

The Impact of the ACA's Medicaid Expansion on the Uninsured and Private Health Insurance

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Introduction

I Affordable Care Act (ACA)

- i Signed into law in 2010
- ii Major goal of ACA was to reduce the number of uninsured individuals and families
- iii New state Medicaid expansion for families and individuals whose incomes are below certain income thresholds
- iv Individuals and families with incomes over the income thresholds will be subsidized for private health insurance plans

II Medicaid Expansion

- i Medicaid expansions were scheduled to kick in on January 1st 2014
- ii Supreme court ruled in June 2012 that states were not obligated to expand Medicaid
- iii Resulted in about half of the states not expanding Medicaid in 2014

Introduction

I Groups Affected

- i Parents: Individuals and married couples with dependent children qualify for Medicaid with lower incomes
- ii Childless Adults: Have never been eligible for traditional Medicaid regardless of income
- iii Marriage: Need lower incomes per person to qualify

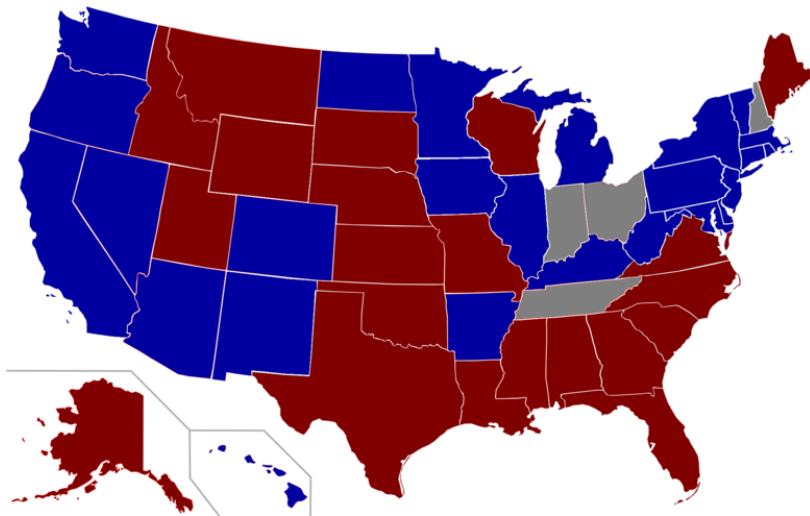
II Regions Affected

- i South: Largely did not expand Medicaid in 2014 (Only 3 states)
- ii West: Largely expanded Medicaid in 2014 (7 out of 11) including California
- iii Some states had expansions in place before 2014

III Main Findings

- i Medicaid participation increased for all groups
- ii The number of uninsured individuals and families declined
- iii Private health insurance coverage was effected very little if at all

Map of 2014 Medicaid Expansion



Source: Wikipedia

I Kaestner et al(2015)

- i Analyzed 2014 Medicaid expansion on adults with High School diploma or less using American Community Survey and CPS data with a state by state research design
- ii States that expanded Medicaid were the treatment group while states not expanding were the control group
- iii Found that Medicaid expansion reduced the number of uninsured in states that expanded Medicaid
- iv Small decrease in private health insurance coverage

I Baicker et al(2013)

- i Oregon expanded Medicaid to a group of 30,000 out of 90,000 childless adults by lottery who met new criteria but were previously not eligible for traditional Medicaid
- ii The data set used was the Oregon Health Insurance Experiment Data
- iii The 30,000 selected were the treatment group while the other 60,000 were the control group
- iv Medicaid coverage in Oregon increased by 25 percentage points while not reducing the rates of coverage by private insurance

Data: National Health Information Survey

I National Health Interview Survey (NHIS)

- i NHIS has been monitoring health since 1957
- ii Covers a broad range of topics such as disease, health outcomes, and labor
- iii Pooled cross sectional data, meaning that each year a random sample is drawn from the U.S. population
- iv Information on type of insurance such as medicaid, private, employer or medicare health insurance
 - v NHIS is regional data, state by state data not available to the public
- vi Data is only available in 2014 up to June

Methods

I Treatment and Control Group by Census Region

- i West is considered treatment group, the region with the most states expanding Medicaid in 2014
- ii South is considered control group, the region with the least states expanding Medicaid in 2014
- iii The South and the West share very similar demographic characteristics

II Data

- i Data from the NHIS for the years 2013 and 2014

III Parents and Childless Adults

- i Sample will be split into parents and childless adults who are married and unmarried
- ii We should see differences between these two groups because of eligibility criteria

IV Econometrics

- i Difference in difference (DiD) will be obtained for each group to measure the effect of Medicaid expansion in 2014 on the uninsured and private health care

I Model

$$healthcoverage = \beta_0 + \delta_0 2014 + \beta_1 West + \delta_1 West2014 + \Gamma X + \epsilon \quad (1)$$

II Model Description

- i δ_0 is a time fixed effect
- ii β_1 is a region fixed effect
- iii δ_1 is a dummy that represents the treatment effect in year 2014
- iv X is a vector a controls variables

III Dependent Variables

- i Medicaid
- ii Private Insurance
- iii Uninsured

Summary Statistics

Outcomes and Controls	All	South	West
Medicaid	0.170	0.173	0.183
Private	0.572	0.528	0.548
Uninsured	0.141	0.168	0.157
Worked_for_pay	0.659	0.640	0.662
Income_15000	0.075	0.073	0.080
Income_15-30000	0.103	0.105	0.107
Age	37.18	37.14	35.91
Male	0.483	0.477	0.491
White	0.489	0.445	0.408
Black	0.125	0.209	0.044
Hispanic	0.199	0.193	0.319
Married	0.354	0.351	0.360
Parents	0.472	0.475	0.500
family_size	3.364	3.292	3.632
Number_of_Children	1.16	1.14	1.289
Foreign_Born	0.145	0.132	0.404
Citizen	0.914	0.918	0.880
Bachelors_Degree	0.364	0.351	0.346
Observations	245645	86623	69167

Summary Statistics

Regions	2013	2014	Difference
West	0.167	0.197	0.03
South	0.166	0.180	0.014
Diff in Diff			0.016

Results: Difference in Difference Estimates

Parents	All	Married	Not Married
Medicaid	0.027*** (0.007)	0.024*** (0.007)	0.033* (0.013)
R^2	0.118	0.083	0.136
Uninsured	-0.014** (0.008)	-0.019*** (0.009)	-0.008 (0.014)
R^2	0.190	0.233	0.135
Private	-0.009 (0.009)	-0.005 (0.010)	-0.016 (0.015)
R^2	0.265	0.282	0.183
N	39244	24780	14469

Results: Difference in Difference Estimates

Not Parents	All	Married	Not Married
Medicaid	0.025** (0.004)	0.016*** (0.005)	0.034*** (0.007)
R^2	0.088	0.055	0.118
Uninsured	-0.020*** (0.005)	-0.019*** (0.007)	-0.022*** (0.008)
R^2	0.119	0.134	0.116
Private	0.001 (0.007)	-0.000 (0.010)	0.003 (0.010)
R^2	0.182	0.167	0.188
N	61003	29623	31740

Conclusion

- I
 - i This paper estimated the effect that Medicaid expansion had on the uninsured and private health insurance
 - ii We used difference in difference estimates to measure this effect and found that Medicaid expansion increased the proportion of people covered by Medicaid by between 1.6 percent and 3.4 percent
 - iii The increase in Medicaid expansion was associated with a decrease in the proportion of the uninsured by 1.4 percent to 2.2 percent
 - iv For the most part the change in private health care was very small with the exception of childless unmarried adults
 - v This may suggest that childless unmarried adults switched from private health care plans to Medicaid due to the expansion
 - vi Childless unmarried adults seemed to have been impacted most