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: MARYLAND **RANK:** 10 out of 50 states + DC

Policy Score	23.1	out of 40
Outcome Score	25.4	out of 40

TOTAL 48.5 OUT OF 80 POSSIBLE POINTS

Setting the Stage: According to the Healthcare Value Hub's 2022 CHESS survey, 55% of Maryland adults experienced healthcare affordability burdens. According to the Personal Consumption Expenditure, healthcare spending per person in Maryland grew 24% between 2013 and 2021, totaling $7,846 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

6.5 OUT OF 10 POINTS

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

OUTCOME SCORE

10 OUT OF 10 POINTS

Maryland has a unique all-payer rate-setting system typically setting private prices equal to Medicare, details in Methodology. Ranked 1 out of 50 states, plus DC.

RECOMMENDATIONS

MD should consider spending targets for all sectors of the healthcare marketplace beyond hospitals and expanding their oversight entity to target all spending.

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*** Maryland's all-payer claims database (APCD) was established in 1998, and includes data from commercial payers, third-party administrators/self-funded plans, Medicaid, Medicare and other payers. Pricing data for a limited number of common procedures is available for consumers, some detailed data for long-term care and ambulatory surgery is available for public download and detailed data related to private fully insured and self-insured insurance is available by request at a cost. The Maryland Health Care Comission has used APCD data to create reports such as "Request for Cost Estimate to Eliminate Cost-Sharing for Prostate Cancer Screening."
···	***Create a permanently convened health spending oversight entity*** Maryland has a permanently convened health spending oversight entity that targets hospital spending. Maryland passed legislation in 2021 to establish funding for the Maryland Prescription Drug Affordability Board (established in 2019). The board may begin to set upper payment limits for drugs purchased by public entities in 2022, pending approval from the General Assembly. In 2023, the board will recommend whether the Assembly should pass legislation to expand upper payment limits to all purchasers.
···	***Create all-payer healthcare spending and quality benchmarks for the state*** Maryland is unique in the use of an all-payer rate setting system and global budgets for hospitals only.
✓	***Implement free, public-facing healthcare price transparency that reflects negotiated rates and features treatment- and provider-specific prices*** Maryland's tool met the criteria to receive credit as of Dec. 31, 2021. 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 Maryland Health Care Commission's WeAreTheCost website compares negotiated prices under private insurance with different providers, but only for 10 common procedures.

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/Maryland**

ALTARUM HEALTHCARE VALUE HUB

Healthcare Affordability State Policy Scorecard

STATE: MARYLAND **RANK:** 10 out of 50 states + DC

REDUCE LOW-VALUE CARE

POLICY SCORE	OUTCOME SCORE	RECOMMENDATIONS
1.8 OUT OF 10 POINTS	0.7 OUT OF 10 POINTS	*MD should consider using claims and EHR data to identify unnecessary care and enact a multi-stakeholder effort to reduce it.*
MD has not yet measured the extent of low-value care being provided. They require some forms of patient safety reporting. 94% of hospitals have adopted antibiotic stewardship.	MD was among the states with the most low-value care, with 22% of residents having received at least one low-value care service. Ranked 47 out of 50 states, plus DC.	

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☒	***Analyze claims and electronic health records data to understand how much is spent on low- and no-value services*** Maryland 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. Maryland 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. 94% of Maryland 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	OUTCOME SCORE	RECOMMENDATIONS
7.2 OUT OF 10 POINTS MD Medicaid coverage for childless adults extends to 138% of FPL. Only lawfully residing immigrant children/pregnant women can access state coverage options. MD uses reinsurance to reduce costs in the non-group market.	7.8 OUT OF 10 POINTS 6% of MD residents are uninsured. Ranked 15 out of 50 states, plus DC.	*MD should consider additional options for residents earning too much to qualify for Medicaid, like a Basic Health plan, premium subsidies, Medicaid buy-in or a Public Option. MD should also consider offering coverage options for undocumented children and adults. MD should consider 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*** Maryland 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*** Maryland operates a state-based reinsurance program through a 1332 State Innovation Waiver. The program builds off of Maryland's prior experience administering a supplemental state-based reinsurance program in 2015 and 2016.
···	***Provide options for immigrants that don't qualify for the coverage above*** Maryland offers Medicaid coverage to lawfully residing immigrant pregnant women and children without a 5-year wait. Limited coverage is available for Montgomery County residents earning up to 250% FPL regardless of immigration status through the Montgomery Cares program, and to Prince George's County youth up to 19 years old with family income up to 300% FPL regardless of immigration status. Looking Ahead: Effective July 1, 2022, the Health Babies Equity Act expands Maryland Medicaid to cover comprehensive prenatal care for noncitizen pregnant women and up to 12 months of post partum care, as well as coverage for the newborn up to 1 year of age. However, the state does not offer statewide health coverage options for undocumented children of all ages or for undocumented non-pregnant adults.
···	***Conduct strong rate review of fully insured, private market options*** Maryland 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

7.6 OUT OF 10 POINTS

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

OUTCOME SCORE

6.9 OUT OF 10 POINTS

MD ranked 8 out of 50 states, plus DC on affordability burdens, but 21% of adults faced an affordability burden: not getting needed care due to cost (7%), delaying care due to cost (9%), changing medication due to cost (6%), problems paying medical bills (12%) or being uninsured due to cost (sample size too small).

RECOMMENDATIONS

MD should consider a suite of measures to ease consumer burdens, such as enacting stronger protections against short-term, limited-duration health plans.

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

⋯	***Limit the availability of short-term, limited-duration health plans*** Maryland 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*** Maryland has comprehensive protections against surprise medical bills (SMBs), plus additional protections for ground ambulance 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—61% of ground ambulance rides in Maryland charged to commercial insurance plans had the potential for SMBs (2021).
✓	***Waive or reduce cost-sharing for high-value services*** Looking Ahead: In 2022, Maryland passed a law that requires insurers to cap a covered insulin drug at $50 per 30-day supply, regardless of the amount or type of insulin needed. Insurers, nonprofit health service plans and HMOs with coverage for prescription drugs are prohibited from imposing copays or coinsurance on a prescription drug prescribed to treat diabetes, HIV or AIDS that exceeds $150 for up to a 30-day supply. Maryland requires that co-payment or co-insurance for a specialty-tier drug cannot exceed $150 for a supply of up to 30 days. Co-payment or co-insurance for a prescription drug cannot exceed the retail price.
✗	***Require insurers in a state-based exchange to offer evidence-based standard plan designs*** Maryland has a state-based exchange but has not implemented standard plan design. The Maryland Health Benefit Exchange considered requiring carriers to offer standard plans as a certification requirement, but ultimately approved Value Plan requirements instead. Value Plans offer consumers lower deductibles and more pre-deductible coverage, while promoting cost-sharing structures that increase use of high-value care and align with state population health goals. However, they do not require identical dollar values for cost-sharing parameters. 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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