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: MICHIGAN **RANK: 18** out of 50 states + DC

Policy Score	12.1	out of 40
Outcome Score	26.4	out of 40

TOTAL
38.5 OUT OF 80 POSSIBLE POINTS

Setting the Stage: According to the Healthcare Value Hub's 2022 CHESS survey, 57% of Michigan adults experienced healthcare affordability burdens. According to the Personal Consumption Expenditure, healthcare spending per person in Michigan grew 25% between 2013 and 2021, totaling $7,325 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.

CURB EXCESS PRICES IN THE SYSTEM

POLICY SCORE

1.5 OUT OF 10 POINTS

This section reflects policies the state has implemented to curb excess prices, outlined below.

OUTCOME SCORE

7.4 OUT OF 10 POINTS

MI is among the least expensive states, with inpatient/outpatient private payer prices at 193% of Medicare prices. Ranked 6 out of 50 states, plus DC.

RECOMMENDATIONS

Even states like MI with lower price levels than other states should consider building a strong price transparency tool, establishing a health spending oversight entity and creating health spending targets. MI should consider establishing a regulatory or collaborative relationship with the nonprofit APCD currently operating.

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

⋯	***Create an all-payer or multi-payer claims database to analyze healthcare price inflation, price variation and utilization*** Michigan's state government has not implemented an all-payer claims database (APCD), but the Michigan Data Collaborative, a nonprofit healthcare data organization at the University of Michigan, has operated a Multi-Payer Claims Database since 2010. Claims submission is voluntary, and the database includes roughly 40% of the Michigan population, including Medicare, Medicaid and the three largest commercial payers in the state, representing roughly 80% of the state's commercial market. In 2015, the state proposed an APCD mandate with the Michigan Health Care Transparency Act, but it failed to pass. Claims data dashboards are not publicly available, instead requiring users to create an account and register their device with the University of Michigan, after which they can access dashboards with some claims data including costs.
☒	***Create a permanently convened health spending oversight entity*** Michigan did not have a permanently convened health spending oversight entity as of Dec. 31, 2021.
☒	***Create all-payer healthcare spending and quality benchmarks for the state*** Michigan did not have active health spending benchmarks as of Dec. 31, 2021.
☒	***Implement free, public-facing healthcare price transparency that reflects negotiated rates and features treatment- and provider-specific prices*** Michigan 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).

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/Michigan**

ALTARUM HEALTHCARE VALUE HUB

Healthcare Affordability State Policy Scorecard

STATE: MICHIGAN **RANK:** 18 out of 50 states + DC

REDUCE LOW-VALUE CARE

POLICY SCORE

1.8 OUT OF 10 POINTS

MI has not yet measured the extent of low-value care being provided. They require some forms of patient safety reporting. 93% of hospitals have adopted antibiotic stewardship.

OUTCOME SCORE

5.7 OUT OF 10 POINTS

MI was among the states with the least low-value care, with 15% of residents having received at least one low-value care service. Ranked 12 out of 50 states, plus DC.

RECOMMENDATIONS

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

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*** Michigan 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. In Michigan, reporting of CLABSI/CAUTI is voluntary, but validation is required if there is a report.
✓	***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. 93% of Michigan hospitals have adopted antibiotic stewardship. States with 90% adoption or more get the most credit.

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EXTEND COVERAGE TO ALL RESIDENTS

POLICY SCORE

4.2 OUT OF 10 POINTS

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

OUTCOME SCORE

8.2 OUT OF 10 POINTS

MI is among the states with the least uninsured people, still 5% of MI residents are uninsured. Ranked 9 out of 50 states, plus DC.

RECOMMENDATIONS

MI should consider options for residents earning too much to qualify for Medicaid, like a Basic Health plan, premium subsidies, Medicaid buy-in or a Public Option. MI should also consider offering coverage options for legally residing immigrant children, as well as undocumented children and adults. MI should consider adding affordability criteria to rate review.

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✓	***Expand Medicaid to cover adults up to 138% of the federal poverty level*** Michigan has expanded Medicaid. A federal court invalidated Michigan's Medicaid work requirements in March 2020. The state charges premiums for Medicaid coverage, however premiums have been suspended during the COVID-19 public health emergency, and it is unclear if they will be reinstated given CMS decisions in other states under the Biden administration.
✗	***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*** Michigan 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*** Michigan offers comprehensive benefits similar in scope to pregnancy-related Medicaid/CHIP regardless of immigration status through CHIP's "unborn child" option. The state offers no coverage options for legally residing immigrant children without a 5-year wait or for undocumented children/non-pregnant adults.
···	***Conduct strong rate review of fully insured, private market options*** Michigan has effective rate review as classified by CMS but does not incorporate affordability criteria into rate review.

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MAKE OUT-OF-POCKET COSTS AFFORDABLE

POLICY SCORE

4.6 OUT OF 10 POINTS

MI has limited protections against short-term, limited duration health plans and has comprehensive protections against surprise medical bills and No Surprises Act loopholes.

OUTCOME SCORE

5.1 OUT OF 10 POINTS

MI ranked 24 out of 50 states, plus DC on affordability burdens—23% of adults faced an affordability burden: not getting needed care due to cost (8%), delaying care due to cost (9%), changing medication due to cost (8%), problems paying medical bills (13%) or being uninsured due to cost (75% of uninsured population).

RECOMMENDATIONS

MI should consider a suite of measures to ease consumer burdens, such as enacting stronger protections against short-term, limited-duration health plans and waiving or reducing cost-sharing for high-value services. If MI wants to pursue standard plan design, they can establish a state-based exchange.

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⋯	***Limit the availability of short-term, limited-duration health plans*** Michigan 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*** Michigan has comprehensive protections against surprise medical bills (SMBs), plus additional protections for lab work bills not covered by the federal No Surprises Act. '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 Michigan charged to commercial insurance plans had the potential for SMBs (2021).
✗	***Waive or reduce cost-sharing for high-value services*** Michigan did not require waiving or reducing cost-sharing for high-value services as of Dec. 31, 2021.
✗	***Require insurers in a state-based exchange to offer evidence-based standard plan designs*** Michigan conducts plan management activities on a 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.

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