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

STATE: VIRGINIA **RANK: 15** out of 47 states + DC

***TOTAL SCORE:** 43.2 OUT OF 80 POSSIBLE POINTS*

Virginia has many policies to address affordability, but still has much work to do to ensure wise health spending and affordability for its residents. According to the Healthcare Value Hub's CHESS survey, 55% of VA adults experienced healthcare affordability burdens as of 2019.* While VA's uninsurance rate (7.9%) 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 VA grew 24% between 2013 and 2019, totaling $6,837 in 2019.*

	POLICY SCORE	OUTCOME SCORE	RECOMMENDATIONS
CURB EXCESS PRICES IN THE SYSTEM	**3.0 OUT OF 10 POINTS** Beyond establishing an APCD, VA has few policies to curb the rise of healthcare prices.	**3.6 OUT OF 10 POINTS** High private prices are one factor driving costs. VA's inpatient private payer prices are 202% of Medicare prices, placing them in the middle range of all states. Ranked 30 out of 48 states, plus DC.	*Year-over-year increases in healthcare prices overwhelmingly drive state healthcare spending. VA should consider strong price transparency requirements, establishing a health spending oversight entity and creating health spending targets.*
REDUCE LOW-VALUE CARE	**9.9 OUT OF 10 POINTS** VA requires some forms of patient safety reporting. 97% of hospitals have adopted antibiotic stewardship. VA has taken important steps to measure the extent of low-value care being provided.	**5.0 OUT OF 10 POINTS** VA's use of low-value care is close to the national average. Ranked 21 out of 50 states, plus DC.	*VA is the rare state that has taken the key initial steps to identify low-value care. They should continue expanding their multi-stakeholder initiative to reduce the use of identified low-value care services by adding additional measures and health systems.*
EXTEND COVERAGE TO ALL RESIDENTS	**4.5 OUT OF 10 POINTS** Medicaid coverage for childless adults extends to 138% of FPL. Only lawfully residing immigrant children/pregnant women can access state coverage options.	**6.8 OUT OF 10 POINTS** 8% of VA residents are uninsured. Ranked 24 out of 50 states, plus DC.	*VA 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. VA should also consider coverage options for undocumented children and adults and adding affordability criteria to rate review*
MAKE OUT-OF-POCKET COSTS AFFORDABLE	**4.0 OUT OF 10 POINTS** VA has comprehensive surprise medical bill protections.	**6.4 OUT OF 10 POINTS** 12% of adults could not get needed medical care due to cost. The share of people with other affordability burdens is far higher.	*VA should consider a suite of measures to ease consumer burdens, such as protections against short-term, limited-duration health plans and requiring standard plan design on their state exchange.*

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/Virginia**

ALTARUM HEALTHCARE VALUE HUB

Healthcare Affordability State Policy Scorecard

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VIRGINIA 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). Virginia did not have a tool that met this criteria. VA has an All-Payer Claims Database (APCD).

Reduce Low-Value Care:

According to the Johns Hopkins Overuse Index created using Medicare data, VA's overuse of low-value care is 0.1 standard deviations above the national average, which is undesirable (however, the value is still relatively close to the national average). VA is a national leader in using claims data to measure spending on low-value care. The nonprofit Virginia Center for Health Innovation (VCHI) and Virginia Health Information, VA's APCD administrator, produced their first report in 2014. The VCHI subsequently received a $2.2 million grant from Arnold Ventures to create a statewide pilot aimed at reducing the provision of low-value care by creating a large-scale health system learning community and employer task force, in addition to developing a set of consumer-driven low-value care measures. 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. Virginia mandates both patient safety reporting and validation for CLABSI/CAUTI.

Extend Coverage to All Residents:

VA offers Medicaid coverage to lawfully residing immigrant pregnant women and children without a 5-year wait. VA does not offer coverage options for undocumented children/pregnant people/adults. Looking Ahead: starting July 2021, Virginia Medicaid will offer coverage for pregnant women regardless of immigration status through the FAMIS MOMS benefit package during pregnancy, including coverage 60 days postpartum. VA 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 VA rose 46% between 2013 and 2019, totaling $3,313 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. VA has comprehensive protections against surprise medical bills. 'Comprehensive' surprise medical billing protections include emergency departments and hospitals, apply to all insurance types, hold consumers harmless/prevent balance billing and adopt adequate payment standard or dispute resolution process. States with only some of these policies have 'partial' protections. 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—68% of ground ambulance rides in VA charged to commercial insurance plans had the potential for surprise medical billing.* VA limits cost sharing to $50 per 30-day supply of insulin for those with state-regulated commercial insurance as of Jan. 1, 2021.

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