

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 Pennsylvania is doing well and areas where it can improve.

STATE:

PENNSYLVANIA

RANK:

20

out of
42 states
+ DC

Pennsylvania has relatively high healthcare spending per person, but a slightly lower-than-average percentage of residents report affordability problems. State policymakers still have work to do!

	POLICY SCORE	OUTCOME SCORE	RECOMMENDATIONS
EXTEND COVERAGE TO ALL RESIDENTS 	4 OUT OF 10 POINTS Medicaid coverage for childless adults extends to 138% of FPL. Certain recent immigrants have state coverage options.	8 OUT OF 10 POINTS In 2018, PA was in the top third of states in terms of covering the uninsured, ranking 11 out of 50 states, plus DC, for this measure.	<i>Consider options that help families that make too much to qualify for Medicaid, like Basic Health Plan, reinsurance or supplementary premium subsidies. Additionally, PA should consider adding affordability criteria to its insurance rate review.</i>
MAKE OUT-OF-POCKET COSTS AFFORDABLE 	2 OUT OF 10 POINTS PA has enacted partial SMB protections.	7 OUT OF 10 POINTS PA has surpassed many other states in reducing healthcare affordability burdens (although 33% adults are still burdened) and ranked 11 out of 49 states, plus DC, for this measure.	<i>Consider stronger SMB protections; protections against STLD health plans; and enacting strategies that lower the cost of high-value care.</i>
REDUCE LOW-VALUE CARE 	3 OUT OF 10 POINTS PA requires some forms of patient safety reporting and has enacted nonpayment policies for 'never events'. PA is above average for hospital antibiotic stewardship but has not measured the provision of low-value care.	5 OUT OF 10 POINTS PA ranks average in terms of reducing C-sections for low risk mothers (25 out of 50 states, plus DC). PA ranks 30 out of 50 states, plus DC, in terms of per capita antibiotic prescribing.	<i>Curtailing low- and no-value care is a key part of a comprehensive approach to affordability. PA should use claims and EHR data to identify unnecessary care and enact a multi-stakeholder effort to reduce it. Moreover, PA should increase efforts to address antibiotic overprescribing.</i>
CURB EXCESS PRICES IN THE SYSTEM 	1 OUT OF 10 POINTS As is common in many states, PA has done little to curb the rise of healthcare prices.	8.2 OUT OF 10 POINTS PA's private payer price levels are close to the national median, ranking 16 out of 42 states, plus DC, for this measure.	<i>Year-over-year increases in healthcare prices overwhelmingly drive healthcare spending in a state. Even states with lower price levels (like PA) should consider strong price transparency requirements. PA should also consider creating a robust APCD and health spending targets.</i>

APCD = All-Payer Claims Database FPL = Federal Poverty Level EHR = Electronic Health Records OOP = Out-of-Pocket Costs 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/Pennsylvania

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PENNSYLVANIA NOTES

Methodological Notes:

State rank reflects the weighted sum of the policy and outcome scoring components. In this summation, the Extend Coverage to All Residents category received the biggest weight (reflecting its large impact on the uninsured population) and Reduce Low-Value Care received the smallest weight, reflecting its smaller impact on spending. 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.

The Problem:

Pennsylvania has surpassed many other states in reducing healthcare affordability burdens, although 33% adults are still burdened. As a result, Pennsylvania ranked 11 out of 49 states, plus DC, for this measure. The most common burden reported was ‘trouble paying medical bills’ (24% of adults), followed by ‘made changes to medical drugs because of cost.’ According to the BEA, healthcare spending in Pennsylvania totalled \$8,073 per person in 2018.* Moreover, between 2013 and 2018, healthcare spending per person grew 20.6%.* Pennsylvania has much work to do to ensure wise health spending and affordability for residents.



Extend Coverage to All Residents:

Lawfully residing immigrant children and pregnant women are covered by Medicaid without a 5-year wait.

Pennsylvania plans to have its own exchange and a reinsurance program as of 2021: Contract has been signed with an exchange vendor and 1332 waiver proposal has been published.



Make Out-of-Pocket Costs Affordable:

High-deductible health plans create barriers to care for many families. Between 2011 and 2016, the average deductible associated with employer coverage rose 12.8% per year in Pennsylvania.*

LOOKING AHEAD: Pennsylvania is transitioning from the healthcare.gov platform to a state-based exchange which could provide additional policy tools to help those that purchase in the small group and individual market.



Reduce Low-Value Care:

Addressing medical harm to increase patient safety can take many forms. One form is declining payment for services related to “never events,” serious reportable events identified by the National Quality Forum (NQF) that should never occur in a healthcare setting.

Eighty-nine percent of Pennsylvania hospitals have adopted the CDC’s ‘Core Elements’ of antibiotic stewardship – short of the goal of 100% of hospitals.



Curb Excess Prices in the System:

Pennsylvania is currently experimenting with voluntary global budgets for rural hospitals through their Rural Health Model, but the program is not truly “all-payer.”

Private payer price levels in Pennsylvania are 169% higher than prices paid by Medicare.*

NOTE: The very high healthcare prices seen in Alaska (relative to the national median), means that most other states received a relatively good outcome score for this category.

* Informational data, not used in state score or ranking. DOI = Department of Insurance BEA = U.S. Bureau of Economic Analysis • Scorecard Updated: Jan. 7, 2020