

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 North Carolina is doing well and areas where it can improve.

STATE: **NORTH CAROLINA** RANK: **30** out of 42 states + DC

North Carolina has relatively low healthcare spending per person, yet many residents report affordability problems and recent spending growth is high. Immediate policymaker attention is required.

	POLICY SCORE	OUTCOME SCORE	RECOMMENDATIONS
EXTEND COVERAGE TO ALL RESIDENTS 	3 OUT OF 10 POINTS Childless adults are not eligible for Medicaid; parents are only eligible if their incomes are below 42% of FPL. Certain recent immigrants have state coverage options.	5 OUT OF 10 POINTS In 2018, NC was in the bottom third of states in terms of covering the uninsured, ranking 43 out of 50 states, plus DC, for this measure.	<i>NC should 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. NC should also consider adding affordability criteria to its insurance rate review.</i>
MAKE OUT-OF-POCKET COSTS AFFORDABLE 	2 OUT OF 10 POINTS NC has enacted partial SMB protections.	4 OUT OF 10 POINTS Forty-six percent of adult residents report healthcare OOP affordability burdens. NC ranks 36 out of 49 states, plus DC, for this measure.	<i>In light of grave affordability problems, NC should consider a suite of measures to ease consumer burdens, including stronger SMB protections; protections against STLD health plans; and strategies that lower the cost of high-value care.</i>
REDUCE LOW-VALUE CARE 	2 OUT OF 10 POINTS NC requires some forms of patient safety reporting and ranks above average for hospital antibiotic stewardship, but does not measure the provision of low-value care.	6 OUT OF 10 POINTS NC ranks in the middle third of states in terms of reducing C-sections for low-risk mothers (17 out of 50 states, plus DC) and ranks 26 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. NC should use claims and EHR data to identify unnecessary care and enact a multi-stakeholder effort to reduce it. In addition, NC should stop paying for 'never events' and use other techniques to reduce medical harm while increasing efforts to address antibiotic overprescribing.</i>
CURB EXCESS PRICES IN THE SYSTEM 	0 OUT OF 10 POINTS As is common in many states, NC has done little to curb the rise of healthcare prices.	7.4 OUT OF 10 POINTS Private payer prices in NC are close to the national median. The state ranks 28 out of 42 states, plus DC, for this measure.	<i>Year-over-year increases in healthcare prices overwhelmingly drive state healthcare spending. Even states with lower price levels (like NC) should consider strong price transparency requirements. NC should consider creating a robust APCD; a health spending oversight entity; and 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/North-Carolina

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NORTH CAROLINA 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:

North Carolina residents report grave healthcare affordability problems – forty-six percent of adults report healthcare affordability burdens, giving the state a rank of 36 out of 49 states, plus DC, for this measure. The most common burden reported was ‘trouble paying medical bills’ (33% of adults), followed by ‘made changes to medical drugs because of cost.’ According to the BEA, healthcare spending in North Carolina totalled \$6,393 per person in 2018.* Moreover, between 2013 and 2018, healthcare spending per person grew 23.3%.* While spending per person is comparatively low, residents are struggling to afford needed healthcare. North Carolina has much work to do to ensure wise health spending and affordability for residents.

Extend Coverage to All Residents:



Lawfully residing immigrant children and pregnant women are covered by Medicaid without a 5-year wait.

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 7.1% per year in North Carolina.*

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.

Ninety-five percent of North Carolina hospitals have adopted the CDC’s ‘Core Elements’ of antibiotic stewardship—impressive, but still short of the goal of 100% of hospitals.

Curb Excess Prices in the System:



Private payer payment rates are 234% higher than prices 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