

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

STATE:

PENNSYLVANIA

RANK:

22

out of
47 states
+ DC

TOTAL SCORE: 35.3 OUT OF 80 POSSIBLE POINTS

Pennsylvania has much work to do to ensure wise health spending and affordability for its residents. According to the Healthcare Value Hub's CHES survey, 50% of PA adults experienced healthcare affordability burdens as of 2020.* While PA's uninsurance rate (5.8%) 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 PA grew 24% between 2013 and 2019, totaling \$8,262 in 2019.*

	POLICY SCORE	OUTCOME SCORE	RECOMMENDATIONS
CURB EXCESS PRICES IN THE SYSTEM 	1.0 OUT OF 10 POINTS PA has made some progress in this area, with a hospital spending oversight entity recently expanded to examine regional trends in healthcare costs and insurance premiums, but no active APCD.	5.5 OUT OF 10 POINTS High private prices are one factor driving costs. PA's inpatient private payer prices are 181% of Medicare prices, placing them in the middle range of all states. Ranked 19 out of 48 states, plus DC.	<i>Year-over-year increases in healthcare prices overwhelmingly drive state healthcare spending. PA should consider creating a robust APCD, strong price transparency requirements, creating health spending targets and expanding their oversight entity to target all spending beyond hospitals.</i>
REDUCE LOW-VALUE CARE 	2.8 OUT OF 10 POINTS PA requires some forms of patient safety reporting. 94% of hospitals have adopted antibiotic stewardship. PA has not yet measured the extent of low-value care being provided.	3.0 OUT OF 10 POINTS PA has more low-value care than the national average. Ranked 44 out of 50 states, plus DC.	<i>PA should consider using claims and EHR data to identify unnecessary care and enact a multi-stakeholder effort to reduce it.</i>
EXTEND COVERAGE TO ALL RESIDENTS 	4.5 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.	8.2 OUT OF 10 POINTS PA is among the states with the least uninsured people, still 6% of PA residents are uninsured. Ranked 10 out of 50 states, plus DC.	<i>PA should 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. PA should also consider offering coverage options for undocumented children, pregnant people and adults and adding affordability criteria to rate review.</i>
MAKE OUT-OF-POCKET COSTS AFFORDABLE 	2.0 OUT OF 10 POINTS PA has limited surprise medical bill protections.	8.3 OUT OF 10 POINTS PA ranked well in terms of affordability burdens (9 out of 49 states, plus DC), but 10% of adults could not get needed medical care due to cost. The share of people with other affordability burdens is far higher.	<i>PA should consider protections against STLD health plans; surprise medical bill protections not addressed by the federal No Surprises Act, like ground ambulances (see back); waiving or reducing cost-sharing for high-value services; and requiring standard plan design on their new state exchange.</i>

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/Pennsylvania

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PENNSYLVANIA 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). Pennsylvania did not have a tool that met this criteria.

PA has a healthcare spending oversight entity that targets hospital spending and it was reauthorized and expanded in 2020 to look at regional trends in the cost of healthcare and health insurance premiums. PA's Interagency Health Reform Council, created by Executive Order in 2020, has recommended creating a Health Value Commission to institute healthcare cost benchmarking in the state.



Reduce Low-Value Care:

According to the Johns Hopkins Overuse Index created using Medicare data, PA's overuse of low-value care is 1.4 standard deviations above the national average, which is undesirable.

Pennsylvania 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:

PA received federal approval in 2020 to establish a reinsurance program beginning in 2021. PA also implemented an Easy Enrollment program in 2020 to reduce enrollment barriers.

PA offers Medicaid coverage to lawfully residing immigrant pregnant women and children without a 5-year wait. PA does not offer coverage options for undocumented children/pregnant people/adults.

PA 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 PA rose 50% between 2013 and 2019, totaling \$2,981 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.

PA has limited protections against surprise medical billing that apply only to a narrow scope of plans. 'Comprehensive' surprise medical bills 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. 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—63% of ground ambulance rides in PA 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