

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:

TENNESSEE

RANK:

39

out of
50 states
+ DC

POLICY SCORE

4.4

out of 40

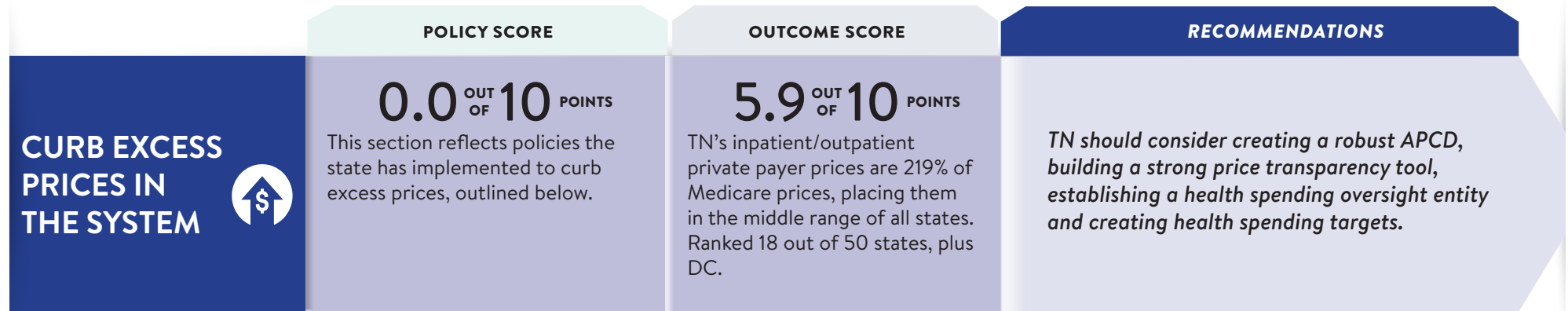
OUTCOME SCORE

18.1

out of 40

TOTAL
22.5 OUT OF 80
POSSIBLE POINTS

Setting the Stage: According to the Healthcare Value Hub's 2021 CHESS survey, 61% of Tennessee adults experienced healthcare affordability burdens. According to the Personal Consumption Expenditure, healthcare spending per person in Tennessee grew 27% between 2013 and 2021, totaling \$6,946 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 As of 2017, Tennessee's all-payer claims database (APCD) is inactive. HB 1258 was introduced in 2021 to add it to the Commissioner of Finance's duties, but it did not pass.
<input checked="" type="checkbox"/>	Create a permanently convened health spending oversight entity Tennessee 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 Tennessee 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 Tennessee 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/Tennessee

Healthcare Affordability State Policy Scorecard

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39

out of 50 states + DC

POLICY SCORE

2.8 OUT OF **10** POINTS

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

OUTCOME SCORE

4.3 OUT OF **10** POINTS

17% of Tennessee 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

TN 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
	Tennessee 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. Tennessee mandates both patient safety reporting and validation for CLABSI/CAUTI.
	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 Tennessee hospitals have adopted antibiotic stewardship. States with 90% adoption or more get the most credit.

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POLICY SCORE

1.6 OUT OF **10** POINTS

Childless adults are not eligible for TN Medicaid, while parents are only eligible if their household incomes are less than 88% of FPL. Only some immigrants can access state coverage options (see below).

OUTCOME SCORE

5.2 OUT OF **10** POINTS

TN is among the states with the most uninsured people—10% of TN residents are uninsured. Ranked 39 out of 50 states, plus DC.

RECOMMENDATIONS

TN should consider expanding 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. TN should consider expanding their unborn child option to offer comprehensive services and consider offering coverage options for undocumented children and adults. TN should 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	Tennessee has not expanded Medicaid—parents are eligible up to 88% FPL and childless adults are not eligible.
✗	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	Tennessee 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	Tennessee offers some level of prenatal care regardless of immigration status through CHIP's "unborn child" option under the CoverKids Healthy TN Babies program, although the coverage is not comprehensive and only covers pregnancy-related services. Under CoverKids, pregnant women do not need to show immigration documents with their applications. The state offers no coverage options for legally residing children without a 5-year wait or for undocumented children/non-pregnant adults.
...	Conduct strong rate review of fully insured, private market options	Tennessee has effective rate review as classified by CMS but does not incorporate affordability criteria into rate review.

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POLICY SCORE

0.0 OUT OF **10** POINTS

TN has not enacted any of the policies to reduce out-of-pocket costs, outlined below.

OUTCOME SCORE

2.7 OUT OF **10** POINTS

TN ranked 43 out of 50 states, plus DC on affordability burdens—26% 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 (76% of uninsured population).

RECOMMENDATIONS

TN should consider a suite of measures to ease consumer burdens, such as stronger protections against short-term, limited-duration health plans and surprise medical bill protections not addressed by the federal No Surprises Act. TN should also consider waiving or reducing cost-sharing for high-value services. If TN 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

Tennessee has no substantive 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

Tennessee 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—51% of ground ambulance rides in TN charged to commercial insurance plans had the potential for SMBs (2021).



Waive or reduce cost-sharing for high-value services

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



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

Tennessee 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.

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