

# 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 Texas is doing well and areas where it can improve.

STATE:





**TEXAS**

RANK:

**34**

out of 42 states + DC

Texas has relatively low healthcare spending per person, yet a high percentage of residents report affordability problems, suggesting a need for immediate policymaker attention.

	POLICY SCORE	OUTCOME SCORE	RECOMMENDATIONS
<b>EXTEND COVERAGE TO ALL RESIDENTS</b> 	<b>1 OUT OF 10 POINTS</b> Childless adults are not eligible for Medicaid; parents are only eligible if their incomes are less than 17% of FPL. Certain recent immigrants have some state coverage options.	<b>0 OUT OF 10 POINTS</b> In 2018, TX had a greater number of uninsured residents than any other state.	<i>Close the coverage gap by expanding Medicaid to all very low income state residents and consider options that help families that make too much to qualify for Medicaid, like Basic Health Plan, reinsurance or supplementary premium subsidies. Additionally, consider enacting an effective rate review program.</i>
<b>MAKE OUT-OF-POCKET COSTS AFFORDABLE</b> 	<b>5 OUT OF 10 POINTS</b> TX has some protections against skimpy, confusing STLD health plans and comprehensive SMB protections.	<b>3 OUT OF 10 POINTS</b> Forty-seven percent of adult residents report healthcare OOP affordability burdens. TX ranks 40 out of 49 states, plus DC, for this measure.	<i>In light of grave affordability problems, TX should consider a suite of measures to ease consumer burdens: stronger protections against STLD health plans; and strategies that lower the cost of high-value care.</i>
<b>REDUCE LOW-VALUE CARE</b> 	<b>1 OUT OF 10 POINTS</b> TX requires some forms of patient safety reporting. TX is below average for hospital antibiotic stewardship and has not measured the provision of low-value care.	<b>3 OUT OF 10 POINTS</b> TX ranks poorly in terms of reducing C-sections for low risk mothers (44 out of 50 states, plus DC). The state ranks 27 out of 50 states, plus DC, in terms of per capita antibiotic prescribing.	<i>Curtailing low- and no-value care is a key part of a comprehensive approach to affordability. TX should use claims and EHR data to identify unnecessary care and enact a multi-stakeholder effort to reduce it. In addition, TX should stop paying for 'never events' and use other techniques to reduce medical harm. Moreover, TX should increase efforts to address antibiotic overprescribing.</i>
<b>CURB EXCESS PRICES IN THE SYSTEM</b> 	<b>3 OUT OF 10 POINTS</b> While the state has a voluntary APCD, TX is otherwise a middle-ranked state with few policies to curb the rise of healthcare prices.	<b>7.1 OUT OF 10 POINTS</b> TX is among the most expensive states, with private payer prices well above the national median, ranking 30 out of 42 states, plus DC, for this measure.	<i>Year-over-year increases in healthcare prices overwhelmingly drive state healthcare spending. Texas should consider strong price transparency requirements; establishing a health spending oversight entity; and creating health spending targets.</i>

APCD = All-Payer Claims Database FPL = Federal Poverty Level EHR = Electronic Health Records OOP = Out-of-Pocket Costs SMB = Surprise Medical Bill STLD = Short-Term, Limited-Duration

See state notes on page 2.

Full report and additional details at [www.HealthcareValueHub.org/Affordability-Scorecard/Texas](http://www.HealthcareValueHub.org/Affordability-Scorecard/Texas)

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## TEXAS NOTES

### Methodological Notes:

State rank reflects the weighted sum of the policy and outcome scoring components. In this summation, the Extend Coverage to All Residents category received the biggest weight (reflecting its large impact on the uninsured population) and Reduce Low-Value Care received the smallest weight, reflecting its smaller impact on spending. 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).

### The Problem:

Texas is in the bottom third of states in terms of high healthcare affordability problems – forty-seven percent of Texas adults report healthcare OOP affordability burdens, giving the state a rank of 40 out of 49 states, plus DC, for this measure. The most common burden reported was ‘made changes to medical drugs because of cost’ (36% of adults), followed by ‘trouble paying medical bills.’ According to the BEA, healthcare spending in Texas totalled \$6,098 per person in 2018. Moreover, between 2013 and 2018, healthcare spending per person grew 19.8%.\* While spending per person is comparatively low, residents are struggling to afford needed healthcare (in part due to high rates of uninsurance among the population). Texas has much work to do to ensure wise health spending and affordability for residents.



### Extend Coverage to All Residents:

Lawfully residing immigrant children covered by Medicaid without a 5-year wait. Some level of prenatal care is available, regardless of immigration status, through CHIP’s “unborn child” option. Texas does not conduct effective rate review, per the federal government.



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

High-deductible health plans create barriers to care for many families. Between 2011 and 2016, the average deductible associated with employer coverage rose 6.4% per year in Texas.\*

In 2019 Texas passed legislation improving short-term, limited-duration plan disclosures.



### Reduce Low-Value Care:

Addressing medical harm to increase patient safety can take many forms. One form is declining payment for services related to “never events,” serious reportable events identified by the National Quality Forum (NQF) that should never occur in a healthcare setting.

Eighty percent of Texas hospitals have adopted the CDC’s ‘Core Elements’ of antibiotic stewardship – short of the goal of 100% of hospitals.



### Curb Excess Prices in the System:

Texas has a voluntary claims data collection effort through the University of Texas that has medical and pharmacy claims for 65% of the Texas population. Private payer price levels in Texas are 244% higher than price paid by Medicare.\*

NOTE: The very high healthcare prices seen in Alaska (relative to the national median), means that most other states received a relatively good outcome score for this category.

\* Informational data, not used in state score or ranking. DOI = Department of Insurance BEA = U.S. Bureau of Economic Analysis • Scorecard Updated: Jan. 7, 2020