

2021 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 Arkansas is doing well and areas where it can improve. It reflects policies implemented as of Dec. 31, 2020.

STATE:

ARKANSAS

RANK:

30

out of 47 states + DC

TOTAL SCORE: 29.9 OUT OF 80 POSSIBLE POINTS

Arkansas has much work to do to ensure wise health spending and affordability for its residents. According to SHADAC, 16% of AR adults could not get needed medical care due to cost as of 2019, and the share of people with other affordability burdens is far higher. While AR's high uninsurance rate (9.1%) may be a factor, healthcare is increasingly unaffordable largely due to high costs that affect everyone. According to the PCE, healthcare spending per person in AR grew 34% between 2013 and 2019, totaling \$6,552 in 2019.*

	POLICY SCORE	OUTCOME SCORE	RECOMMENDATIONS
CURB EXCESS PRICES IN THE SYSTEM 	3.0 OUT OF 10 POINTS Beyond establishing an APCD, AR has few policies to curb the rise of healthcare prices.	7.2 OUT OF 10 POINTS High private prices are one factor driving costs. AR is among the least expensive states, with inpatient private payer prices at 163% of Medicare prices. Ranked 7 out of 48 states, plus DC.	<i>Year-over-year increases in healthcare prices overwhelmingly drive state healthcare spending. Even states like AR with lower price levels than other areas should consider strong price transparency requirements, establishing a health spending oversight entity and creating health spending targets.</i>
REDUCE LOW-VALUE CARE 	0.8 OUT OF 10 POINTS AR has not enacted meaningful patient safety reporting. 91% of hospitals have adopted antibiotic stewardship. AR has not yet measured the extent of low-value care being provided.	5.0 OUT OF 10 POINTS AR's use of low-value care is close to the national average. Ranked 21 out of 50 states, plus DC.	<i>AR should consider using claims and EHR data to identify unnecessary care and enacting a multi-stakeholder effort to reduce it.</i>
EXTEND COVERAGE TO ALL RESIDENTS 	5.0 OUT OF 10 POINTS Medicaid coverage for childless adults extends to 138% of FPL. Only some immigrants can access state coverage options.	6.0 OUT OF 10 POINTS 9% of AR residents are uninsured. Ranked 32 out of 50 states, plus DC.	<i>AR should consider options for residents earning too much to qualify for Medicaid, like a Basic Health Plan, premium subsidies, Medicaid buy-in and a public option. AR should consider offering coverage options for undocumented children and adults, as well as adding affordability criteria to rate review.</i>
MAKE OUT-OF-POCKET COSTS AFFORDABLE 	0.0 OUT OF 10 POINTS AR has not enacted any of the policies that may protect state residents from high out-of-pocket costs.	3.0 OUT OF 10 POINTS AR ranked poorly in terms of affordability burdens (43 out of 49 states, plus DC)—16% of adults could not get needed medical care due to cost. The share of people with other affordability burdens is far higher.	<i>AR should consider a suite of measures to ease consumer burdens, such as: protections against short-term, limited-duration health plans; surprise medical bill protections not addressed by the federal No Surprises Act; waiving or reducing cost-sharing for high-value services; and requiring standard plan design on their state exchange.</i>

APCD = All-Payer Claims Database CHES = Consumer Healthcare Experience State Survey CMS = Centers for Medicare and Medicaid Services EHR = Electronic Health Records FPL = Federal Poverty Level PCE = Personal Consumption Expenditure (Healthcare PCE measures spending growth among households as well as nonprofit, commercial and government hospitals/nursing homes) SHADAC = State Health Access Data Assistance Center 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/Arkansas

Healthcare Affordability State Policy Scorecard

STATE:

ARKANSAS

RANK:

30

out of
42 states
+ DC

ARKANSAS NOTES

Methodological Notes:

State rank reflects the weighted sum of the policy and outcome scoring components. 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.



Curb Excess Prices in the System:

In order to receive credit for price transparency tools, a state's tool had to be public-facing, searchable by specific procedure and hospital and show the negotiated rate paid by insurance plans/patients (not chargemaster rate). Arkansas did not have a tool that met this criteria.

AR has an APCD.

AR's Health Care Payment Improvement Initiative is the only statewide payment reform that involves all major public and private payers. The initiative aligns bundled payments across Medicare, Medicaid, private insurers and some self-insured employers, and is designed to reward physicians, hospitals and other providers who give patients high-quality care at an appropriate cost.



Reduce Low-Value Care:

According to the Johns Hopkins Overuse Index created using Medicare data, AR's overuse of low-value care is 0.4 standard deviations above the national average, which is undesirable (however, the value is still relatively close to the national average). Data on patient safety reporting is not available for Arkansas. Improper use of antibiotics is another type of low-value care. Antibiotic stewardship is the effort to measure and improve how antibiotics are prescribed by clinicians and used by patients—states were scored on what share of their hospitals follow the CDC's stewardship program.



Extend Coverage to All Residents:

AR sought federal approval in 2021 to replace its current Medicaid expansion program, AR Works, with the AR HOME program. If approved, AR HOME would allow expansion enrollees who comply with work requirements and monthly premiums to enroll in private marketplace plans. Enrollees who opt out of these requirements would receive traditional fee-for-service Medicaid coverage. AR Works is set to expire at the end of 2021 and has faced legal challenges.

AR provides Medicaid coverage for eligible lawfully residing immigrant pregnant women and children without a 5-year wait. Some level of prenatal care is available, regardless of immigration status, through CHIP's "unborn child" option. AR does not offer coverage options for undocumented children/adults.

AR has effective rate review as classified by CMS but does not incorporate affordability criteria into rate review.



Make Out-of-Pocket Costs Affordable:

High-deductible health plans create barriers to care for many families. According to SHADAC, the average family deductible among employer insurance plans in AR rose 85% between 2013 and 2019, totaling \$3,586 in 2019. States should consider exploring new policies to reduce financial barriers to care for people with high-deductible health plans, although there are limits to how much states can influence employer insurance and Medicare.

In response to rising insurance costs, some people turn to STLD health plans, which offer lower monthly premiums compared to ACA-compliant plans. However, these policies offer less coverage, can discriminate against people with pre-existing conditions and pose significant financial risks for consumers. States received credit depending on how much they limit or protect against these plans.

The federal No Surprises Act prohibits surprise medical billing in most plans effective January 2022. However, it does not cover ground ambulances which often result in surprise bills. States can still implement protections in this area—67% of ground ambulance rides in AR charged to commercial insurance plans had the potential for surprise medical billing (AR had a small sample size [1247] compared to other states, so interpret percentage with caution).*

* Informational data, not used in state score or ranking. Scorecard Updated: Oct. 26, 2021