2021 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 Texas is doing well and areas where it can improve. It reflects policies implemented as of Dec. 31, 2020.

STATE: **TEXAS** **RANK:** **48** out of 47 states + DC

TOTAL SCORE: *17.9 OUT OF 80 POSSIBLE POINTS*

Texas has much work to do to ensure wise health spending and affordability for its residents. According to SHADAC, 19% of TX adults could not get needed medical care due to cost as of 2019, and the share of people with other affordability burdens is far higher. While TX's high uninsurance rate (18.4%) may be a factor, healthcare is increasingly unaffordable largely due to high costs that affect everyone. According to the PCE, healthcare spending per person in TX grew 23% between 2013 and 2019, totaling $6,279 in 2019.*

	POLICY SCORE	OUTCOME SCORE	RECOMMENDATIONS
CURB EXCESS PRICES IN THE SYSTEM	**3.0** OUT OF **10** POINTS — Beyond establishing an APCD, TX has few policies to curb the rise of healthcare prices.	**4.6** OUT OF **10** POINTS — High private prices are one factor driving costs. TX's inpatient private payer prices are 191% of Medicare prices, placing them in the middle range of all states. Ranked 25 out of 48 states, plus DC.	*Year-over-year increases in healthcare prices overwhelmingly drive state healthcare spending. TX should ensure their upcoming price transparency tool contains provider-specific data useful for consumers/regulators, as well as establish a health spending oversight entity and create health spending targets.*
REDUCE LOW-VALUE CARE	**1.6** OUT OF **10** POINTS — TX requires some forms of patient safety reporting. 86% of hospitals have adopted antibiotic stewardship. TX has not yet measured the extent of low-value care being provided.	**3.0** OUT OF **10** POINTS — TX has more low-value care than the national average. Ranked 44 out of 50 states, plus DC.	*TX should consider using claims and EHR data to identify unnecessary care and enact a multi-stakeholder effort to reduce it.*
EXTEND COVERAGE TO ALL RESIDENTS	**1.1** OUT OF **10** POINTS — Childless adults are not eligible for Medicaid, while parents are only eligible if their incomes are less than 17% of FPL. Only some immigrants can access state coverage options (see back for details).	**0.0** OUT OF **10** POINTS — TX has the most uninsured residents of any state by a wide margin, with 18% of residents having no insurance. Ranked 51 out of 51 states, including DC.	*TX should expand Medicaid to all low-income residents and consider options for residents earning too much to qualify for Medicaid, like a Basic Health Plan, premium subsidies, Medicaid buy-in and a public option. TX should consider offering coverage options for undocumented children and adults.*
MAKE OUT-OF-POCKET COSTS AFFORDABLE	**4.6** OUT OF **10** POINTS — TX has limited protections against short-term, limited-duration health plans and comprehensive surprise medical bill protections.	**0.0** OUT OF **10** POINTS — TX ranked poorly in terms of affordability burdens (50 out of 50 states, including DC). 19% of adults could not get needed medical care due to cost. The share of people with other affordability burdens is far higher.	*TX should consider a suite of measures to ease consumer burdens, such as stronger protections against short-term, limited-duration health plans and waiving or reducing cost-sharing for high-value services.*

APCD = All-Payer Claims Database **CHESS** = Consumer Healthcare Experience State Survey **CMS** = Centers for Medicare and Medicaid Services **EHR** = Electronic Health Records **FPL** = Federal Poverty Level **PCE** = Personal Consumption Expenditure (Healthcare PCE measures spending growth among households as well as nonprofit, commercial and government hospitals/nursing homes) **SHADAC** = State Health Access Data Assistance Center **SMB** = Surprise Medical Bill **STLD** = Short-Term, Limited-Duration

Full report and additional details at **www.HealthcareValueHub.org/Affordability-Scorecard/Texas**

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TEXAS NOTES

Methodological Notes:

State rank reflects the weighted sum of the policy and outcome scoring components. 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.

Curb Excess Prices in the System:

In order to receive credit for price transparency tools, a state's tool had to be public-facing, searchable by specific procedure and hospital and show the negotiated rate paid by insurance plans/patients (not chargemaster rate). Texas did not have a tool that met this criteria. Texas passed a price transparency law requiring hospitals to disclose their prices beginning Sept. 1, 2021; however, it may not include provider- and insurer-specific data.

As of 2020, TX has a voluntary claims data collection effort through the UT Center for Healthcare Data that collects medical and pharmacy claims that account for 65% of the Texas population. In 2021, TX passed a law to establish a mandatory APCD for the health benefit plan data beginning Sept. 1, 2021.

Reduce Low-Value Care:

According to the Johns Hopkins Overuse Index created using Medicare data, TX's overuse of low-value care is 1.1 standard deviations above the national average, which is undesirable.

Texas mandates both patient safety reporting and validation for CLABSI/CAUTI.

Improper use of antibiotics is another type of low-value care. Antibiotic stewardship is the effort to measure and improve how antibiotics are prescribed by clinicians and used by patients—states were scored on what share of their hospitals follow the CDC's stewardship program.

Extend Coverage to All Residents:

TX offers Medicaid coverage to lawfully residing immigrant children without a 5-year wait. Some level of prenatal care is available, regardless of immigration status, through CHIP's "unborn child" option. TX does not offer coverage options for undocumented children/adults.

In 2021, TX passed a law that will create effective rate review beginning in 2023, including directing the commissioner of insurance to incorporate consumers' purchasing power into the rate review process for plans available on the marketplace.

Make Out-of-Pocket Costs Affordable:

High-deductible health plans create barriers to care for many families. According to SHADAC, the average family deductible among employer insurance plans in TX rose 44% between 2013 and 2019, totaling $4,174 in 2019. States should consider exploring new policies to reduce financial barriers to care for people with high-deductible health plans, although there are limits to how much states can influence employer insurance and Medicare.

In response to rising insurance costs, some people turn to STLD health plans, which offer lower monthly premiums compared to ACA-compliant plans. However, these policies offer less coverage, can discriminate against people with pre-existing conditions and pose significant financial risks for consumers. States received credit depending on how much they limit or protect against these plans.

TX has comprehensive protections against surprise medical billing. 'Comprehensive' surprise medical billing protections include emergency departments and hospitals, apply to all insurance types, hold consumers harmless/prevent balance billing and adopt adequate payment standard or dispute resolution process. States with only some of these policies have 'partial' protections. The federal No Surprises Act prohibits surprise medical billing in most plans effective January 2022. However, it does not cover ground ambulances which often result in surprise bills. States can still implement protections in this area—73% of ground ambulance rides in TX charged to commercial insurance plans had the potential for surprise medical billing.

* Informational data, not used in state score or ranking. Scorecard Updated: Oct. 27, 2021

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