

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 Iowa is doing well and areas where it can improve.

STATE:

IOWA

RANK:

21

out of 42 states + DC

Iowa has relatively low healthcare spending per person and modest recent spending growth. Yet the percentage of residents reporting affordability problems is high, suggesting a need for policymaker attention.

	POLICY SCORE	OUTCOME SCORE	RECOMMENDATIONS
EXTEND COVERAGE TO ALL RESIDENTS 	3 OUT OF 10 POINTS Medicaid coverage for childless adults goes to 138% of FPL. Certain recent immigrants have state coverage options.	9 OUT OF 10 POINTS In 2018, IA was in the top third of states in terms of covering the uninsured, ranking 7 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. Also consider adding affordability criteria to insurance rate review.
MAKE OUT-OF-POCKET COSTS AFFORDABLE 	3 OUT OF 10 POINTS IA has some protections against skimpy, confusing STLD health plans. IA has partial SMB protections.	6 OUT OF 10 POINTS Thirty-nine percent of adults report healthcare OOP affordability burdens. IA ranked 23 out of 49 states, plus DC, for this measure.	Consider stronger SMB protections; stronger protections against STLD health plans; and measures that lower the cost of high-value care.
REDUCE LOW-VALUE CARE 	2 OUT OF 10 POINTS IA requires some forms of patient safety reporting & has enacted nonpayment policies for 'never events.' IA is below avg. for hospital antibiotic stewardship & has not measured the extent of low-value care provided.	4 OUT OF 10 POINTS IA ranks in the middle third of states for reducing C-sections for low risk mothers (18 out of 50 states plus DC). IA ranks 43 out of 50 states, plus DC, for per capita antibiotic prescribing.	Curtailing low- and no-value care is a key part of a comprehensive approach to affordability. IA should use claims and EHR data to identify unnecessary care and enact a multi-stakeholder effort to reduce it. Moreover, IA should increase efforts to address antibiotic overprescribing.
CURB EXCESS PRICES IN THE SYSTEM 	0 OUT OF 10 POINTS As is common in many states, IA has done little to curb the rise of healthcare prices.	8.5 OUT OF 10 POINTS IA is a top ranked state, keeping private payer prices below the national median and ranking 13 out of 42 states, plus DC, for this measure.	Year-over-year increases in healthcare prices overwhelmingly drive healthcare spending in a state. Even states with lower private payer price levels (like IA) should consider establishing strong price transparency requirements; a robust APCD; 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/Iowa

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IOWA 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:

Thirty-nine percent of Iowa adults report healthcare OOP affordability burdens, giving the state a ranking of 23 out of 49 states, plus DC, for this measure. The most common burden reported was 'made changes to medical drugs because of cost' (28% of adults), followed by 'trouble paying medical bills.' According to the BEA, healthcare spending in Iowa totalled \$6,564 per person in 2018.* Moreover, between 2013 and 2018, healthcare spending per person grew 14.4%.* While spending per person is comparatively low, residents are struggling to afford needed healthcare. Iowa has much work to do to ensure wise health spending and affordability for residents.



Extend Coverage to All Residents:

Lawfully residing immigrant children are covered without a 5-year wait. Iowa covers income-eligible children in foster care using state-only funds if not otherwise eligible due to immigration status.



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 4.8% per year in Iowa.*

Iowa requires a minimum medical loss ratio for short-term, limited-duration health plans but offers no other protections.



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-nine percent of Iowa 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:

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