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

STATE: **DISTRICT OF COLUMBIA** **RANK:** **16** out of 47 states + DC

***TOTAL SCORE:** 42.3 OUT OF 80 POSSIBLE POINTS*

District of Columbia has much work to do to ensure wise health spending and affordability for its residents. According to SHADAC, 10% of DC 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 DC's uninsurance rate (3.5%) 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 DC grew 12% between 2013 and 2019, totaling $10,487 in 2019.*

	POLICY SCORE	OUTCOME SCORE	RECOMMENDATIONS
CURB EXCESS PRICES IN THE SYSTEM	**0.0** OUT OF **10** POINTS As is common in many states, DC has done little to curb the rise of healthcare prices.	**6.1** OUT OF **10** POINTS High private prices are one factor driving costs. DC's inpatient private payer prices are 175% of Medicare prices, placing them in the middle range of all states. Ranked 14 out of 48 states, plus DC.	*Year-over-year increases in healthcare prices overwhelmingly drive state healthcare spending. DC should consider creating a robust APCD, strong price transparency requirements, establishing a health spending oversight entity and creating health spending targets.*
REDUCE LOW-VALUE CARE	**2.0** OUT OF **10** POINTS DC requires some forms of patient safety reporting. Encouragingly, 100% of hospitals have adopted antibiotic stewardship. DC has not yet measured the extent of low-value care being provided.	**5.0** OUT OF **10** POINTS DC's use of low-value care is close to the national average. Ranked 21 out of 50 states, plus DC.	*DC should consider using claims and EHR data to identify unnecessary care and enacting a multi-stakeholder effort to reduce it.*
EXTEND COVERAGE TO ALL RESIDENTS	**6.0** OUT OF **10** POINTS Medicaid coverage for childless adults extends to 215% of FPL. DC is also a leader in providing coverage options for legally residing and undocumented immigrants.	**9.7** OUT OF **10** POINTS DC is among the states with the least uninsured people; still, 4% of DC residents are uninsured. Ranked 2 out of 50 states, plus DC.	*DC 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. DC should also consider adding affordability criteria to rate review.*
MAKE OUT-OF-POCKET COSTS AFFORDABLE	**5.6** OUT OF **10** POINTS DC has banned or heavily regulated short-term, limited-duration health plans; caps cost-sharing for some high-value services; and has patient-centered, standard plan designs on their exchange.	**7.9** OUT OF **10** POINTS DC ranked well in terms of affordability burdens (12 out of 49 states, plus DC), but 10% of adults could not get needed medical care due to cost. The share of people with other affordability burdens is far higher.	*DC should consider a suite of measures to ease consumer burdens, such as surprise medical bill protections not addressed by the federal No Surprises Act.*

APCD = All-Payer Claims Database **CHESS** = 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

Full report and additional details at **www.HealthcareValueHub.org/Affordability-Scorecard/DC**

ALTARUM HEALTHCARE VALUE HUB

Healthcare Affordability State Policy Scorecard

STATE: DISTRICT OF COLUMBIA **RANK:** 16 out of 47 states + DC

DISTRICT OF COLUMBIA 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). DC did not have a tool that met this criteria. DC has none of the four policy elements measured for this category. DC attempted to outlaw excessive pricing in sale of prescription drugs in 2005, but the law was overturned in court.

Reduce Low-Value Care:

According to the Johns Hopkins Overuse Index created using Medicare data, DC's overuse of low-value care is 0.2 standard deviations above the national average, which is undesirable (however, the value is still relatively close to the national average). 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. DC mandates reporting and validation for CLABSI, but not for CAUTI.

Extend Coverage to All Residents:

Parents in DC are eligible for Medicaid up to 221% of FPL while other adults are eligible up to 215% of FPL. DC offers Medicaid coverage to lawfully residing immigrant pregnant women and children without a 5-year wait. The Immigrant Children's Program covers low-income, Medicaid-ineligible residents under age 21 and the D.C. Health Care Alliance provides coverage for those 21 and over. Cover All DC provides private coverage for DC residents who do not meet eligibility requirements for private coverage, Medicaid or the Alliance. DC's rate review process considers whether premiums are fairly priced given the benefits provided and in terms of medical loss ratio, and whether they are excessive or unfairly discriminatory. However, what constitutes "excessive and unfairly discriminatory" is not defined.

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 DC rose 47% between 2013 and 2019, totaling $2,679 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—77% of ground ambulance rides in DC charged to commercial insurance plans had the potential for surprise medical billing (DC had a small sample size [545] compared to other states, so interpret percentage with caution).* DC's standardized benefit plans include pre-deductible services with low to moderate copay amounts, including: non-preventive primary care; specialty care; laboratory and diagnostic testing; mental health and substance use disorder treatment; urgent care; and generic drugs. DC also mandates separate prescription drug deductibles to lower financial barriers to needed medication.

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