# 2021 Healthcare Affordability State Policy Scorecard

*Polling data repeatedly shows that healthcare affordability is the number one issue that state residents, on both sides of the political aisle, want their policymakers to work on. This scorecard identifies areas where Maryland is doing well and areas where it can improve. It reflects policies implemented as of Dec. 31, 2020.*

**STATE: MARYLAND** **RANK: 5** out of 47 states + DC

***TOTAL SCORE:** 55.1 OUT OF 80 POSSIBLE POINTS*

Maryland has many policies to address affordability, but still has much work to do to ensure wise health spending and affordability for its residents. According to SHADAC, 11% of MD adults could not get needed medical care due to cost as of 2019, and the share of people with other affordability burdens is far higher. While MD's uninsurance rate (6%) may be a factor, healthcare is increasingly unaffordable largely due to high costs that affect everyone. According to the PCE, healthcare spending per person in MD grew 22% between 2013 and 2019, totaling $7,717 in 2019.*

| | POLICY SCORE | OUTCOME SCORE | RECOMMENDATIONS |
|---|---|---|---|
| **CURB EXCESS PRICES IN THE SYSTEM** | **6.5 OUT OF 10 POINTS** MD is a leader in this area, with an active APCD, a hospital spending oversight entity and hospital spending targets. However, their policies can still be expanded. | **10 OUT OF 10 POINTS** High private prices are one factor driving costs. MD is among the least expensive states, with inpatient private payer prices at 132% of Medicare prices. Ranked 1 out of 48 states, plus DC. | *Year-over-year increases in healthcare prices overwhelmingly drive state healthcare spending. Even states like MD with lower price levels than other areas should consider expanding their spending targets and oversight entity to cover all sectors of the healthcare marketplace.* |
| **REDUCE LOW-VALUE CARE** | **2.9 OUT OF 10 POINTS** MD requires some forms of patient safety reporting. 96% of hospitals have adopted antibiotic stewardship. MD has not yet measured the extent of low-value care being provided. | **5.0 OUT OF 10 POINTS** MD's use of low-value care is close to the national average. Ranked 21 out of 50 states, plus DC. | *MD should consider using claims and EHR data to identify unecessary care and enacting a multi-stakeholder effort to reduce it.* |
| **EXTEND COVERAGE TO ALL RESIDENTS** | **7.5 OUT OF 10 POINTS** Medicaid coverage for childless adults extends to 138% of FPL. Only lawfully residing immigrant children/pregnant women can access state coverage options. MD uses reinsurance to reduce costs in the non-group market. | **8.1 OUT OF 10 POINTS** MD is among the states with the least uninsured people, still 6% of MD residents are uninsured. Ranked 13 out of 50 states, plus DC. | *MD should consider coverage options for residents earning too much to qualify for Medicaid, like premium subsidies, a Basic Health Plan, Medicaid buy-in and a public option. MD should also consider offering coverage options for undocumented children, pregnant people and adults and adding affordability criteria to rate review.* |
| **MAKE OUT-OF-POCKET COSTS AFFORDABLE** | **7.6 OUT OF 10 POINTS** MD has limited protections against short-term, limited-duration health plans, comprehensive surprise medical bill protections and caps cost-sharing for some high-value services. | **7.5 OUT OF 10 POINTS** 11% of adults could not get needed medical care due to cost. The share of people with other affordability burdens is far higher. | *MD should consider a suite of measures to ease consumer burdens, such as stronger protections against short-term, limited-duration health plans and requiring standard plan design on their state exchange.* |

**APCD** = All-Payer Claims Database **CHESS** = Consumer Healthcare Experience State Survey **CMS** = Centers for Medicare and Medicaid Services **EHR** = Electronic Health Records **FPL** = Federal Poverty Level **PCE** = Personal Consumption Expenditure (Healthcare PCE measures spending growth among households as well as nonprofit, commercial and government hospitals/nursing homes) **SHADAC** = State Health Access Data Assistance Center **SMB** = Surprise Medical Bill **STLD** = Short-Term, Limited-Duration

Full report and additional details at **www.HealthcareValueHub.org/Affordability-Scorecard/Maryland**

ALTARUM HEALTHCARE VALUE HUB

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## MARYLAND NOTES

**Methodological Notes:**

State rank reflects the weighted sum of the policy and outcome scoring components. A lower state rank number (i.e. close to 1) reflects a higher overall score and better performance when compared to other states. For a complete discussion of methodology, please see healthcarevaluehub.org/affordability-scorecard/methodology.

**Curb Excess Prices in the System:**

In order to receive credit for price transparency tools, a state's tool had to be public-facing, searchable by specific procedure and hospital and show the negotiated rate paid by insurance plans/patients (not chargemaster rate). Maryland's tool met this criteria. MD has a healthcare spending oversight entity that targets hospital spending, all-payer spending benchmarks or price controls that are mandatory for hospitals only and an APCD. MD passed legislation in 2021 to establish funding for the MD Prescription Drug Affordability Board (established in 2019). The board may begin to set upper payment limits for drugs purchased by public entities in 2022, pending approval from the General Assembly. In 2023, the board will recommend whether the Assembly should pass legislation to expand upper payment limits to all purchasers.

**Reduce Low-Value Care:**

According to the Johns Hopkins Overuse Index created using Medicare data, MD's overuse of low-value care is 0.2 standard deviations above the national average, which is undesirable (however, the value is still relatively close to the national average). Maryland mandates both patient safety reporting and validation for CLABSI/CAUTI. Improper use of antibiotics is another type of low-value care. Antibiotic stewardship is the effort to measure and improve how antibiotics are prescribed by clinicians and used by patients—states were scored on what share of their hospitals follow the CDC's stewardship program.

**Extend Coverage to All Residents:**

MD operates a state-based reinsurance program through a 1332 State Innovation Waiver. The program builds off of MD's prior experience administering a supplemental state-based reinsurance program in 2015 and 2016. MD offers Medicaid coverage to lawfully residing immigrant pregnant women and children without a 5-year wait. MD does not offer coverage options for undocumented children/pregnant people/adults. MD has effective rate review as classified by CMS, but does not incorporate affordability criteria into rate review.

**Make Out-of-Pocket Costs Affordable:**

High-deductible health plans create barriers to care for many families. According to SHADAC, the average family deductible among employer insurance plans in MD rose 48% between 2013 and 2019, totaling $3,009 in 2019. States should consider exploring new policies to reduce financial barriers to care for people with high-deductible health plans, although there are limits to how much states can influence employer insurance and Medicare.

In response to rising insurance costs, some people turn to STLD health plans, which offer lower monthly premiums compared to ACA-compliant plans. However, these policies offer less coverage, can discriminate against people with pre-existing conditions and pose significant financial risks for consumers. States received credit depending on how much they limit or protect against these plans. MD has comprehensive protections against surprise medical billing. 'Comprehensive' SMB protections include emergency departments and hospitals, apply to all insurance types, hold consumers harmless/prevent balance billing and adopt adequate payment standard or dispute resolution process. States with only some of these policies have 'partial' protections. The federal No Surprises Act prohibits surprise medical billing in most plans effective January 2022. However, it does not cover ground ambulances which often result in surprise bills. States can still implement protections in this area—61% of ground ambulance rides in MD charged to commercial insurance plans had the potential for surprise medical billing.*

Maryland requires that co-payment or co-insurance for a specialty-tier drug cannot exceed $150 for a supply of up to 30 days. Co-payment or co-insurance for a prescription drug cannot exceed the retail price. The MD Health Benefit Exchange considered requiring carriers to offer standard plans as a certification requirement, but ultimately approved Value Plan requirements instead. Value Plans offer consumers lower deductibles and more pre-deductible coverage, while promoting cost-sharing structures that increase use of high-value care and align with state population health goals.

* Informational data, not used in state score or ranking. Scorecard Updated: Oct. 26, 2021.