

Medicaid expansion tops savings versus marketplace

February 3 2015



(HealthDay)—Medicaid expansion is associated with greater reductions in out-of-pocket spending for previously uninsured low-income adults than Marketplace exchange coverage with premium tax credits and generous benefits, according to a report published in the January issue of *Health Affairs*.

Steven C. Hill, Ph.D., from the Agency for Healthcare Research and Quality in Rockville, Md., compared the out-of-pocket spending for care and premiums for families of adults in two simulated scenarios: obtaining coverage through a Marketplace silver plan with subsidized cost sharing and enrolling in expanded Medicaid.

Hill notes that Medicaid would more than halve the average annual out-of-pocket spending compared with Marketplace coverage (\$938 versus

\$1,948). Medicaid coverage would also reduce the percentage of adults in families with out-of-pocket expenses exceeding 10 percent of income (6.0 versus 17.1 percent) or 20 percent of income (0.9 versus 3.7 percent). For families with smokers, who under Medicaid would not be subject to Marketplace tobacco user surcharges, the reductions would be larger.

"Medicaid expansion may offer a greater opportunity than access to Marketplace insurance to promote the financial well-being of previously uninsured low-income adults," Hill writes.

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Citation: Medicaid expansion tops savings versus marketplace (2015, February 3) retrieved 24 May 2024 from <https://medicalxpress.com/news/2015-02-medicaid-expansion-tops-marketplace.html>

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