

# Study concludes Medicaid expansion could decrease ER visits

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Emergency room visits could decrease under the Affordable Care Act despite the findings of a 2013 study linking Medicaid expansion to an increase in trips to the ER in Oregon, according to a new paper by Yale University health economist Amanda Kowalski.

Kowalski, associate professor of economics at Yale and faculty research fellow at the National Bureau of Economic Research, concludes that the cost of expanding Medicaid—the federal program that provides health care for the poor and disabled—could be lower than what the Oregon findings have led experts and policymakers to assume.

"My analysis suggests that expanding Medicaid might lead to a reduction in emergency room utilization in some states," she said.

In 2008, Oregon instituted a limited expansion of its Medicaid system through a lottery. The 2013 study showed that people who gained health insurance through the lottery visited the ER more, leading to increased costs.

The Oregon results conflicted with findings from the 2006 Massachusetts health reform that showed a decrease in trips to the ER after more people gained health insurance [coverage](#). The Oregon study was a randomized experiment, which makes its findings potentially more credible than those from Massachusetts, says the Yale researcher.

Kowalski took a closer look at the Oregon results using new methods for analyzing data from experiments and determined that its conclusions were not so simple.

The results from the Oregon experiment focus on individuals who signed up for Medicaid coverage if and only if they won the lottery, which represents only 26% of lottery entrants, Kowalski said. Those individuals, whom Kowalski calls "compliers," were 0.3 more times more likely to visit the ER after gaining health coverage.

Applying her new analytical methods, Kowalski determined that the results for this group do not necessarily apply to other participants in the lottery, such as the 15% of entrants who signed up for Medicaid via

another avenue even if they lost the lottery ("always takers"), or those who did not sign up for coverage even if they won the lottery ("never takers").

The latter group, which represents 59% of entrants, would be 0.3 times less likely to visit the emergency room if they had signed up for coverage, Kowalski said.

"Whether future [health insurance](#) expansions will increase or decrease ER visits depends on whether the people who gain coverage are more like the compliers, the always takers, or the never takers from Oregon," she said.

Under the Affordable Care Act, states can expand Medicaid coverage to people previously ineligible for the program, though the U.S. Supreme Court has ruled that the expansion was optional. To date, 32 states have opted for expansion.

Kowalski said her new analytical method gives researchers another tool to reconcile experiments that provide conflicting results.

"Experiments are deceptively simple, so we've been analyzing them with simple methods while overlooking richer information available within them," she said. "Taking a closer look at existing experiments can help us understand whether their results are likely to apply to everyone."

**More information:** Doing More When You're Running LATE: Applying Marginal Treatment Effect Methods to Examine Treatment Effect Heterogeneity in Experiments. [DOI: 10.3386/w22363](https://doi.org/10.3386/w22363)

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