

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 Alabama is doing well and areas where it can improve.

STATE:

ALABAMA

RANK:

N/A

out of 42 states + DC

Alabama has relatively low healthcare spending per person, but many residents report affordability problems and recent spending growth is very high. Immediate policymaker attention is needed.

	POLICY SCORE	OUTCOME SCORE	RECOMMENDATIONS
EXTEND COVERAGE TO ALL RESIDENTS 	2 OUT OF 10 POINTS Childless adults are not eligible for Medicaid, while parents are only eligible if their incomes are below 18% of FPL.	5 OUT OF 10 POINTS In 2018, AL was in the bottom third of states in terms of covering the uninsured, ranking 38 out of 50 states, plus DC.	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. AL should consider adding affordability criteria to its insurance rate review.
MAKE OUT-OF-POCKET COSTS AFFORDABLE 	0 OUT OF 10 POINTS AL has enacted none of the measures that might ease out-of-pocket cost-sharing burdens for consumers.	4 OUT OF 10 POINTS Forty-four percent of adults report healthcare OOP affordability burdens, giving AL a rank of 33 out of 49 states, plus DC, for this measure.	In light of grave affordability problems, AL should consider a suite of measures to ease consumer burdens, starting with SMB protections – a proven measure for helping consumers.
REDUCE LOW-VALUE CARE 	3 OUT OF 10 POINTS AL requires some forms of patient safety reporting & has enacted non-payment policies for 'never events.' AL performs below avg. for hospital antibiotic stewardship and has not measured the provision of low-value care.	1 OUT OF 10 POINTS AL ranks poorly in terms of reducing C-sections for low-risk mothers (45 out of 50 states, plus DC). AL ranks 47 out of 50 states, plus DC, in terms of per capita antibiotic prescribing.	Curtailing low- and no-value care is a key part of a comprehensive approach to affordability. AL should use claims and EHR data to identify unnecessary care and enact a multi-stakeholder effort to reduce it. Moreover, AL should increase efforts to address antibiotic overprescribing.
CURB EXCESS PRICES IN THE SYSTEM 	0 OUT OF 10 POINTS As is common in many states, AL 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, are not available for Alabama.	Year-over-year increases in healthcare prices overwhelmingly drive state healthcare spending. AL should consider creating a robust APCD, strong price transparency requirements, a health spending oversight entity and health spending targets.

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/Alabama

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ALABAMA NOTES

Methodological Notes:

While most of the scorecard components received a score, overall state rank could not be calculated due to missing data. For a complete discussion of methodology, please see healthcarevaluehub.org/affordability-scorecard/methodology.

The Problem:

Forty-four percent of Alabama adults report healthcare OOP affordability burdens, giving the state a rank of 33 out of 49 states, plus DC. The most common burden reported was ‘trouble paying medical bills’ (31% of adults), followed by ‘made changes to medical drugs because of cost.’ According to the BEA, healthcare spending in Alabama totalled \$6,019 per person in 2018.* Moreover, between 2013 and 2018, healthcare spending per person grew 18%.* 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. Alabama has much work to do to ensure wise health spending and affordability for residents.

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 8.9% per year in Alabama.*



Reduce Low-Value Care:

Addressing medical harm to increase patient safety can take many forms. One form is “never events,” serious reportable events identified by the National Quality Forum (NQF) that should never occur in a healthcare setting. BCBSAL does not pay for adverse events at inpatient facilities.



Eighty percent of Alabama 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