

Traditional Medicaid expansion and 'private option' both improve access to health care

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Two different approaches used by states to expand Medicaid coverage for low-income adults—traditional expansion and the 'private option'—appear to be similarly successful in reducing numbers of the uninsured and in expanding access to and affordability of health care, according to a new study by researchers at Harvard T.H. Chan School of Public Health.

The study will be published in the January 2016 issue of *Health Affairs*.

"Under the Affordable Care Act (ACA), many [states](#) are dramatically expanding Medicaid, while others are taking alternative approaches to extending coverage to low-income adults, and roughly 20 states have not expanded at all," said Benjamin Sommers, assistant professor of health policy and economics, and the study's lead author. "Our findings suggest that deciding whether or not to expand matters much more than whether a state does so using public or [private insurance](#)."

The 2012 Supreme Court decision on the ACA gave states the option of whether to expand Medicaid. So far, 30 states and the District of Columbia have chosen to expand coverage. Sommers and colleagues looked at three states with different policies: Kentucky, which expanded traditional Medicaid coverage; Arkansas, which used federal Medicaid funds to subsidize private insurance (the so-called 'private option'); and Texas, which chose not to expand at all. They compared the preliminary effects of traditional and private Medicaid expansion versus non-expansion using a telephone survey of nearly 5,700 low-income adults in

Kentucky, Arkansas, and Texas both before and after the first year of the ACA's coverage expansions.

The researchers found that in Kentucky and Arkansas, the two states that expanded coverage, the uninsured rate declined dramatically—from roughly 40% in 2013 to 16% in 2014—compared to a much smaller change in Texas (from 38% to 27%). In both Kentucky and Arkansas, compared to Texas, the number of people who reported skipping medications due to cost and who had trouble paying medical bills declined, and the share of individuals with chronic conditions obtaining regular care increased. The researchers did not find major changes in the amount of [health care](#) used or in participants' self-reported health after the Medicaid expansion's first year. The only significant difference found between the two expansion states was that, in Kentucky, people had less trouble paying medical bills than in Arkansas.

More information: "The 'Private Option' and Traditional Medicaid Expansions Both Improved Access to Care For Low-Income Adults," Benjamin D. Sommers, Robert J. Blendon, E. John Orav, *Health Affairs*, January 2016, [DOI: 10.1377/hlthaff.2015.0917](https://doi.org/10.1377/hlthaff.2015.0917)

Provided by Harvard T.H. Chan School of Public Health

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