2022 Healthcare Affordability State Policy Scorecard

This Scorecard looks at both policies and related outcomes across four affordability-related areas that were implemented as of Dec. 31, 2021. Lawmakers, regulators, consumer advocates and the public can use the Scorecards to understand how their state performs when it comes to healthcare affordability policies and outcomes relative to other states and identify opportunities to improve.

STATE: SOUTH DAKOTA **RANK:** 48 out of 50 states + DC

Policy Score	2.0	out of 40
Outcome Score	15.7	out of 40

TOTAL 17.7 OUT OF 80 POSSIBLE POINTS

Setting the stage: According to SHADAC, 24% of South Dakota adults experienced healthcare affordability burdens as of 2020. According to the Personal Consumption Expenditure, healthcare spending per person in South Dakota grew 55% between 2013 and 2021, totaling $11,493 in 2021. Please note some of the outcome measures in this Scorecard include data from 2020, which may have been impacted by the COVID-19 pandemic.

CURB EXCESS PRICES IN THE SYSTEM

POLICY SCORE

0.0 OUT OF 10 POINTS

This section reflects policies the state has implemented to curb excess prices, outlined below.

OUTCOME SCORE

5.9 OUT OF 10 POINTS

SD's inpatient/outpatient private payer prices are 218% of Medicare prices, placing them in the middle range of all states. Ranked 16 out of 50 states, plus DC.

RECOMMENDATIONS

SD should consider creating a robust APCD, building a strong price transparency tool, establishing a health spending oversight entity and creating health spending targets.

THIS CHECKLIST IDENTIFIES THE POLICIES THAT WERE EVALUATED FOR THIS SECTION.

☒	***Create an all-payer or multi-payer claims database to analyze healthcare price inflation, price variation and utilization*** South Dakota has not yet taken any action to form an all-payer claims database (APCD).
☒	***Create a permanently convened health spending oversight entity*** South Dakota did not have a permanently convened health spending oversight entity as of Dec. 31, 2021.
☒	***Create all-payer healthcare spending and quality benchmarks for the state*** South Dakota did not have active health spending benchmarks as of Dec. 31, 2021.
☒	***Implement free, public-facing healthcare price transparency that reflects negotiated rates and features treatment- and provider-specific prices*** South Dakota did not have a tool that met the criteria to receive credit. To receive credit, a state's tool has to be public-facing, searchable by specific procedure and hospital and show the negotiated rate paid by insurance plans/patients (not chargemaster rate).

KEY: ✓ = implemented by state ☒ = not implemented by state ⋯ = the state has implemented policies, but could be enhanced

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:** 48 out of 50 states + DC

REDUCE LOW-VALUE CARE

POLICY SCORE	OUTCOME SCORE	RECOMMENDATIONS
0.4 OUT OF 10 POINTS	0.0 OUT OF 10 POINTS	*SD should consider using claims and EHR data to identify unnecessary care and enact a multi-stakeholder effort to reduce it.*
SD has not yet measured the extent of low-value care being provided. They have not enacted meaningful patient safety reporting. 84% of hospitals have adopted antibiotic stewardship.	South Dakota was among the states with the most low-value care, with 23% of residents having received at least one low-value care service. Ranked 49 out of 50 states, plus DC.	

THIS CHECKLIST IDENTIFIES THE POLICIES THAT WERE EVALUATED FOR THIS SECTION.

☒	***Analyze claims and electronic health records data to understand how much is spent on low- and no-value services*** South Dakota did not measure the provision of low-value care as of Dec. 31, 2021.
☒	***Require validated patient-safety reporting for hospitals*** Central line-associated bloodstream infections (CLABSI) and catheter-associated urinary tract infections (CAUTI) are two common forms of hospital-acquired infections. South Dakota does not mandate any patient safety reporting or validation for CLABSI/CAUTI.
⋯	***Universally implement antibiotic stewardship programs using CDC's 7 Core Elements*** 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, and states were scored on what share of their hospitals follow the CDC's stewardship program. 84% of South Dakota hospitals have adopted antibiotic stewardship. States with 90% adoption or more get the most credit.

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EXTEND COVERAGE TO ALL RESIDENTS

POLICY SCORE

1.6 OUT OF 10 POINTS

Childless adults are not eligible for SD Medicaid, while parents are only eligible if their household incomes are less than 46% of FPL. Only some immigrants can access state coverage options (see below).

OUTCOME SCORE

5.3 OUT OF 10 POINTS

10% of SD residents are uninsured. Ranked 38 out of 50 states, plus DC.

RECOMMENDATIONS

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 or a Public Option. SD should expand their unborn child option to offer comprehensive services and consider offering coverage options for legally residing immigrant children, pregnant people and undocumented children, pregnant people and adults. SD should add affordability criteria to rate review.

THIS CHECKLIST IDENTIFIES THE POLICIES THAT WERE EVALUATED FOR THIS SECTION.

☒	***Expand Medicaid to cover adults up to 138% of the federal poverty level*** South Dakota had not expanded Medicaid as of Dec. 31, 2021—parents are eligible up to 46% FPL and childless adults are not eligible. In 2022, South Dakota's Secretary of State approved two Medicaid expansion ballot initiatives for the November 2022 ballot. Notably, both prohibit the imposition of any additional burdens or restrictions on eligibility and enrollment for the expansion population.
☒	***Provide high-quality, affordable coverage options for people whose incomes are too high to qualify for Medicaid, e.g., Basic Health Plan, reinsurance or augmented premium subsidies*** South Dakota did not offer any additional coverage options for residents earning too much to qualify for Medicaid as of Dec. 31, 2021.
⋯	***Provide options for immigrants that don't qualify for the coverage above*** South Dakota offers some level of prenatal care regardless of immigration status through CHIP's "unborn child" option, although the coverage is not comprehensive and only covers pregnancy-related services. The state offers no coverage options for legally residing children without a 5-year wait or for undocumented children/non-pregnant adults.
⋯	***Conduct strong rate review of fully insured, private market options*** South Dakota has effective rate review as classified by CMS but does not incorporate affordability criteria into rate review.

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MAKE OUT-OF-POCKET COSTS AFFORDABLE

POLICY SCORE

0.0 OUT OF 10 POINTS

SD has not enacted any of the policies to reduce out-of-pocket costs, outlined below.

OUTCOME SCORE

4.5 OUT OF 10 POINTS

SD ranked 32 out of 50 states, plus DC on affordability burdens—24% of adults faced an affordability burden: not getting needed care due to cost (6%), delaying care due to cost (8%), changing medication due to cost (7%), problems paying medical bills (14%) or being uninsured due to cost (sample size too small).

RECOMMENDATIONS

SD should consider a suite of measures to ease consumer burdens, such as protections against short-term, limited-duration health plans and surprise medical bill protections not addressed by the federal No Surprises Act. SD should also consider waiving or reducing cost-sharing for high-value services. If SD wants to pursue standard plan design, they can establish a state-based exchange.

THIS CHECKLIST IDENTIFIES THE POLICIES THAT WERE EVALUATED FOR THIS SECTION.

☒	***Limit the availability of short-term, limited-duration health plans*** South Dakota has no protections against short-term, limited duration health plans (STLDs) beyond federal regulations. Some people choose STLD health plans for their lower monthly premiums compared to ACA-compliant plans. However, they offer poor coverage, can discriminate against people with pre-existing conditions and pose financial risks for consumers. States received credit depending on how much they limit these plans.
☒	***Protect patients from inadvertent surprise out-of-network medical bills*** South Dakota has no state-level protections against surprise medical bills (SMBs). The federal No Surprises Act prohibits SMBs in most plans effective January 2022. However, it does not cover ground ambulances. States can still implement protections in this area—34% of ground ambulance rides in SD charged to commercial insurance plans had the potential for SMBs (2021). (SD had a small sample size [316] compared to other states, so interpret percentage with caution.)
☒	***Waive or reduce cost-sharing for high-value services*** South Dakota did not require waiving or reducing cost-sharing for high-value services as of Dec. 31, 2021.
☒	***Require insurers in a state-based exchange to offer evidence-based standard plan designs*** South Dakota conducts plan management activities on a federally facilitated marketplace and cannot implement standardized plans unless they establish a state-based exchange. Standard plan design makes cost-sharing the same across plans within metal tiers, making it easier for consumers to compare plans. They also help regulators and exchanges negotiate or set rates with insurance carriers, which may translate to lower prices for consumers.

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