

# Does Medicaid crowd-out private health insurance?

Christian Romero

4/15/2020

## Contents

<b>Preliminaries</b>	<b>1</b>
Questions for Dr. McCarthy . . . . .	1
<b>Takeaways from office hours</b>	<b>2</b>
<b>Introduction (Why does this topic matter?)</b>	<b>2</b>
<b>Literature review</b>	<b>2</b>
<b>Data description</b>	<b>3</b>
<b>Methodology</b>	<b>3</b>
<b>Results</b>	<b>3</b>
<b>Conclusion</b>	<b>3</b>
<b>References</b>	<b>3</b>

## Preliminaries

### Questions for Dr. McCarthy

I'd like some extra guidance about the framework

I'm going beyond the scope of HW5 & wondering if I'm starting in the right place/have the right idea about this scope.

*What kind of extra data is needed?*

Courtmanche et al does D&D w/ ACS data - should I go beyond that & look at individual plan data?

For example, Florida has Medicaid enrollment data going back to 2014 on statewide enrollment, agegroup, plans, etc.

SMMC (Statewide Medicaid Managed Care) Market Share & (MMA) Managed Medical Assistance share, detailed data on plan coverage by age group per FL region. Mandatory & voluntary? Were some people mandated to enroll in a Medicaid plan?

So would a D&D in

Sommers et al. does a survey of low-income adults & track their outcomes between expansion states & non-expansion states. They do D&D to see

reduction of employer sponsored insurance

Remove effects of exchanges?

second analysis that examines reduction in private insurance and employee sponsored insurance among late expanders. Employer-sponsored insurance as outcome? is there causal effect?

2nd major policy happening at same time

second analysis but quantifying the effect on the direct purchase.

## Takeaways from office hours

No worries about paper length

Framework/Outline:

- Introduction
- Background information about Medicaid expansion policies (explain the mechanisms of crowdout)
- Explaining relevancy of dataset
- Describing dataset
- Discussing methodology & the strengths/limitations/corrections (different word)
- Extension 1: quantifying the effect on direct purchase exchanges
- Results output
- Discussion (“economic significance” of results)
- Conclusion

Core analysis process similar to HW 5, but w/ private insurance as outcome

Extension analysis will focus on direct purchase enrollments in late expanding states

Qualitatively analyze the data & results

## Introduction (Why does this topic matter?)

### Literature review

**Cutler & Gruber:** Eligibility expands -> crowdout? Why: Not employer-provided reductions, but employer demand falling (not asking offered)

In theory, crowdout comes from valuation

Regression:  $coverage = eligibility + demographicvector + state + time$

Selection on observables & common support

Summarize in a succinct way.

## Data description

## Methodology

Diff-in-Diff

IV

Reg Discontinuity

## Results

## Conclusion

## References

Cseh, A., Koford, B., & Phelps, R. (2015). Hospital utilization and universal health insurance coverage: Evidence from the massachusetts health care reform act. *Applied Health Economics and Health Policy*, 13(6), 627-635. doi:<http://dx.doi.org.proxy.library.emory.edu/10.1007/s40258-015-0178-1>

Cutler, D. & Gruber, J. (May 1996) Does Public Insurance Crowd out Private Insurance?, *The Quarterly Journal of Economics*, Volume 111, Issue 2, 391–430, <https://doi.org/10.2307/2946683>

Milani, F. (2010). Public option and private profits: What do markets expect?. *Applied health economics and health policy*. 8. 155-65. 10.2165/11535510-000000000-00000.

Pendzialek, J.B., Simic, D. & Stock, S. (2016) Differences in price elasticities of demand for health insurance: a systematic review. *Eur J Health Econ* 17, 5–21 . <https://doi-org.proxy.library.emory.edu/10.1007/s10198-014-0650-0>

Sommers B., Blendon R., Orav E., Epstein A. (2016 October). Changes in Utilization and Health Among Low-Income Adults After Medicaid Expansion or Expanded Private Insurance. *JAMA Intern Med*. 2016;176(10):1501–1509. doi:10.1001/jamainternmed.2016.4419

Thornton, J., & Rice, J. (2008). Does extending health insurance coverage to the uninsured improve population health outcomes?. *Appl Health Econ Health Policy* 6, 217–230. <https://doi-org.proxy.library.emory.edu/10.1007/BF03256135>

Yazici, E., & Kaestner, R. (2000). Medicaid Expansions and the Crowding Out of Private Health Insurance Among Children. *Inquiry*, 37(1), 23-32. Retrieved April 15, 2020, from [www.jstor.org/stable/29772870](http://www.jstor.org/stable/29772870)