University of Kentucky

Gatton College of Business and Economics

Institute for the Study of Free Enterprise

Study finds no evidence of connection between state Medicaid expansions and adult mortality

- **Medicaid may be theoretically linked to reduced mortality risk via improved access to health care**
- **The extent to which this theoretical link is true in practice is contested by academics and healthcare policy experts**
- **A new paper uses an array of advanced econometric methods to evaluate the long run impact of state Medicaid expansions on adult mortality and finds no statistical link**

Since states began expanding Medicaid to their residents in the early 2000s, health policy analysts and economists have tried to estimate its effect on healthcare outcomes, including mortality. The literature has not been conclusive as to whether or not expansion of publicly funded medical insurance leads to reductions in mortality. A paper by Research Economist at the USDA Jordan Jones, Assistant Professor of Economics at the University of Michigan-Dearborn Antonios Koumpias, Principal Research at the American Institutes for Research Daniel Zapata, along with the Director of the Institute for the Study of Free Enterprise and Associate Professor of Economics at the University of Kentucky Charles Courtemanche, contributes to this discussion by employing a variety of empirical methods that indicates there is not in fact any connection between state Medicaid expansions and reductions in adult mortality.

This paper distinguishes itself from other attempts to estimate this connection by employing synthetic control methods. This approach is an innovative way to estimate the impact of aggregate level policies, such as those at the state or regional level. They provide several advantages to traditional methods in that they do not require a large treatment or control sample. Instead, they employ optimization techniques to construct “synthetic” versions of regions that experienced some sort of policy intervention, using a set of “donor” regions where the intervention was not employed. Top economists such as Susan Athey and Guido Imbens have called these methods “arguably the most important innovation in the policy eval- uation literature in the last 15 years.”

The authors note, “Using these methods, we find no evidence that Medicaid expansion reduces any of the four mortality measures in any individual state or across all treated states as a whole. Estimates are never statistically significant at the 5% level, the pattern of signs is mixed, and magnitudes are generally small. However, the confidence intervals in some cases are quite wide – most notably for the whole-country analyses of healthcare-amenable and HIV-related mortality.”

They continue, “In short, the effect of Medicaid expansions on mortality could vary across time, space, age, take-up rate, and a host of other factors. Nonetheless, our consistent finding of null effects with mixed signs and modest magnitudes across eight expansions in eight different states over two decades is noteworthy.”