

HEALTHCARE AFFORDABILITY STATE POLICY SCORECARD

Executive Summary



Healthcare Affordability State Policy Scorecard

EXECUTIVE SUMMARY

Polling data repeatedly shows that healthcare affordability is a top issue—often the number one issue—that state residents on both sides of the political aisle want their policymakers to work on.¹ Moreover, it is well documented that people are declining coverage and delaying or forgoing care due to cost concerns—or getting care but struggling to pay the resulting bill—and that these affordability burdens affect nearly 70 percent of adults in some states.^{2,3}

Healthcare affordability problems cause stress and anxiety for families, crowd out other critical family spending and lead to poorer and less equitable health outcomes. Evidence of affordability problems goes far up the income ladder and affect people of every stripe, functioning as a strong call for action that must be met with a comprehensive approach.

To inform policy conversations and support policymaker responsiveness, the Altarum Healthcare Value Hub's *2021 Healthcare Affordability State Policy Scorecard* ranks states' performance on a broad set of policies to make healthcare more affordable and allows users to: (1) do a quick and easy assessment of actions their state has already taken and (2) identify actions policymakers can take to further improve affordability.

While there is more than one path to healthcare affordability, core elements include:

- ▲ Addressing the underlying causes of high healthcare costs by reducing spending on low-value care and curbing excess prices;
- ▲ Expanding affordable coverage options for all; and
- ▲ Ensuring that coverage options feature affordable cost-sharing and don't leave consumers underinsured or create barriers to high-value care.

In addition to examining policies in each of these areas, the scorecard looks at related outcomes, giving states credit for strong outcomes even if the policy environment is missing key actions.

While a complete description of the methodology is available in the accompanying Methodology Report, there are a few important points to note:

- ▲ This scorecard is retrospective and scores states on policies that were implemented prior to Dec. 31, 2020. Policies that were passed, but not implemented, before this date will be factored into next year's scores. Nevertheless, we do our best to acknowledge these accomplishments on the back of each scorecard.
- ▲ **Due to methodology enhancements between the 2020 and 2021 iterations, we strongly recommend against comparing state ranks and/or scores between years.** 2021 scorecards should be used as “point in time” assessments based on the improved measures, rather than a continuation of the state's previous score/rank. Details on methodological changes can be found in the complementary Methodology Report.

KEY FINDINGS:

- ▲ No state earned a perfect score overall. The highest ranked state, Massachusetts, performed well on many policy and outcome measures, but earned only 65.3 out of 80 possible points—equating to a B-grade on healthcare affordability.
- ▲ California, Massachusetts and Washington were the highest scoring states in terms of policy actions to extend affordable coverage to all state residents, while Massachusetts, the District of Columbia and Rhode Island scored the highest in terms of coverage outcomes (i.e., reducing the portion of the population that is uninsured). Still, more work needs to be done. Unlike our other domains, almost all states have taken one or more actions to improve access to coverage.
- ▲ California and New York scored the highest in terms of policies to make out-of-pocket costs affordable, followed by Connecticut. However, Hawaii residents (followed by individuals living in Iowa, Rhode Island, Massachusetts, North Dakota and Vermont) reported the lowest levels of forgoing care when needed due to cost. This outcome measure—forgoing needed care due to cost—is quite narrow and does not account for other ways individuals ration care, such as cutting pills in half, skipping doses of medicine and delaying going to the doctor or having a procedure done. Thus, while eight percent of residents in the best performing state (Hawaii) and 19 percent of residents in the worst performing state (Texas) report forgoing needed care, the share of people rationing their care due to cost concerns is likely far higher.
- ▲ Our ability to measure low-value care policies at the state level was limited due to lack of available data. For this category, Massachusetts and Virginia received the highest policy scores, but Maine and New Hampshire scored the best in terms of low-value care overuse.
- ▲ Our examination of policy measures to address excess prices assigned the top score to Massachusetts, with Vermont and Delaware tied at second place. However, Maryland—followed by Rhode Island—performed best in terms of outcomes (as measured by private payer inpatient prices as a percentage of Medicare rates).*

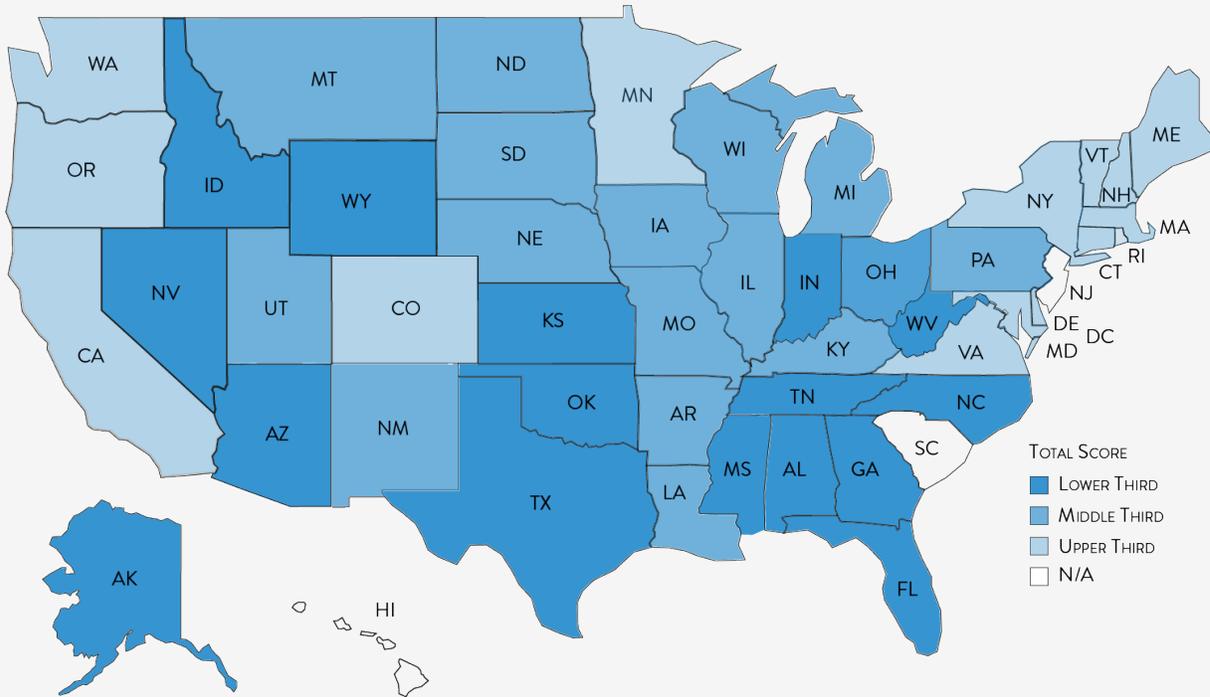
The *Healthcare Affordability State Policy Scorecard* serves as a call-to-action and road map for advocates and policymakers to strengthen efforts to address a top priority for consumers on both sides of the political aisle—healthcare affordability. Complementary Policy Checklists, a Summary Report and infographics highlight the robust toolset state policymakers can use to address this issue, reveal states’ performance compared to their “peers” and present case study examples from states leading the way.

* The analysis used to determine these rankings was specially produced for Altarum by Johns Hopkins University and, therefore, differs from the widely used Whaley-RAND study: https://www.rand.org/pubs/research_briefs/RBA1144-1.html.

The following pages show graphically how each state ranked in the four categories of healthcare affordability. All materials produced as part of the project, including the Methodology Report, scorecards and checklists for individual states, graphics and more are available on our website at: www.HealthcareValueHub.org/Affordability-Scorecard.

HEALTHCARE AFFORDABILITY STATE RANKS

The *Healthcare Affordability State Policy Scorecard* ranks 50 states and the District of Columbia on their adoption of evidence-based policy actions to improve healthcare affordability for residents. The Scorecard looks at both policies and outcomes across four areas that were implemented by Dec. 31, 2020.



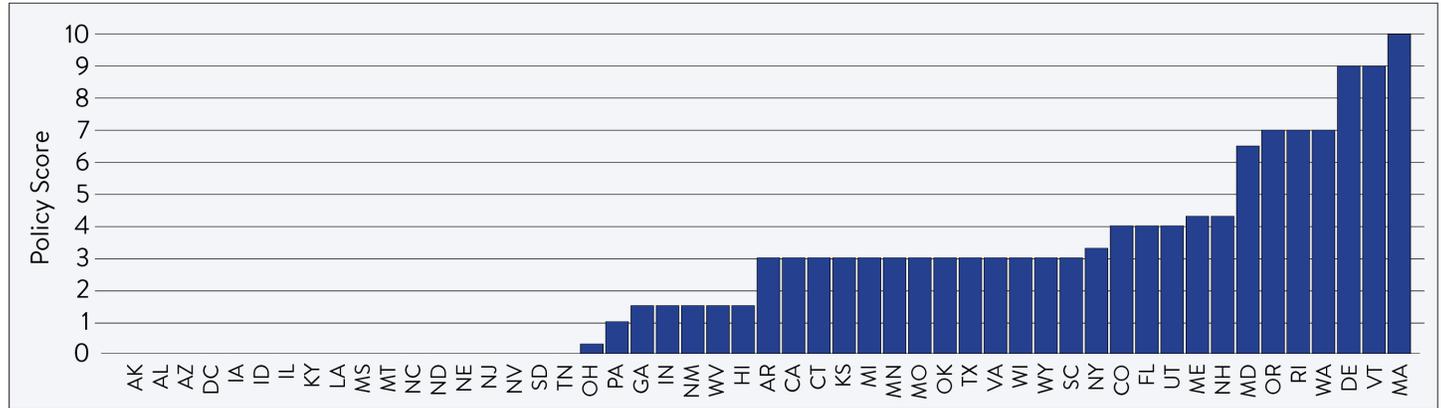
Note: Source data was insufficient to create an estimate for Hawaii, New Jersey and South Carolina. For complete methodology, see *Healthcare Affordability State Policy Scorecard Methodology*, Healthcare Value Hub (November 2021).

2021 HEALTHCARE AFFORDABILITY STATE POLICY SCORECARD

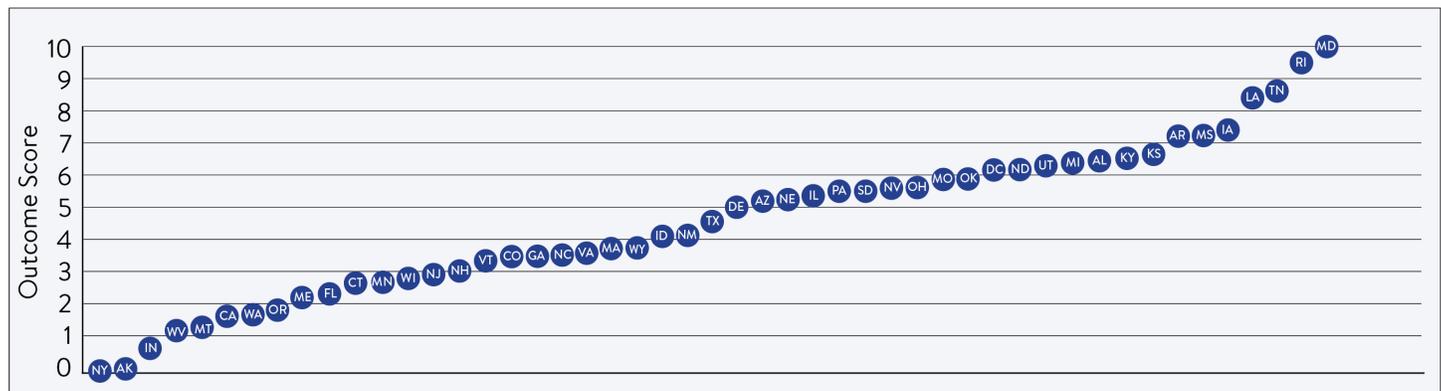
STATE SCORE COMPARISON: CURB EXCESS PRICES IN THE SYSTEM

The Healthcare Value Hub's *Healthcare Affordability State Policy Scorecard* details a variety of approaches to address the burden of healthcare affordability. Year-over-year increases in healthcare prices overwhelmingly drive state healthcare spending and can cause financial harm to patients. This one-pager shows how states compare on *Curb Excess Prices in the System* policy and outcome scores.

Policy Scores



Outcome Scores



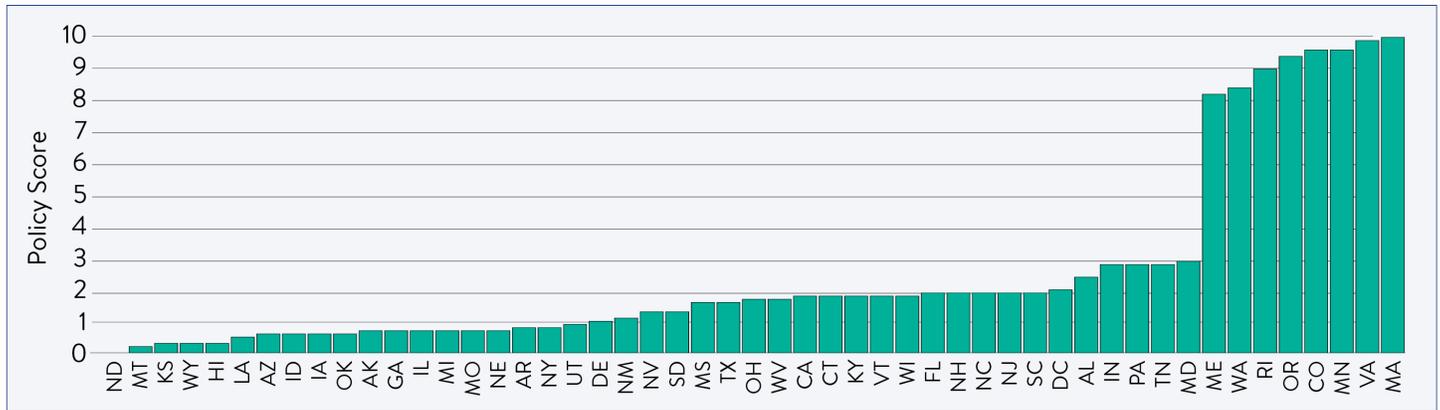
Note: SC and HI are not included in this chart because data on private sector prices relative to Medicare prices were not available for these states.

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STATE SCORE COMPARISON: REDUCE LOW-VALUE CARE

The Healthcare Value Hub’s *Healthcare Affordability State Policy Scorecard* details a variety of approaches to address the burden of healthcare affordability. Low-value care causes waste in our healthcare system and potential harm to patients. This one-pager shows how states compare on *Reduce Low-Value Care* policy and outcome scores.

Policy Scores



Outcome Scores

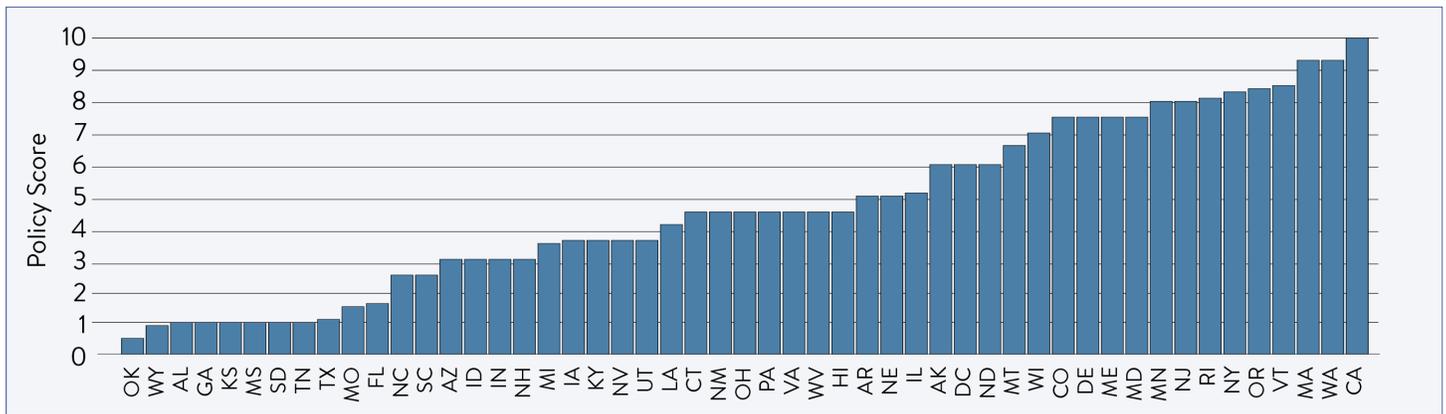


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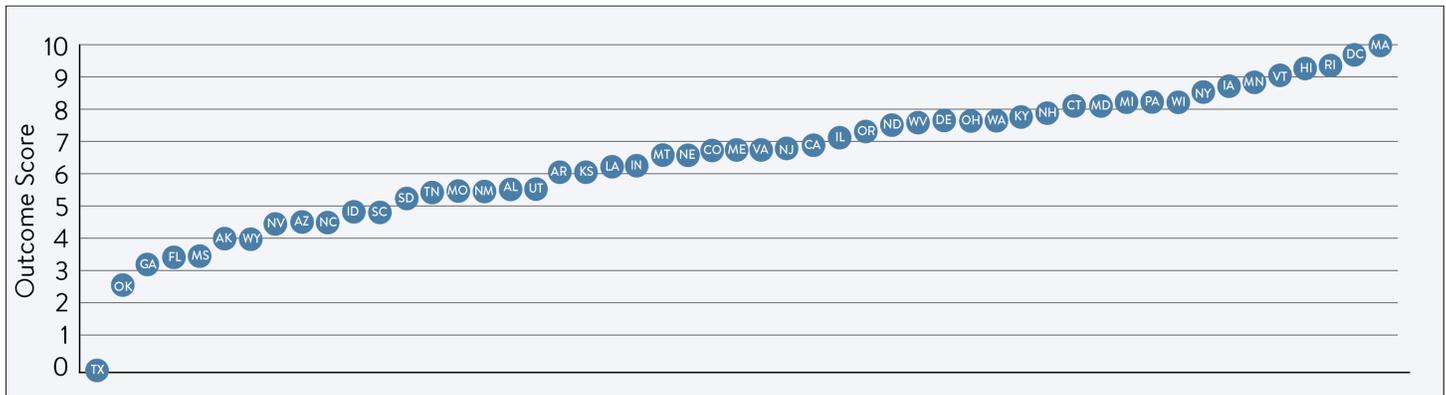
STATE SCORE COMPARISON: *EXTEND COVERAGE TO ALL RESIDENTS*

The Healthcare Value Hub's *Healthcare Affordability State Policy Scorecard* details a variety of approaches to address the burden of healthcare affordability. Being uninsured or having insufficient healthcare coverage can lead to financial harm and consumers delaying or forgoing needed care, potentially leading to costlier medical conditions down the road. This one-pager shows how states compare on *Extend Coverage to All Residents* policy and outcome scores.

Policy Scores



Outcome Scores

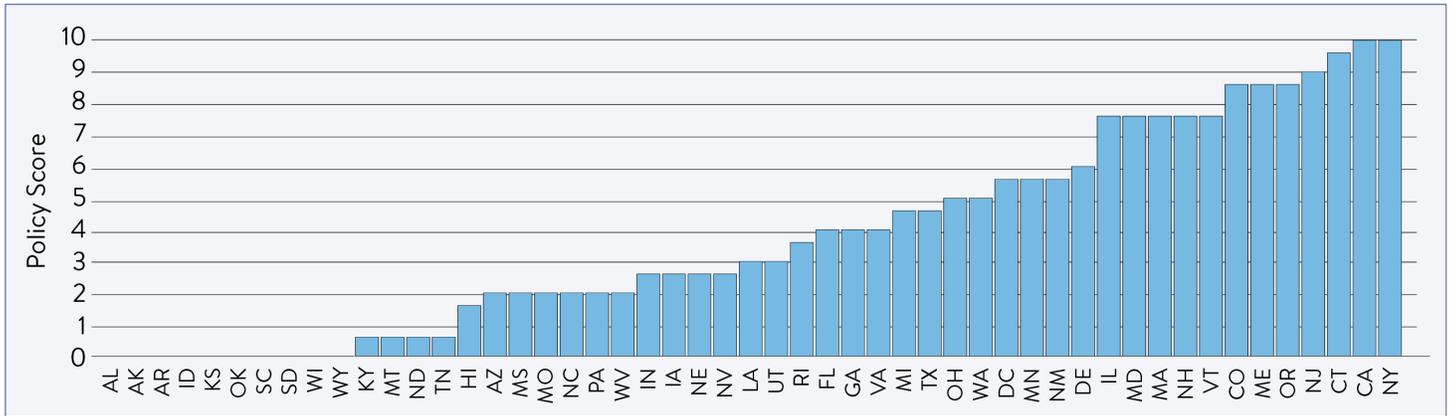


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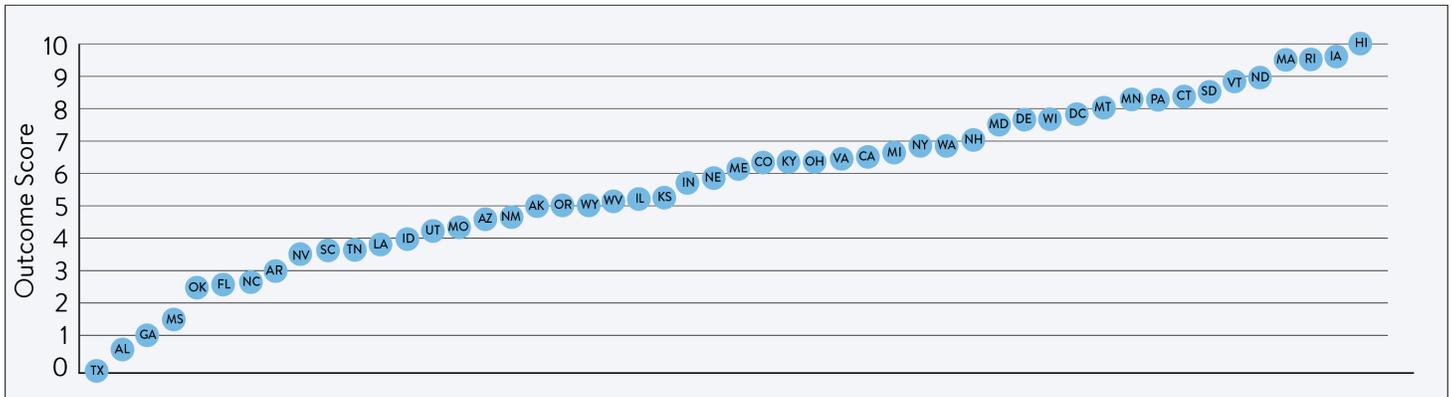
STATE SCORE COMPARISON: MAKE OUT-OF-POCKET COSTS AFFORDABLE

The Healthcare Value Hub's *Healthcare Affordability State Policy Scorecard* details a variety of approaches to address the burden of healthcare affordability. Rising out-of-pocket healthcare costs can cause financial harm and lead to consumers delaying or forgoing needed care, potentially leading to costlier medical conditions down the road. This one-pager shows how states compare on *Make Out-of-Pocket Costs Affordable* policy and outcome scores.

Policy Scores



Outcome Scores



Note: NJ is not included in this chart because data on affordability burdens was not available for this state.

NOTES

1. *What Do Consumers Say?*, Healthcare Value Hub. Available at <https://healthcarevaluehub.org/cost-and-quality-problems/what-do-consumers-say>
2. *Healthcare Value Hub's Consumer Healthcare Experience State Survey*. Available at: <https://healthcarevaluehub.org/advocate-resources/state-survey-results>
3. *Georgia Residents Struggle to Afford High Healthcare Costs;; COVID Fears Add to Support for a Range of Government Solutions Across Party Lines*, Healthcare Value Hub, Data Brief No. 101 (October 2021).

MORE INFO

All materials produced as part of the *Healthcare Affordability State Policy Scorecard* project, including the Methodology Report and scorecards for individual states, are available on our website at: www.HealthcareValueHub.org/Affordability-Scorecard

The 2021 Healthcare Affordability State Policy Scorecards and complementary materials were created with extensive input from Hub director Amanda Hunt; Hub policy analysts Alexandra Allen, Annaliese Johnson and Elise Lowry; and Hub communications lead Tad Lee. Special thanks to Lynn Quincy, Beth Beaudin-Seiler, Liz Jones, Sabah Bhatnagar, Sana Charania and our partners at Johns Hopkins University, who assisted with various stages of the work.

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ABOUT THE HUB

With support from Arnold Ventures and the Robert Wood Johnson Foundation, the Healthcare Value Hub provides free, timely information about the policies and practices that address high healthcare costs and poor quality, bringing better value to consumers. The Hub is part of Altarum, a nonprofit organization with the mission of creating a better, more sustainable future for all Americans by applying research-based and field-tested solutions that transform our systems of health and healthcare.

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