Journal of Health Politics, Policy & Law,* Aug. 2005 30(4):563–601.

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