

# 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 Kentucky is doing well and areas where it can improve.

STATE:

**KENTUCKY**

RANK:

**31**

out of 42 states + DC

Kentucky has an average level of healthcare spending per person and an average rate of spending growth. A high percentage of residents report affordability problems, suggesting a need for policymaker attention.

	POLICY SCORE	OUTCOME SCORE	RECOMMENDATIONS
<b>EXTEND COVERAGE TO ALL RESIDENTS</b> 	<b>3 OUT OF 10 POINTS</b> Medicaid coverage for childless adults extends to 138% of FPL. Certain recent immigrants have state coverage options.	<b>8 OUT OF 10 POINTS</b> In 2018, KY was in the top third of states in terms of covering the uninsured, ranking 13 out of 50 states, plus DC, for this measure.	Consider options to help families who make too much to qualify for Medicaid like Basic Health Plan, reinsurance or supplementary premium subsidies. Consider adding affordability criteria to insurance rate review.
<b>MAKE OUT-OF-POCKET COSTS AFFORDABLE</b> 	<b>0 OUT OF 10 POINTS</b> KY has enacted none of the measures that might ease out-of-pocket cost-sharing burdens for consumers.	<b>5 OUT OF 10 POINTS</b> Forty-two percent of adult residents report healthcare OOP affordability burdens. KY ranks 29 out of 49 states, plus DC, for this measure.	In light of grave affordability problems, KY should consider a suite of measures to ease consumer burdens, starting with SMB protections – a proven measure for helping consumers.
<b>REDUCE LOW-VALUE CARE</b> 	<b>2 OUT OF 10 POINTS</b> KY requires some forms of patient safety reporting. KY performs below average for hospital antibiotic stewardship and has not measured the extent of low-value care provided.	<b>0 OUT OF 10 POINTS</b> KY ranks poorly in terms of reducing C-sections for low risk mothers (46 out of 50 states, plus DC.) The state ranks 50 out of 50 states, plus DC, in terms of per capita antibiotic prescribing.	Curtailing low- and no-value care is a key part of a comprehensive approach to affordability. KY should use claims and EHR data to identify unnecessary care and enact a multi-stakeholder effort to reduce it. In addition, KY should stop paying for 'never events' and use other techniques to reduce medical harm.
<b>CURB EXCESS PRICES IN THE SYSTEM</b> 	<b>0 OUT OF 10 POINTS</b> As is common in many states, KY has done little to curb the rise of healthcare prices.	<b>9.3 OUT OF 10 POINTS</b> KY is a top ranked state, keeping private payer prices below the national median, ranking 4 out of 42 states, plus DC, for this measure.	Year-over-year increases in healthcare prices overwhelmingly drive state healthcare spending. Even states with lower private payer price levels (like KY) should consider establishing strong price transparency requirements. KY should consider creating a robust APCD; establishing a health spending oversight entity; and creating health spending targets.

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/Kentucky](http://www.HealthcareValueHub.org/Affordability-Scorecard/Kentucky)

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## KENTUCKY 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](http://healthcarevaluehub.org/affordability-scorecard/methodology).

### The Problem:

Kentucky residents report grave healthcare affordability problems. Forty-two percent of adults report healthcare OOP affordability burdens—KY ranks 29 out of 49 states, plus DC, for this measure. The most common burden reported was ‘trouble paying medical bills’ (34% of adults), followed by ‘made changes to medical drugs because of cost.’ According to BEA, healthcare spending in Kentucky totaled \$6720 per person in 2018.\* Moreover, between 2013 and 2018, healthcare spending per person grew 21.7%.\* Residents are struggling to afford needed healthcare. Kentucky has much work to do to ensure wise health spending and affordability for residents.

### Extend Coverage to All Residents:



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

### Make Out-of-Pocket Costs Affordable:



High-deductible health plans are a barrier to care for many families. Between 2011 and 2016, the average deductible associated with employer coverage rose 8.9% per year in Kentucky.\*

### Reduce Low-Value Care:



Addressing medical harm to improve 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.

Ninety-one percent of Kentucky hospitals have adopted the CDC’s ‘Core Elements’ of antibiotic stewardship – impressive, but short of the goal of 100% of hospitals.

### Curb Excess Prices in the System:



Private payer price levels in Kentucky are 186% 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