

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 South Dakota is doing well and areas where it can improve.

STATE: **SOUTH DAKOTA**

RANK: **N/A**

out of 42 states + DC

South Dakota residents report affordability problems at rates slightly lower than the national average, but the state has relatively high healthcare spending per person and high spending growth in recent years. Continued policy scrutiny may be needed.

	POLICY SCORE	OUTCOME SCORE	RECOMMENDATIONS
EXTEND COVERAGE TO ALL RESIDENTS 	2 OUT OF 10 POINTS Childless adults are not eligible for Medicaid and parents are only eligible if their incomes are less than 49% of FPL.	5 OUT OF 10 POINTS In 2018, SD was in the bottom third of states in terms of covering the uninsured, ranking 37 out of 50 states, plus DC, for this measure.	<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. Consider adding affordability criteria to insurance rate review.</i>
MAKE OUT-OF-POCKET COSTS AFFORDABLE 	1 OUT OF 10 POINTS SD has some protections against skimpy, confusing STLD health plans.	7 OUT OF 10 POINTS SD has surpassed some other states in reducing healthcare affordability burdens (although 36% adults are still burdened), and ranked 14 out of 49 states, plus DC, for this measure.	<i>Consider SMB protections; stronger protections against STLD health plans; and enacting measures that lower the cost of high-value care.</i>
REDUCE LOW-VALUE CARE 	1 OUT OF 10 POINTS SD requires some forms of patient safety reporting. SD performs below average for hospital antibiotic stewardship and has not measured the provision of low-value care.	7 OUT OF 10 POINTS SD ranks highly in terms of reducing C-sections for low risk mothers (4 out of 50 states, plus DC). The state ranks 28 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. SD should use claims & EHR data to identify unnecessary care & enact a multi-stakeholder effort to reduce it. SD should stop paying for 'never events,' use other techniques to reduce medical harm, and increase efforts to address antibiotic overprescribing.</i>
CURB EXCESS PRICES IN THE SYSTEM 	0 OUT OF 10 POINTS As is common in many states, SD has done little to curb the rise of healthcare prices.	N/A OUT OF 10 POINTS Data on private sector prices, relative to the national median, is not available for SD.	<i>Year-over-year increases in healthcare prices overwhelmingly drive healthcare spending in a state. SD should consider creating a robust APCD; 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/South-Dakota

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SOUTH DAKOTA 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.

The Problem:

South Dakota has surpassed many other states in reducing healthcare affordability burdens, although 36% adults are still burdened, and ranks 14 out of 49 states, plus DC, for this measure. The most common burden reported was ‘trouble paying medical bills’ (23% of adults), followed by ‘made changes to medical drugs because of cost.’ According to the BEA, healthcare spending in South Dakota totalled \$9,154 per person in 2018.* Moreover, between 2013 and 2018, healthcare spending per person grew 27.4%.* South Dakota has much work to do to ensure wise health spending and affordability for residents (in part due to high rates of uninsurance among the population).

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 7% per year in South Dakota.*

Reduce Low-Value Care:



Addressing medical harm to improve 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.

Seventy-four percent of South Dakota hospitals have adopted the CDC’s ‘Core Elements’ of antibiotic stewardship – short of the goal of 100% of hospitals.

* 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