COMMENTARY

Is being put on Medicaid better than having no insurance?

By Roger Stark, MD, FACS

Does being put on Medicaid, the government's entitlement program for the poor, actually save lives or improve people's health? This is a question that has not been answered until very recently.

In 2008, Oregon lawmakers decided they had enough additional public money to put 10,000 more people on the state's Medicaid program. So, Oregon officials held a lottery that ultimately signed up 6,400 new Medicaid enrollees. A further 5,800 people were eligible for the program, but were not selected. People in this group had the same health and economic profile as the lottery winners, allowing researchers to make valid comparisons. This created the perfect test-case on the effectiveness of Medicaid in providing care. These 5,800 people became the control group in an objective, randomized health care study.

The *New England Journal of Medicine* recently reported the results. The conclusion is surprising. It turns out that being put on Medicaid does not improve health outcomes nor does it improve mortality statistics, compared to having no insurance coverage at all. The Medicaid group had no improvement in the important objective measurements of blood sugar levels, blood pressure, and cholesterol levels. The study did find that vaguely-defined "mental health" was improved, however this was done via subjective telephone interviews, not objective clinical data. For those few people requiring prolonged medical and hospital treatment, Medicaid did improve the financial status of those patients, because their medical bills were covered by federal and Oregon taxpayers.

The existing Medicaid program has 60 million enrollees nationally at a cost of $430 billion per year. Looking forward, the cost is estimated to increase to $900 billion a year by 2019, yet the study indicates the health status of people put on Medicaid is not better than the uninsured population.

Medicaid is an extremely inefficient program and reimbursement for doctors and other providers is about half of what private insurance pays for the same services. Doctors are not able to pay their own overhead with these low payment rates and consequently our existing Medicaid patients have trouble accessing health care.

The Washington State Medical Association recently found 18 percent of primary care providers had dropped all Medicaid patients and 24 percent were not taking new Medicaid patients because of poor payment and the complexity of treating Medicaid patients compared to privately insured patients. Getting access to health care is a significant problem for people in the existing Medicaid program in our state. It turns out having "insurance" is not the same as actually seeing a doctor.

The Affordable Care Act, or Obamacare, gives states the option to expand Medicaid to at least 16 million new patients nationally and 280,000 in Washington state. The law says that any adult over the age of 18 who earns less than 138 percent of the federal poverty level can be put on Medicaid. The estimated cost to taxpayers of this expansion is at least $450 billion over the first 10 years, starting in 2014.

The Oregon study confirms that Medicaid does not provide better health care to people than having no insurance at all. These terrible results not only come with a huge taxpayer cost, but also trap poor individuals in a virtually worthless health insurance plan.

The Washington state legislature has expanded Medicaid largely because the federal government has bribed the states with federal taxpayer money. Many of our state legislators supported the expansion because it felt like "free" federal money and because they reasoned putting people into Medicaid is better than being uninsured. The large, randomized Oregon study shows this is not true.

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Of course, state taxpayers are also federal taxpayers, so ultimately the people of Washington state will pay for this Medicaid expansion. Medicaid is a pay-as-you-go program. The idea of leaving free federal money "on the table" makes no sense. If Medicaid doesn't expand, the burden of taxes should be reduced for everyone.

Our legislators would do better to improve the existing Medicaid program, eliminate waste, fraud and abuse, improve access and make the program a real safety-net health insurance plan that provides quality at a reasonable cost.