

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:

KENTUCKY

RANK:

29

out of
50 states
+ DC

POLICY SCORE

8.9

out of 40

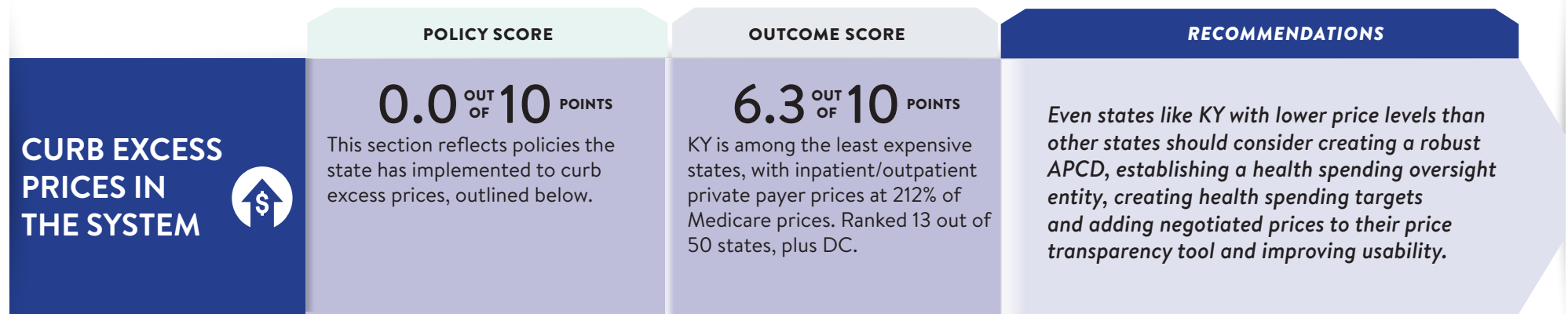
OUTCOME SCORE

20.6

out of 40



TOTAL
29.5 OUT OF 80
POSSIBLE POINTS

Setting the Stage: According to the Healthcare Value Hub's 2020 CHESS survey, 58% of Kentucky adults experienced healthcare affordability burdens. According to the Personal Consumption Expenditure, healthcare spending per person in Kentucky grew 36% between 2013 and 2021, totaling \$7,430 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"/> | Create an all-payer or multi-payer claims database to analyze healthcare price inflation, price variation and utilization Kentucky does not have an all-payer claims database (APCD). HB82 was introduced in January 2021 directing the Department of Insurance to create a framework and implementation plan for a Kentucky APCD and establishing an advisory committee, however the bill did not move forward. Similar acts were prefiled in 2020 (BR 50) and 2022 (BR 379) but did not progress. |
| <input checked="" type="checkbox"/> | Create a permanently convened health spending oversight entity Kentucky did not have a permanently convened health spending oversight entity as of Dec. 31, 2021. |
| <input checked="" type="checkbox"/> | Create all-payer healthcare spending and quality benchmarks for the state Kentucky did not have active health spending benchmarks as of Dec. 31, 2021. |
| <input checked="" type="checkbox"/> | Implement free, public-facing healthcare price transparency that reflects negotiated rates and features treatment- and provider-specific prices Kentucky 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 Kentucky Hospital Association operates a public-facing website with "Comparable Charges Reports" for specific procedures at specific providers, but it does not show negotiated rates, only the charge values. It also fails to consistently load results. |

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/Kentucky

Healthcare Affordability State Policy Scorecard

STATE:

KENTUCKY

RANK:

29

out of 50 states + DC

POLICY SCORE

1.7 OUT OF **10** POINTS

KY has not yet measured the extent of low-value care being provided. They require some forms of patient safety reporting. 92% of hospitals have adopted antibiotic stewardship.

OUTCOME SCORE

4.3 OUT OF **10** POINTS

17% of KY 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

KY 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.

| | |
|--|--|
| | Analyze claims and electronic health records data to understand how much is spent on low- and no-value services |
| | Kentucky did not measure the provision of low-value care as of Dec. 31, 2021. |
| | Require validated patient-safety reporting for hospitals |
| | Central line-associated bloodstream infections (CLABSI) and catheter-associated urinary tract infections (CAUTI) are two common forms of hospital-acquired infections. Kentucky mandates patient safety reporting for CLABSI/CAUTI but does not require validation. |
| | Universally implement antibiotic stewardship programs using CDC's 7 Core Elements |
| | 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. 92% of Kentucky 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/Kentucky

Healthcare Affordability State Policy Scorecard

STATE:

KENTUCKY

RANK:

29

out of 50 states + DC

POLICY SCORE

3.6 OUT OF **10** POINTS

KY Medicaid coverage for childless adults extends to 138% of FPL. Only some immigrants can access state coverage options (see below).

OUTCOME SCORE

8.0 OUT OF **10** POINTS

KY is among the states with the least uninsured people, still 6% of KY residents are uninsured. Ranked 12 out of 50 states, plus DC.

RECOMMENDATIONS

KY should consider offering coverage options for legally residing immigrant pregnant people, as well as undocumented children, pregnant people and adults. KY should also consider 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

Kentucky has expanded Medicaid.



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

Kentucky did not offer any additional coverage options for residents earning too much to qualify for Medicaid as of Dec. 31, 2021. Looking Ahead: In 2022, Kentucky approved a budget that included funds to set up a Basic Health Plan, open to those younger than 65 who earn between 138%-200% of FPL. Kentucky plans to launch the Basic Health Plan in November 2023.



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

Kentucky offers Medicaid coverage to lawfully residing immigrant children without a 5-year wait but offers no coverage options for legally residing pregnant women without a 5-year wait or for undocumented immigrants.



Conduct strong rate review of fully insured, private market options

Kentucky 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

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

Healthcare Affordability State Policy Scorecard

STATE:

KENTUCKY

RANK:

29

out of 50 states + DC

POLICY SCORE

3.6 OUT OF **10** POINTS

KY has limited protections against short-term, limited duration health plans and caps cost-sharing for some high-value services.

OUTCOME SCORE

2.0 OUT OF **10** POINTS

KY ranked 45 out of 50 states, plus DC on affordability burdens—26% of adults faced an affordability burden: not getting needed care due to cost (9%), delaying care due to cost (10%), changing medication due to cost (10%), problems paying medical bills (14%) or being uninsured due to cost (70% of uninsured population).

RECOMMENDATIONS

KY should consider a suite of measures to ease consumer burdens, such as enacting stronger protections against short-term, limited-duration health plans and surprise medical bill protections not addressed by the federal No Surprises Act, as well as requiring standard plan design on their 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

Kentucky has enacted some protections against short-term, limited duration health plans (STLDs) but there are still plans available with a max duration of over one year. 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

Kentucky has no state-level protections against surprise medical bills (SMBs). 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—28% of ground ambulance rides in Kentucky charged to commercial insurance plans had the potential for SMBs (2021).



Waive or reduce cost-sharing for high-value services

Kentucky requires any payment/discount made for the patient to be applied to their annual out-of-pocket cost-sharing requirement. In 2021, Kentucky passed legislation to cap out-of-pocket costs at \$30 for a 30-day supply of insulin for consumers covered by state-regulated, comprehensive, private health insurance plans and the state employee health plan.



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

Kentucky has a state-based exchange but has not implemented standard plan design. 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

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