



The Latest Research

As we have seen in this chapter, the federal Affordable Care Act is an attempt to provide health insurance to tens of millions of Americans—an attempt in which, willingly or unwillingly, states will be intimately involved. It will be years before anyone is able to say with confidence whether the law has succeeded or failed. It became clear almost as soon as the law's major provisions took effect in 2014 that its goals of expanding insurance coverage had significant effects. Supporters of the law also cheered initial reports that overall health spending increased by relatively low amounts. But it was not clear whether enduring savings would be possible as more people sought care.

And not every state was seeing the same results. Following the Supreme Court's ruling in 2012, states get to decide whether or not to expand their Medicaid programs under the law. The Medicaid expansion is one of the central ways the act attempts to expand health insurance coverage to nearly every American, but for many state officials, whether or not to pursue it has proved to be a difficult choice. Many policymakers who were initially resistant to the law have grudgingly come to see that increased federal spending on Medicaid could be beneficial to their states; yet the law remains politically unpopular.

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- **Baicker, Katherine, Sarah L. Taubman, Heidi L. Allen, Mira Bernstein, Jonathan H. Gruber, Joseph P. Newhouse, Eric C. Schneider, Bill J. Wright, Alan M. Zaslavsky, and Amy N. Finkelstein.** "The Oregon Experiment—Effects of Medicaid on Clinical Outcomes." *New England Journal of Medicine* 368 (2013): 1713–1722.

Academic researchers have been studying the question of what effects the Affordable Care Act may have by looking at Medicaid expansions that predate the law. Oregon offered a limited expansion of its Medicaid program in 2008 by holding a lottery that chose 30,000 names from a waiting list of nearly 90,000 individuals. Those chosen could enroll in Medicaid if they met its eligibility requirements. The researchers conducted 12,000 in-person interviews 2 years after the lottery. They found that increased Medicaid coverage led to an increase in medical spending due to increases in the number of prescription drugs received and office visits made. They did not find significant change in the number of visits to emergency rooms or hospital admissions. Thanks to increases in preventive care and health screenings, patients were more likely to receive diagnoses of and treatments for diabetes; risk for depression was also substantially decreased. But Medicaid coverage appeared to have no significant effect in terms of other matters such as hypertension, cholesterol levels, smoking, and obesity.

- **Chua, Kao-Ping, and Benjamin D. Sommers.** "Changes in Health and Medical Spending Among Young Adults Under Health Reform." *Journal of the American Medical Association* 311 (2014): 2437–2439.

How have young adults fared under the Affordable Care Act? The law allows parents to keep children on their plans until the age of 26. That provides young adults greater access to health care at lower cost (about 18 percent less on an annual basis). Prior to the law's passage, about 63 percent of those ages 19 to 25 were covered by health insurance. That number increased to 69 percent after the law passed. Looking

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