

# 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 Tennessee is doing well and areas where it can improve. It reflects policies implemented as of Dec. 31, 2020.

STATE:

**TENNESSEE**

RANK:

**36**

out of 47 states + DC

**TOTAL SCORE: 26.2 OUT OF 80 POSSIBLE POINTS**

Tennessee has much work to do to ensure wise health spending and affordability for its residents. According to the Healthcare Value Hub's CHES survey, 61% of TN adults experienced healthcare affordability burdens as of 2021.\* While TN's high uninsurance rate (10.1%) 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 TN grew 21% between 2013 and 2019, totaling \$6,584 in 2019.\*

	POLICY SCORE	OUTCOME SCORE	RECOMMENDATIONS
<b>CURB EXCESS PRICES IN THE SYSTEM</b> 	<b>0.0 OUT OF 10 POINTS</b> As is common in many states, TN has done little to curb the rise of healthcare prices.	<b>8.7 OUT OF 10 POINTS</b> High private prices are one factor driving costs. TN is among the least expensive states, with inpatient private payer prices at 146% of Medicare prices. Ranked 3 out of 48 states, plus DC.	Year-over-year increases in healthcare prices overwhelmingly drive state healthcare spending. Even states like TN with lower price levels than other areas should consider creating a robust APCD, strong price transparency requirements, establishing a health spending oversight entity and creating health spending targets.
<b>REDUCE LOW-VALUE CARE</b> 	<b>2.8 OUT OF 10 POINTS</b> TN requires some forms of patient safety reporting. 94% of hospitals have adopted antibiotic stewardship. TN has not yet measured the extent of low-value care being provided.	<b>4.0 OUT OF 10 POINTS</b> TN has slightly more low-value care than the national average. Ranked 36 out of 50 states, plus DC.	TN should consider using claims and EHR data to identify unnecessary care and enact a multi-stakeholder effort to reduce it.
<b>EXTEND COVERAGE TO ALL RESIDENTS</b> 	<b>1.0 OUT OF 10 POINTS</b> Childless adults are not eligible for Medicaid, while parents are only eligible if their incomes are less than 93% of FPL. No immigrant populations can access state coverage options.	<b>5.4 OUT OF 10 POINTS</b> 10% of TN residents are uninsured. Ranked 38 out of 50 states, plus DC.	TN should expand Medicaid to all low-income residents and consider options for residents earning too much to qualify for Medicaid, like a Basic Health Plan, premium subsidies, Medicaid buy-in and a public option. TN should also consider coverage options for low-income immigrants that do not qualify for Medicaid/CHIP and adding affordability criteria to rate review.
<b>MAKE OUT-OF-POCKET COSTS AFFORDABLE</b> 	<b>0.6 OUT OF 10 POINTS</b> TN has limited protections against short-term, limited-duration health plans.	<b>3.7 OUT OF 10 POINTS</b> TN ranked poorly in terms of affordability burdens (40 out of 49 states, plus DC). 15% of adults could not get needed medical care due to cost. The share of people with other affordability burdens is far higher.	TN should consider a suite of measures to ease consumer burdens, such as: stronger protections against short-term, limited-duration health plans; surprise medical bill protections not addressed by the federal No Surprises Act; and waiving or reducing cost-sharing for high-value services.

APCD = All-Payer Claims Database CHES = 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/Tennessee](http://www.HealthcareValueHub.org/Affordability-Scorecard/Tennessee)

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STATE:

TENNESSEE

RANK:

36

out of  
47 states  
+ DC

## TENNESSEE 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](https://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). Tennessee did not have a tool that met this criteria.

TN has none of the four policy elements measured for this category. As of 2017, TN's APCD is inactive.



### Reduce Low-Value Care:

According to the Johns Hopkins Overuse Index created using Medicare data, TN's overuse of low-value care is 0.7 standard deviations above the national average, which is undesirable (however, the value is still relatively close to the national average).

Tennessee 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:

TN offers no coverage options for immigrant populations.

TN 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 TN rose 62% between 2013 and 2019, totaling \$4,615 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.

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—51% of ground ambulance rides in TN charged to commercial insurance plans had the potential for surprise medical billing.\*

\* Informational data, not used in state score or ranking. Scorecard Updated: Oct. 27, 2021