Policy Evaluation - Natural Experiments & the Oregon Medicaid Study

March 25, 2025

Data Lab Results





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- Treatment-on-the-treated effect (TOT): The effect of gaining Medicaid coverage on health.

Divide the ITT by the share of lottery winners gaining coverage. Recall the EconTalk discussion of "prudence".

• Balance Test

		Difference	between treatment a	nd control
	Control Mean (std dev)	Full sample	Credit report subsample	Survey respondents subsample
	(1)	(2)	(3)	(4)
A: Lottery list characteristics				
Year of birth	1968.0	0.162	0.136	-0.060
	(12.255)	(0.100)	(0.119)	(0.191
Female	0.557	-0.0069	-0.0027	-0.0042
	(0.497)	(0.0033)	(0.0041)	(0.0068
English as preferred language	0.922	0.0024	0.0042	-0.00033
	(0.268)	(0.0026)	(0.0029)	(0.0048)
Signed up self	0.918	0.00030	0.00060	-0.0016
	(0.274)	(0.00028)	(0.0010)	(0.0027)
Signed up first day of lottery	0.093	0.0012	0.00093	0.0061
	(0.290)	(0.0025)	(0.0031)	(0.0049)
Gave phone number	0.862	-0.0029	0.000088	0.0059
-	(0.345)	(0.0028)	(0.0034)	(0.0037)
Address a PO Box	0.117	0.00044	0.0023	-0.0023
	(0.321)	(0.0027)	(0.0034)	(0.0053)
In MSA	0.773	-0.0024	-0.0018	0.0011
	(0.419)	(0.0036)	(0.0044)	(0.0070)
Zip code median household income	39,265.4	44.891	12.998	22.031
	(8463,542)	(72.887)	(89.653)	(135.815)

HOSPITAL UTILIZATION				
	Control mean (1)	ITT (2)	LATE (3)	<i>p</i> -values (4)
Panel A: Extensive margin				
All hospital admissions	0.067 (0.250)	0.0054 (0.0019)	0.021 (0.0074)	[0.004]
Admissions through ER	0.048 (0.214)	0.0018 (0.0016)	0.0070 (0.0062)	[0.265]
Admissions not through ER	0.029 (0.167)	0.0041 (0.0013)	0.016 (0.0051)	[0.002]

HOSPITAL UTILIZATION				
	Control mean (1)	ITT (2)	LATE (3)	<i>p</i> -values (4)
Panel B: All hospital admissions				
Days	0.498	0.026	0.101	[0.329]
	(3.795)	(0.027)	(0.104)	{0.328}
List charges	2,613	258	1,009	[0.077]
	(19,942)	(146)	(569)	{0.106}
Procedures	0.155	0.018	0.070	[0.031]
	(1.08)	(0.0083)	(0.032)	{0.059}

HOSPITAL UTILIZATION				
	Control mean (1)	ITT (2)	LATE (3)	<i>p</i> -values (4)
Panel C: Admissions through ER				
Days	0.299	0.023	0.089	[0.183]
	(2.326)	(0.017)	(0.067)	$\{0.187\}$
List charges	1,502	163	636	[0.091]
	(12,749)	(96)	(376)	$\{0.171\}$
Procedures	0.081	0.0080	0.031	[0.135]
	(0.694)	(0.0054)	(0.021)	$\{0.187\}$

HOSPITAL UTILIZATION					
	Control mean (1)	ITT (2)	LATE (3)	<i>p</i> -values (4)	
Panel D: Admissions not through ER					
Days	0.199	0.0033	0.013	[0.841]	
	(2.38)	(0.017)	(0.065)	$\{0.842\}$	
List charges	1,110	98	384	[0.281]	
	(12, 422)	(91)	(356)	{0.383}	
Procedures	0.075	0.010	0.038	[0.080]	
	(0.708)	(0.0056)	(0.022)	$\{0.162\}$	

Results - ED Visits

Perspective Effect of Medicaid Coverage on ED Use — Further Evidence from Oregon's Experiment

Amy N. Finkelstein, Ph.D., Sarah L. Taubman, Ph.D., Heidi L. Allen, Ph.D., Bill J. Wright, Ph.D., and Katherine Baicker, Ph.D.



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Louisiana Medicaid Expansion

• Results - E&M and ED Visits



Figure 1: Evaluation and Management Visits for Expansion vs. Non-Expansion Beneficiaries

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Figure 1: Evaluation and Management Visits for Expansion vs. Non-Expansion Beneficiaries



Figure 2: Emergency Department Visits for Expansion vs. Non-Expansion Beneficiaries

• Results - Preventive Care

COMPLIANCE WITH RECOMMENDED PREVENTIVE CARE (SURVEY DATA)

	Control mean (1)	ITT (2)	LATE (3)	<i>p</i> -values (4)
Blood cholesterol checked (ever)	0.625	0.033	0.114	[<0.0001]
	(0.484)	(0.0074)	(0.026)	{<0.0001}
Blood tested for high blood sugar/diabetes (ever)	0.604	0.026	0.090	[0.0004]
5 5	(0.489)	(0.0074)	(0.026)	{<0.0001}
Mammogram within last 12 months (women > 40)	0.298	0.055	0.187	[<0.0001]
5	(0.457)	(0.012)	(0.04)	{<0.0001}
Pap test within last 12 months (women)	0.406	0.051	0.183	[<0.0001]
•	(0.491)	(0.01)	(0.034)	{<0.0001}

• Results - Financial Strain

Control ITT LATE *p*-values mean (1)(2)(3)(4)Panel A: Overall Any bankruptcy 0.014 0.00220.0086 [0.106](0.119)(0.0014) $\{0.358\}$ (0.0053)Any lien 0.0210.00120.0047 [0.406](0.144)(0.0014)(0.0056) $\{0.698\}$ Any judgment 0.0640.0014 0.0054[0.573](0.244)(0.0024)(0.010){0.698} Any collection 0.500-0.012-0.048[0.003](0.500)(0.0041)(0.016) $\{0.013\}$ Any delinquency (credit accounts) 0.366 0.0016 0.0063 [0.704]{0.698} (0.482)(0.0042)(0.017)

FINANCIAL STRAIN (ADMINISTRATIVE DATA)

• Results - Financial Strain

Financial Strain (Administrative Data)

	Control mean (1)	ITT (2)	LATE (3)	<i>p</i> -values (4)
Panel B: Medical debt				
Any medical collection	0.281	-0.016	-0.064	[<0.0001]
	(0.449)	(0.0040)	(0.016)	$\{<0.0001\}$
Amount owed in medical collections	1,999	-99	-390	[0.028]
	(6733)	(45)	(177)	$\{0.025\}$

• Results - Financial Strain

Financial Strain (Administrative Data)

	Control mean (1)	ITT (2)	LATE (3)	<i>p</i> -values (4)
Panel C: Nonmedical debt				
Any nonmedical collection	0.392	-0.0046	-0.018	[0.264]
•	(0.488)	(0.0041)	(0.016)	$\{0.455\}$
Amount owed in nonmedical collections	2,740	-20	-79	[0.751]
	(9,492)	(63)	(248)	$\{0.752\}$

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• Results - Financial Strain

FINANCIAL STRAIN (SURVEY DATA)

	Control	ITT	LATE	n_waluos
	(1)	(2)	(3)	(4)
Any out of pocket medical expenses,	0.555	-0.058	-0.200	[<0.0001]
last six months	(0.497)	(0.0077)	(0.026)	$\{<0.0001\}$
Owe money for medical expenses	0.597	-0.052	-0.180	[< 0.0001]
currently	(0.491)	(0.0076)	(0.026)	$\{<0.0001\}$
Borrowed money or skipped other	0.364	-0.045	-0.154	[<0.0001]
bills to pay medical bills, last six months	(0.481)	(0.0073)	(0.025)	{<0.0001}
Refused treatment because of med-	0.081	-0.011	-0.036	[0.01]
ical debt, last six months	(0.273)	(0.0041)	(0.014)	{0.01}

• Results - Health

Health				
	Control mean (1)	ITT (2)	LATE (3)	p-values (4)
Panel A: Administrative data				
Alive	0.992	0.00032	0.0013	[0.638]
	(0.092)	(0.00068)	(0.0027)	
Panel B: Survey data				
Self-reported health good/very good/excellent (not fair or poor)	0.548	0.039	0.133	[<0.0001]
	(0.498)	(0.0076)	(0.026)	$\{<0.0001\}$
Self-reported health not poor (fair, good, very good, or	0.86	0.029	0.099	[<0.0001]
excellent)	(0.347)	(0.0051)	(0.018)	{<0.0001}
Health about the same or gotten better over last six months	0.714	0.033	0.113	[<0.0001]
-	(0.452)	(0.0067)	(0.023)	$\{<0.0001\}$
# of days physical health good, past 30 days*	21.862	0.381	1.317	[0.019]
	(10.384)	(0.162)	(0.563)	{0.018}
# days poor physical or mental health did not impair usual	20.329	0.459	1.585	[0.009]
activity, past 30 days*	(10.939)	(0.175)	(0.606)	{0.015}
# of days mental health good, past 30 days*	18.738	0.603	2.082	[0.001]
	(11.445)	(0.184)	(0.64)	{0.003}
Did not screen positive for depression, last two weeks	0.671	0.023	0.078	[0.001]
	(0.470)	(0.0071)	(0.025)	{0.003}

• Results - Mechanisms

Potential Mechanisms for Improved Health (Survey Data)				
	Control			
	mean	III	LATE	<i>p</i> -values
	(1)	(2)	(3)	(4)
Panel A: Access to care				
Have usual place of clinic-based care	0.499	0.099	0.339	[<0.0001]
•	(0.500)	(0.0080)	(0.027)	{<0.0001}
Have personal doctor	0.490	0.081	0.280	[<0.0001]
	(0.500)	(0.0077)	(0.026)	{<0.0001}
Got all needed medical care, last six months	0.684	0.069	0.239	[<0.0001]
	(0.465)	(0.0063)	(0.022)	{<0.0001}
Got all needed drugs, last six months	0.765	0.056	0.195	[<0.0001]
3 ,	(0.424)	(0.0055)	(0.019)	{<0.0001}
Didn't use ER for nonemergency, last six months	0.916	-0.0011	-0.0037	[0.804]
• •	(0.278)	(0.0043)	(0.015)	{0.804}

• Results - Mechanisms

POTENTIAL MECHANISMS FOR IMPROVED HEALTH (SURVEY DATA)				
	Control mean (1)	ITT (2)	LATE (3)	<i>p</i> -values (4)
Panel B: Quality of care	0.708	0.043	0.142	[<0.0001]
Quality of care received last six months good/very good/excellent (conditional on any)	(0.455)	(0.0081)	(0.027)	
Panel C: Happiness	0.594	0.056	0.191	[<0.0001]
Very happy or pretty happy (vs. not too happy)	(0.491)	(0.0074)	(0.026)	

• Results - Biometrics

Variable	Mean Value in Control Group	Change with Medicaid Coverage (95% CI)†	P Value
Blood pressure			
Systolic (mm Hg)	119.3±16.9	-0.52 (-2.97 to 1.93)	0.68
Diastolic (mm Hg)	76.0±12.1	-0.81 (-2.65 to 1.04)	0.39
Elevated (%)‡	16.3	-1.33 (-7.16 to 4.49)	0.65
Hypertension			
Diagnosis after lottery (%)∬¶ 5.6 1.76 (-1.89 to 5.40)		1.76 (-1.89 to 5.40)	0.34
Current use of medication for hypertension (%)§	13.9	0.66 (-4.48 to 5.80)	0.80
Cholesterol**			
Total level (mg/dl)	204.1±34.0	2.20 (-3.44 to 7.84)	0.45
High total level (%)	14.1	-2.43 (-7.75 to 2.89)	0.37
HDL level (mg/dl)	47.6±13.1	0.83 (-1.31 to 2.98)	0.45
Low HDL level (%)	28.0	-2.82 (-10.28 to 4.64)	0.46
Hypercholesterolemia			
Diagnosis after lottery (%)∬¶	6.1	2.39 (-1.52 to 6.29)	0.23
Current use of medication for high cholesterol level (%)§	8.5	3.80 (-0.75 to 8.35)	0.10
Glycated hemoglobin			
Level (%)	5.3±0.6	0.01 (-0.09 to 0.11)	0.82
Level ≥6.5% (%)††	5.1	-0.93 (-4.44 to 2.59)	0.61
Diabetes			
Diagnosis after lottery (%)∬¶	1.1	3.83 (1.93 to 5.73)	< 0.001
Current use of medication for diabetes (%)§	6.4	5.43 (1.39 to 9.48)	0.008

• Results - Biometrics

Variable	Mean Value in Control Group	Change with Medicaid Coverage (95% CI)†	P Value
Depression			
Positive screening result (%)‡‡	30.0	-9.15 (-16.70 to -1.60)	0.02
Diagnosis after lottery (%)∬¶	4.8	3.81 (0.15 to 7.46)	0.04
Current use of medication for depression (%)§	16.8	5.49 (-0.46 to 11.45)	0.07
Framingham risk score (%)∬			
Overall	8.2±7.5	-0.21 (-1.56 to 1.15)	0.76
High-risk diagnosis	11.6±8.3	1.63 (-1.11 to 4.37)	0.24
Age of 50–64 yr	13.9±8.2	-0.37 (-2.64 to 1.90)	0.75

- Results Summary
- Absolute vs. relative effect sizes
 - Example: Hospital admissions for the treatment group were 2.1 percentage points greater than the control group.

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- Absolute change = 2.1 percentage points
- Relative change = 2.1/6.7 = 31.3 percent

- Results Summary Administrative Data:
 - Hospital Care
 - Hospital admissions \uparrow 31.3% (p=0.004)
 - Non-ED LOS ↑ 20% (p=0.329)
 - Non-ED hospital charges \uparrow 39% (p=0.077)
 - Non-ED hospital procedures \uparrow 45% (p=0.031)

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 - Non-ED hospital procedures \uparrow 45% (p=0.031)

- Financial Strain
 - Credit report collection \downarrow 9.6% (p=.003)
 - Medical collection \downarrow 23% (p<0.001)
 - Medical debt \downarrow 20% (p=0.028)

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 - Non-ED hospital procedures \uparrow 45% (p=0.031)
 - Financial Strain
 - Credit report collection \downarrow 9.6% (p=.003)
 - Medical collection \downarrow 23% (p<0.001)
 - Medical debt \downarrow 20% (p=0.028)
 - Biometrics
 - Elevated blood pressure \downarrow 0.8% (p=0.65)
 - High cholesterol \downarrow 17% (p=0.37)
 - Framingham high-risk \uparrow 14% (p=0.24)
 - Depression medication \uparrow 33% (p=0.07)
 - Positive depression screening \downarrow 31% (p=0.02)
 - Mortality $\downarrow 0.14\%$ (p=0.638)

- Results Summary Survey Data:
 - Preventive Care
 - Cholesterol check \uparrow 18% (p<0.001)
 - Blood glucose check \uparrow 15% (p<0.001)

- Pap test \uparrow 45% (p<0.001)

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 - Preventive Care
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 - Pap test \uparrow 45% (p<0.001)
 - Financial Strain
 - OOP Medical expense \downarrow 36% (p<0.001)
 - Borrowed money to pay medical bills \downarrow 42% (p<0.001)

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- Health
 - Good health \uparrow 25% (p<0.001)
 - Improved health \uparrow 16% (p<0.001)

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 - Financial Strain
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- Health
 - Good health \uparrow 25% (p<0.001)
 - Improved health \uparrow 16% (p<0.001)
- Mechanisms
 - Usual source of care \uparrow 68% (p<0.001)
 - Got all needed care \uparrow 35% (p<0.001)

• The Oregon Medicaid Study found no statistically significant effects of winning the lottery on biometric measures of health. Frakt argues that we should not interpret these findings as evidence that Medicaid does not improve health. Why not?

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• How important is selection bias in this case?



- How important is selection bias in this case?
- "Results from the randomized evaluation showed that Medicaid substantially improved self-reported health. However if we analyzed the same data using observational methods rather than taking advantage of the randomization, results suggested that Medicaid actually worsens these same self-reported health measures."

Randomization vs. Regression

• How important is selection bias in this case?

ORIGINAL ARTICLES

Primary Payer Status Affects Mortality for Major Surgical Operations

Damien J. LaPar, MD,* Castigliano M. Bhamidipati, DO,* Carlos M. Mery, MD, MPH,* George J. Stukenborg, PhD,† David R. Jones, MD,* Bruce D. Schirmer, MD,* Irving L. Kron, MD,* and Gorav Ailawadi, MD*

Multivariable logistic regression was performed to calculate the adjusted odds of in-hospital death and in-hospital complications among patients undergoing major surgical operations. All preoperative variables entered as covariates (patient age, gender, elective operative status, mean income, hospital geographic region, teaching hospital status, type of operation, primary payer status, and categories for comorbid disease) were selected a priori based upon established clinical risk or were considered potential confounders for the effect of payer status among patients. All covariates contributing cases to each estimated outcome,

Randomization vs. Regression

	Private	Medicare	Uninsured	Medicaid
Mortality	1.00	1.54	1.74	1.97
Length of Stay	7.38	8.77	7.01	10.49
Total Costs	63,057	69,408	65,667	79,140

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Medicaid Is Worse Than No Coverage at All

New research shows that patients on this government plan fare poorly. So why does the president want to shove one in four Americans into it?

By Scott Gottlieb Updated March 10, 2011 12:01 am ET

Medicaid's awful results: Column

Glenn Harlan Reynolds Published 11:48 a.m. ET Nov. 11, 2013

CRITICAL CONDITION

Why Medicaid is a Humanitarian Catastrophe



Avik Roy Forbes Staff The Apothecary Contributor Group © Policy Commentary from Forbes' Policy Editor

UVa Study: Surgical Patients on Medicaid Are 13% More Likely to Die Than Those Without Insurance

By AVIK ROY | July 17, 2010 11:36 PM

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