

# Medicaid expansion increases use of prescription medications among low-income people

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There are major barriers in access to prescription medications for the uninsured. New research, published in the December issue of *Health Affairs*, co-authored by Katherine Baicker, dean of the University of Chicago Harris School of Public Policy and the Emmett Dedmon Professor, found that Medicaid coverage significantly increased the use of medications related to the management of serious conditions, including mental health and diabetes.

"Chronic physical and behavioral health conditions impose a rising health burden on low-income populations, and prescription medications are a necessary part of managing those conditions," Baicker explained. "Policymakers should consider the impact on access to prescription medications as they assess the future of Medicaid."

In 2008, Oregon held a lottery for a limited number of slots in its Medicaid expansion program, which offered coverage to adults at or below the poverty level, allowing researchers a rare opportunity to assess the effects of Medicaid using a gold-standard randomized controlled design. Baicker, along with Amy Finkelstein of the Massachusetts Institute of Technology, Heidi Allen of Columbia University and Bill Wright of the Center for Outcomes Research and Education, used data they collected from the Oregon Health Insurance Experiment to evaluate prescription use among the poor adults who got Medicaid coverage through the lottery, compared to the control group that did not.

While the researchers' prior analyses looked at drug use overall, this latest study explored for the first time the way that Medicaid changed prescription drug use across the full spectrum of health conditions.

Notably:

- Medicaid coverage increased the share of people with at least one [prescription medication](#) by 11.6 percentage points (relative to the [control group](#) mean of 49.3 percent)
- Mental health, diabetes, cardiovascular disease and asthma were responsible for 80 percent of the increase in the number of medications held by respondents (though only the first two changes were statistically significant)
- Medicaid coverage nearly doubled the number people in possession of antibiotics
- Medicaid coverage increased the number of medications prescribed to respondents by more than 30 percent, while also virtually eliminating the possession of medications prescribed for someone else—a proxy for health safety

"Medicaid substantially expanded access to [medication](#) for poor patients," Baicker said. "Having access to medications that are prescribed for them, rather than using those that had been prescribed to someone else and might not be safe or appropriate for them, represents a major improvement in the quality and safety of care."

Policy concerns about expanding Medicaid include worries about exacerbating the opioid epidemic by making such drugs more accessible; conversely, Medicaid coverage could affect the accessibility of medication-assisted therapy for opioid addiction. The researchers did not find a significant effect of Medicaid on either, though they cautioned that this study can provide only limited insight into this therapeutic area.

Access to medications is a necessary first step to their effective use.

Overall, these findings show that Medicaid plays an important role in access to medicines for chronic conditions for low-income populations.

**More information:** Katherine Baicker et al. The Effect Of Medicaid On Medication Use Among Poor Adults: Evidence From Oregon, *Health Affairs* (2017). [DOI: 10.1377/hlthaff.2017.0925](https://doi.org/10.1377/hlthaff.2017.0925)

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