



Your Money *and* Your Life:

The Case for Medicaid Expansion in the Time of Coronavirus

Ben Sommers, MD, PhD
Harvard T.H. Chan School of Public Health
and Brigham & Women's Hospital

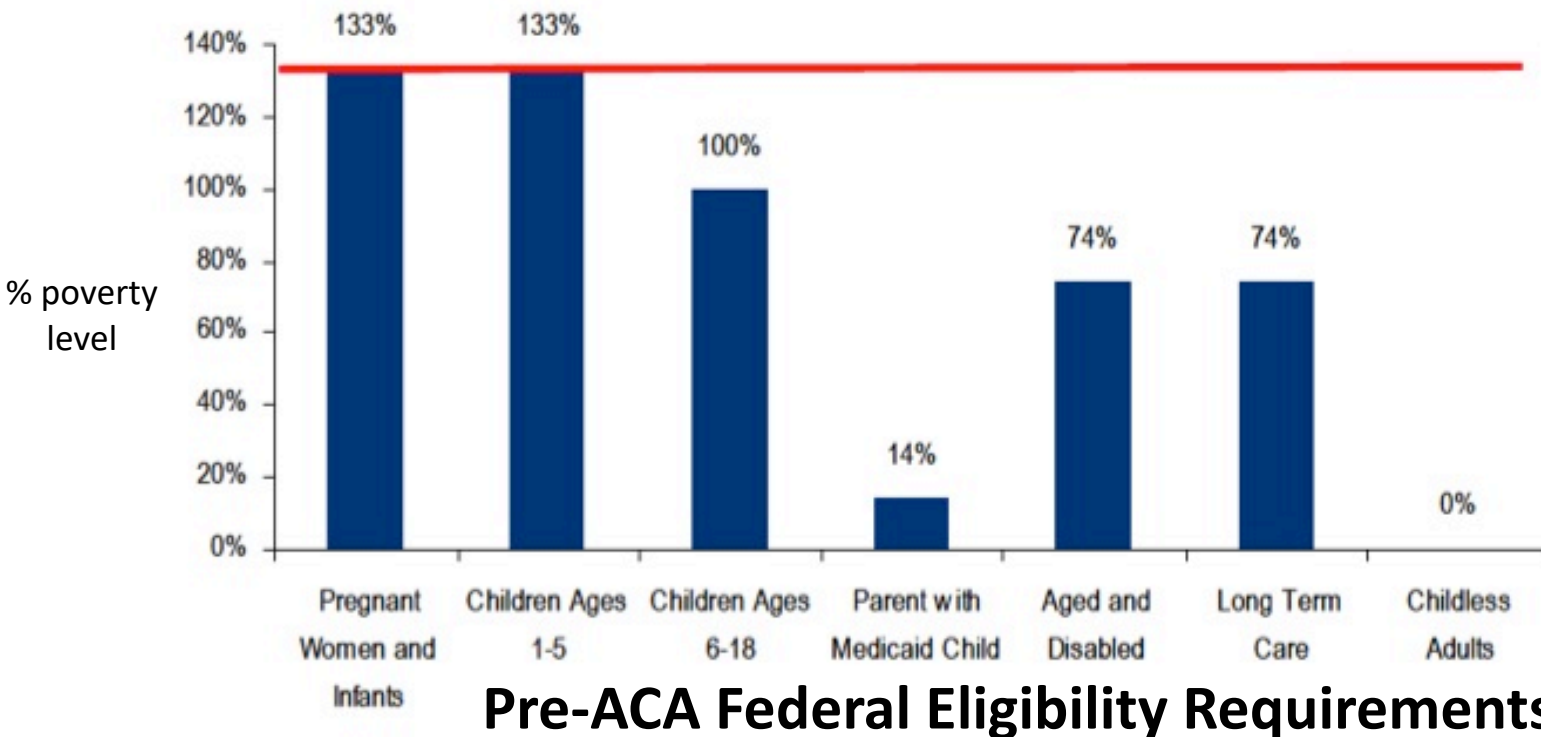
May 2020

Outline for Today

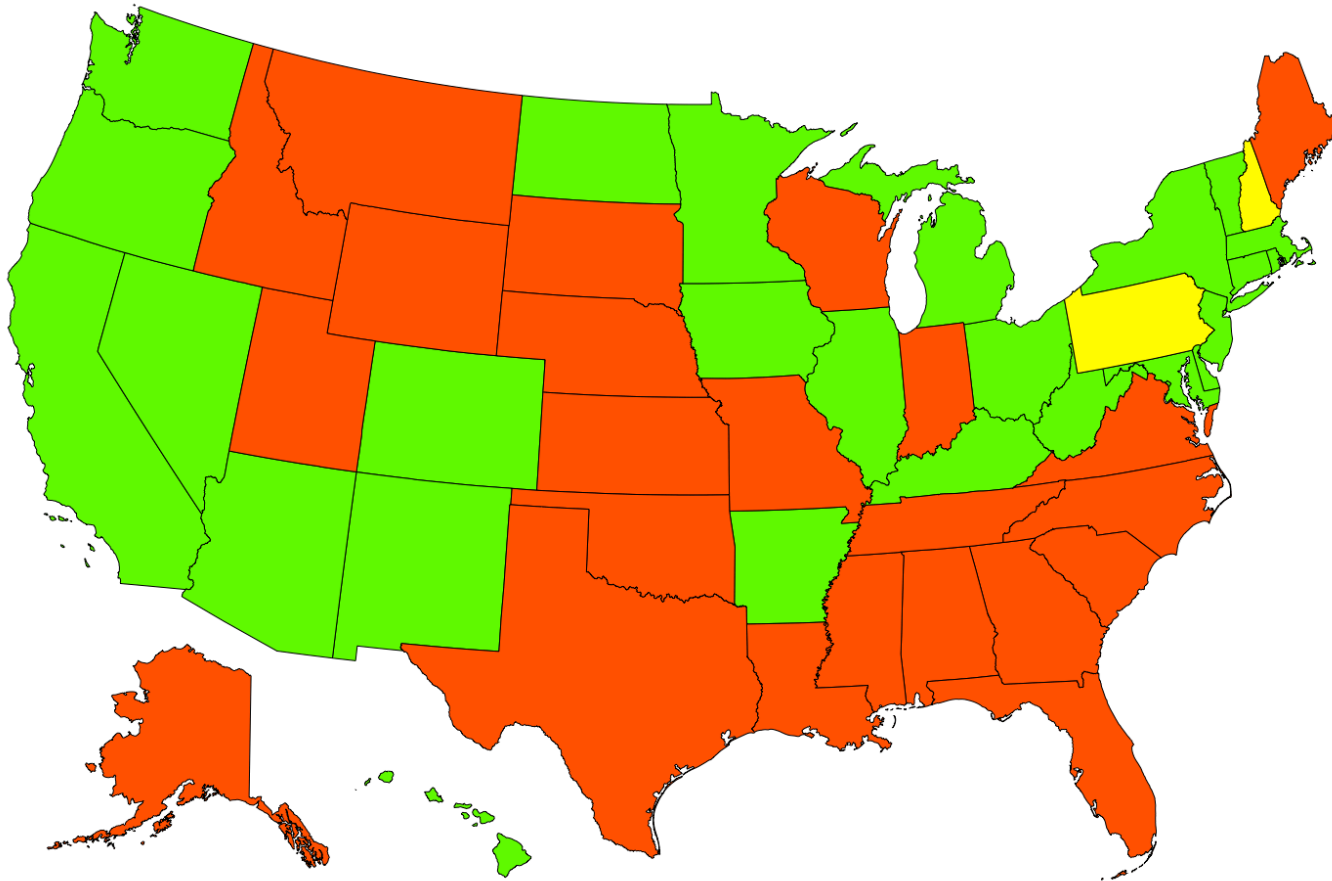
- Overview of research findings on the Affordable Care Act (ACA) and Medicaid
 - Coverage effects and disparities
 - Recent data on health impacts of coverage expansion
- Medicaid reform – proposed and actual
- Medicaid's role in the COVID-19 epidemic

Medicaid Expansion: The Basics

- Expansion to adults with incomes under 138% of the poverty level (\$16,800 for single person)
- ~16 million low-income adults enrolled, as of 2018



Medicaid Expansion: 2014

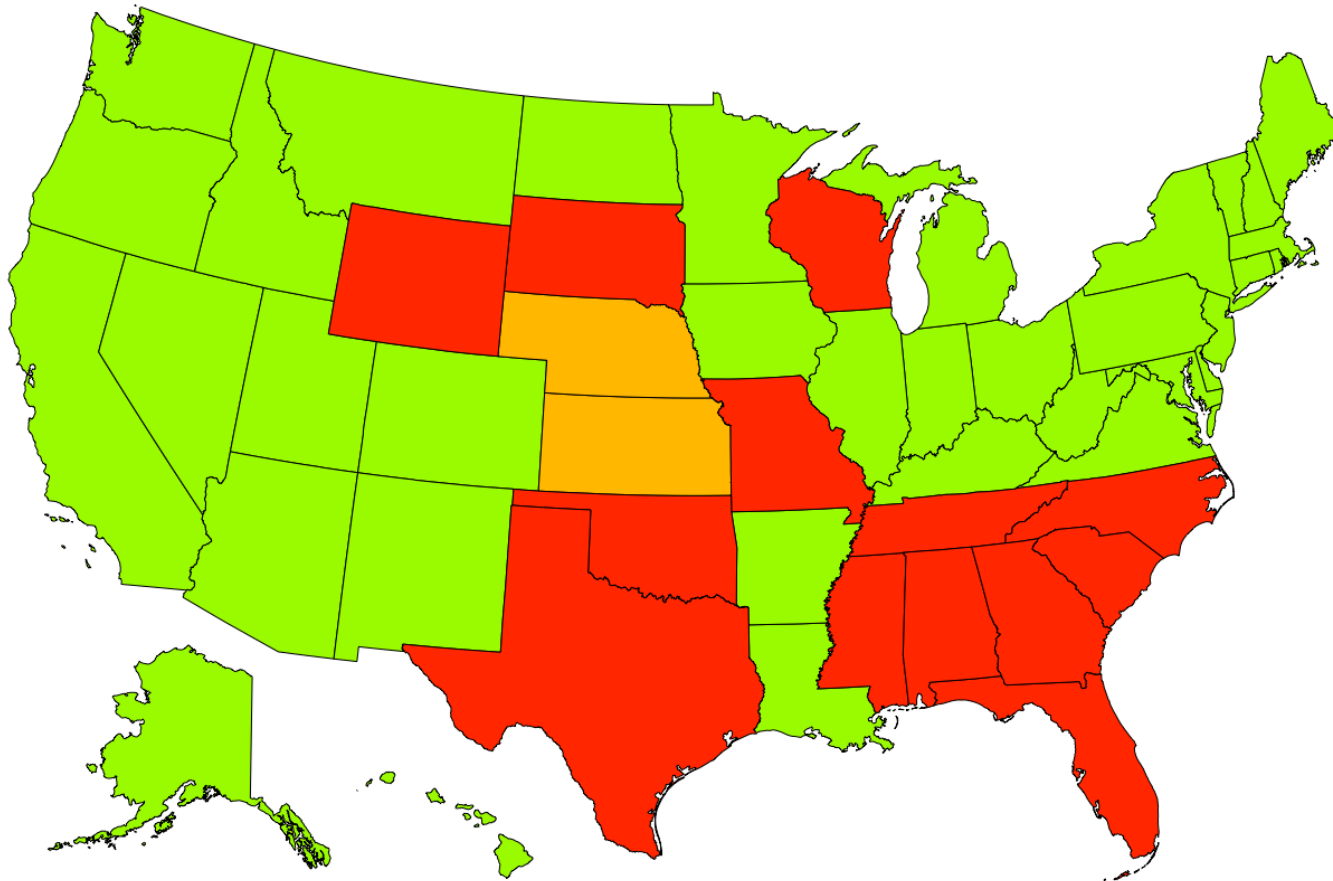


Red:
No (23)

Yellow:
Maybe (2)

Green:
Yes (26)

Medicaid Expansion: 2020



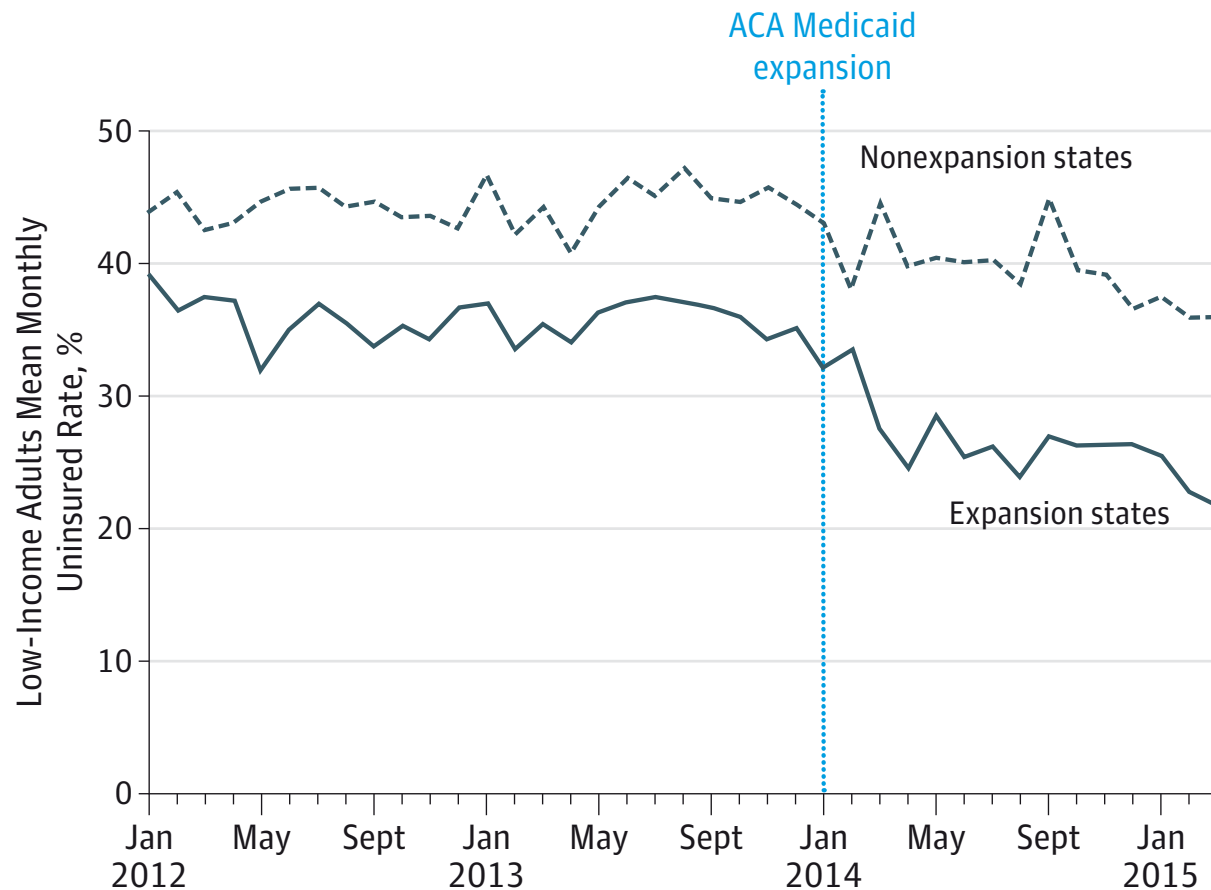
Red:
No (13)

Yellow:
Maybe /
Pending (2)

Green:
Yes (36)

Medicaid Expansion: Coverage

Figure 3. Uninsured Rates for Low-Income Adults in Medicaid Expansion vs Nonexpansion States



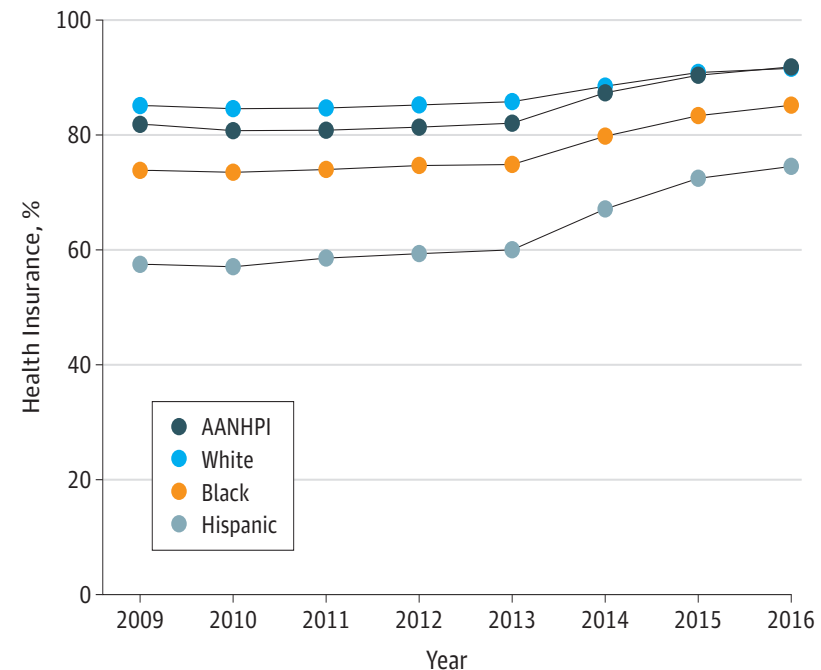
Source:
Sommers,
Gunja et al.,
JAMA 2015

Racial/Ethnic Disparities

- Gains in coverage under the ACA have been largest among Blacks and Hispanics
- Asian-White disparity has been completely eliminated
- Native Americans have had large coverage gains, especially in expansion states and among those living on/near reservations

Sources: Frean et al., JAMA IM 2016; Park et al., JAMA IM 2018

Figure. Percentage of Insured by Major Racial/Ethnic Group: United States, 2009-2016



AANHPI indicates Asian American, Native Hawaiian, and Pacific Islander.

Access to Care

“We have a higher purpose than just handing out Medicaid cards... We will not just accept the hollow victory of numbers covered.”

*–Seema Verma,
CMS Administrator*

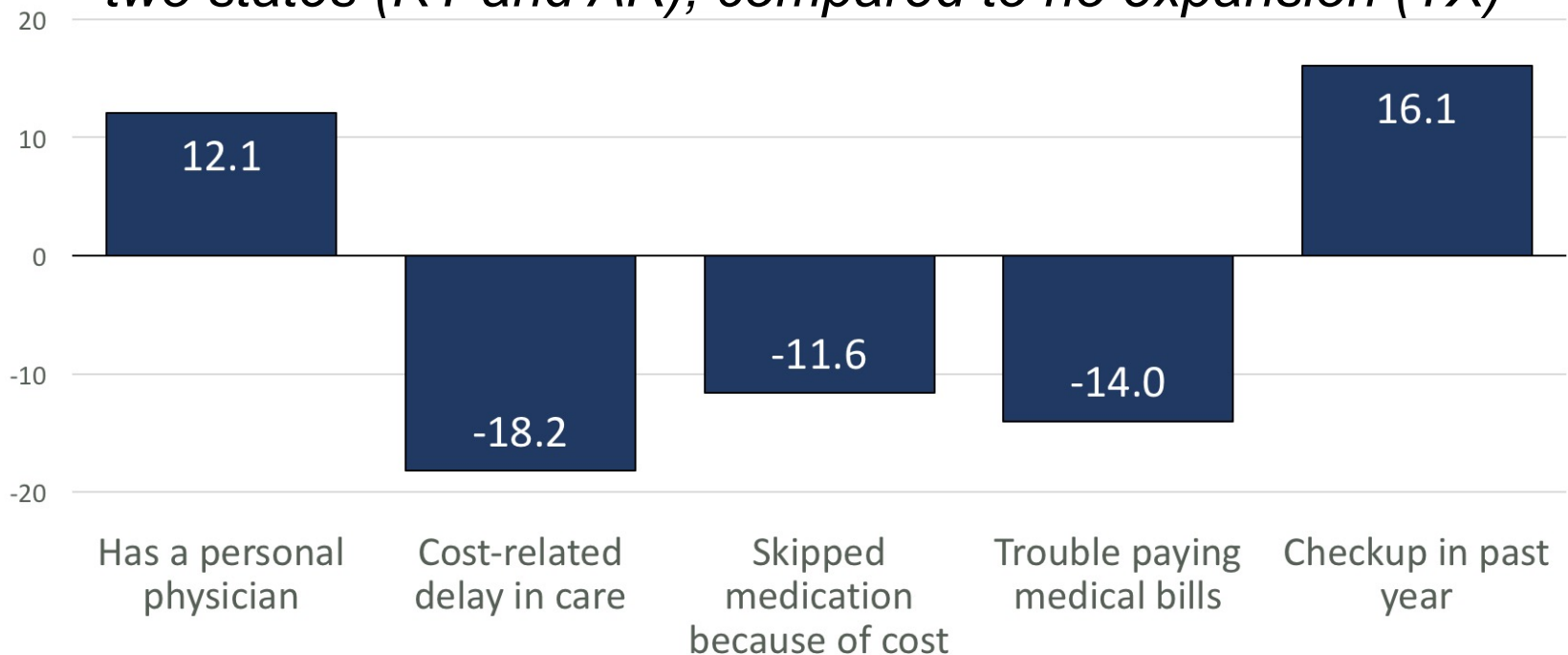
“Medicaid is a program that has by and large decreased the ability for folks to gain access to care.”

*–Tom Price,
Former HHS Secretary*

Medicaid Expansion:

Better Access & Affordability

Changes from 2013 to 2015 after Medicaid expansion in two states (KY and AR), compared to no expansion (TX)



Source: Commonwealth Fund, "In the Literature,"
Adapted from Sommers et al., JAMA Int Med 2016

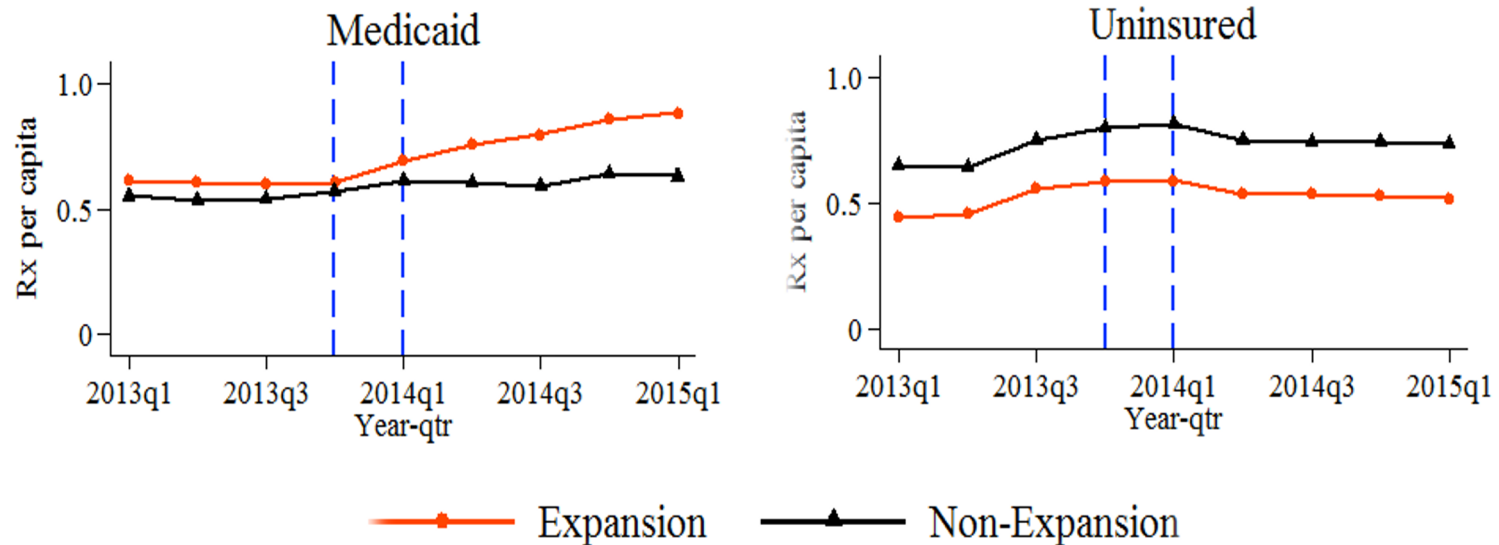
Types of Health Care Use

Table 2. Changes in Coverage, Access to Care, Utilization, and Health after the ACA Medicaid Expansion^a

Outcome	Mean in Expansion States, 2013	Net Change After Expansion (Arkansas and Kentucky vs Texas) ^b			
		2014 Net Change, vs 2013 % (95% CI)	P Value	2015 Net Change, vs 2013 % (95% CI)	P Value
Any office visits in past year	55.5	2.5 (−3.4 to 8.4)	.41	3.0 (−3.8 to 9.7)	.38
Any ED visits in past year	21.0	−1.9 (−7.6 to 3.8)	.51	−6.0 (−11.7 to 0.3)	.04
No. office visits in past year	2.80	0.54 (−0.33 to 1.40)	.22	0.69 (0.05 to 1.33)	.04
No. ED visits in past year	1.16	−0.12 (−0.45 to 0.21)	.48	−0.09 (−0.45 to 0.27)	.62
Any hospitalization in past year	16.9	−1.5 (−6.8 to 3.7)	.57	2.1 (−3.1 to 7.3)	.43
ED is usual location of care ^c	9.6	−5.2 (−10.5 to 0.1)	.06	−6.1 (−10.1 to 2.2)	.003
Glucose check in past year	43.0	2.3 (−5.2 to 9.8)	.54	6.3 (0.0 to 12.6)	.05

- *More office-based care and preventive care*
- *Less reliance on the Emergency Department*

Prescription Drug Use



- *Overall Effect:* 19% increase in Medicaid prescription drug utilization by mid-2015
- *Largest Gains* - Diabetes Medications 24%, Birth Control 22%, Cardiovascular Medications 21%

Notes: "Rx per capita" is per non-elderly adult in the state (not just Medicaid beneficiaries).

Source: Ghosh et al. 2018 JHE

Health Outcomes

THE WALL STREET JOURNAL.

WSJ.com

OPINION | MARCH 10, 2011

Medicaid Is Worse Than No Coverage at All

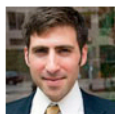
New research shows that patients on this government plan fare poorly. So why does the president want to shove one in four Americans into it?

By SCOTT GOTTLIEB

 Daily Briefing Blog

Does expanding coverage improve health care?

7:00 PM on May 5, 2014



Dan Diamond, Managing Editor

One of the trickiest questions in health policy seems like it should have an obvious answer:

Does giving people health insurance lead to better outcomes?

"We simply don't know yet," Kate Baicker **told me** last week.



CATO AT LIBERTY

MAY 1, 2013 5:10PM

Oregon Study Throws a Stop Sign in Front of ObamaCare's Medicaid Expansion

By MICHAEL F. CANNON

Self-Reported Health

- Consistent finding in our studies of coverage expansions is improved self-reported health
 - State Medicaid expansions in early 2000s
 - Massachusetts health reform in 2006
 - ACA Dependent Coverage Provision in 2010
 - ACA 2014 Marketplace and Medicaid expansions
- Consistent with the Oregon Health Insurance Experiment (RCT of Medicaid coverage)
- Not just “subjective” – prior research shows this is a strong predictor of mortality

Sources: Sommers, Baicker, & Epstein *NEJM* 2012; Chua & Sommers, *JAMA* 2014; Sommers, Long, & Baicker, *Annals Internal Med* 2014; Sommers et al., *JAMA* 2015; Finkelstein et al. *QJE* 2012

Mental Health

- Among patients screening positive for depression, Medicaid expansion led to:
 - Increased coverage
 - Fewer cost-related delays in care
 - Better medication adherence
- These changes after expansion occurred even among those living in mental health profession shortage areas
- Other results from Oregon experiment showed large reductions in depressive symptoms after adults gained Medicaid coverage

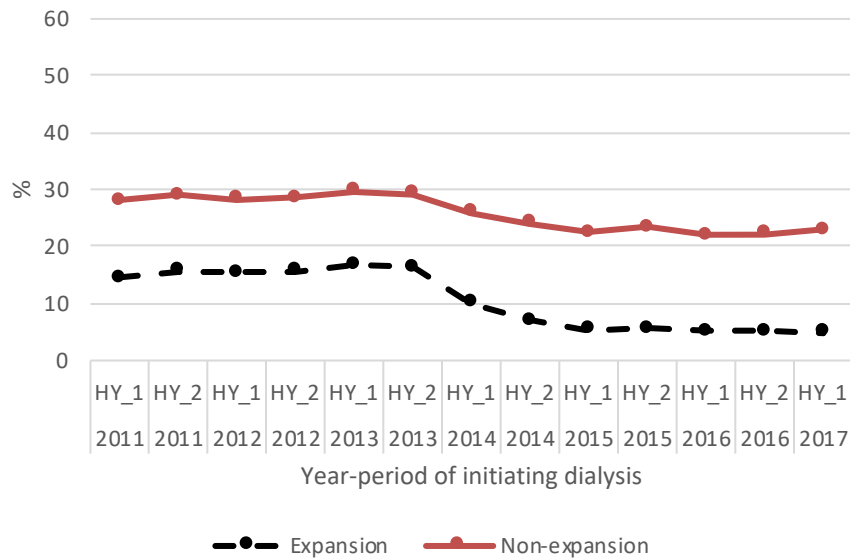
Sources: Fry & Sommers, *Psych Services* 2018;
Finkelstein et al. *QJE* 2012.

Surgery and Chronic Conditions

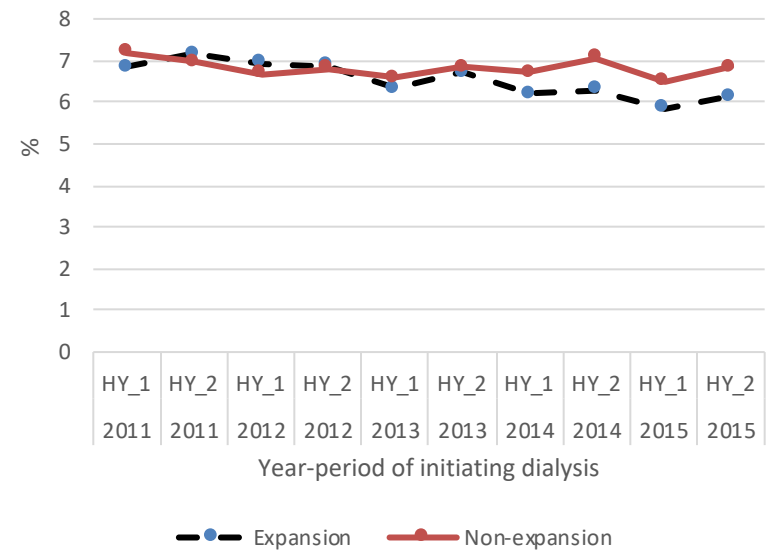
- Surgery patients get more timely care with better outcomes (e.g. fewer amputations, less invasive surgery) for conditions such as:
 - Acute appendicitis
 - Peripheral vascular disease
 - Aortic aneurysms
- More regular care for chronic conditions like diabetes, heart disease, and asthma
- Improved blood pressure control in community health center patients

Chronic Illness: ESRD

% Uninsured when Starting Dialysis



1-Year Mortality



- *Trend towards improved access to nephrology specialty care pre-dialysis*
- *Increased use of fistula / graft for dialysis, which reduces infection and clot risk*
- *1-year mortality dropped from 6.9 vs. 6.2% (Diff-in-diff= -0.6, $p < 0.05$)*

Source: Swaminathan et al., JAMA 2018

Medicaid & Mortality

- Growing number of studies have linked Medicaid expansion to improved population-wide survival
 - Pre-ACA state expansions in New York, Arizona, & Maine showed to be a cost-effective way to reduce death rates
 - Cardiovascular mortality declined in ACA Medicaid expansion states compared to non-expansion
 - Census data linked to mortality shows Medicaid reduced deaths in adults ages 55-64
 - Most recently, a huge RCT by IRS used a postcard reminder to enroll showed increased insurance coverage reduced deaths

Sources: Sommers, Baicker, & Epstein *NEJM* 2012; Sommers *AJHE* 2017; Khatana et al. *JAMA Cardiology* 2019; Miller et al. *NBER* 2019; Goldin, Lurie, & McCubbin *NBER* 2019

Alternatives in Medicaid

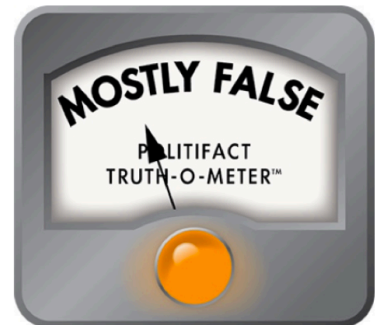
≡ MENU 🔍



Seema Verma

stated on February 11, 2020 in a speech to the American Medical Association:

"Yet, for all that spending, health outcomes today on Medicaid are mediocre and many patients have difficulty accessing care."



HEALTH CHECK

👤 SEEMA VERMA

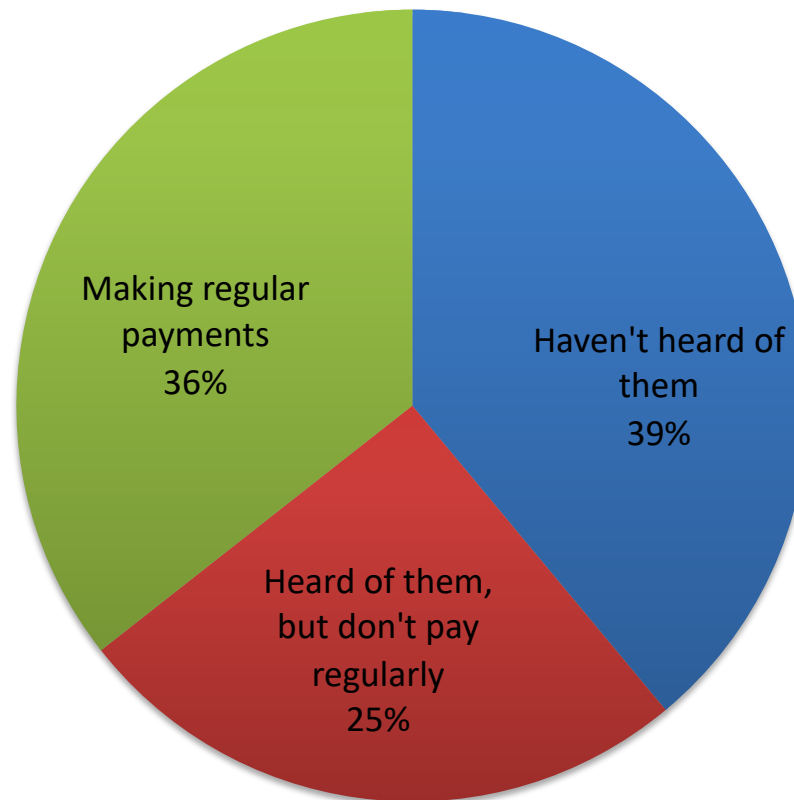
State Experimentation in Medicaid

- Via federal waivers, increased interest in alternative approaches in Medicaid – most recently, guidance on block grant option
- “Private Option” – use Medicaid dollars to buy private insurance (AR, IA, MA proposal)
- Health Savings Accounts (IN, AR), more cost-sharing (many)
- Healthy Behavior Incentives (MI, IA, IN)
- Work Requirements (AR, KY, MI, NH approved but then blocked by courts; others pending)

Health Savings Accounts:

Lots of Confusion, Affordability Problems

Indiana Medicaid: POWER Health Savings Accounts



Source: Sommers, Fry, Blendon, & Epstein; Health Aff 2018

Note: Survey of 300 adults in Indiana Medicaid, ages 19-64, with incomes < 138% of the federal poverty level

Healthy Behavior Incentives: *Lots of Confusion*

Implementation Matters: Lessons From Iowa Medicaid's Healthy Behaviors Program

Natoshia M. Askelson, Brad Wright, Patrick J. Brady, Youn Soo Jung,
Elizabeth T. Momany, Brooke McInroy, and Peter Damiano

AWARENESS AND KNOWLEDGE

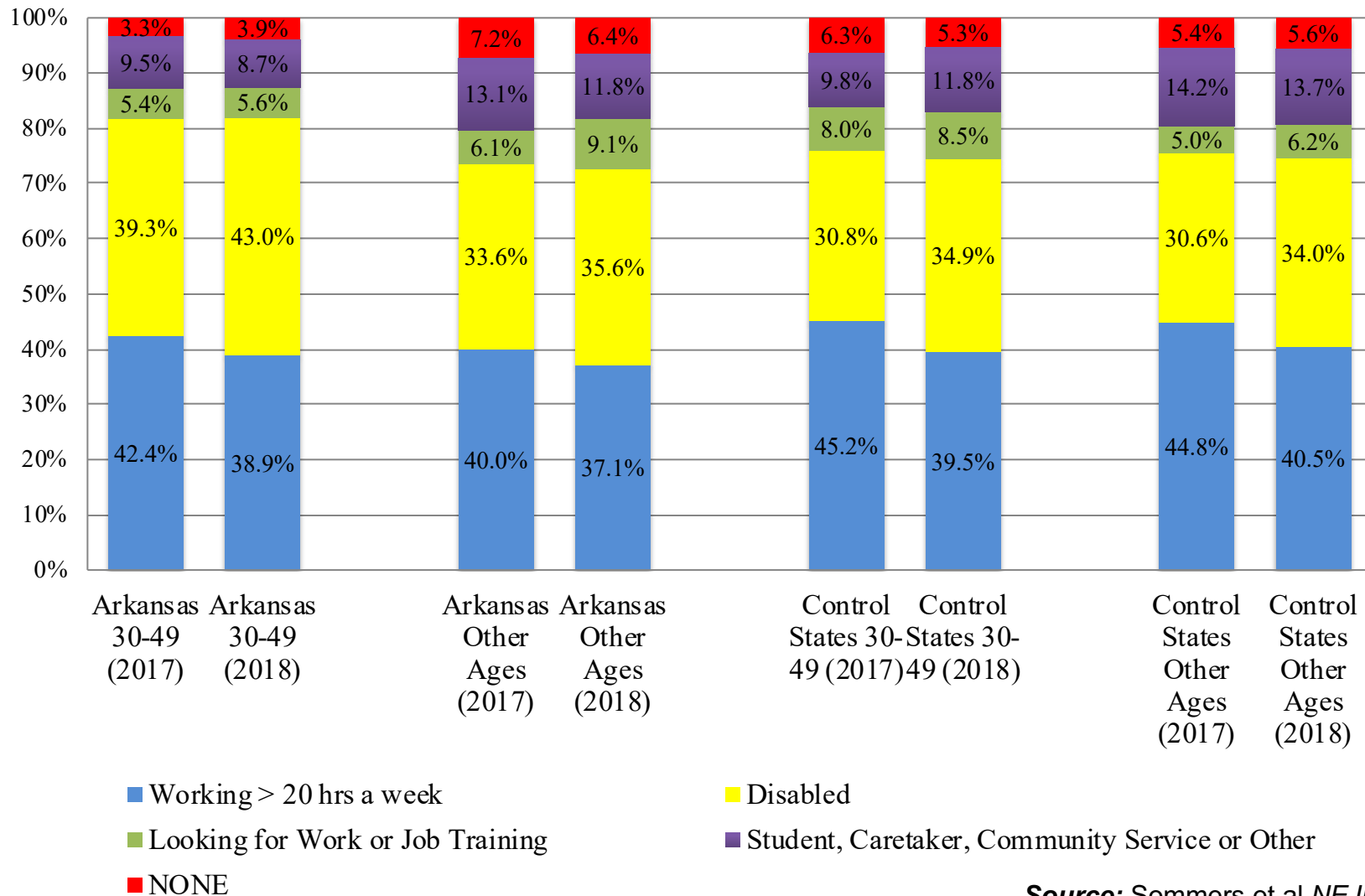
Fewer than half of the enrollees (47.9 percent) indicated that they had heard about the HBP. Enrollees who were aware of the program were more likely to have completed the HBP requirements ([exhibit 1](#)). Those who completed the

Arkansas Work Requirements

- 30-49 year olds, starting June 2018, required to report work or other “community engagement” for 80 hours a month to keep Medicaid
- 18,000 removed from program by early 2019 for non-compliance
- We surveyed ~6000 low-income adults in 2016 and 2018 in Arkansas and neighboring states
- Uninsured rates went up, employment unchanged, and 1/3 of the target group hadn’t even heard of the requirement – *sound familiar?*

Source: Sommers et al *NEJM* 2019

Work Requirements: Arkansas

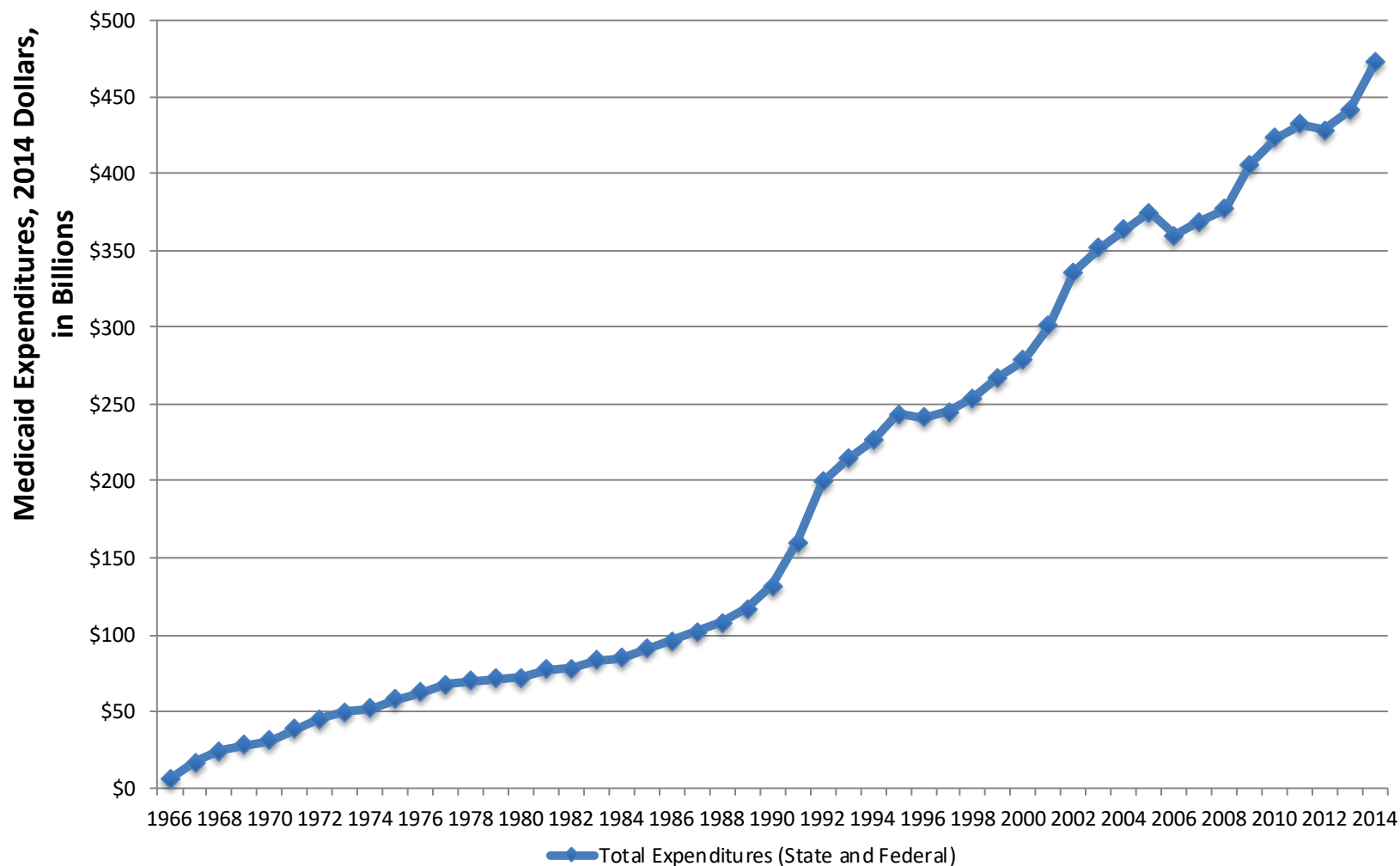


Source: Sommers et al *NEJM* 2019

Medicaid Costs

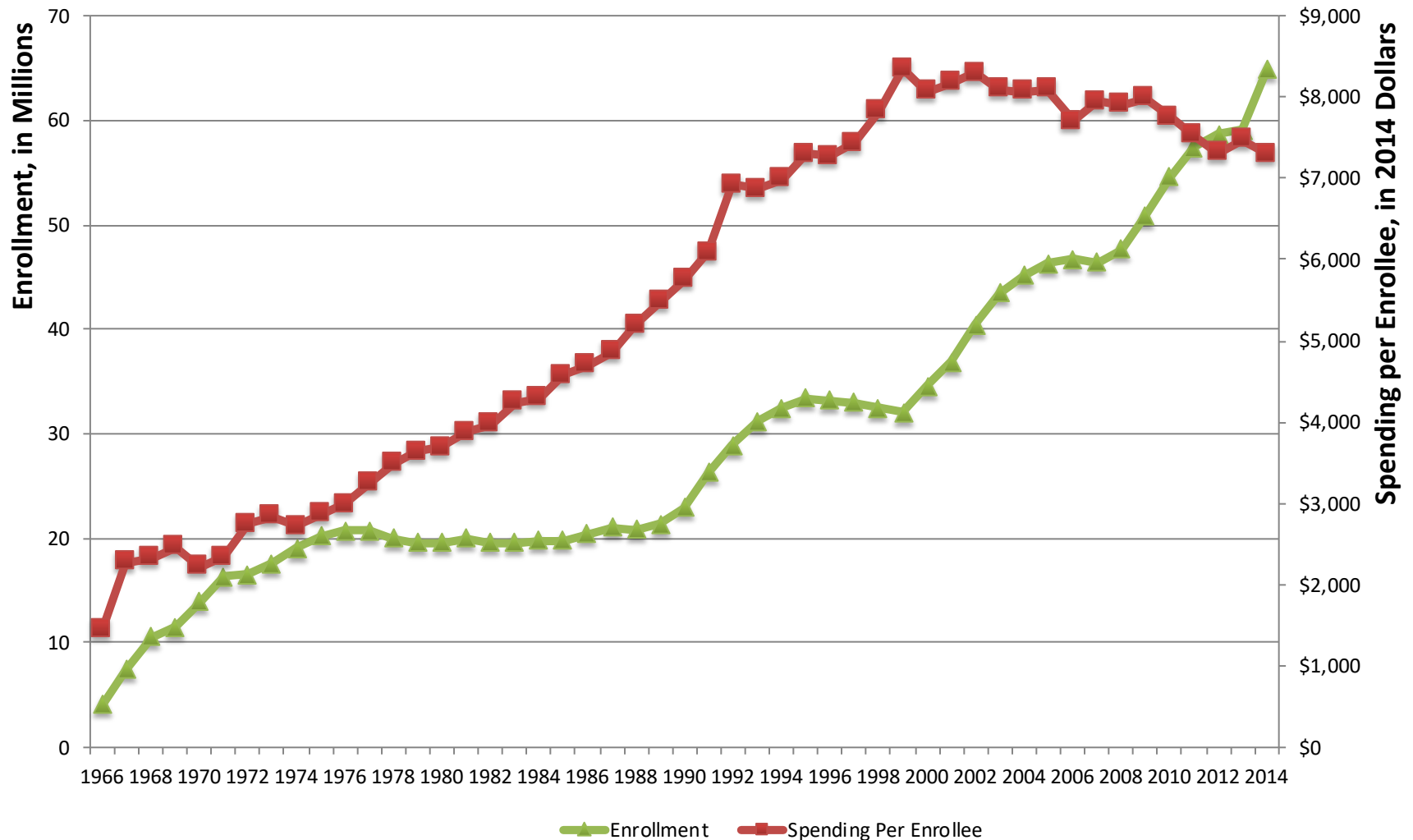
- ACA expansion covered newly-eligible with 100% federal dollars until 2016, 90% for 2020 and beyond
- Traditional Federal Medical Assistance Percentage (FMAP) range of 50-83% per state continues for those eligible by pre-ACA criteria
- GOP leaders have proposed changing this to a per capita allotment or block grant going forward

Total Medicaid Spending



Source: Iglehart & Sommers NEJM 2015

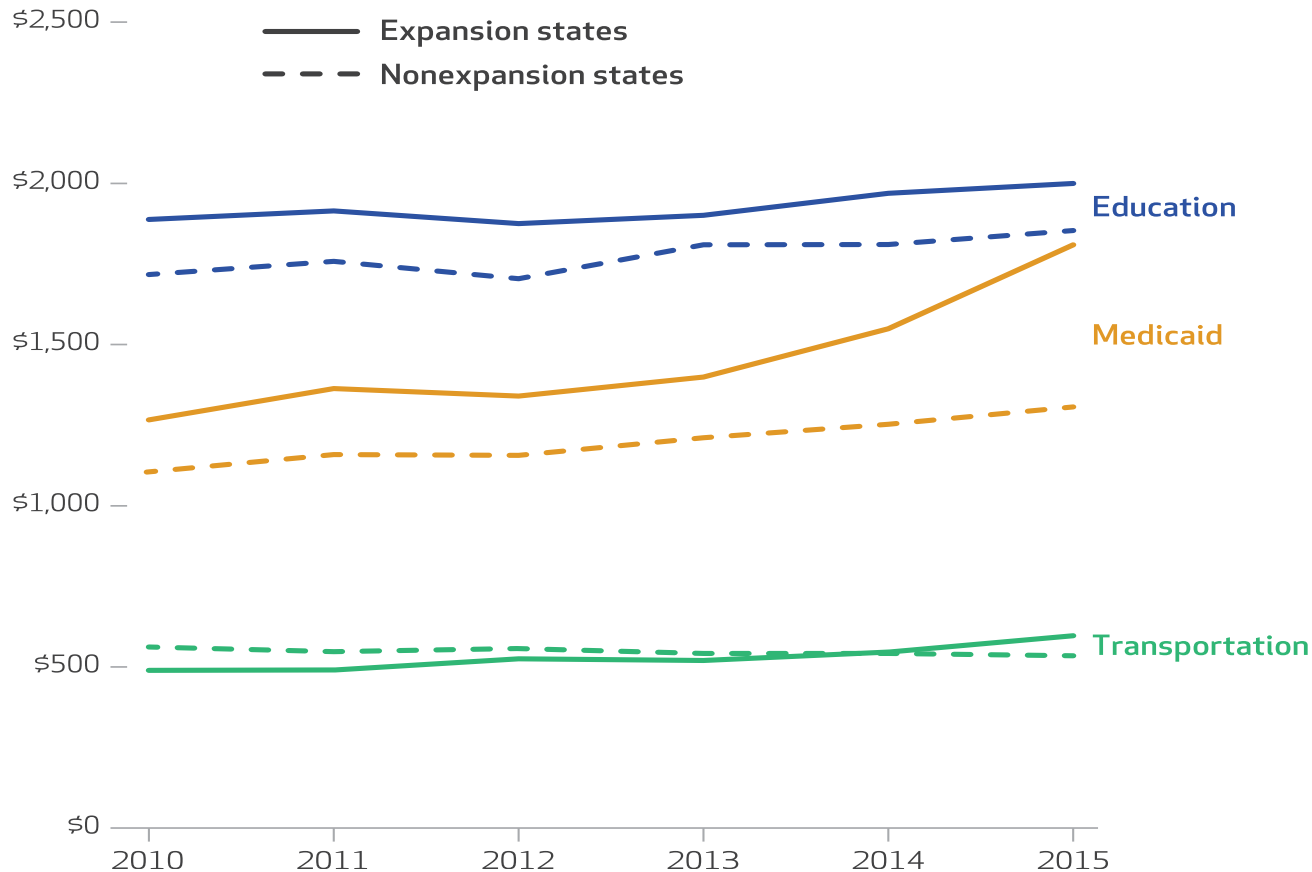
Enrollment vs. Per Capita Costs



Source: Iglehart & Sommers NEJM 2015

Expansion Budget Effects

State per capita spending on major spending categories in fiscal years 2010–15, by Medicaid expansion status



Source: Sommers & Gruber, *Health Affairs* 2017

Expansion Budget Effects

State per capita spending on major spending categories in fiscal years 2010–15, by Medicaid expansion status

\$2,500

Paying for Medicaid — State Budgets and the Case for Expansion in the Time of Coronavirus

Jonathan Gruber, Ph.D., and Benjamin D. Sommers, M.D., Ph.D.

Medicaid — and how to pay for it — has become a recurring theme in several current critical policy debates. Fourteen U.S. states have not yet expanded the program under the

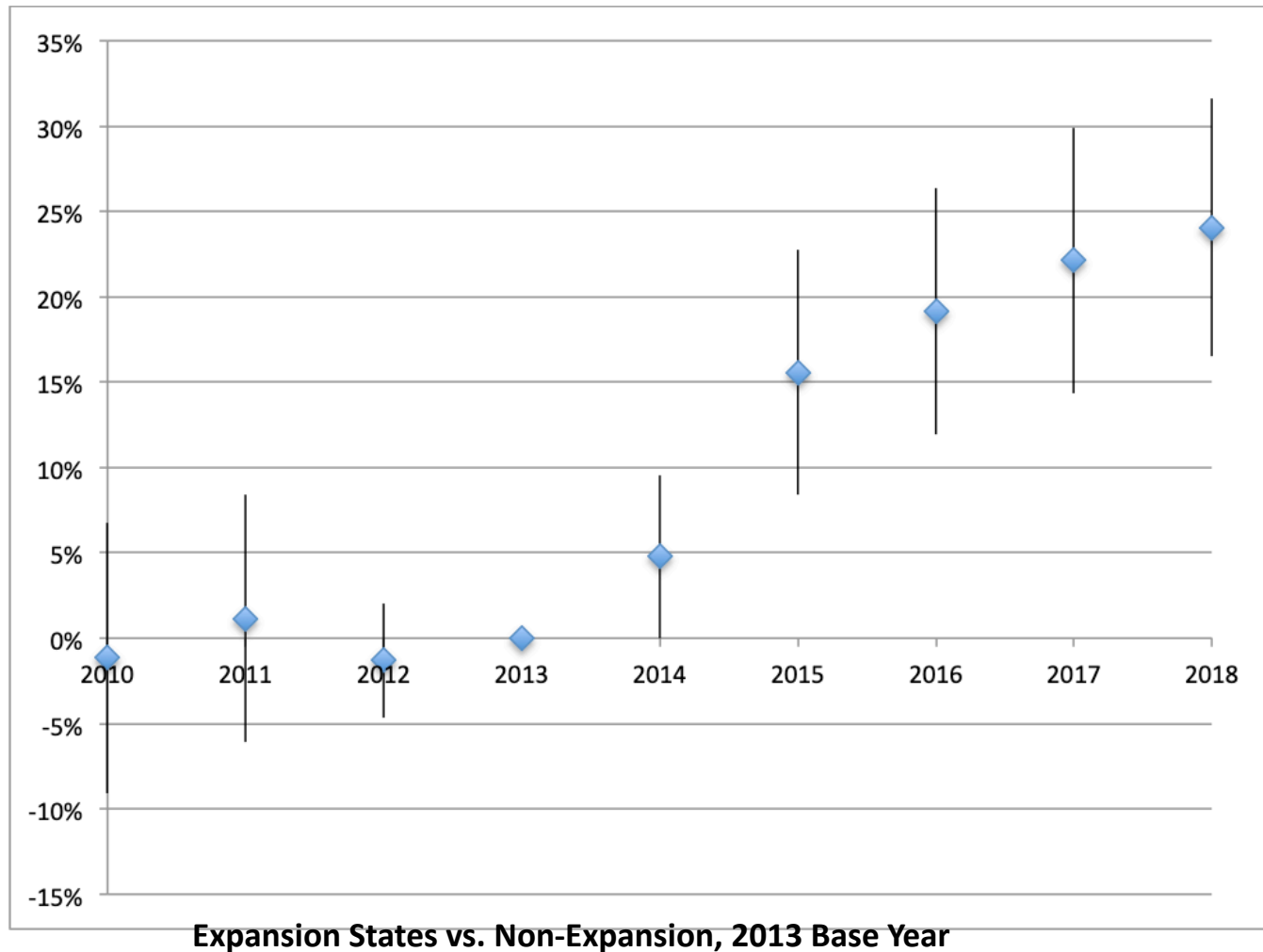
deal for state Medicaid expansion for newly eligible federal funding in 2016, and the 95% in 2017,

\$0
2010 2011 2012 2013 2014 2015

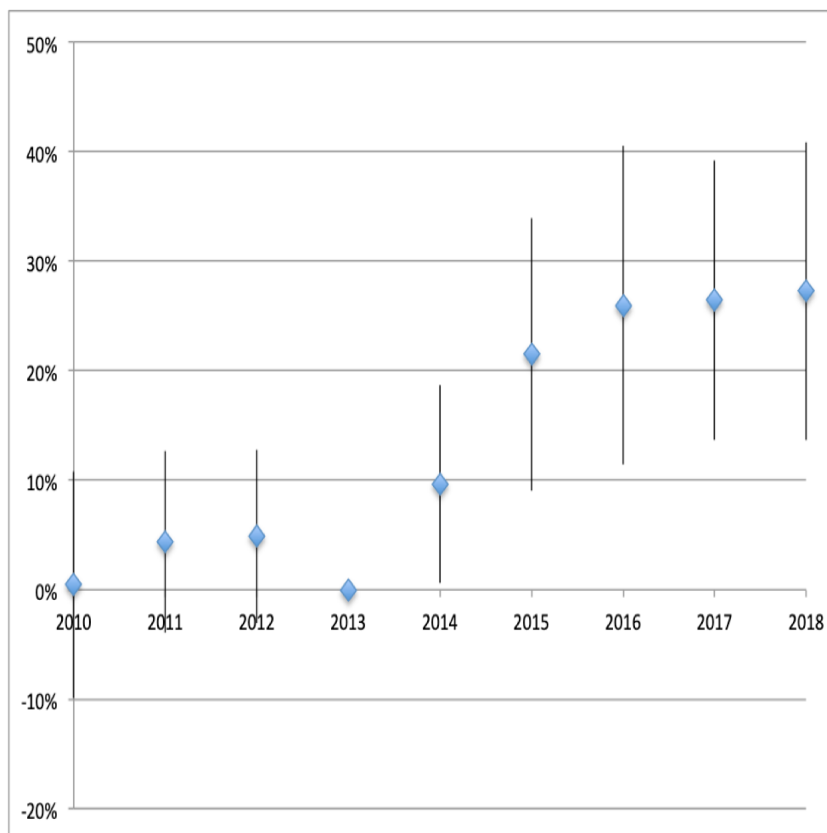
Source: Sommers & Gruber, *NEJM* 2020

Expansion Costs: Year by Year

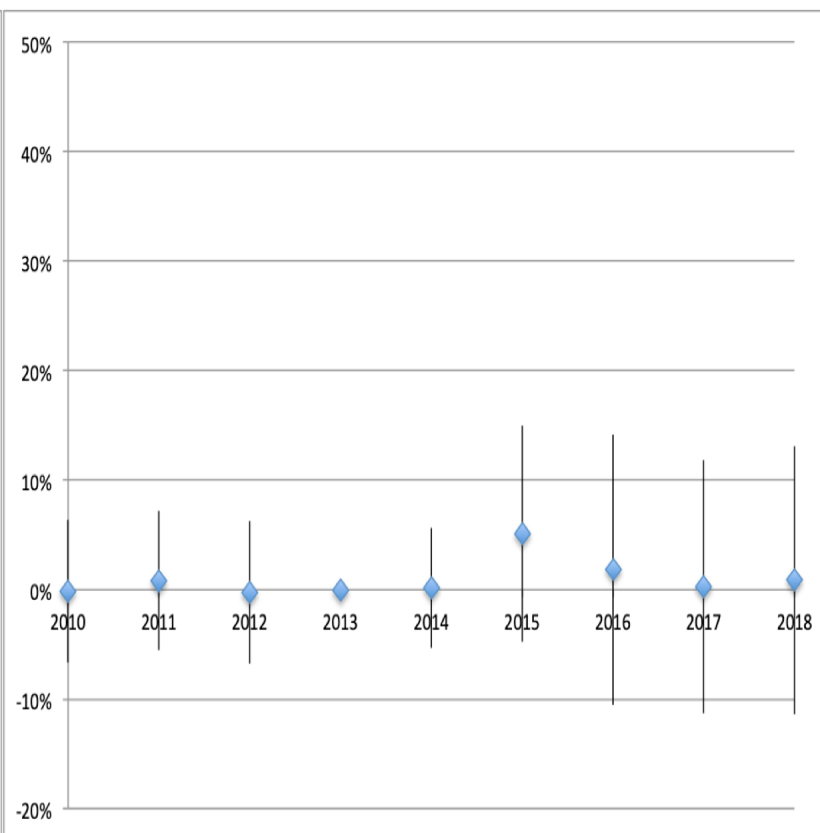
% Change
in
Medicaid
Spending



Spending Increases: Fully Federal



Panel A: Federal Funds

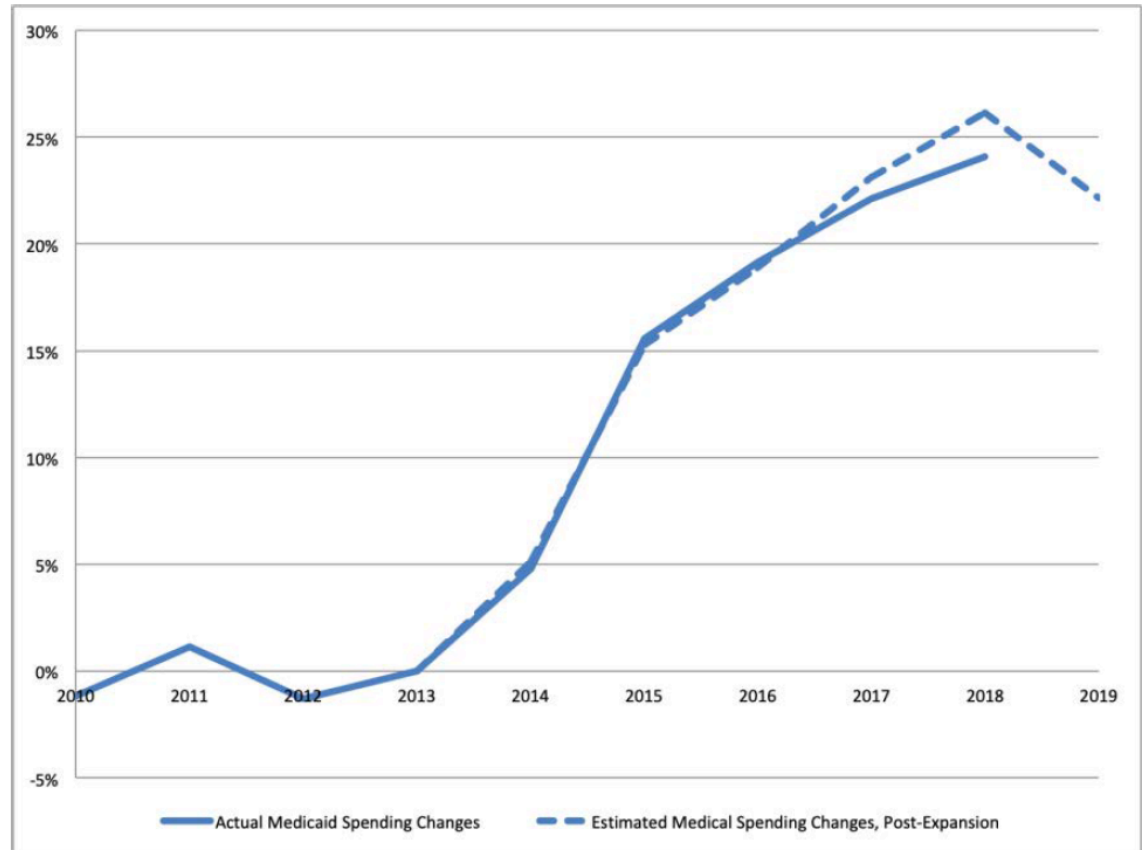


Panel B: State Funds

Expansion States vs. Non-Expansion, 2013 Base Year

Other Budget Findings

- Expansion did not lead to cutbacks in education, transportation, or other spending
- State predictions in the aggregate were reasonably accurate



Medicaid Financing & COVID

- **Medicaid** is both a health care safety net program and form of government economics stimulus
- **Block grants** – CMS recently proposed “Healthy Adult Opportunity” – capped federal contribution in exchange for state flexibility
 - Very hard to predict recessions and pandemics, so a pre-specified funding cap hampers Medicaid’s response to crises
 - Growth rates over time in these proposals nearly always produce state funding shortfalls
- **COVID boosting funding** – CARES Act boosted match rate by 6.2 percentage points through Sept. 2021 – but longer and more generous changes may be needed

Medicaid as Financial Stimulus

- Finally, with Congress passing trillion-dollar economic relief bills, Medicaid can be a critical tool
- Enhanced funding to Medicaid is an immediate form of stimulus, no new infrastructure or oversight needed
- Studies show Medicaid expansion can reduce food insecurity, payday borrowing, and evictions
- Can put money where it's needed immediately
 - People who have lost jobs (and insurance)
 - Hospitals treating COVID patients and struggling with loss of normal revenues
 - Poorer communities hit hardest by pandemic and recession

Medicaid as Financial Stimulus

**Table 6. Annual Medicaid Spending Foregone In Non-Expansion States (2019 dollars),
Due to Non-Expansion**

<u>State</u>	<i>Pre-ACA (2013) Uninsured Population, Ages 19-64</i>	<i>Medicaid Spending Foregone (Millions of \$)</i>
Alabama	582,200	\$1,560
Florida	3,291,300	\$8,821
Georgia	1,551,700	\$4,159
Idaho	214,700	\$575
Kansas	293,100	\$786
Maine	129,900	\$348
Mississippi	431,000	\$1,155
Missouri	656,500	\$1,759
Nebraska	164,300	\$440
North Carolina	1,329,600	\$3,563
Oklahoma	548,900	\$1,471
South Carolina	643,400	\$1,724
South Dakota	85,900	\$230
Tennessee	786,000	\$2,106
Texas	4,661,100	\$12,492
Utah	293,100	\$786
Wisconsin	437,400	\$1,172
Wyoming	63,200	\$169

- But 14 states haven't expanded, limiting Congress's reach
- We estimate \$43 billion in federal funds foregone by non-expansion states in 2018

Concluding Thoughts

- ACA's Medicaid expansion improved access to care, financial security, & many (though not all) health outcomes - including survival
- Several states' alternative approaches to traditional Medicaid expansion have struggled with red tape and low awareness
- Expansion states have not experienced the negative budget impacts that some predicted
- Medicaid is likely to play key role in response to COVID and recession

Questions & Comments?

Thank you!

Ben Sommers

bsommers@hsph.harvard.edu