

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

STATE:

**MASSACHUSETTS**

RANK:

**1**

out of 42 states + DC

Massachusetts has relatively high healthcare spending per person. While a lower percentage of residents reported affordability problems than in other states, affordability remains a concern in over a quarter of residents. Underlying healthcare costs remain high despite recent moderation in healthcare spending growth.

## POLICY SCORE

## OUTCOME SCORE

## RECOMMENDATIONS

### EXTEND COVERAGE TO ALL RESIDENTS



**10** OUT OF **10** POINTS

Medicaid coverage for childless adults extends to 138% of FPL. Certain recent immigrants have some state coverage options.

**10** OUT OF **10** POINTS

In 2018, MA was in the top third of states in terms of covering the uninsured, with a rank of 1 out of 50 states, plus DC, for this measure.

*MA should consider adding affordability criteria to its insurance rate review process.*

### MAKE OUT-OF-POCKET COSTS AFFORDABLE



**5** OUT OF **10** POINTS

MA has enacted measures to protect against skimpy, confusing STLD health plans, partial SMB protections and patient-centered, standard plan designs in the Exchange.

**10** OUT OF **10** POINTS

MA has surpassed many other states in reducing healthcare affordability burdens (although 26% adults are still burdened), ranking 2 out of 49 states, plus DC, for this measure.

*With affordability a concern for over a quarter of residents, MA should consider stronger SMB protections, measures that lower the cost of high-value care and limits on out-of-pocket cost growth.*

### REDUCE LOW-VALUE CARE



**10** OUT OF **10** POINTS

MA requires some patient safety reporting, has enacted non-payment policies for 'never events,' & has taken steps to measure the provision of low-value care. MA performs above avg. for hospital antibiotic stewardship.

**5** OUT OF **10** POINTS

MA ranks in the middle third of states in terms of reducing C-sections for low risk mothers (30 out of 50 states, plus DC) and ranks 18 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. MA is the rare state that has taken initial steps to identify low-value care. Next, they should enact a multi-stakeholder campaign to reduce the use of these services.*

### CURB EXCESS PRICES IN THE SYSTEM



**10** OUT OF **10** POINTS

MA is a leader in terms of policies to curb the rise of healthcare prices, with strong price transparency rules, a healthcare spending oversight entity, mandatory spending targets and other policies.

**6.9** OUT OF **10** POINTS

MA is among the most expensive states, with private payer prices well above the national median, ranking 32 out of 42 states, plus DC.

*Year-over-year increases in healthcare prices overwhelmingly drive state healthcare spending. MA should use its existing tool set to address pricing outliers and unwarranted price variation, including prescription prices.*

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

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## MASSACHUSETTS 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](https://healthcarevaluehub.org/affordability-scorecard/methodology).

### The Problem:

Twenty-six percent of Massachusetts adults still have healthcare affordability burdens, despite the state ranking relatively high compared to other states on affordability. The most common burden reported was ‘trouble paying medical bills’ (22% of adults), followed by ‘made changes to medical drugs because of cost.’ According to the BEA, healthcare spending in Massachusetts totalled \$9,159 per person in 2018.\* Moreover, between 2013 and 2018 healthcare spending per person grew 8%.\* Massachusetts is a state with high spending yet many policies in place to address affordability.



### Extend Coverage to All Residents:

Massachusetts uses subsidies to reduce costs for those in the non-group market. Lawfully residing immigrant children and pregnant women are covered by Medicaid without a 5-year wait. All children, regardless of immigration status or income, are eligible for primary and preventive care through the Children’s Medical Security Plan. MA covers undocumented pregnant women with incomes less than 200% FPL. Massachusetts is an ‘active purchaser’ which helps keep premiums down on the Exchange. Moreover, the DOI can require issuers to provide a detailed description of the basis on which they pay different rates of reimbursement to similarly situated provider. Further, the state’s Health Policy Commission can request and review issuer-provider contracts as part of its mandate to reduce health care cost growth.



### 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 6.8% per year in Massachusetts.\* MA Exchange plans for individuals with incomes up to 300% FPL do not have deductibles and requires no copays for opioid addiction treatments.



The Massachusetts’ regulatory environment disincentives the sale of skimpy, confusing STLD health plans.

### 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-two percent of Massachusetts 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:

Payers and providers whose cost growth exceeds state benchmarks may be required to implement performance improvement plans.

Private payer price levels in Massachusetts are 228% 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