

# 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 Indiana is doing well and areas where it can improve.

STATE:

**INDIANA**

RANK:

**33**

out of 42 states + DC

Indiana has relatively high healthcare spending per person and a higher-than-average percentage of residents reporting affordability problems. Increased policymaker scrutiny is required.

	POLICY SCORE	OUTCOME SCORE	RECOMMENDATIONS
<b>EXTEND COVERAGE TO ALL RESIDENTS</b> 	<b>3 OUT OF 10 POINTS</b> Medicaid coverage for childless adults extends to 138% of FPL.	<b>6 OUT OF 10 POINTS</b> In 2018, IN was in the middle third of states in terms of covering the uninsured, ranking 30 out of 50 states, plus DC, for this measure.	Consider options that help families that make too much to qualify for Medicaid, like Basic Health Plan, reinsurance or supplementary premium subsidies, and consider adding affordability criteria to insurance rate review.
<b>MAKE OUT-OF-POCKET COSTS AFFORDABLE</b> 	<b>2 OUT OF 10 POINTS</b> IN has some SMB protections.	<b>3 OUT OF 10 POINTS</b> 47% of adults report healthcare OOP affordability burdens. IN ranks 39 out of 49 states, plus DC, for this measure.	In light of grave affordability problems, IN should consider a suite of measures to ease consumer burdens, including stronger SMB protections, protections against STLD health plans and measures that lower the cost of high-value care.
<b>REDUCE LOW-VALUE CARE</b> 	<b>2 OUT OF 10 POINTS</b> IN requires some forms of patient safety reporting. IN performs above average for hospital antibiotic stewardship but has not measured the extent of low-value care provided.	<b>4 OUT OF 10 POINTS</b> IN ranks in the middle third of states in terms of reducing C-sections for low-risk mothers (18 out of 50 states, plus DC.) The state ranks 41 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. IN should use claims and EHR data to identify unnecessary care and enact a multi-stakeholder effort to reduce it. In addition, IN should stop paying for 'never events' and use other techniques to reduce medical harm.
<b>CURB EXCESS PRICES IN THE SYSTEM</b> 	<b>0 OUT OF 10 POINTS</b> As is common in many states, IN has done little to curb the rise of healthcare prices.	<b>7.6 OUT OF 10 POINTS</b> Private payer prices in IN are close to the national median. The state ranks 21 out of 42 states, plus DC, for this measure.	Year-over-year increases in healthcare prices overwhelmingly drive state healthcare spending. Even states with lower private payer price levels (like IN) should consider establishing strong price transparency requirements. IN should consider creating a robust APCD; establishing a health spending oversight entity; and creating 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/Indiana](http://www.HealthcareValueHub.org/Affordability-Scorecard/Indiana)

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## INDIANA 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](http://healthcarevaluehub.org/affordability-scorecard/methodology).

### The Problem:

Indiana residents report grave healthcare affordability problems, and the state is in the bottom third of states in terms of high healthcare affordability burdens. Forty-seven percent of adults report healthcare OOP affordability burdens, giving the state a rank of 39 out of 49 states, plus DC, for this measure. The most common burden reported was 'made changes to medical drugs because of cost' (34% of adults), followed by 'trouble paying medical bills.' According to the BEA, healthcare spending in Indiana totalled \$7,957 per person in 2018.\* Moreover, between 2013 and 2018, healthcare spending per person grew 31.7%.\* Residents are struggling to afford needed healthcare, in part due to high rates of uninsurance among the population. Indiana has much work to do to ensure wise health spending and affordability for residents.



### Make Out-of-Pocket Costs Affordable:

As of 2019, Indiana defaults to federal rules and limits short-term, limited-duration health plans' initial term to 364 days, with a maximum duration of 36 months. The state previously limited short-term, limited duration plans to six months and did not allow policies to be renewed.

High-deductible health plans create barriers to care for many families. Between 2011 and 2016, the average deductible associated with employer coverage rose 9.5% per year in Indiana.\*



### 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 percent of Indiana hospitals have adopted the CDC's 'Core Elements' of antibiotic stewardship — impressive, but short of the goal of 100% of hospitals.

### Curb Excess Prices in the System:

Indiana exhibits private payer price levels that are 311% above 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