FactSHEET

*Medicaid*

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# Medicaid's Success: Good Care

## Who thinks Medicaid is good care?

- ### People in Medicaid like their care.

  People who get their health insurance through Medicaid are more satisfied with their health plans than people who are insured through private commercial plans.

  - 54 percent of adults with Medicaid rated their health plan a "9 or 10" on a 1 to 10 scale (with 10 being the highest), while only 39 percent of adults with commercial insurance rated their health plans that high.[1]
  - Individuals with Medicaid and individuals with private commercial insurance were equally satisfied with the customer service they received from their health plans: Over 80 percent in both groups indicated that they "usually" or "always" received the information they needed from their plan's customer service representatives.[2]

- ### People in Medicaid get the care they need, when they need it.

  About the same number of people in Medicaid and private commercial plans report that they "usually" or "always" get the care they think they need.

  - Nearly 80 percent of adults in Medicaid say they "usually" or "always" got the care they thought they needed.[3] And 81 percent of Medicaid recipients reported that they got the care they needed quickly. For private commercial plans, results for the same questions were 86 and 87 percent, respectively. [4]
  - 87 percent of adults with a child covered by Medicaid reported that they were "always" or "usually" able to get care for their child as quickly as needed.[5]

## Medicaid improves the health status of the people it covers.

Even though people who have Medicaid like it better than people in commercial insurance like their health plans, the real test is whether having insurance through Medicaid improves individuals' health and well-being. The answer is a resounding "yes."

The most definitive study on the positive effects of Medicaid on individuals' lives was published in 2011. Researchers used a randomized, controlled trial—the gold standard in medical and scientific research—to compare the effect of having Medicaid to being uninsured. The study took advantage of a 2008 Medicaid lottery in Oregon in which 90,000 individuals applied for 10,000 Medicaid slots. Over the period of one year, researchers collected records from hospitals, mortality reports, credit reports, and survey data on randomly selected lottery participants who did and did not get Medicaid coverage.[6]

All participants were low-income adults and eligible for Medicaid. All were uninsured at the start of the study. That means that the study truly measured the impact of having Medicaid compared to being uninsured. For people eligible for Medicaid, that is the most relevant comparison. Most people eligible for Medicaid do not have an option of choosing between Medicaid and private insurance. Because all participants had low incomes, the study also controlled for the negative effects of poverty on health. That is something that most studies comparing outcomes for people with Medicaid to people who have private insurance do not do.

This study found that having Medicaid is far better than being uninsured. After just one year of insurance coverage, having Medicaid improved people's lives in many ways, including the following:

- **Medicaid improves access to care**.

  Having Medicaid increased individuals' access to outpatient care, prescription drugs, and hospital care. It increased the use of recommended preventive care, and those with Medicaid were much more likely than people without insurance to have a regular source of care.[7] Having a regular source of care is associated with better health outcomes.

- **Medicaid improves financial security.**

  The study found that having Medicaid was associated with improved financial security. Compared to people without insurance, those with Medicaid reported having fewer unpaid medical bills. Having Medicaid decreases the likelihood that someone will have to borrow money or skip other expenses to pay medical bills.[8] That's good for the financial security of people with Medicaid, and it's good for doctors and other health care providers—unpaid medical bills are often never paid.

- **Medicaid improves health status.**

  Compared to people without health insurance, those with Medicaid were more likely to report that they were in good health and less likely to say that their health had declined over the past six months. They were also less likely to have depression.[9]

The study showed that having Medicaid is absolutely better than being uninsured, across several variables related to health and economic well-being. The Oregon study findings were recently echoed in a study published in the *New England Journal of Medicine* in which a team of Harvard researchers found that Medicaid coverage was associated with reduced mortality, increased access to care, and increased reported health status.[10] That study underscores the Oregon study findings: Medicaid is good insurance that improves the lives of people who rely on it.

And not only that, people on Medicaid like their health plan, too.

## Apples to Apples: Why the Oregon Study Is Different from Other Studies

To determine the effect of having Medicaid, the Oregon study[11] looked at a randomly selected group of people with similar socio-economic characteristics—low-income adults who were all uninsured at the start of the study. Some received Medicaid, some did not. The researchers compared health status, access to care, and reported well-being for the two groups. This approach allowed researchers to draw meaningful conclusions about the effect of Medicaid on a population. That's very different from many studies that claim to assess the impact of Medicaid.

Most other studies look at medical records and compare health outcomes, usually comparing people with Medicaid to people with commercial insurance. Many of these studies do not control for the economic differences between people whose incomes are so low that they qualify for Medicaid and people who have commercial insurance. Those differences can have health consequences. For example, studies often fail to control for differences in underlying health at the start of the study, even though low-income people are generally in poorer health than more affluent people. In studies that attempt to control for these differences, researchers often note how difficult that is. Also, low-income people suffer greater levels of stress that more affluent people, and stress has health consequences.

Studies that look at outcomes for particular procedures or diseases, such as cancer survival times, often fail to account for individuals' health when they get Medicaid. People may become eligible for Medicaid precisely because they are already quite sick, have no insurance, and have exhausted their finances paying for care to the point that they are Medicaid eligible. In those cases, Medicaid has little to do with outcomes—individuals were already ill and may have gone some time without adequate treatment when they finally received Medicaid and were able to get care. Some studies lump together results for people with Medicaid and people with no insurance when they report their findings.

Medicaid is health insurance for low-income people, most of whom do not have other insurance options. The best way to measure the program's effect is to look at the difference it makes in the lives of low-income people who have it and those who don't. That's what the Oregon study does. That's why it gives a better picture of the true effect of Medicaid.

# Endnotes

[1] Department of Health and Human Services, Agency for Healthcare Research and Quality, *2011 Consumer Assessment of Healthcare Providers and Systems Survey Chartbook*, "Overall Rating of Health Plans," report generated May 2, 2012. Based on 2011 reported satisfaction for adults in Medicaid and adults in private commercial insurance.

[2] Department of Health and Human Services, Agency for Healthcare Research and Quality, *2011 Consumer Assessment of Healthcare Providers and Systems Survey Chartbook*, "Overall Rating of Health Plans," report generated May 2, 2012. Based on responses of adults in Medicaid and adults in private commercial insurance to questions about customer service quality.

[3] Department of Health and Human Services, Agency for Healthcare Research and Quality, *2011 Consumer Assessment of Healthcare Providers and Systems Survey Chartbook*, "Overall Rating of Health Plans," report generated May 2, 2012. This response combines answers to two questions: access to specialists and getting the care, tests, or treatment they thought they needed through their health plan. The responses are for adults in Medicaid and adults in commercial plans in 2011.

[4] Department of Health and Human Services, Agency for Healthcare Research and Quality, *2011 Consumer Assessment of Healthcare Providers and Systems Survey Chartbook*, "Overall Rating of Health Plans," report generated May 2, 2012. This response combines answers to two questions: one related to timing for getting an appointment and one related to wait time in doctors' offices, clinics, or emergency rooms. The responses are for adults in Medicaid and adults in commercial plans in 2011.

[5] Department of Health and Human Services, Agency for Healthcare Research and Quality, *2011 Consumer Assessment of Healthcare Providers and Systems Survey Chartbook*, "Overall Rating of Health Plans," report generated May 2, 2012. This response combines answers for two questions, one about getting care for a child when needed urgently and a second about wait times to get an appointment when care was not needed on an urgent basis.

[6] Amy Finkelstein, et al., "The Oregon Health Insurance Experiment: Evidence from the First Year," The National Bureau of Economic Research, *NBER Working Paper 17190*, issued July 2011, available online at http://www.nber.org/papers/w17190.

[7] Ibid.

[8] Ibid.

[9] Ibid.

[10] Benjamin Sommers, et al., "Mortality and Access to Care among Adults after State Medicaid Expansions," *New England Journal of Medicine* published July 25, 2012 at NEJM.org. The authors compared several years of data from states that had voluntarily expanded Medicaid coverage to adults, who are generally not covered by the program, with data from neighboring states that did not expand Medicaid.

[11] Amy Finkelstein, et al., op. cit.

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