

Kentucky's Medicaid Expansion Showing Early Promise on Coverage and Access to Care

Take Away Point

- The study findings illustrate positive effects of Medicaid expansion in the state of Kentucky, suggesting that low-income residents benefit in three measurable areas of access to care when compared to neighbor states that did not enact expansion.
 - Large reductions in the rate of uninsurance among low income residents from 35% at the end of 2013 to < 11% by the end of 2014
 - Declines in unmet medical needs because of cost
 - Declines in the number of people without a readily identifiable source of regular care among low-income groups

The Issue

Kentucky and Arkansas are the only southern states that opted to expand Medicaid eligibility under the Affordable care act as of early 2016. The expansion particularly impacts those people who lack insurance coverage, the sufficient means to pay for needed health care, and do not qualify financially under traditional Medicaid eligibility. The expansion of Medicaid is a highly debated issue. Previous expansions in Medicaid coverage eligibility have shown positive returns in increased health care utilization, improved access, and reduced out-of-pocket expenses to beneficiaries. In contrast to the state's previous governor, newly-elected Governor Matt Bevin sent notice in December 2015 that the state plans to disband Kynect, the state-run insurance marketplace, and explore options for transforming Medicaid through waivers rather than the expansion currently in place. By examining Kentucky's 2014 Medicaid expansion, the authors characterized the benefits to state residents and describe the impacts that other expansion state residents may experience in coverage, cost, and usual source of medical care.

Source

Benitez, J. A., & Creel, L. (2016). Kentucky's Medicaid Expansion Showing Early Promise On Coverage And Access To Care. *Health Affairs*, 10-1377.
<http://content.healthaffairs.org/content/early/2016/02/16/hlthaff.2015.1294>

Study Methods and Design

The analytical sample for this investigation was taken from 2006-14 releases of data from an annual survey conducted by the Centers for Disease Control and Prevention, the Behavioral Risk Factor Surveillance System (BRFSS). The BRFSS was selected as the data source because it contains health coverage, utilization data, and state identifiers in addition to data about the timing of the interview when compared with the American Community Survey, which has been used in similar studies. Data from non-elderly adults between the ages of 25-64 with an annual household income of less than \$25,000 were included in the study. This population group was most likely to benefit from the Medicaid expansion. The years 2006-13 were considered the study pre-expansion period, and January 1, 2014-on as the post-expansion period. Residents from the states of Missouri, Tennessee, and Virginia served as controls for the study because these states geographically border Kentucky and did not expand Medicaid eligibility during the timeframe examined. Quarters were used as the time dimension to

improve the precision of the data, and the evaluation model controlled for age, race or ethnicity, sex, education, marital status, number of children present in the household, and employment status at the time of the interview.

A difference-in-differences regression model exploiting the timing of Medicaid eligibility expansion in Kentucky was used to determine the effect of the expansion on access to health care. Changes in trends of the access measures in Kentucky were compared to the non-expansion states. The primary hypothesis was that Kentucky residents would experience similar patterns in access as residents in the neighboring states in the absence of expansion.

Key Findings and Limitations

- Pre-expansion trends among the four states were similar for households with annual income below \$25,000 reporting being uninsured, having an unmet need, and no usual care source.
- Five quarters, 4th quarter 2013 through 4th quarter 2014, were used to evaluate the expansion effect in Kentucky compared to the control states. In 2014's first quarter, the low income Kentucky population experienced a 45% reduction in uninsurance, and a 70% reduction by the end of 2014.
- The regression analysis also illustrated a positive impact on access measures of unmet medical need because of cost and lacking a regular source of medical care. By the end of 2014, Kentuckians experienced a 40% reduction in dealing with an unmet medical need because of cost when compared to the pre-expansion period.
- Limitations: The BRFSS has large income categories that could not be used to determine eligibility for Medicaid coverage; therefore the sample was restricted only to those households with incomes below \$25,000. The BRFSS item regarding delays in medical care received was only available for the 2013-14 releases of data. Therefore, researchers were not able to estimate the expansion effects on trends in reported delays in seeking care. Additionally, the BRFSS does not allow estimation of the expansion's impact on out-of-pocket cost or total medical expenditures in a year because the data capture only whether a person had an unmet need because of cost. Kentucky was also the only state included which utilized a health-insurance marketplace at the state level as opposed to using that available at the federal level. As a result, generalizability to other states may be limited.

"The expansion has the potential to alleviate barriers in using the health care system by reducing some of the financial burdens associated with seeking care."

Final Thoughts

- Prior to Medicaid expansion, 20% of Kentucky's residents lacked health insurance and now the state is second only to Arkansas in absolute reduction in number of uninsured residents with less than 11% of Kentuckians lacking health insurance.
- Policies to expand Medicaid eligibility warrant strong consideration in other states as a viable option to improve access to care among vulnerable and low-income populations.