No Wonder the Medicaid Expansion is Hard to Roll Back - It Made Obamacare More Popular

As Anna and Harry have mentioned, the "skinny" repeal path seems to be gaining favor among Senate Republicans. One big reason: Several GOP senators are opposed to cutting Medicaid, and the "skinny" repeal — as far as we know now — leaves Medicaid alone.

The opposition to cutting Medicaid may well be grounded in their convictions about policy, but as a recent working paper I wrote with Kalind Parish indicates, there's a political benefit as well. In states that expanded Medicaid, Obamacare became noticeably more popular among the low-income Americans most likely to be directly affected.

Originally, the Affordable Care Act sought to expand Medicaid nationwide to people making less than 133 percent of the federal poverty line, and to include single adults for the first time. In its 2012 decision in National Federation of Independent Businesses v. Sebelius, however, the Supreme Court ruled that states couldn't be forced to expand Medicaid. As a result, while many states expanded Medicaid on Jan. 1, 2014, several others expanded after that, and 19 states have not adopted the expansion to date.

These cross-state differences allow us to analyze how attitudes toward the ACA differ in the expansion and non-expansion states, both before and after the expansion took place. Certainly, there's reason to think that the expansion of Medicaid might well win public support for the ACA, since it provides a substantial benefit to people. But there's also reason to think that it might not. In some states, Medicaid is provided through private organizations, which might obscure the fact that Medicaid is a government program; in other states, including Arkansas, the Medicaid expansion dollars have been used to purchase private health insurance.

To analyze the impact of the Medicaid expansion, we use the extensive polling data collected by the Kaiser Family Foundation through its Health Tracking Poll. We make use of data on just under 48,000 respondents between January 2010 and October 2016. The effects of the Medicaid expansion are clearly visible in the survey data: in states which expanded Medicaid, the share of people on Medicaid jumped by 5.7 percentage points.

But did the expansion have political effects? To answer that question, we separately analyze respondents making above and below \$40,000, as those with incomes higher than that are unlikely to be directly affected by the expansion. On a scale from 1 (people who are very unfavorable toward the ACA) to 4 (people who are very favorable), the Medicaid expansion moves lower-income respondents by 0.11. (The standard error is 0.03, so the effect is highly statistically significant.) That's about one tenth of the gap between Republicans and Democrats, and is apparent even though overall ACA attitudes across the country were becoming more favorable after January 2014. Still, the effect is concentrated on lower-income respondents. Among those making over \$40K, there is no evidence of a post-expansion shift, reinforcing our sense that this uptick in support was driven by people who benefitted directly from the expansion rather than their neighbors or health care providers.

The ACA used a variety of mechanisms to get Americans health insurance—and that complexity may well have contributed to its political vulnerability. But it's possible that receiving insurance directly through Medicaid may do more to build political support for the ACA than does the indirect effects of the individual mandate. If the Senate opts for a health bill which targets the individual mandate while sparing Medicaid, these political dynamics may be one reason why.

Thanks to Tiger Brown, Saleel Huprikar, and Louis Lin for research assistance.

