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

Citation
Sommers, Benjamin D., and Arnold M. Epstein. 2017. "Red-State Medicaid Expansions — Achilles' Heel of ACA Repeal?" New England Journal of Medicine 376 (6) (February 9): e7. doi:10.1056/nejmp1700156.

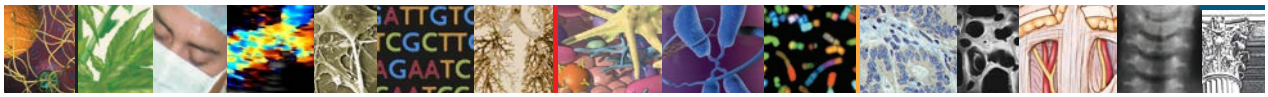
Published version
https://doi.org/10.1056/NEJMp1700156

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The NEW ENGLAND JOURNAL of MEDICINE

Perspective

FEBRUARY 9, 2017

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

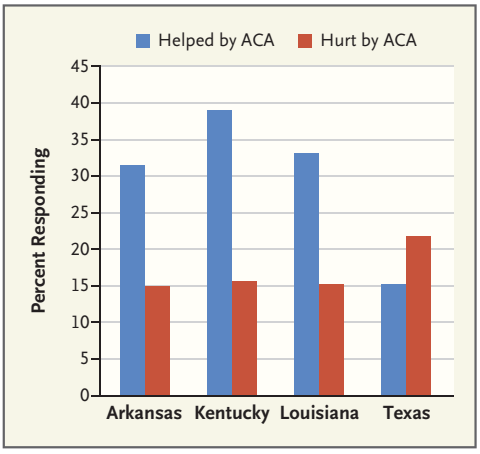
Benjamin D. Sommers, M.D., Ph.D., and Arnold M. Epstein, M.D.

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,[1] 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.[1-3] 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.[1] 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

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Perceived Impact of the Affordable Care Act 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, sometimes referred to as Obamacare or the Affordable Care Act, many Americans have new choices for obtaining health insurance. The law created health insurance Marketplaces, called [State Marketplace Name] in your state, where people can buy insurance, and some may be eligible for subsidies to help pay for coverage. Also, some states have expanded Medicaid. So far, would you say the health care law has directly helped you, directly hurt you, or has it not had a direct impact?"

proportional increases in Medicaid enrollment in the country. Several conservative governors (including Vice President and former governor Mike Pence of Indiana) have taken their own approaches to Medicaid expansion, using private insurance, health savings accounts, 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 reform.

For 4 years, we have been conducting a validated telephone survey of low-income adults in several Southern states (see the Supplementary Appendix for details), comparing health insurance coverage, utilization, and attitudes toward health care reform in the wake of Medicaid expansions in Arkansas and Kentucky with coverage, utilization, and attitudes in Texas, which did not expand Medicaid. (The overall response rate was 21% — similar to or higher than those of other telephone surveys used to assess the ACA; we minimized nonresponse bias by weighting the results to population demographic benchmarks from national surveys. See the Supplementary Appendix.) This work has revealed substantial improvements from red-state Medicaid expansions in terms of access to care, affordability, chronic disease management, and self-reported health.[2] Most recently, we also collected data from Louisiana, which expanded Medicaid coverage in June 2016. Findings from our latest round of data collection in these four states, conducted after the November 2016 election, indicate that improvements in access have continued to grow and that attitudes toward the ACA vary markedly according to these state policies.

The graph shows how low-income 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 directly affected them. But among respondents who reported being affected by the law, far higher proportions of those in the three expansion states than in Texas reported being helped by the law. Overall, twice as many respondents 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 according 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 reflect the recency of that state's Medicaid expansion. In Kentucky and Arkansas, on the other hand, the proportion of respondents reporting beneficial experiences with the ACA continued to significantly exceed the proportion reporting harm, even among one of America's reliably conservative groups, Southern whites.

Probing the results in greater depth, we used a multivariate logistic-regression model to identify some of the key predictors of attitudes 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 marketplace 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 partisanship, 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 substantial benefits from the law and 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

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to care and affordability from Medicaid expansion.[1-3]

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,[2] hospitals,[4] and state budgets.[5] 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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This article was published on January 25, 2017, at NEJM.org.

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DOI: 10.1056/NEJMp1700156
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