

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 Arizona is doing well and areas where it can improve.

STATE:

ARIZONA

RANK:

23

out of 42 states + DC

Arizona has relatively low healthcare spending per person, although the percentage of residents reporting affordability problems is consistent with the national average, 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 extends to 138% of FPL.	5 OUT OF 10 POINTS In 2018, AZ was in the bottom third of states in terms of covering the uninsured, ranking 42 out of 50 states, plus DC, for this measure.	Consider options that help families that earn too much to qualify for Medicaid like Basic Health Plan, reinsurance or supplementary premium subsidies. AZ should also consider adding affordability criteria to its insurance rate review.
MAKE OUT-OF-POCKET COSTS AFFORDABLE 	2 OUT OF 10 POINTS AZ offers only partial protections against SMB.	6 OUT OF 10 POINTS Thirty-seven percent of adults report healthcare OOP affordability burdens, giving AZ a rank of 18 out of 49 states, plus DC, for this measure.	Consider strengthening SMB protections; establishing protections against STLD health plans; and pursuing strategies to lower the cost of high-value care.
REDUCE LOW-VALUE CARE 	1 OUT OF 10 POINTS AZ has not enacted meaningful patient safety reporting and has not measured the provision of low-value care. The state ranks above average in terms of hospital antibiotic stewardship.	7 OUT OF 10 POINTS AZ ranks highly in terms of reducing C-sections for low risk mothers (11 out of 50 states plus DC). The state ranks 17 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. AZ should use claims & EHR data to identify unnecessary care & enact a multi-stakeholder effort to reduce it. AZ should strengthen patient safety reporting for hospitals and stop paying for 'never events' to reduce medical harm.
CURB EXCESS PRICES IN THE SYSTEM 	0 OUT OF 10 POINTS Similar to many states, AZ has done little to curb the rise of healthcare prices.	8.6 OUT OF 10 POINTS Private payer prices in AZ are lower than the national median, giving the state a rank of 12 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 AZ) should consider establishing strong price transparency requirements. AZ should consider establishing a robust APCD; 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/Arizona

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ARIZONA 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 seven percent of Arizona adults report healthcare OOP affordability burdens, giving the state a rank of 18 out of 49 states, plus DC, for this measure. The most common burden reported was 'trouble paying medical bills' (24% of adults), followed by 'made changes to medical drugs because of cost.' According to BEA, healthcare spending in Arizona totalled \$5,851 per person in 2018.* Moreover, between 2013 and 2018, healthcare spending per person grew 18.9%.* While spending per person is relatively low, residents are struggling to afford needed healthcare. This is, in part, due to high rates of uninsurance among the population. Arizona has much work to do to ensure wise health spending and affordability for residents.



Extend Coverage to All Residents:

Arizona planned to phase in the Medicaid work requirement starting in the fall of 2020, but has decided to indefinitely postpone implementation, given legal challenges to work requirements in other states. The Trump administration also approved the state's "waiver of retroactive eligibility," which allows coverage to take effect the month the person applies, instead of taking effect up to three months prior to the month the person applies. The waiver of retroactive eligibility will not apply to pregnant and postpartum women, or to children under the age of 19.



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 7.4% per year in Arizona.* A 2019 law extended the maximum time that residents are allowed to have a short-term, limited-duration insurance plan from one to three years.



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.

Eighty-six percent of Arizona 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