



Virginia MIRC <vamirc@mirc.virginia.gov>

New MIRC Comment

1 message

Wed, Mar 5, 2014 at 11:59 PM

Reply-To: [REDACTED]

To: vamirc@mirc.virginia.gov

First Name - Alan

Last Name - Silverman

Organization Name - none

Comment - Please see pdf attached.



VA Medicaid Expansion.pdf

41K

March 5, 2013

Honorable members of the VA-MIRC Commission:

I write to oppose the present expansion of Medicaid in Virginia. The benefits claimed appear to be not real; the results appear to be contrary to the claims.

In January the journal *Science* published the results of a statistically robust experiment in Oregon that compared the results for the main claims about Medicaid, fewer ER visits and better health outcomes, for one group randomly selected to get Medicaid and one group randomly selected from the identical population that did not get Medicaid. Here is the link to the article [\[REDACTED\]](#)

The lead author is from National Bureau of Economic Research, and others are from MIT, Harvard University, and Columbia University. Because the results were so clear and unambiguous, the experiment shows that the two main claims of benefits for expanding Medicaid are false. ER visits actually increased for the Medicaid group versus the uninsured group; and health outcomes were no different between the two groups.

Here are some quotes from the article and its Abstract: "...The lottery allowed us to isolate the causal effect of insurance on emergency-department visits and care; random assignment through the lottery can be used to study the impact of insurance without the problem of confounding factors that might otherwise differ between insured and uninsured populations. ... We found that Medicaid coverage significantly increases overall emergency use by 0.41 visits per person, or 40% relative to an average of 1.02 visits per person in the control group. We found increases in emergency-department visits across a broad range of types of visits, conditions, and subgroups, including increases in visits for conditions that may be most readily treatable in primary care settings." The study used actual hospital administrative records rather than patients' self-reported results. That result increases costs, it does not decrease them as hypothesized: "A back-of-the-envelope calculation, using \$435 as the average cost of an emergency-department visit ..., suggests that Medicaid increases annual spending in the emergency department by about \$120 per covered individual." If all 400,000 targeted beneficiaries of the proposed expansion of Medicaid in Virginia were to enroll, the incremental annual ER department cost would be \$50 million.

"The evidence on health is more mixed; Medicaid improved self-reported health and decreased depression in this population, but it did not produce statistically significant improvements in several different measures of physical health ..." That is, people said they felt better (not a bad thing), but the actual data did not support any objective measure of improvement.

Until there are results that show that the claimed benefits are actually to be realized, it is buying a pig in a poke to expand Medicaid. Even the idea of assessing penalties for beneficiaries who use ER services instead of an assigned primary care provider rests on the unproven (and apparently untested) hypothesis that this population will respond according to the hypothesis – that is, it's nothing but wishful, circular thinking until proven.

At best, therefore, a proper use of tax dollars could be to test these hypotheses in a small sample, and verify that the results are as planned. Only upon success should a plan be rolled out further.

