

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 Tennessee is doing well and areas where it can improve.

STATE:

TENNESSEE

RANK:

37

out of 42 states + DC

Tennessee has relatively low healthcare spending per person, yet a high percentage of residents report affordability problems, suggesting a need for immediate policymaker attention.

	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 95% of FPL. Certain recent immigrants have state coverage options.	5 OUT OF 10 POINTS In 2018, TN was in the bottom third of states in terms of covering the uninsured with a rank of 39 out of 50 states, plus DC, for this measure.	<i>Close the coverage gap by expanding Medicaid to all very low income residents and consider options that help families that make too much to qualify for Medicaid, like Basic Health Plan, reinsurance or supplementary premium subsidies. Also consider adding affordability criteria to insurance rate review.</i>
MAKE OUT-OF-POCKET COSTS AFFORDABLE 	1 OUT OF 10 POINTS TN has some protections against skimpy, confusing STLD health plans.	4 OUT OF 10 POINTS Forty-four percent of adult residents report healthcare OOP affordability burdens. TN ranks 32 out of 49 states, plus DC, for this measure.	<i>In light of grave affordability problems, TN should consider a suite of measures to ease consumer burdens, such as: SMB protections; stronger protections against STLD health plans; and strategies to lower the cost of high-value care.</i>
REDUCE LOW-VALUE CARE 	3 OUT OF 10 POINTS TN requires some forms of patient safety reporting & has enacted nonpayment policies for 'never events.' TN is above average for hospital antibiotic stewardship & has not measured the provision of low-value care.	2 OUT OF 10 POINTS TN ranks poorly in terms of reducing C-sections for low risk mothers (35 out of 50 states, plus DC) and per capita antibiotic prescribing (46 out of 50 states, plus DC).	<i>Curtailing low- and no-value care is a key part of a comprehensive approach to affordability. TN should use claims and EHR data to identify unnecessary care and enact a multi-stakeholder effort to reduce it. TN should also increase efforts to address antibiotic overprescribing.</i>
CURB EXCESS PRICES IN THE SYSTEM 	0 OUT OF 10 POINTS As is common in many states, TN has done little to curb the rise of healthcare prices.	8.4 OUT OF 10 POINTS TN's private payer price levels are close to the national median, ranking 14 out of 42 states, plus DC, for this measure.	<i>Year-over-year increases in healthcare prices overwhelmingly drive healthcare spending in a state. Even states with lower price levels (like TN) should consider creating strong price transparency requirements, 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/Tennessee

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TENNESSEE 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:

Forty-four percent of Tennessee adults report healthcare OOP affordability burdens, giving the state a rank of 32 out of 49 states, plus DC, for this measure. The most common burden reported was ‘trouble paying medical bills’ (32% of adults), followed by ‘made changes to medical drugs because of cost.’ According to the BEA, healthcare spending in Tennessee totalled \$6,477 per person in 2018.* Moreover, between 2013 and 2018, healthcare spending per person grew 14.3%.* While spending per person is low compared to other states, residents are struggling to afford needed healthcare. This is, in part, due to high rates of uninsurance among the population. Tennessee has much work to do to ensure wise health spending and affordability for residents.



Extend Coverage to All Residents:

Some level of prenatal care is available, regardless of immigration status, through CHIP’s “unborn child” option.



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 5.7% per year in Tennessee.*

Tennessee has a minimum medical loss ratio requirement for short-term, limited-duration health plans.



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. BCBSTN will not provide reimbursement or allow hospitals to retain reimbursement for any care directly related to a never event.

Eighty-nine percent of Tennessee hospitals have adopted the CDC’s ‘Core Elements’ of antibiotic stewardship – short of the goal of 100% of hospitals.



Curb Excess Prices in the System:

As of 2017, Tennessee’s APCD is inactive.

Private payer price levels in Tennessee are 208% 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