

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 Alaska is doing well and areas where it can improve.

STATE:

ALASKA

RANK:

36

out of 42 states + DC

Alaska has very high healthcare spending per person, but performs better-than-expected regarding the percentage of residents reporting affordability problems. Very high recent spending growth warrants state policymaker attention to affordability.

	POLICY SCORE	OUTCOME SCORE	RECOMMENDATIONS
EXTEND COVERAGE TO ALL RESIDENTS 	6 OUT OF 10 POINTS Medicaid coverage for childless adults extends to 138% of FPL. AK has operated an Individual Market Reinsurance Program since 2018.	3 OUT OF 10 POINTS In 2018, AK was in the bottom third of states in terms of covering the uninsured, ranking 47 out of 50 states, plus DC.	<i>Consider adding affordability criteria to insurance rate review and provide coverage options for low-income immigrant families that do not qualify for Medicaid or CHIP.</i>
MAKE OUT-OF-POCKET COSTS AFFORDABLE 	0 OUT OF 10 POINTS AK has not enacted any of the policies that may protect state residents from high out-of-pocket costs.	6 OUT OF 10 POINTS AK has a lower percentage of residents reporting affordability concerns than some states, although 36% of residents are financially burdened.	<i>AK should consider a suite of measures to ease consumer affordability burdens, starting with comprehensive SMB protections – a proven strategy for helping consumers.</i>
REDUCE LOW-VALUE CARE 	1 OUT OF 10 POINTS AK does not require meaningful patient safety reporting, ranks slightly below average for hospital antibiotic stewardship and has not measured the provision of low-value care.	10 OUT OF 10 POINTS AK ranks first in the nation for reducing C-sections for low-risk mothers, as well as per capita antibiotic prescribing.	<i>Curtailing low- and no-value care is a key part of a comprehensive approach to affordability. AK should use claims & EHR data to identify unnecessary care & enact a multi-stakeholder effort to reduce it. AK should improve patient safety reporting, stop paying for 'never events' & use other techniques to reduce medical harm.</i>
CURB EXCESS PRICES IN THE SYSTEM 	0 OUT OF 10 POINTS As is common in many states, AK has done little to curb the rise of healthcare prices.	0 OUT OF 10 POINTS AK is the most expensive state, with private payer prices well above the national median.	<i>Year-over-year increases in healthcare prices overwhelmingly drive state healthcare spending. Alaska should consider establishing a robust APCD; strong price transparency requirements; a health spending oversight entity; and 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/Alaska

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ALASKA 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:

Alaska has surpassed many other states in reducing healthcare affordability burdens, although 36% of adults are still financially burdened. Alaska ranked 15 out of 49 states, plus DC, for this measure. The most common burden reported was ‘trouble paying medical bills’ (28% of adults), followed by ‘made changes to medical drugs because of cost.’ According to the BEA, healthcare spending in Alaska totalled \$11,531 per person in 2018.* Moreover, between 2013 and 2018, healthcare spending per person grew 33.6%.* Alaska has much work to do to ensure wise health spending and affordability for its residents.



Extend Coverage to All Residents:

Alaska uses reinsurance to reduce costs for those in the non-group market.



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 12.5% per year in Alaska.*



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.

Eighty-three percent of Alaska 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:

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