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: MINNESOTA **RANK: 8** out of 50 states + DC

Policy Score	25.4	out of 40
Outcome Score	26.2	out of 40

TOTAL *51.6 OUT OF 80 POSSIBLE POINTS*

Setting the Stage: According to the Healthcare Value Hub's 2020 CHESS survey, 51% of Minnesota adults experienced healthcare affordability burdens. According to the Personal Consumption Expenditure, healthcare spending per person in Minnesota grew 27% between 2013 and 2021, totaling $8,687 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

3.0 OUT OF 10 POINTS

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

OUTCOME SCORE

1.4 OUT OF 10 POINTS

MN is among the most expensive states, with inpatient/outpatient private payer prices at 297% of Medicare prices. Ranked 46 out of 50 states, plus DC.

RECOMMENDATIONS

MN should consider establishing a health spending oversight entity, creating health spending targets and adding negotiated prices to their price transparency tool.

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*** Minnesota has an active all-payer claims database (APCD) that includes cost, quality and utilization data. The APCD includes claims from Medicaid and Medicare, and commercial claims submission is voluntary—it is estimated that only 40% of commercial claims have been captured since 2016. APCD data has been used for reports on multiple topics in the past, including price variation and concentration of healthcare spending. The availability of public data varies based on topic, ranging from 2013 to 2019. There is limited access to APCD data through the formal request process. These issues severely limit the APCD's usefulness for identifying price variation or sharing healthcare prices with the public. In 2022, the Department of Health issued an initial report to the legislature on expanding access to the state's APCD.
✗	***Create a permanently convened health spending oversight entity*** Minnesota did not have a permanently convened health spending oversight entity as of Dec. 31, 2021. Minnesota had a temporary Blue Ribbon Commission on Health charged with identifying strategies, to begin on July 1, 2021, that would reduce spending by $100 million over a two year period. The Commission presented 22 strategies to achieve this aim in its September 2020 report to the legislature and Governor.
✗	***Create all-payer healthcare spending and quality benchmarks for the state*** Minnesota 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*** Minnesota 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). The Minnesota Hospital Association's Hospital Price Checker shows charges, not negotiated prices, for different procedures by provider.

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/Minnesota**

ALTARUM HEALTHCARE VALUE HUB

Healthcare Affordability State Policy Scorecard

STATE: MINNESOTA **RANK:** 8 out of 50 states + DC

REDUCE LOW-VALUE CARE

POLICY SCORE

8.6 OUT OF 10 POINTS

MN has taken important steps to measure the extent of low-value care being provided. They require some forms of patient safety reporting. 89% of hospitals have adopted antibiotic stewardship.

OUTCOME SCORE

8.6 OUT OF 10 POINTS

MN was among the states with the least low-value care, with 11% of residents having received at least one low-value care service. Ranked 2 out of 50 states, plus DC.

RECOMMENDATIONS

MN is the rare state that has taken the key initial steps to identify low-value care. MN should consider the next step by enacting a multi-stakeholder campaign to reduce the use of the services identified.

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*** The Minnesota Department of Health used its APCD to identify 1.3 million hospital and emergency department visits that were potentially preventable, and which represented $1.9 billion in healthcare spending, during a one-year period. The last published report was in 2017. Although the state has measured low-value care being provided, it has not yet enacted a campaign to reduce the use of identified services.
···	***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. Minnesota mandates patient safety reporting for CLABSI/CAUTI but does not require validation.
···	***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. 89% of Minnesota hospitals have adopted antibiotic stewardship. States with 90% adoption or more get the most credit.

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STATE: **MINNESOTA** **RANK:** **8** out of 50 states + DC

EXTEND COVERAGE TO ALL RESIDENTS

POLICY SCORE

7.8 OUT OF 10 POINTS

MN Medicaid coverage for childless adults extends to 138% of FPL. Only some immigrants can access state coverage options (see below). MN uses a Basic Health Plan and reinsurance to reduce costs in the non-group market.

OUTCOME SCORE

8.8 OUT OF 10 POINTS

MN is among the states with the least uninsured people, still 5% of MN residents are uninsured. Ranked 6 out of 50 states, plus DC.

RECOMMENDATIONS

MN should consider offering coverage options for undocumented children and adults, as well as adding 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*** Minnesota has expanded Medicaid.
✓	***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*** Minnesota has a reinsurance program through a 1332 State Innovation Waiver, as well as a Basic Health Plan.
…	***Provide options for immigrants that don't qualify for the coverage above*** Minnesota offers Medicaid coverage to lawfully residing immigrant pregnant women and children without a 5-year wait. Additionally, some level of prenatal care is available regardless of immigration status through CHIP's "unborn child" option. In addition, the MinnesotaCare program offers coverage for lawfully present noncitizens under 200% FPL, including those with Deferred Action for Childhood Arrivals Program (DACA). Some benefits are excluded, including personal care assistance and home nursing services. The state offers no coverage options for undocumented children/non-pregnant adults. Looking Ahead: As of July 1, 2022, the state covers 12 months of postpartum care regardless of immigration status.
…	***Conduct strong rate review of fully insured, private market options*** Minnesota 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

6.0 OUT OF 10 POINTS

MN has limited protections against short-term, limited duration health plans and has partial protections against surprise medical bills and No Surprises Act loopholes. MN caps cost-sharing for some high-value services.

OUTCOME SCORE

7.4 OUT OF 10 POINTS

MN ranked 6 out of 50 states, plus DC on affordability burdens but 21% of adults faced an affordability burden: not getting needed care due to cost (6%), delaying care due to cost (7%), changing medication due to cost (7%), problems paying medical bills (11%) or being uninsured due to cost (65% of uninsured population).

RECOMMENDATIONS

MN should consider a suite of measures to ease consumer burdens, such as enacting stronger protections against short-term, limited-duration health plans and surprise medical bill protections not addressed by the federal No Surprises Act. MN should also consider requiring standard plan design on their exchange.

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

⋯	***Limit the availability of short-term, limited-duration health plans*** Minnesota has enacted some protections against short-term, limited duration health plans (STLDs) with durations of less than one year but no other consumer protections. 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*** Minnesota has partial protections against surprise medical bills (SMBs), plus additional protections for lab work bills not covered by the federal No Surprises Act. 'Comprehensive' 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 SMBs in most plans effective January 2022. However, it does not cover ground ambulances. States can still implement protections in this area—12% of ground ambulance rides in Minnesota charged to commercial insurance plans had the potential for SMBs (2021).
✓	***Waive or reduce cost-sharing for high-value services*** MinnesotaCare, Minnesota's Basic Health Program, waives or limits cost-sharing for certain high-value services, including mental health and prescription drugs. Additionally, the Minnesota Insulin Safety Net Program allows eligible residents in urgent need of insulin to receive a 30-day supply immediately for no more than $35. Eligible residents can also receive up to a year supply of insulin for no more than $50 per 90-day refill.
✗	***Require insurers in a state-based exchange to offer evidence-based standard plan designs*** Minnesota has a state-based exchange but has not implemented standard plan design. 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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