Red District, Blue District: The Effect of the ACA Medicaid Expansion on Congressional Outcomes

Colin Mortimer

April 17, 2019

Abstract

In 2010, the Patient Protection and Affordable Care Act was passed by Congress and signed into law. The law greatly expanded Medicaid access to American near the federal poverty line. In the six years following expansion and after intense political fighting, 32 states had expanded Medicaid. This paper studies the Congressional electoral effects of such an expansion. Specifically, I study how the law benefited or hurt Democratic Congressional outcomes. Overall, I find that following expansion, Republicans in Congressional districts that expanded Medicaid were given a 3% advantage. This effect is consistent even across low-income and majority minority districts.

I would like to thank my thesis advisor David Simon who inspired me to focus on Health Economics and gave me valuable research experience throughout my time at the University of Connecticut. I would also like to thank my parents for supporting me through college and trusting me that I was studying something worthwhile.

1 Introduction

In 2010, the Patient Protection and Affordable Care Act (ACA) was signed into law. The legislation greatly expanded Medicaid access in the country. Prior to the law, Americans received their health insurance as an employer benefit, from buying it directly from the private market or from the government if you Ire part of one of the small populations that qualified for such programs. But since the passing of the ACA, Medicaid access has been greatly expanded to a number of population that previously did not qualify for such care. Generally, these are single, childless adults who are 138% below the federal poverty line (FPL).

In this paper, I expand upon the long literature of how government action and the economy interact to affect voter behavior. This has been both a central question in economic and political science literature. In this paper, I focus on whether Medicaid expansion through the ACA affected voter behavior. The ACA was a touted as a program of the Democratic Party. Therefore, I specifically want to see whether ACA Medicaid expansion made the electorate vote more Democratic in Congressional elections. This hypothesis has two primary motivations. First, a 2012 Supreme Court decision ruled that states must opt into Medicaid expansion. Therefore, each state government would have to pass a bill to accept federal funding for expansion and grant more people Medicaid. This became a polarized decision in many places, as many Republican lawmakers fought to prevent expansion in their state. By 2016, 32 states had expanded Medicaid. Table 1 and Figure 1 illustrate in detail which states expanded Medicaid and in which year. Second, the law was under constant threat from federal Republican lawmakers who sought to repeal it entirely. Therefore, I want to see whether voters went to the polls and voted Democratic to preserve the law.

However, the opposite may be true. Previous literature has described the relationship between social security and senior citizen voter participation (Campbell, 2003) - an effect

that has greatly benefited Republican electoral outcomes over the past few decades. Could the same be true about Medicaid expansion?

The remainder of this paper will be structured as such. I will review the relevant economics and political science literature. In the empirical strategy section, I will describe my model and the econometric techniques I will employ. Then in the results section, I will describe the outcome of my regression analysis. Finally, I will discuss my findings and conclude my paper.

2 Literature Review

There is no existing literature on the effects that ACA Medicaid expansion has on partisan outcomes. However, there is a small amount of literature on the effects that health insurance has on voter behavior. Further, there is a wealth of literature on how ACA Medicaid expansion affected a variety of outcomes.

In "The Impact of Medicaid Expansion on Voter Participation: Evidence from the Oregon Health Insurance Experiment" (Baicker and Finkelstein, 2018) the authors examine how a small expansion of Medicaid in Oregon increased voter participation. The Oregon Health Insurance Experiment was a lottery based expansion that gave Medicaid to approximately 30,000 adults out of 90,000 who applied. They find by comparing those who were won the lottery and those who did not that Medicaid expansion increased voter participation by 2.5% within the control group. However, they were unable to discern to which party the additional turnout benefited.

In "The Politics of Policy: The Initial Mass Political Effects of Medicaid Expansion in the States" (Clinton and Sances, 2018) the authors explore how the ACA affected voter participation. Like social security, the ACA created a powerful constituency within the electorate that voted on behalf of the program's existence. They stipulate that formation

of this constituency and ACA navigators - who helped people sign up for health insurance - also would register people to vote.

An important facet to concept to understand in regards to the ACA and voting behavior is health insurance uptake. That is, once expanded Medicaid became available in a state, who applied? In "Political Polarization, Anticipated Health Insurance Uptake and Individual Mandate: A view from the Washington State" (Basu et al., 2014) the authors look at the state of Washington to see how political polarization affected health insurance uptake. They find that despite the opinions on the ACA and the surrounding events to be incredibly polarized, that health insurance uptake was not driven by partisan sentiment but rather by demographics.

3 Data

1. U.S. House election returns

The U.S. House election returns are provided by the MIT Election Data and Science Lab (2017). The data covers U.S. house elections from 1976-2016. Each observation is a candidate in a given district and year. For the purposes of this paper, I drop all observations prior to 2008 and focus on the Democratic candidate in each district who receives the most votes. There are a 43 cases in which a Democrat challenged a fellow Democrat in the general election. Likewise, there are 52 cases in which a Republican challenged a Republican in the general election. These observations are dropped for the purpose of this paper. Further, I ignore third party candidates for simplicity. Third party votes account for only 1.42% of the votes cast during my period of interest

Our variable of interest is the percent of the vote garnered by the best performing Democratic candidate in a given district and year. I specify the variable as follows

$$\gamma_{it} = \frac{max(V_{dit})}{V_{it}}$$

Where γ_{it} is the share of the vote garnered by the best performing Democratic candidate in a given district and year, $max(V_{dit})$ is the vote total of the best performing Democratic candidate in a given district and year and V_{it} is the total votes cast in a given district and year. This specification is helpful as it will indicate to which degree the Democratic candidate performed better, or worse, as a result of Medicaid expansion.

2. American Community Survey 1-Year Estimates

The American Community Survey (ACS) (2017) is an annual supplement to the U.S. Census. The ACS compiles a number of variables across different geographies every year - including Congressional district. I use the district specific variables to merge a number of control variables - racial makeup, median age, percent female, average income, educational attainment and employment - onto the electoral returns dataset.

3. Expansion Dates

For the difference-in-differences specification, the date of each state's ACA Medicaid expansion is required. I use the dates provided by "Employment Effects of the ACA Medicaid Expansions" (Leung and Mas, 2016) and "The Effect of Health Insurance on Mortality" (Black et al., 2019). One concern was that there would be states who expanded Medicaid during election years. However, this was not an issue, as no state expanded Medicaid during an election during November (the month of election day) or December. In addition, for states that had limited expansions prior to full ACA expansion, the Medicaid expansion year is used. This occurred in both New Jersey and Washington. Figure 1 and Table 1 display the years of expansion by state.

INSERT TABLE 1

INSERT TABLE 2

4 Empirical Strategy

To measure the effect ACA expansion had on electoral outcomes, I compare the share Democratic share of the vote in districts within states that did and did not expand Medicaid, before and after expansion. I use a difference-in-differences model with fixed effects and linear trends

$$\gamma_{it} = \beta_0 + \beta_1 Exp_{st} + \beta_2 X_{it} + \rho_{st} + \alpha_s + \omega_t + \epsilon$$

where γ_{ist} is the Democratic share of the vote in a given Congressional district and year, Exp_{st} is an difference-in-differences indicator variable equal to 1 if in a state and year Medcaid has been expanded, X_{ist} is a vector of control variables, ρ_{st} are state-level linear trends, α_s are state fixed effects and ω_t are year fixed effects.

To use the difference-in-differences method, we have to show that the treatment group - states that expanded Medicaid - followed a similar trend to control states - states that did expand Medicaid - prior to expansion. The graph below shows the Democratic vote share trend for each group

INSERT FIGURE []

Included in the model are also fixed effect variables for both state and year. Fixed effects control time invariant differences within states and years. This greatly reduces the probability that omitted variables are biasing the results.

5 Results

Figure 2 shows some the mean Democratic share of the vote from 2006 to 2014. Democrats recorded their best share of the vote in head-to-head match-ups against Republicans in 2008 when they received 52.68% of the vote and recorded a minimum of 45.95% six years later in 2014.

INSERT FIGURE 2

Further, Figure 3 shows how the racial makeup of the electorate stayed mostly constant within the time period. Slight variations occurred, most notably a decline in the white share of the population. As race is an important predictor of vote choice - minorities are more likely to vote for Democrats than whites (Skelley, 2018) - racial makeup is an important control.

INSERT FIGURE 3

In Table 2, I present the regression results for three separate specifications. The following three models are estimated

$$(1)\ \gamma_{it} = \beta_0 + \beta_1 Exp_{st} + \alpha_s + \omega_t + \epsilon$$

$$(2)\ \gamma_{it} = \beta_0 + \beta_1 Exp_{st} + \beta_2 X_{it} + \alpha_s + \omega_t + \epsilon$$

$$(3)\ \gamma_{it} = \beta_0 + \beta_1 Exp_{st} + \beta_2 X_{it} + \rho_{st} + \alpha_s + \omega_t + \epsilon$$

Model (1) is a DD model with fixed effects. Model (2) is a DD model with fixed effects and a vector of control variables. (3) is a DD model with fixed effects, linear trends and a vector of control variables.

INSERT TABLE 2

The results for overall regression and most of the specifications are insignificant at $p<.05$. The exception is the West region of the U.S. in which specification (1) is significant at $p<.001$ and specification (2) and (3) is significant at $p<.05$. Using specification (3) this implies that Medicaid expansion as a result of the ACA led to a 2.4% for Democratic congressional candidates following expansion.

6 Discussions

The results of this paper mean tat it will not be easy to answer the question as to if the ACA unduly benefited Democrats in elections as a result. Further, I cannot conclude whether the ACA further polarized electoral behavior - making blue districts more blue or vice versa.

I also cannot explain why the West produces significant results and the rest of the country does not. This may be due to unique electoral characteristics in western states or other omitted variable bias.

7 Conclusion

Did the ACA create a permanent electoral advantage for Congressional Democrats? This question has been asked since the ACA was proposed at the beginning of the Obama presidency. This question is especially poignant as the program has bee marred by partisan fighting since its inception and even to this day over a decade later.

The result of this paper are inconclusive. I am unable to tell whether the ACA created a positive, or negative, electoral effect for Congressional Democrats. This result is somewhat surprising, seeing as the program heightening partisan sentiment across the country. Further

research into how partisan sentiment translate to electoral outcomes might better explain this phenomenon.

Understanding the relationship between policy uptake and electoral outcomes is important for parties to understand. History has shown that policy reinforces and creates powerful interest groups which sway elections.

Further research on this issue could use rich survey data to study more micro phenomenon, if Republicans who received Medicaid from the ACA switched parties or if expansion had a effect on state-level representation.

8 Tables

Table 1
Expansion by state and year

Did not expand	2010	2014	2015	2016
Alabama	California	Arkansas	Alaska	Louisiana
Florida	Connecticut	Colorado	Arizona	Montana
Georgia	Wisconsin	Delaware	Indiana	
Idaho	Minnesota	Hawaii	Kentucky	
Kansas		Illinois	Pennsylvania	
Maine		Iowa		
Mississippi		Maryland		
Missouri		Massachusetts		
Nebraska		Michigan		
North Carolina		Nevada		
Oklahoma		New Hampshire		
South Carolina		New Jersey		
South Dakota		New Mexico		
Tennessee		New York		
Texas		North Dakota		
Utah		Ohio		
Virginia		Oregon		
Wyoming		Rhode Island		
		Vermont		
		Washington		
		West Virginia		

Expansion data is up to 2016. Since then, a handful of additional states have expanded Medicaid. New Jersey and Washington rolled out minor expansions of Medicaid in 2010 and subsequently rolled out full expansions in 2014. Therefore, I treat them as expanding in 2014. Oregon initiated a small lottery based Medicaid expansion in 2008, but reached less than 30,000 adults. Therefore, they are treated as expanding in 2014 as Ill.

Table 2
Effect of Medicaid expansion on the Democratic share of the vote - regression results

Democratic candidate share of the vote	**(1)**	**(2)**	**(3)**
Overall	0.007	0.010	-0.001
	(.0123)	(0.009)	(0.010)
Income			
Income <25%	-0.009	0.005	-0.011
	(0.014)	(0.011)	(0.015)
Income <10%	0.004	0.011	0.000
	(0.013)	(0.001)	(0.009)
Racial			
White <50%	0.002	-0.006	0.001
	(0.019)	(0.014)	(0.013)
Black >50%	-0.061	-0.019	0.029
	(0.049)	(0.030)	(0.053)
Hispanic >50%	0.023	0.036	0.056
	(0.028)	(0.034)	(0.037)
Geography			
South	-0.041	-0.041	-0.011
	(0.028)	(0.019)	(0.028)
Northeast	0.009	0.012	-0.012
	(0.030)	(0.019)	(0.021)
Midwest	0.013	0.013	-0.014
	(0.011)	(0.016)	(0.015)
West	0.042***	0.027*	0.024*
	(0.010)	(0.012)	(0.009)

(1) are the results of the fixed effects regression with no covariates. (2) are the results of the fixed effects regression with covariates. (3) are the results of the fixed effects regression with covariates and linear trends. Errors are clustered on the state level. (*) p <.05, (**) p <.01, (***) p <.001

9 Figures

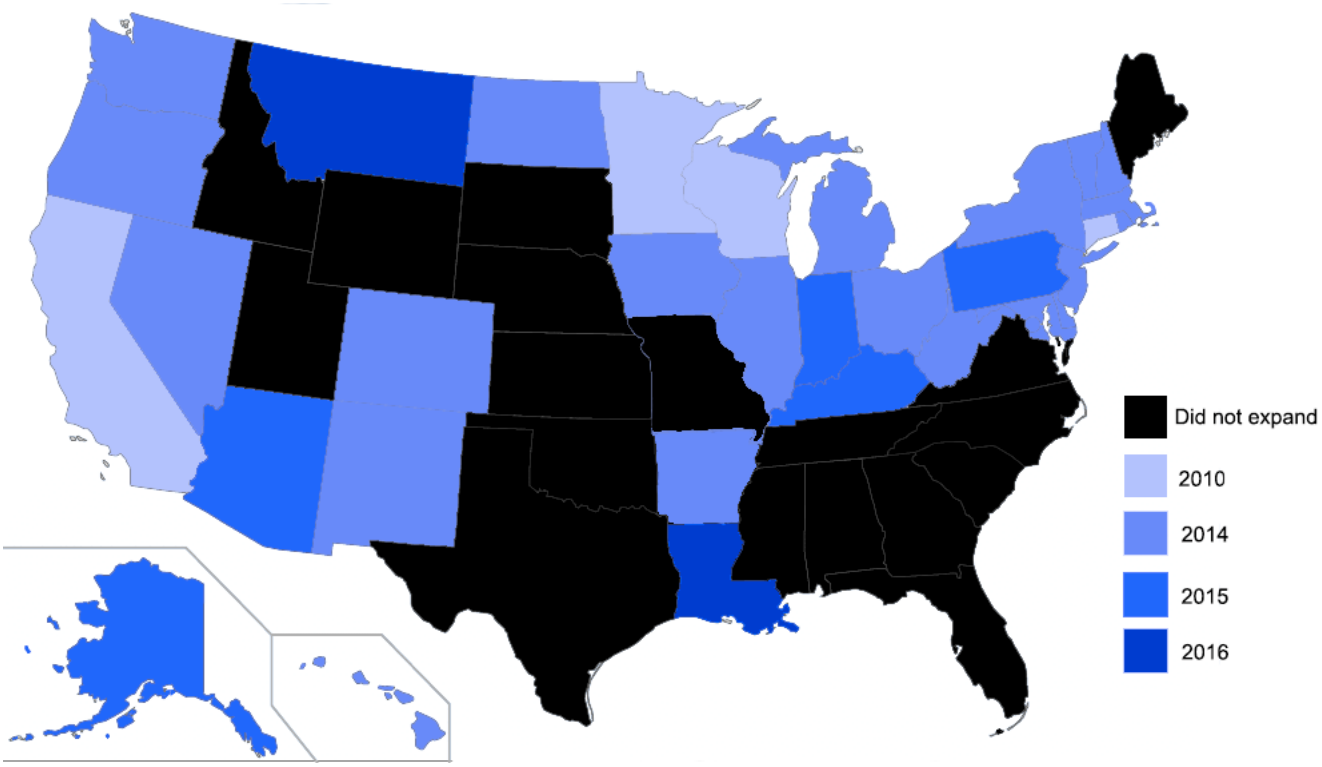

Figure 1: Medicaid expansion by year and state

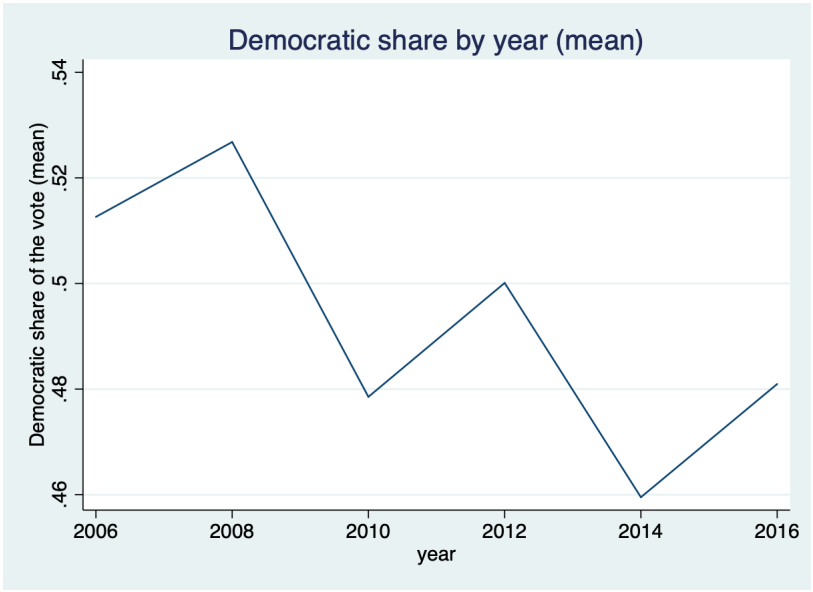

Figure 2: Mean Democratic share of the Congressional vote by year

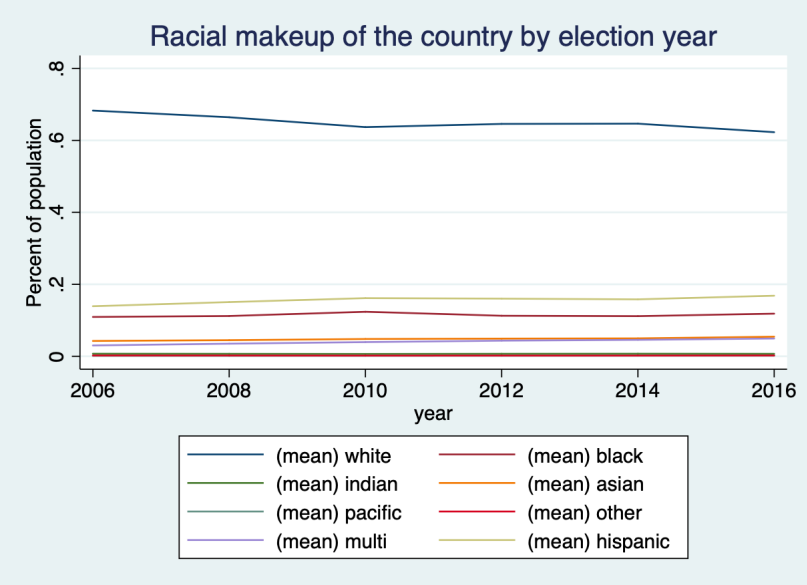

Figure 3: Racial makeup by election year

References

Baicker, K. and A. Finkelstein (2018, November). The impact of medicaid expansion on voter participation: Evidence from the oregon health insurance experiment. Working Paper 25244, National Bureau of Economic Research.

Basu, A., N. B. Coe, D. E. Grembowski, and L. Kessler (2014, November). Political polarization, anticipated health insurance uptake and individual mandate: A view from the washington state. Working Paper 20655, National Bureau of Economic Research.

Black, B., A. Hollingsworth, L. Nunes, and K. Simon (2019, February). The effect of health insurance on mortality: Power analysis and what we can learn from the affordable care act coverage expansions. Working Paper 25568, National Bureau of Economic Research.

Campbell, A. L. (2003). *INTRODUCTION: THE RECIPROCAL PARTICIPATION-POLICY RELATIONSHIP*. Princeton University Press.

Clinton, J. and M. Sances (2018, November). The politics of policy: The initial mass political effects of medicaid expansion in the states. Technical report, National Bureau of Economic Research.

Leung, P. and A. Mas (2016, August). Employment effects of the aca medicaid expansions. Working Paper 22540, National Bureau of Economic Research.

MIT Election Data and Science Lab (2017). U.S. House 1976 - 2016.

Skelley, G. (2018, Oct). What if only men voted? only women? only nonwhite voters?

U.S. Census Bureau (2017). American Community Survey 1 - Year Estimates 2008-2016.