

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

STATE:





**MICHIGAN**

RANK:

**22**

out of 42 states + DC

Michigan has an average level of healthcare spending per person, yet 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, MI was in the top third of states in terms of covering the uninsured, ranking 9 out of 50 states, plus DC, for this measure.	<i>Consider options that help families that make too much to qualify for Medicaid like Basic Health Plan, reinsurance or supplementary premium subsidies. Additionally, MI should consider adding affordability criteria to its insurance rate review.</i>
<b>MAKE OUT-OF-POCKET COSTS AFFORDABLE</b> 	<b>1 OUT OF 10 POINTS</b> MI has some protections against skimpy, confusing STLD health plans.	<b>5 OUT OF 10 POINTS</b> Forty-one percent of adult residents report healthcare OOP affordability burdens. As a result, MI ranked 28 out of 49 states, plus DC, for this measure.	<i>In light of grave affordability problems, MI should consider a suite of measures to ease consumer burdens, including: SMB protections; stronger protections against STLD health plans; and enacting provisions to lower the cost of high-value care.</i>
<b>REDUCE LOW-VALUE CARE</b> 	<b>1 OUT OF 10 POINTS</b> MI has not enacted meaningful patient safety reporting. MI performs below average for hospital antibiotic stewardship and has not measured the provision of low-value care.	<b>4 OUT OF 10 POINTS</b> MI ranks average in terms of reducing C-sections for low risk mothers (32 out of 50 states, plus DC). MI ranks 32 out of 50 states, plus DC, in terms of per capita antibiotic prescribing.	<i>Curtailling low- and no-value care is a key part of a comprehensive approach to affordability. MI should use claims &amp; EHR data to identify unnecessary care &amp; enact a multi-stakeholder effort to reduce it. MI should stop paying for 'never events,' use other techniques to reduce medical harm and increase efforts to address antibiotic overprescribing.</i>
<b>CURB EXCESS PRICES IN THE SYSTEM</b> 	<b>3 OUT OF 10 POINTS</b> While MI has an APCD, the state is otherwise a middle-ranked state with a few policies to curb the rise of healthcare prices.	<b>8.3 OUT OF 10 POINTS</b> MI's private payer price levels are close to the national median, ranking 15 out of 42 states, plus DC, for this measure.	<i>Year-over-year increases in healthcare prices overwhelmingly drive healthcare spending in a state. MI 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/Michigan](http://www.HealthcareValueHub.org/Affordability-Scorecard/Michigan)

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## MICHIGAN 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:

Forty-one percent of Michigan adults report healthcare OOP affordability burdens, giving the state a rank of 28 out of 49 states, plus DC, for this measure. The most common burden reported was 'trouble paying medical bills' (32% of adults), followed by 'made changes to medical drugs because of cost.' According to the BEA, healthcare spending in Michigan totalled \$7,031 per person in 2018.\* Moreover, between 2013 and 2018, healthcare spending per person grew 15.3%.\* Residents are struggling to afford needed healthcare and Michigan has much work to do to ensure wise health spending and affordability for residents.



### Extend Coverage to All Residents:

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 8.6% per year in Michigan.\*



### Reduce Low-Value Care:

Addressing medical harm to increase 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.

Eighty-three percent of Michigan hospitals have adopted the CDC's 'Core Elements' of antibiotic stewardship — short of the goal of 100% of hospitals.



### Curb Excess Prices in the System:

Private payer prices in Michigan are 156% higher than prices paid by Medicare.\*

Claims submission to the APCD is voluntary.

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