

Discussion points

Paper: Courtemanche, C.J., Marton, J., Yelowitz, A., 2019, "Medicaid Coverage across the Income Distribution under the Affordable Care Act," NBER Working Paper No. 26145, Cambridge, MA. URL: <https://www.nber.org/papers/w26145>

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Op-Ed: Blase, B., Yelowitz, A., 2019. "ObamaCare's Medicaid Deception," Wall Street Journal. URL: <https://www.wsj.com/articles/obamacares-medicaid-deception-11565822360>

Methods and data construction

- We use the Census Bureau's American Community Survey (ACS) from 2012-2017 to examine Medicaid participation for adults aged 19-64 in different income groupings, before and after Medicaid was expanded in 2014. The ACS has been used in peer-reviewed studies examining the Affordable Care Act, including examining the effects on Medicaid participation.¹ The ACS is one of the primary sources used by the federal government to evaluate health insurance coverage.
- We examine 21 states that either expanded in 2014 (with no previous expansions to this group) or had not expanded by 2019. Of these, 9 expanded and 12 did not expand Medicaid. In these 21 states, there are very few pathways to Medicaid coverage for those with incomes exceeding 138% of the federal poverty line (approximately \$35,000 for a family of 4 in 2019).
- We focus on ACS respondents who report Medicaid as their only source of health insurance coverage, rather than respondents who report Medicaid as one of multiple sources.

¹ Studies include (a) Freaan, Gruber, Sommers, 2017. "Premium Subsidies, the mandate, and the Medicaid expansion: Coverage effects of the Affordable Care Act," *Journal of Health Economics*, 53:72-86, (b) Courtemanche, C., Marton, J., Ukert, B., Yelowitz, A., and Zapata, D., 2017. "Impacts of the Affordable Care Act on Health Insurance Coverage in Medicaid Expansion and Non-Expansion States," *Journal of Policy Analysis and Management*, 36(1): 178-210, (c) Hudson, J., Moriya, A.S., 2017. "Medicaid Expansion for Adults Had Measurable 'Welcome Mat' Effects on their Children" *Health Affairs*, 36(9)., (d) Soni, A., Hendryx, M., Simon, K. 2017. "Medicaid Expansion Under the Affordable Care Act and Insurance Coverage in Rural and Urban Areas," *The Journal of Rural Health*, 33(2): 217-226, (e) Blavin, F., Karpman, M., Kenney, G.M., Sommers, B., "Medicaid versus Marketplace Coverage For Near-Poor Adults: Effects on Out-of-Pocket Spending and Coverage," *Health Affairs*, 37(2), (f) Karaca-Mandic, P., Wilcock, A., Baum, L., Barry, C.L., Fowler, F., Niederdeppe, J., and Gollust, S.E., 2017. "The Volume of TV Advertisements During the ACA's First Enrollment Period Was Associated with Increased Insurance Coverage," *Health Affairs*, 36(4).

These authors validate their survey against two large government-sponsored sources (including the ACS): Sommers, B., Maylone, B., Blendon, R.J., Orav, E.J., and Epstein, A.M., "Three-Year Impacts of the Affordable Care Act: Improved Medical Care and Health among Low Income Adults," *Health Affairs*, 36(6).

President Obama cites Courtemanche et al. (2017) that relies on the ACS in his 2016 communication on the ACA, where he states "recent analyses have concluded these (insurance) gains are primarily because of the ACA, rather than other factors such as the ongoing economic recovery." Obama, B., 2016. "United States Health Care Reform: Progress to Date and Next Steps," *JAMA*, 316(5): 525-532.

- We also examine a subgroup of ACS respondents who would be unlikely to qualify for Medicaid other than through the ACA Medicaid expansions for new adults (e.g., we exclude individuals who had a baby, reported public assistance receipt, disability, etc.).

Findings from examining the 9 Medicaid expansion states alone

- The overall working age adult population in these 9 states averaged 22.8 million between 2012-2017. Insurance coverage went up by 10.4 percentage points between 2012 and 2017, leading to approximately 2.4 million more adults having insurance coverage (22.8m x 0.104).
- As expected, Medicaid coverage grew among the 5.4 million income-eligible adults (incomes under 138% of the FPL). Medicaid coverage increased by 19.7 percentage points (from 23.3% to 43.0%, while overall coverage increased by 21.3 percentage points. Medicaid contributed 92% (19.7pp/21.3pp) of the overall gains.
- For the 4.3 million adults with incomes between 138%-249% of the FPL, who should largely be ineligible for Medicaid, Medicaid coverage increased from 7.2% to 17.9% between 2012 and 2017 (10.7 percentage points), representing 78% (10.7pp/13.7pp) of the overall gain in coverage.
- For the 13.1 million adults with incomes at or above 250% of the FPL, Medicaid coverage grew by 2.6 percentage points, representing 65% (2.6pp/4.0pp) of the overall gain in coverage.
- Combining the overall gains from Medicaid for the near-poor (4.3m x 0.107) and the non-poor (13.1m x 0.026p suggests, from time-series variation, around 800,000 individuals gaining Medicaid coverage for which they were seemingly ineligible.

Findings from empirical analysis of Medicaid expansion with treatment and control groups

- We perform a “difference-in-differences” analysis to examine the differential impact of the expansions on enrollment in expansion states relative to non-expansion states.²
- Our primary finding (from Table 3, column 4), shows that the expansions caused an increase in Medicaid coverage among income-ineligibles of 3.0 percentage points (from a baseline rate of 2.7% prior to the expansions). Applying an increase in Medicaid participation from this model to the income-ineligible population in the 9 states (17.4 million, including 4.3 million near-poor and 13.1 non-poor), leads to a 522,000 additional ineligible enrollees (17.4m x 0.03).
- The expansions increase Medicaid coverage by 1.7 percentage points for those at or above 250% of the FPL (Table 3, column 8).
- We also examine the impact of the expansions over time in an “event-study” analysis.³ The impact of the expansions on coverage grew over time. The Medicaid coverage increase from 2013 to 2017 was typically 2-3 times larger than the increase from 2013 to 2014. For example, Medicaid coverage increased by 0.9 percentage points in the first year of implementation (Table 4, column 8), but by 2.2 percentage points by the fourth year, for those with incomes at or above 250% of the FPL.

² If ineligible respondents are confused about program names (e.g., mistake federal marketplace coverage for Medicaid), we expect Medicaid coverage reporting should increase in the control states as well. Nonetheless, the DD analysis shows large differential gains in the expansion states.

³ We expect that confusion (and implementation challenges) should shrink, not grow, over time. The event-study shows the opposite; Medicaid coverage among ineligibles is considerably higher in 2017 than 2014 (relative to 2013).

Figure 1: Trends in Medicaid Coverage

