

Alternative Models for Medicaid Expansion

An alternative model has been proposed for this paper which would be restricted in the states considered to be reasonable proxies for what we would expect the impact of Medicaid expansion to be in Wisconsin. The suggestion is for an analysis restricted to *only* those states that offered some level of benefits to childless adults prior to expansion. The states included in our earlier analysis that are now excluded are Alaska, Illinois, Kentucky, Nevada, North Dakota, Ohio, Pennsylvania, Rhode Island, and West Virginia.ⁱ

The model for this analysis is the same as in the paper, only it is now restricted to the relationship between expansion and health spending in states that took expansion and had more than 0% coverage prior. These results are reported in Table A1 below.

Table A1. Relationship of Medicaid Expansion and Health Spending, Takers >0% FPL

VARIABLES	Health Spending
Medicaid Expansion	299.0*** (76.33)
Age	207.7*** (32.64)
Urban	125.5*** (30.61)
Income	0.0766*** (0.00649)
Population	0.326*** (0.0874)
Constant	-20,043*** (2,233)
Observations	276
Number of state	24
R-squared	0.787

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

In this more restricted analysis, the coefficient on Medicaid expansion increases to \$299 per person. In other words, the requested model leads to an even more dramatic prediction than the one reported in the paper.

An even more conservative estimate would be to only look at states that had full expansion prior to expansion. This limits us to 9 states: Arizona, Colorado, Connecticut, Delaware, District of Columbia, Minnesota, New York, and Vermont. Once again, we conduct the same analysis as the paper limited *only* to the effect of Medicaid expansion in these generous states. That analysis is found in Table A2 below.

Table A2. Relationship of Medicaid Expansion and Health Spending, Takers >Medicaid Prior

VARIABLES	Health Spending
Medicaid	376.4*** (131.4)
Age	129.7** (54.05)
Urban	127.6* (64.56)
Income	0.0884*** (0.0104)
Population	0.528** (0.259)
Constant	-18,431*** (4,576)
Observations	117
Number of state	9
R-squared	0.775

Standard errors in parentheses
 *** p<0.01, ** p<0.05, * p<0.1

Once again, we see further restriction of the model leads to a larger coefficient on the effects of expansion. This is suggestive evidence that the cost increases associated with expansion are beyond simple cost shifting which we mainly attribute them to in our paper. But the bottom line is alternative analyses lead to even more dramatic findings, not less.

ⁱ Information obtained from “Getting into Gear for 2014: Findings from a 50-State Survey of Eligibility, Enrollment, Renewal, and Cost-Sharing Policies in CHIP, 2012-2013. Kaiser Family Foundation.