Red-State Medicaid Expansions — Achilles’ Heel of ACA Repeal?

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<td>10.1056/NEJMp1700156</td>
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As the debate over repeal of the Affordable Care Act (ACA) takes center stage in U.S. politics, it’s important to keep in mind that the law is not a single policy. Though popularly derided by its opponents as the monolithic “Obamacare,” the ACA is a multifaceted law with several distinct components — subsidized health insurance exchanges, individual and employer mandates, regulations of the individual insurance market including a defined package of essential benefits, and Medicaid expansion. While opposition to several of these elements remains nearly unanimous among conservatives — in particular, the mandates and an approach to federal regulation perceived as one-size-fits-all — the picture is more nuanced when it comes to the underlying expansion of insurance, particularly through Medicaid.

Separate from ongoing ideological debates over the law, evidence is mounting on the benefits of Medicaid expansion. In the waning days of the Obama administration, the White House Council of Economic Advisors published a report describing the ACA’s accomplishments, many of which stem from the Medicaid expansion: 12 million of the 20 million people who have gained coverage through the ACA have done so through Medicaid. Access to primary care and treatment for chronic conditions have increased, and rates of skipping medications to save money have decreased. Medicaid expansion has led to as much as a $1,000-per-person reduction in medical debt sent to collection, and hospitals have seen their uncompensated-care burden drop by $10 billion. Perhaps most strikingly, the White House estimated — on the basis of extrapolations from prior research on the 2006 Massachusetts health care reform — that approximately 24,000 lives have been saved each year by the ACA’s coverage expansion.

Although 19 states have declined to implement the Medicaid expansion, this feature of the law has seen more bipartisan support at the state level than most other aspects of the ACA. More specifically, 13 states won by Donald Trump in the 2016 presidential election have opted into the ACA’s Medicaid expansion since 2014, and 16 expansion states are currently led by Republican governors. Recent statistics from the Centers for Medicare and Medicaid Services indicate that in states that voted for Trump, 4.2 million more people were enrolled in Medicaid as of August 2016 than in 2013. In fact, some of these states, such as West Virginia and Kentucky, have experienced among the largest...
Hurt by ACA

PERSPECTIVE

impact?”

So far, would you say the health care law has directly

coverage. Also, some states have expanded Medicaid.

Marketplaces, called [State Marketplace

obtaining health insurance. The law created health

on Low-Income Adults in 2016, by State.

Estimates are from a telephone survey conducted in

November and December 2016 among 2943 U.S.
citizens 19 to 64 years of age with incomes below

138% of the federal poverty level. Respondents were

asked, “Under the national health reform law, some-
times referred to as Obamacare or the Affordable
Care Act, many Americans have new choices for

insurance. The law created health insurance

Arkansas Kentucky Louisiana Texas

Proportion of those in the three expansion states

continued to grow and that attitudes toward the

ACA vary markedly according to
to health care reform in the

wake of Medicaid expansions in

Arkansas and Kentucky with cov-

erage, utilization, and attitudes in

Texas, which did not expand

Medicaid. (The overall response

rate was 21% — similar to or

higher than those of other tele-

phone surveys used to assess the

ACA; we minimized nonresponse

bias by weighting the results to
to Medicaid expansions in terms of

access to care, affordability, chronic
disease management, and self-

reported health.² Most recently,

we also collected data from Louisi-

ana, which expanded Medicaid

coverage in June 2016. Findings

from our latest round of data col-

lection in these four states, con-

ducted after the November 2016
election, indicate that improve-

ments in access have continued to
grow and that attitudes toward the

ACA vary markedly according to
these state policies.

The graph shows how low-in-

come adults in these four states
described the effect of the ACA on

Their lives. A plurality in all four

states said the ACA had not di-

rectly affected them. But among

respondents who reported being

affected by the law, far higher pro-

portions of those in the three exp-

ansion states than in Texas re-

ported being helped by the law.

Overall, twice as many respon-
dents in the three expansion states

reported being helped by the law

than hurt by it, whereas in Texas

more respondents thought the law

had hurt them than thought it had

helped them. When analyzed ac-

cording to race, the results were

somewhat different: in Louisiana,

white respondents were split

equally between those who said

the law had helped them and

those who said it had hurt them,
a difference that may in part re-

fect the recency of that state’s

Medicaid expansion. In Kentucky

and Arkansas, on the other hand,

the proportion of respondents re-

porting beneficial experiences with

the ACA continued to significantly

exceed the proportion reporting

harm, even among one of Ameri-

cas’s reliably conservative groups,

Southern whites.

Probing the results in greater
depth, we used a multivariate lo-
gistic-regression model to identify

some of the key predictors of at-
titudes toward the ACA’s impact

(see table in the Supplementary

Appendix). Members of minority
groups were more likely than

whites to report benefiting from

the ACA and less likely to say it

had harmed them. But by far the

strongest predictors of positive

attitudes toward the law were

whether a respondent lived in an

expansion state and whether that

person had Medicaid or ACA mar-

ketplace coverage (as opposed to

being uninsured).

Of course, a person’s sense of

whether he or she has been helped

by the law is inherently subjective

and may be influenced by social
desirability bias, political partis-
anship, and numerous other factors.

So what lessons can be drawn

from subjective evaluations such

as these? In part, the results are

useful evidence that even in the

most conservative region in the

country, many people report sub-

stantial benefits from the law and

are willing to directly credit the

ACA for those changes. These sub-

jective valuations are consistent

with the findings of multiple oth-
er studies that used more tradi-
tional evaluative approaches and

have shown large gains in access

proportional increases in Medi-
caid enrollment in the country.

Several conservative governors (in-
cluding Vice President and former
governor Mike Pence of Indiana)
have taken their own approaches
to Medicaid expansion, using pri-

vate insurance, health savings ac-
counts, increased cost sharing,

and other policies. The effects of

Medicaid expansion in these “red”
states can offer valuable insights
into the politics — and public
health effects — of health care

For 4 years, we have been con-
ducting a validated telephone sur-

vey of low-income adults in several

Southern states (see the Supple-

mental Appendix for details),

comparing health insurance cov-

erage, utilization, and attitudes to-

Red-State Medicaid Expansions

There are large gains in access

so many are willing to directly credit the ACA for those changes. These subjective valuations are consistent with the findings of multiple other studies that used more traditional evaluative approaches and have shown large gains in access.
Early indications are that a potential repeal of the Medicaid expansion will be one of the first bills considered by the new Congress. In this context, a critical question is how moderates and Republicans from states that have seen historic reductions in the number of people without health insurance will approach this decision. The National Governor's Association recently reported a “strong bipartisan consensus” among its members — nearly two thirds of whom are Republicans — that the federal government should not cut Medicaid funding going to the states without putting an alternative in place. Senators from states such as Ohio and Arizona, two Republican-led states that expanded Medicaid and have since seen an additional 1.2 million people enroll in the program, may find themselves in the most influential roles in the congressional debate.

The economics of rolling back Medicaid expansion strongly suggest that doing so would harm patients, hospitals, and state budgets. Ideology has undoubtedly played a large role in states' decisions about whether to expand Medicaid, but it may not be the sole determinant of who ends up supporting the expansion’s repeal. Our survey provides insight into the current views of many adults living in red states, and the verdict is clear: in states that have embraced coverage expansion despite their political leanings, the ACA’s Medicaid expansion has made a positive difference that is recognizable to the people whose lives have been most directly affected by it. Now, the question is not whether many Americans — even those in thoroughly red states — have benefited from the ACA, but whether that will be enough to save it.

Disclosure forms provided by the authors are available at NEJM.org.

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