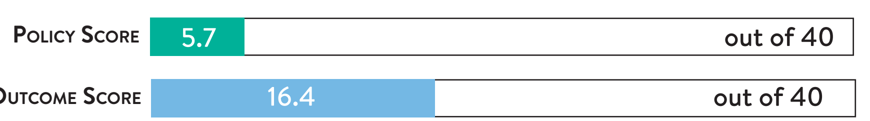
2022 Healthcare Affordability State Policy Scorecard

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:

RANK: **42** out of 50 states + DC



TOTAL *22.1 OUT OF 80 POSSIBLE POINTS*

Setting the Stage: According to the Healthcare Value Hub's 2021 CHESS survey, 63% of North Carolina adults experienced healthcare affordability burdens. According to the Personal Consumption Expenditure, healthcare spending per person in North Carolina grew 35% between 2013 and 2021, totaling $7,179 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.

	POLICY SCORE	OUTCOME SCORE	RECOMMENDATIONS
CURB EXCESS PRICES IN THE SYSTEM	**1.0** OUT OF **10** POINTS This section reflects policies the state has implemented to curb excess prices, outlined below.	**3.2** OUT OF **10** POINTS NC's inpatient/outpatient private payer prices are 266% of Medicare prices, placing them in the middle range of all states. Ranked 32 out of 50 states, plus DC.	*NC should consider creating a robust APCD, establishing a health spending oversight entity and creating health spending targets. NC should improve the usability of their price transparency tool.*

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*** North Carolina established a task force in 2017 to assess the value of an all-payer claims database (APCD), but the state has not taken further action. For the task force's report, see here.
☒	***Create a permanently convened health spending oversight entity*** North Carolina 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*** North Carolina 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*** North Carolina's tool 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 North Carolina Department of Health and Human Services "Transparency in Health Care Costs" website shows the top 5 insurers' lowest, average and highest payment by provider for the 100 most common DRGs and 20 most common CPTs.

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/North-Carolina**

Healthcare Affordability State Policy Scorecard

STATE: **NORTH CAROLINA** RANK: **42** out of 50 states + DC

REDUCE LOW-VALUE CARE

POLICY SCORE

0.9 OUT OF 10 POINTS

NC has not yet measured the extent of low-value care being provided. 97% of hospitals have adopted antibiotic stewardship.

OUTCOME SCORE

5.0 OUT OF 10 POINTS

16% of North Carolina residents have received at least one low-value care service, placing them in the middle range of states. Ranked 16 out of 50 states, plus DC.

RECOMMENDATIONS

NC 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*** North Carolina 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. Data on patient safety reporting is not available for North Carolina.
✓	***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. 97% of North Carolina 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/North-Carolina**

Healthcare Affordability State Policy Scorecard

STATE: NORTH CAROLINA **RANK:** 42 out of 50 states + DC

	POLICY SCORE	OUTCOME SCORE	RECOMMENDATIONS
EXTEND COVERAGE TO ALL RESIDENTS	**2.2** OUT OF **10** POINTS Childless adults are not eligible for NC Medicaid, while parents are only eligible if their household incomes are less than 39% of FPL. Only lawfully residing immigrant children/pregnant women can access state coverage options.	**4.5** OUT OF **10** POINTS NC is among the states with the most uninsured people—11% of NC residents are uninsured. Ranked 43 out of 50 states, plus DC.	*NC 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 or a Public Option. NC should also consider offering coverage options for undocumented children, pregnant people and adults, as well as adding affordability criteria to rate review.*

This checklist identifies the policies that were evaluated for this section.

☒	***Expand Medicaid to cover adults up to 138% of the federal poverty level*** North Carolina is one of twelve states that has not expanded Medicaid—parents are eligible up to 39% FPL and childless adults are not eligible. Numerous attempts to pass Medicaid expansion have failed in the legislature. There are currently proposals being considered in the 2022 session, including Medicaid expansion and directives to study expansion. Previously, Governor Cooper proposed Medicaid expansion in his state budget proposals for SFY2020-2021 and 2022-2023, but the legislature did not include either of them. However, the 22-23 budget establishes a legislative committee to study Medicaid expansion and potentially propose legislation.
☒	***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*** North Carolina 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*** North Carolina provides Medicaid coverage for eligible lawfully residing immigrant pregnant women and children without a 5-year wait but offers no coverage for undocumented immigrants.
⋯	***Conduct strong rate review of fully insured, private market options*** North Carolina 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/North-Carolina**

Healthcare Affordability State Policy Scorecard

STATE: **NORTH CAROLINA** RANK: **42** out of 50 states + DC

MAKE OUT-OF-POCKET COSTS AFFORDABLE

POLICY SCORE	OUTCOME SCORE	RECOMMENDATIONS
1.6 OUT OF **10** POINTS NC has partial protections against surprise medical bills.	**3.7** OUT OF **10** POINTS NC ranked 37 out of 50 states, plus DC on affordability burdens—25% of adults faced an affordability burden: not getting needed care due to cost (9%), delaying care due to cost (9%), changing medication due to cost (10%), problems paying medical bills (13%) or being uninsured due to cost (79% of uninsured population).	*NC should consider a suite of measures to ease consumer burdens, such as enacting protections against short-term, limited-duration health plans and surprise medical bill protections not addressed by the federal No Surprises Act. NC should also consider waiving or reducing cost-sharing for high-value services. If NC wants to pursue standard plan design, they can establish a state-based exchange.*

This checklist identifies the policies that were evaluated for this section.

☒	***Limit the availability of short-term, limited-duration health plans*** North Carolina 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*** North Carolina 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—42% of ground ambulance rides in NC charged to commercial insurance plans had the potential for SMBs (2021).
☒	***Waive or reduce cost-sharing for high-value services*** North Carolina did not require waiving or reducing cost-sharing for high-value services as of Dec. 31, 2021. North Carolina 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*** North Carolina 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

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