

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 Minnesota is doing well and areas where it can improve.

STATE:

MINNESOTA

RANK:

4

out of 42 states + DC

Minnesota has relatively high healthcare spending per person, yet the percentage of residents reporting affordability problems is slightly lower than the national average. High recent spending growth suggests that policymakers should bring a broad focus addressing affordability.

	POLICY SCORE	OUTCOME SCORE	RECOMMENDATIONS
EXTEND COVERAGE TO ALL RESIDENTS 	7 OUT OF 10 POINTS Medicaid coverage for childless adults extends to 138% of FPL. Certain recent immigrants have state coverage options.	9 OUT OF 10 POINTS In 2018, MN was in the top third of states in terms of covering the uninsured, ranking 6 out of 50 states, plus DC, for this measure.	<i>MN should consider adding affordability criteria to its insurance rate review and creating coverage options for undocumented children.</i>
MAKE OUT-OF-POCKET COSTS AFFORDABLE 	3 OUT OF 10 POINTS MN has some protections against skimpy, confusing STLD health plans and partial SMB protections.	7 OUT OF 10 POINTS MN has surpassed many other states in reducing healthcare affordability burdens—ranking 12 out of 49 states, plus DC (though 34% adults remain burdened).	<i>MN should consider stronger SMB protections; stronger protections against STLD health plans; and measures that lower the cost of high-value care.</i>
REDUCE LOW-VALUE CARE 	9 OUT OF 10 POINTS MN requires some forms of patient safety reporting, has enacted non-payment policies for ‘never events’ & has taken important steps to measure the provision of low-value care. MN performs below avg. for hospital antibiotic stewardship.	8 OUT OF 10 POINTS MN ranks highly in terms of reducing C-sections for low-risk mothers (12 out of 50 states, plus DC) and ranks 9 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. MN is the rare state that has taken the key initial steps to identify low-value care. Next, the state should enact a multi-stakeholder campaign to reduce the use of these services.</i>
CURB EXCESS PRICES IN THE SYSTEM 	4 OUT OF 10 POINTS While the state has an APCD, MN is otherwise a middle-ranked state with a few policies to combat high healthcare prices.	6.6 OUT OF 10 POINTS MN is among the most expensive states, with private payer prices well above the national median, ranking 35 out of 42 states, plus DC, for this measure.	<i>Year-over-year increases in healthcare prices overwhelmingly drive state healthcare spending. MN should consider strong price transparency requirements, establishing a health spending oversight entity and creating 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/Minnesota

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MINNESOTA 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:

Minnesota has surpassed many other states in reducing healthcare affordability burdens, ranking 12 out of 49 states, plus DC, for this measure, though 34% adults are still burdened. The most common burden reported was ‘made changes to medical drugs because of cost’ (23% of adults), followed by ‘trouble paying medical bills.’ According to the BEA, healthcare spending in Minnesota totalled \$8,615 per person in 2018.* Moreover, between 2013 and 2018 healthcare spending per person grew 26.5%.* Minnesota is a state with high spending yet many policies in place to address affordability.



Extend Coverage to All Residents:

Minnesota uses Basic Health Plan (BHP) and reinsurance to reduce costs for those in the non-group market. Minnesota converted MinnesotaCare to BHP in 2015. Lawfully residing immigrant children and pregnant women are covered by Medicaid without a 5-year wait. Some level of prenatal care is available, regardless of immigration status, through CHIP’s “unborn child” option.



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 6.6% per year in Minnesota.*



Reduce Low-Value Care:

Addressing medical harm to increase patient safety can take many forms. One form is “never events,” serious reportable events identified by the National Quality Forum (NQF) that should never occur in a healthcare setting. Minnesota requires all hospitals and ambulatory surgery centers to conduct a root cause analysis for each adverse event (never event) that occurs.

Seventy-six percent of Minnesota hospitals have adopted the CDC’s ‘Core Elements’ of antibiotic stewardship—short of the goal of 100% of hospitals.

In 2005, HealthPartners, a not-for-profit health maintenance organization based in Minnesota, was the first entity to implement a nonpayment policy for preventable conditions.



Curb Excess Prices in the System:

Minnesota is the only state where state law prevents providers from being identified in public reports created from the state’s APCD. Voluntary data submissions allow some price transparency information to be displayed in MNHealthScores.

OF NOTE: The state has a temporary “Blue Ribbon Commission” examining health spending in the state that will issue recommendations Oct. 2020.

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