

# 2022 Healthcare Affordability State Policy Scorecard

This Scorecard looks at both policies and related outcomes across four affordability-related areas that were implemented as of Dec. 31, 2021. Lawmakers, regulators, consumer advocates, and the public can use the Scorecards to understand how their state performs when it comes to healthcare affordability policies and outcomes relative to other states and identify opportunities to improve.

STATE:

ARIZONA

RANK:

47

out of 50 states + DC

POLICY SCORE

5.2

out of 40

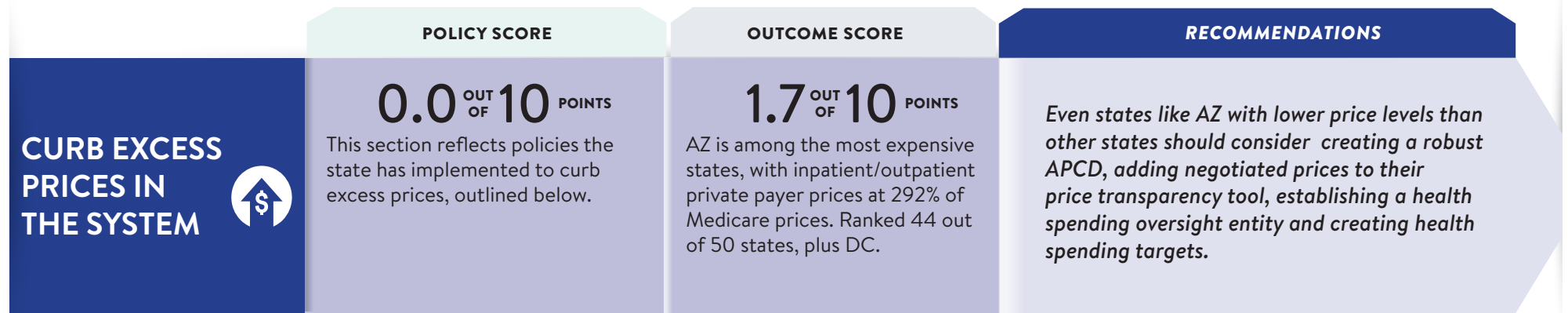
OUTCOME SCORE

13.9

out of 40



**TOTAL**  
19.1 OUT OF 80  
POSSIBLE POINTS

Setting the stage: According to SHADAC, 25% of Arizona adults experienced healthcare affordability burdens as of 2020. According to the Personal Consumption Expenditure, healthcare spending per person in Arizona grew 38% between 2013 and 2021, totaling \$6,828 in 2021. Please note some of the outcome measures in this Scorecard include data from 2020, which may have been impacted by the COVID-19 pandemic.



THIS CHECKLIST IDENTIFIES THE POLICIES THAT WERE EVALUATED FOR THIS SECTION.

<input checked="" type="checkbox"/>	<b>Create an all-payer or multi-payer claims database to analyze healthcare price inflation, price variation and utilization</b> Arizona has not yet taken any action to form an all-payer claims database (APCD).
<input checked="" type="checkbox"/>	<b>Create a permanently convened health spending oversight entity</b> Arizona did not have a permanently convened health spending oversight entity as of Dec. 31, 2021.
<input checked="" type="checkbox"/>	<b>Create all-payer healthcare spending and quality benchmarks for the state</b> Arizona did not have active health spending benchmarks as of Dec. 31, 2021.
<input checked="" type="checkbox"/>	<b>Implement free, public-facing healthcare price transparency that reflects negotiated rates and features treatment- and provider-specific prices</b> Arizona did not have a tool that met the criteria to receive credit. To receive credit, a state's tool has to be public-facing, searchable by specific procedure and hospital and show the negotiated rate paid by insurance plans/patients (not chargemaster rate). The Arizona Department of Health Services's "AZ Hospital Compare" tool provides the median charges and median costs for specific procedures and specific hospitals, however these are not the negotiated rate that insurers/patients will actually pay.

KEY:  = implemented by state  = not implemented by state  = the state has implemented policies, but could be enhanced

Full report and additional details at [www.HealthcareValueHub.org/Affordability-Scorecard/Arizona](http://www.HealthcareValueHub.org/Affordability-Scorecard/Arizona)

# Healthcare Affordability State Policy Scorecard

STATE:

**ARIZONA**

RANK:

**47**

out of 50 states + DC

## POLICY SCORE

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

AZ has not yet measured the extent of low-value care being provided. 88% of hospitals have adopted antibiotic stewardship.

## OUTCOME SCORE

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

17% of Arizona residents have received at least one low-value care service, placing them in the middle range of states. Ranked 21 out of 50 states, plus DC.

## RECOMMENDATIONS

*AZ should consider using claims and EHR data to identify unnecessary care and enact a multi-stakeholder effort to reduce it.*

## REDUCE LOW-VALUE CARE



THIS CHECKLIST IDENTIFIES THE POLICIES THAT WERE EVALUATED FOR THIS SECTION.

✘	<b>Analyze claims and electronic health records data to understand how much is spent on low- and no-value services</b>
	Arizona did not measure the provision of low-value care as of December 31, 2021.
✘	<b>Require validated patient-safety reporting for hospitals</b>
	Central line-associated bloodstream infections (CLABSI) and catheter-associated urinary tract infections (CAUTI) are two common forms of hospital-acquired infections. Data on patient safety reporting is not available for Arizona.
...	<b>Universally implement antibiotic stewardship programs using CDC's 7 Core Elements</b>
	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, and states were scored on what share of their hospitals follow the CDC's stewardship program. 88% of Arizona hospitals have adopted antibiotic stewardship. States with 90% adoption or more get the most credit.

KEY:  = implemented by state  = not implemented by state  = the state has implemented policies, but could be enhanced

Full report and additional details at [www.HealthcareValueHub.org/Affordability-Scorecard/Arizona](http://www.HealthcareValueHub.org/Affordability-Scorecard/Arizona)

# Healthcare Affordability State Policy Scorecard

STATE:

**ARIZONA**

RANK:

**47**

out of 50 states + DC

## POLICY SCORE

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

AZ Medicaid coverage for childless adults extends to 138% of FPL. No immigrant populations can access state coverage options.

## OUTCOME SCORE

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

AZ is among the states with the most uninsured people—11% of AZ residents are uninsured. Ranked 42 out of 50 states, plus DC.

## RECOMMENDATIONS

*AZ should 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. Also consider offering coverage options for low-income immigrants that do not qualify for Medicaid/CHIP and adding affordability criteria to rate review.*

## EXTEND COVERAGE TO ALL RESIDENTS



THIS CHECKLIST IDENTIFIES THE POLICIES THAT WERE EVALUATED FOR THIS SECTION.



### **Expand Medicaid to cover adults up to 138% of the federal poverty level**

Arizona received federal approval to implement Medicaid work requirements in 2020, however federal approval was withdrawn in 2021. Arizona used to charge premiums, but discontinued them in its waiver extension approved in 2021.



### **Provide high-quality, affordable coverage options for people whose incomes are too high to qualify for Medicaid, e.g., Basic Health Plan, reinsurance or augmented premium subsidies**

Arizona did not offer any additional coverage options for residents earning too much to qualify for Medicaid as of Dec. 31, 2021.



### **Provide options for immigrants that don't qualify for the coverage above**

Arizona offers no coverage options for legally residing immigrants without a 5-year wait or for undocumented immigrants.



### **Conduct strong rate review of fully insured, private market options**

Arizona has effective rate review as classified by CMS but does not incorporate affordability criteria into rate review.

**KEY:**  = implemented by state  = not implemented by state  = the state has implemented policies, but could be enhanced

# Healthcare Affordability State Policy Scorecard

STATE:

**ARIZONA**

RANK:

**47**

out of 50 states + DC

## POLICY SCORE

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

AZ has partial protections against surprise medical bills.

## OUTCOME SCORE

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

AZ ranked 39 out of 50 states, plus DC on affordability burdens—25% of adults faced an affordability burden: not getting needed care due to cost (6%), delaying care due to cost (7%), changing medication due to cost (9%), problems paying medical bills (15%) or being uninsured due to cost (75% of uninsured population).

## RECOMMENDATIONS

*AZ should consider a suite of measures to ease consumer burdens, such as: protections against short-term, limited-duration health plans; surprise medical bill protections not addressed by the federal No Surprises Act; and waiving or reducing cost-sharing for high-value services. If AZ wants to pursue standard plan design, they can establish a state-based exchange.*

**MAKE OUT-OF-POCKET COSTS AFFORDABLE**



THIS CHECKLIST IDENTIFIES THE POLICIES THAT WERE EVALUATED FOR THIS SECTION.



### **Limit the availability of short-term, limited-duration health plans**

Arizona has no protections against short-term, limited duration health plans (STLDs) beyond federal regulations. Some people choose STLD health plans for their lower monthly premiums compared to ACA-compliant plans. However, they offer poor coverage, can discriminate against people with pre-existing conditions and pose financial risks for consumers. States received credit depending on how much they limit these plans.



### **Protect patients from inadvertent surprise out-of-network medical bills**

Arizona has partial protections against surprise medical bills (SMBs). ‘Comprehensive’ 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 SMBs in most plans effective January 2022. However, it does not cover ground ambulances. States can still implement protections in this area—52% of ground ambulance rides in AZ charged to commercial insurance plans had the potential for SMBs (2021).



### **Waive or reduce cost-sharing for high-value services**

Arizona did not require waiving or reducing cost-sharing for high-value services as of Dec. 31, 2021. Arizona requires any payment/discount made for the patient for prescription drugs be applied to the patient’s annual OOP cost-sharing requirement.



### **Require insurers in a state-based exchange to offer evidence-based standard plan designs**

Arizona has an exclusively federally facilitated marketplace and cannot implement standardized plans unless they establish a state-based exchange. Standard plan design makes cost-sharing the same across plans within metal tiers, making it easier for consumers to compare plans. They also help regulators and exchanges negotiate or set rates with insurance carriers, which may translate to lower prices for consumers.

**KEY:** = implemented by state = not implemented by state = the state has implemented policies, but could be enhanced