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Medicaid expansion bolsters population health but at a cost, Harvard economist says

Expanding Medicaid coverage in Oregon increased the use of care services and improved overall health while diminishing financial strain on patients. Here's what healthcare executives and policymakers around the country can learn from the experiment.

By [Bill Siwicki](#)
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Katherine Baicker of the Harvard T.H. Chan School of Public Health said that Americans with insurance coverage are better off but there is no way to expand Medicaid and reduce costs.

Politicians in Washington are today furiously debating the future of the Medicaid insurance program. Meanwhile, healthcare executives and academics are exploring the results of a groundbreaking study in Oregon, the Oregon Health Insurance Experiment, that examines the effects of expanding Medicaid coverage.

The Oregon experiment found that covering the uninsured increased the use of health care, including primary care, hospitalizations and emergency room visits, diminished financial strain on patients, reduced depression, and improved overall health.

“Expanding Medicaid to uninsured populations comes with substantial benefits for the populations,” said Katherine Baicker, C. Boyden Gray professor of health economics at the Harvard T.H. Chan School of Public Health. “People who get Medicaid get better access to quality care, better health, improvements in financial security -- on many dimensions people who get Medicaid when expanded are much better off than when uninsured.”



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That said, these people get more care, see doctors, get prescription drugs, use the emergency room, all of which means there is no way to save money by expanding Medicaid, Baicker said. But the people on the program are much better off, so policymakers have to weigh the costs against the benefits when deciding how they want the program to look, she added.

“Medicaid has limited success in managing complex chronic health conditions like diabetes and high blood pressure; but so do a lot of other insurance programs,” Baicker said. “So it’s important to think not only about expanding coverage but insurance design. Getting people covered by a health insurance policy is a substantial improvement for them, but there is a lot of work to be done on how you design the benefits, copayments, coverage, networks, so that you get the best improvements you can for the dollars spent.”

There also are a lot of questions on the payment side, Baicker added, including determining how to pay for quality care not just quantity, outlining cost sharing programs with patients, and ensuring that insurance options are efficient and high-quality, among others.

“We know that health insurance is important for quality healthcare and that healthcare itself can improve health a lot. But there are many inputs into health beyond the four walls of the healthcare system,” Baicker said. “Health behaviors, nutrition, exercise, community health engagement, these and many other elements are crucial to achieving the best health outcomes possible, and that means getting the flexibility and accountability for providers, public programs, private providers, insurance plans, to innovate in reaching out into the community to improve population health while being held accountable for improving those health outcomes.”

Baicker will deliver a keynote address, “Can We Have it All: Slower Spending, Reduced Utilization, Improved Healthcare Value,” at the HIMSS and Healthcare IT News Pop Health Forum, April 3-4, 2017, at the Westin Copley Place in Boston, Massachusetts.