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

STATE: SOUTH DAKOTA **RANK: 26** out of 47 states + DC

***TOTAL SCORE:** 31.3 OUT OF 80 POSSIBLE POINTS*

South Dakota has much work to do to ensure wise health spending and affordability for its residents. According to SHADAC, 10% of SD 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 SD's high uninsurance rate (10.2%) 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 SD grew 36% between 2013 and 2019, totaling $10,083 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, SD has done little to curb the rise of healthcare prices.	**5.5 OUT OF 10 POINTS** High private prices are one factor driving costs. SD's inpatient private payer prices are 181% of Medicare prices, placing them in the middle range of all states. Ranked 19 out of 48 states, plus DC.	*Year-over-year increases in healthcare prices overwhelmingly drive state healthcare spending. SD 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	**1.3 OUT OF 10 POINTS** SD requires some forms of patient safety reporting. 75% of hospitals have adopted antibiotic stewardship. SD has not yet measured the extent of low-value care being provided.	**9.0 OUT OF 10 POINTS** SD has less low-value care than the national average. Ranked 2 out of 50 states, plus DC.	*SD's overuse of low-value care is less than the national average, however they can still enact policies to improve care for residents. SD should consider using claims and EHR data to identify unnecessary care and enact a multi-stakeholder effort to reduce it.*
EXTEND COVERAGE TO ALL RESIDENTS	**1.5 OUT OF 10 POINTS** Childless adults are not eligible for Medicaid, while parents are only eligible if their incomes are less than 48% of FPL. No immigrant populations can access state coverage options.	**5.3 OUT OF 10 POINTS** SD is among the states with the most uninsured people—10% of SD residents are uninsured. Ranked 39 out of 50 states, plus DC.	*SD should expand Medicaid to all low-income residents and 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. SD should also consider coverage options for low-income immigrants that do not qualify for Medicaid/CHIP and adding affordability criteria to rate review.*
MAKE OUT-OF-POCKET COSTS AFFORDABLE	**0.0 OUT OF 10 POINTS** SD has not enacted any of the policies that may protect state residents from high out-of-pocket costs.	**8.5 OUT OF 10 POINTS** SD ranked well in affordability burdens (7 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.	*SD 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; and waiving or reducing cost-sharing for high-value services.*

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/South-Dakota**

ALTARUM HEALTHCARE VALUE HUB

Healthcare Affordability State Policy Scorecard

STATE: SOUTH DAKOTA **RANK: 26** out of 47 states + DC

SOUTH DAKOTA 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). South Dakota did not have a tool that met this criteria.

SD has none of the four policy elements measured for this category.

Reduce Low-Value Care:

According to the Johns Hopkins Overuse Index created using Medicare data, SD's overuse of low-value care is -1.5 standard deviations below the national average, which is likely a good thing assuming they are also delivering appropriate care.

In South Dakota, reporting of CLABSI/CAUTI is voluntary, but validation is required if there is a report.

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:

In Nov. 2020, South Dakota's Secretary of State approved two Medicaid expansion ballot iniaitive petitions for circulation. One is an initiated constitutional amendment (which requires 33,921 signatures to get on the 2022 ballot) and the other is an initiated state statute (which required 16,961 signatures). Advocates have until November 2021 to gather the signatures.

SD offers no coverage options for immigrant populations.

SD 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 SD rose 41% between 2013 and 2019, totaling $4,222 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—34% of ground ambulance rides in SD charged to commercial insurance plans had the potential for surprise medical billing (SD had a small sample size [316] compared to other states, so interpret percentage with caution).*

* Informational data, not used in state score or ranking. Scorecard Updated: Oct. 27, 2021