

*Strong States, Strong Nation*



NCSL WORK ON  
COST CONTAINMENT –  
New Partners, Tools and Resources

Dec. 14, 2015 –

for the Colorado Commission on Affordable Health Care

 NATIONAL CONFERENCE *of* STATE LEGISLATURES

**Richard Cauchi**, NCSL Health Program

Denver, Colorado

12/13/15

# Resources for Affordable Healthcare Work



- NCSL Cost Containment and Efficiencies - Resource Library
- “Aiming Higher – Results from a Scorecard” – Dec. 2015
- “Bending the Cost Curve” – December 2015 update  
*Using research/publication by the Commonwealth Fund*
- ACA Section 1332 Waiver options

## NCSL State Health Cost Containment Resources

Health care in the United States is a \$3 trillion industry, accounting for 17.5 percent of the gross domestic product, up from 14 percent in 2000. Health care inflation outpaces inflation in other markets. Federal, state and local governments share the financial burden of health care with employers and individuals. For example, in 2014 Medicaid cost an average of 16 percent of total state general funds. State and local governments covered 17 percent of total health spending. *—From CMS Actuaries Report, Dec. 2, 2015 & 2014*

The National Conference of State Legislatures has a wealth of health cost containment information available free of charge online. This information is updated regularly as NCSL tracks state actions on this and other related issues.

- **Cost and Quality.** NCSL's main page on this issue is, available at
  - <http://www.ncsl.org/research/health/cost-and-quality.aspx>
- **Health Cost Containment** -a series of 16 published reports and a dozen other web-based reports and resources.  
<http://www.ncsl.org/default.aspx?tabid=19200>



# Health Cost Containment and Efficiencies

NCSL Briefs for State Legislators

## [Complete Original 2010-2012 Cost Containment Brief Series](#) - (Introduction & 16 Briefs, 74 pages)

[Administrative Simplification in Health System](#) (2015)  
[Global Payments to Health Providers](#) (2014)  
[Episode-of-Care Payments \(Bundled Payments\)](#) (2015)  
[All-Payer Claims Databases \(APCD\)](#) (2015)  
[Accountable Care Organizations \(ACOs\)](#) (2015)  
[Pay-for Performance \(Provider P-4-P\)](#) (2015)  
[Equalizing Provider Rates: All Payer Rate Setting](#) (2014)  
[Prescription Drugs Cost Containment:](#) (2015)  
~ Use of Generics and Brand Name Discounts  
~ Drug Agreements and Volume Purchasing  
[Pooling Public Employee Health Benefits](#) (2014)  
[Combating Fraud and Abuse](#) (2014)  
[Medical Homes](#) (2015)  
[Employer-Sponsored Wellness & Health Promotion](#) (2014)

[Public Health and Cost Savings](#) (2012)  
[Health Provider Patient Safety \(medical errors\)](#) (2014)  
[Medical Malpractice Reform](#) (2014)

### **Web Reports and Resources**

[Certificate of Need \(CON\) programs](#) – 2015 Web report  
[Telehealth Policy](#) (2015) **\*NEW\***  
[Health Information Technology](#)  
[Health Savings Accounts \(HSAs\)](#) – 2015 Web report  
[Network Adequacy: Insurance Access to Providers](#) (2015)  
[Value-Based Insurance Design](#) – 2015 Web report  
[Health Price Disclosure and Transparency](#) - 2015 Web report  
[State Health Cost Containment and Federal Health Reforms](#)

- **Overview of health finance and costs** (<http://www.ncsl.org/research/health/health-finance-issues.aspx>)<sup>Updated 12/2/2015</sup>
- **Containing Medicaid Costs** (<http://www.ncsl.org/research/health/medicaid-containing-costs-and-improving-value.aspx>)
- **Health Care Safety-Net Toolkit for Legislators** ([www.ncsl.org/research/health/health-care-safety-net-toolkit.aspx](http://www.ncsl.org/research/health/health-care-safety-net-toolkit.aspx))

These resources represent only some of the information NCSL's Health program makes available, and only a fraction of the research NCSL does for state legislators. For questions about cost containment and health finance issues, contact:

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Thursday, December 10, 2015**

## **Aiming Higher: A Preview of Results from the Scorecard on State Health System Performance, 2015 Edition**

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National Conference of State Legislatures  
Invitational Meeting, December 8, 2015

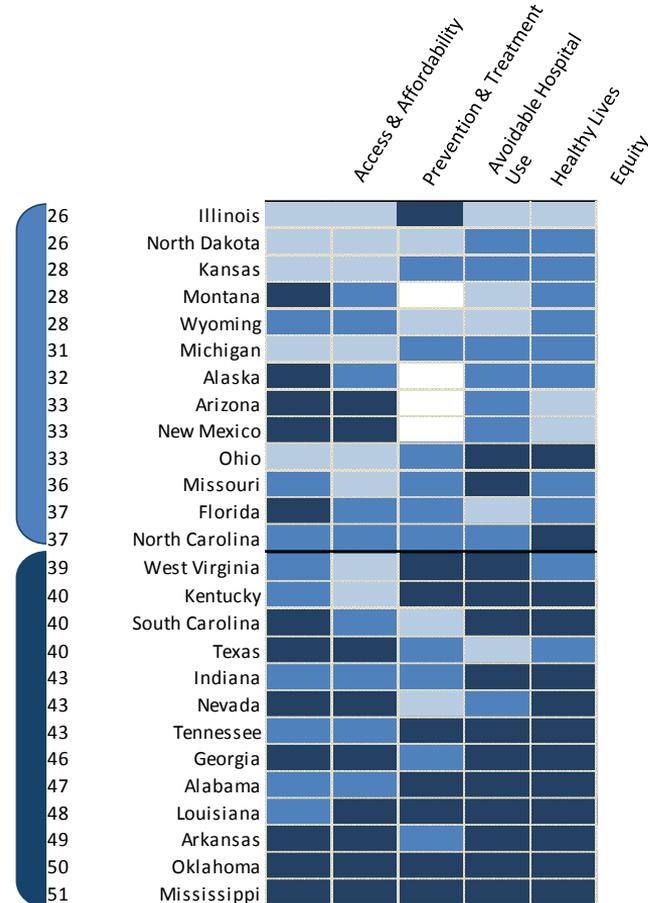
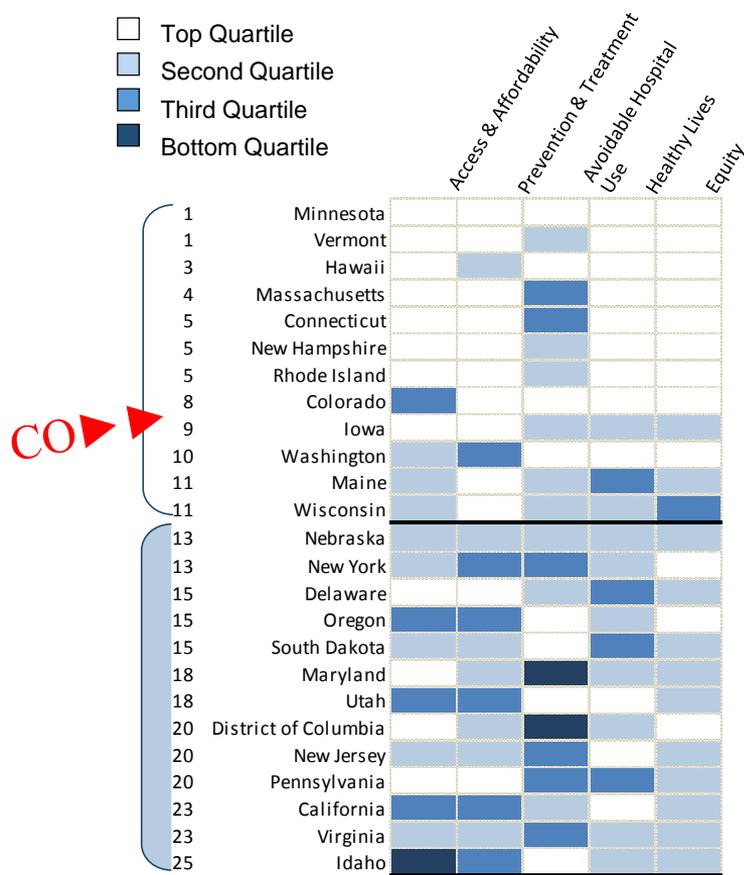
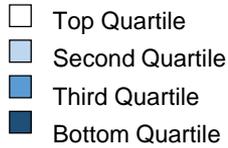


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[www.commonwealthfund.org](http://www.commonwealthfund.org)

# Colorado: What are Uses for the “Scorecard”?

# Scorecard rankings: leading states offer targets to aim higher: disparities persist for vulnerable groups



Source: Commonwealth Fund Scorecard on State Health System Performance, 2015.



Downloadable **COLORADO** Profile

Standard Benchmarking tools

Customizable Benchmarking tools and comparisons

Adopted/added by NCSL 12/14/2015

Download the reports online at:  
<http://www.commonwealthfund.org>

# AIMING HIGHER

Results from  
a Scorecard on  
State Health System  
Performance

2015 Edition

Douglas McCarthy, David C. Radley,  
and Susan L. Hayes







ISSUE BRIEF

NOVEMBER 2015

The mission of The Commonwealth Fund is to promote a high-performance health care system. The Fund carries out this mandate by supporting independent research on health care issues and making grants to improve health care practice and policy. Support for this research was provided by The Commonwealth Fund. The views presented here are those of the authors and not necessarily those of The Commonwealth Fund or its directors, officers, or staff.

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## The Changing Landscape of Health Care Coverage and Access: Comparing States' Progress in the ACA's First Year

Susan L. Hayes, Sara R. Collins, David C. Radley,  
Douglas McCarthy, Sophie Beutel, and Jordan Kizla

**Abstract** This analysis compares access to affordable health care across U.S. states after the first year of the Affordable Care Act's major coverage expansions. It finds that in 2014, uninsured rates for working-age adults declined in nearly every state compared with 2013. There was at least a three-percentage-point decline in 39 states. For children, uninsured rates declined by at least two percentage points in 16 states. The share of adults who said they went without care because of costs decreased by at least two points in 21 states, while the share of at-risk adults who had not had a recent checkup declined by that same amount in 11 states. Yet there was little progress in expanding access to dental care for adults, which is not a required insurance benefit under the ACA. Wide variation in insurance coverage and access to care persists, highlighting many opportunities for states to improve.

**INTRODUCTION**  
On January 1, 2014, the major health insurance reforms of the Affordable Care Act (ACA) took effect. They represented the most significant expansion of health coverage in the United States since Medicare and Medicaid were enacted more than 50 years ago. By the end of 2014, the uninsured rate for the U.S. population under age 65 had declined to 13 percent from 17 percent a year earlier, and a dramatic shift in the landscape of coverage had taken place across the country, according to data recently released by the U.S. Census Bureau (Exhibit 1, Appendix Table 1).  
This analysis takes a closer look at this shift by comparing states' performance on six indicators of access to care and affordability from The Commonwealth Fund's *State Scorecard on Health System Performance, 2015 Edition* [link]. The Scorecard is intended to help policymakers, health system leaders, and the public identify opportunities, and set targets, for improvement. The indicators include uninsured rates for working-age adults and for children, and three others that assess adults' access to care (Exhibit 2).<sup>1</sup> To gauge the affordability of care, we examine the percentage of individuals under age 65 in each state who have high out-of-pocket medical costs relative to their incomes.<sup>2</sup>

Source: Commonwealth Fund Scorecard on State Health System Performance, 2015.

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# **BENDING THE HEALTH COST CURVE: CHALLENGES AND OPPORTUNITIES**

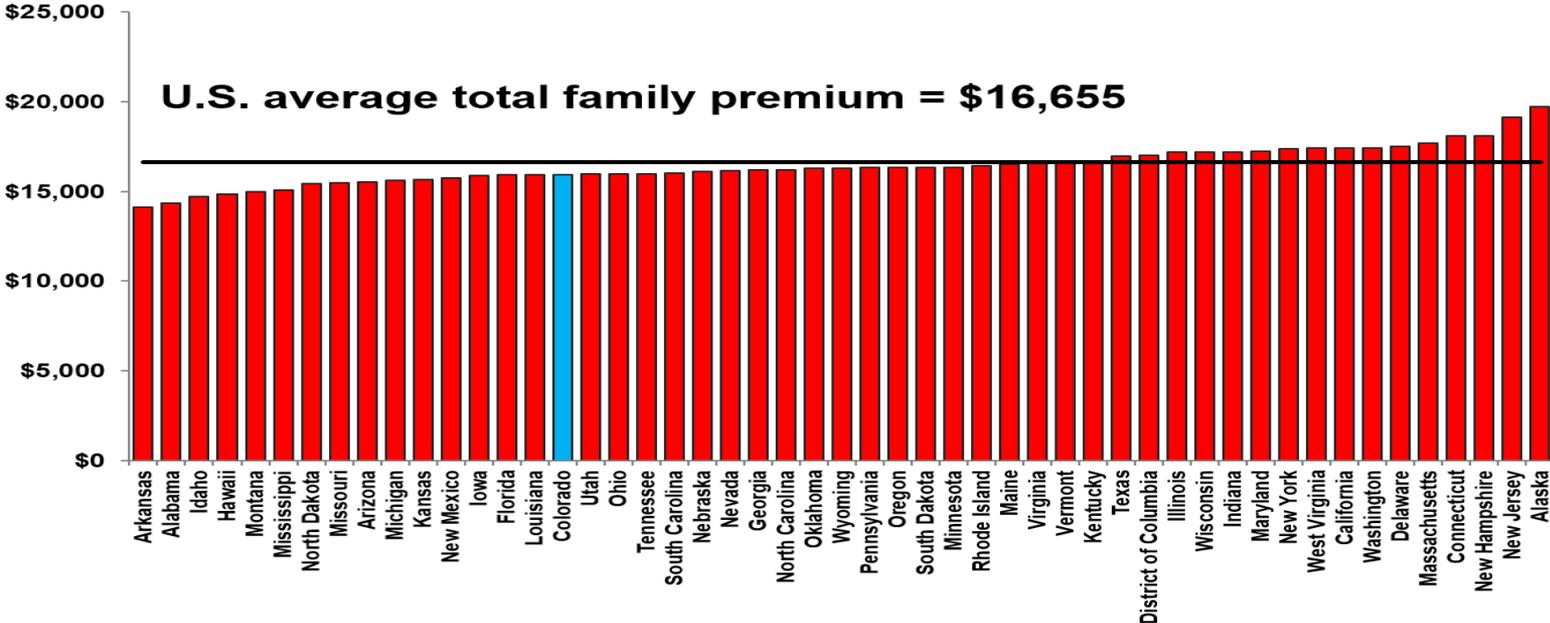
**Cathy Schoen**

Executive Director Commonwealth Fund Council  
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National Conference of State Legislatures (NCSL)  
December 8, 2015

# Example "Cost Curve" updates

## Insurance Expensive No Matter Where you Live: Insurance Premiums for Family Coverage 2014



Data source: 2014 Medical Expenditure Panel Survey—Insurance Component Private-Employer Sponsored Plans..

What's Next?

# “1332” Innovation Waivers

## *An Opportunity for States to Pursue Own Brand of Health Reform*



Beginning Jan. 2017, section 1332 of the ACA invites states to find alternative ways to meet the coverage goals of the law while staying within its fiscal constraints

### **What May Be Waived?**

States may propose alternatives to “four pillars” of the ACA

- ❑ **Benefits and Subsidies.** States may modify the rules governing covered benefits, as well as the subsidies that are available through the marketplaces
- ❑ **Marketplaces and Qualified Health Plans.** States may replace their marketplaces or supplant the plan certification process with alternative ways to provide health plan choice, determine eligibility for subsidies, and enroll consumers in coverage
- ❑ **The Individual Mandate.** States may modify or eliminate the requirement
- ❑ **The Employer Mandate.** States may modify or eliminate the requirement

# Future Limits or “Waiver Guardrails”

## State 1332 Innovation Waivers Must Satisfy Four Criteria:



- ❑ **Comprehensive Coverage.** States must provide coverage that is “at least as comprehensive” as coverage absent the waiver
- ❑ **Affordable Coverage.** States must provide “coverage and cost-sharing protections against excessive out-of-pocket spending that are at least as affordable” as coverage absent the waiver
- ❑ **Scope of Coverage.** States must provide coverage to “at least a comparable number of residents” as would have been covered without the waiver
- ❑ **Federal Deficit.** The waiver must not increase the federal deficit
- ❑ **An act of the legislature is required to begin a 1332 waiver. No end deadline (yet)** for submitting a waiver application.