

 DATA FOR *PROGRESS*

# THE MISSING MEDICAID MILLIONS

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## Executive summary

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The Affordable Care Act allowed Americans earning up to 138 percent of the federal poverty line to apply for Medicaid. This has benefited millions of Americans and driven historic reductions in the uninsured rate, but thirteen states continue to refuse to implement Medicaid expansion. This leaves millions of Americans in the coverage gap: too poor to afford private insurance, but unable to qualify for traditional Medicaid because they don't belong to specific groups (such as people with disabilities) that are categorically eligible.

Drawing on a range of recent research, we argue that Medicaid expansion is both sound policy and good politics. A number of recent studies suggest that implementing Medicaid expansion leads to increases in political participation.

We extrapolate from these studies to predict how much participation would increase if all nonexpansion states were to accept Medicaid expansion. We find that as many as 1.3 million more Americans would vote under universal Medicaid expansion, and voter registration would increase by tens or possibly hundreds of thousands. These findings suggest that Medicaid expansion is a winning issue for both the present and the future.

## Medicaid expansion and the coverage gap

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The refusal of thirteen states to expand Medicaid has created a coverage gap leaving millions of Americans without health coverage. It's worth clarifying a few issues up front:

- ▶ The coverage gap in these states is mostly composed of childless, low-income adults who do not have disabilities that would make them “categorically eligible” under traditional Medicaid. Specifically, those in the coverage gap earn less than 138 percent

of the federal poverty line (about \$17,000 for a single person, or \$23,000 for a two-person household), which is the new federal cutoff under the ACA's Medicaid expansion. Many parents also fall into the coverage gap. While parents may qualify for Medicaid in these states, they must have very low incomes to do so; for instance, a parent in a household of three in Texas is ineligible if she makes more than 17 percent of the federal poverty line—about \$3,600 a year.<sup>1</sup>

- ▶ A wealth of evidence shows that expanding Medicaid expansion is beneficial for those who gain coverage: it improves access to and utilization of care (including diagnosis and treatment for cancer<sup>2</sup> and substance-use disorders<sup>3</sup>), and results in improved self-reported physical<sup>4</sup> and mental health.<sup>5</sup> Research has also found improvements on specific health outcomes, such as cardiovascular mortality.<sup>6</sup>
- ▶ Medicaid also improves individual financial health. Research shows that expansion is associated with many positive financial outcomes—like better credit, fewer unpaid bills, and fewer bankruptcies—especially among medically needy people like those with chronic conditions.<sup>7</sup>
- ▶ Medicaid expansions don't only benefit individuals. By reducing uncompensated care, they are also a boon to hospitals.<sup>8</sup> Recent research even suggests that Medicaid expansion may save rural hospitals from closing, a major concern for many vulnerable communities in nonexpansion states.<sup>9</sup>
- ▶ Expanding Medicaid is also good for a state's private insurance market, particularly in the ACA's health insurance exchanges, where people go to buy individual-market insurance. Evidence shows that states that implement the expansion have lower exchange premiums, healthier individual-market risk pools, and better insurer participation in the exchanges.<sup>10</sup>



## Medicaid expansion is a winning issue—even in deep-red states

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Medicaid expansion is good politics as well as good policy, even in states where Democrats struggle to win office, and where “Obamacare” as a whole is unpopular.

- ▶ While many red states refused the Medicaid expansion after the 2012 Supreme Court ruling in *NFIB v. Sebelius* gave them the option, a number of Republican governors—including Mike Pence in Indiana, Rick Snyder in Michigan, John Kasich in Ohio, and Jan Brewer in Arizona—saw potential benefits for their states, and championed the expansion over the objections of others in their party. These episodes illustrated an important political point about Medicaid expansion: it can be framed as separate and distinct from the ACA, which remains anathema to Republican politicians and voters. As a popular and long-running safety-net program, Medicaid has the bipartisan credibility that other portions of the ACA lack.
- ▶ More recently, Republican politicians in several states have learned that if they do not expand Medicaid, the voters might well do it without them. A successful 2017 ballot initiative to expand Medicaid in Maine over the objections of then-Governor Paul LePage inspired advocates in several deep-red states to try the same approach in 2018, and the results were striking. In Nebraska, Utah, and Idaho, Medicaid expansion garnered solid majorities at the ballot box.<sup>11</sup> These successes have inspired advocates in other Republican-leaning states—like Missouri and Oklahoma—to pursue ballot initiatives for 2020.
- ▶ Red and purple states that have expanded Medicaid have not regretted it. Dire predictions from conservatives about the expansion breaking the budget have not come to pass.<sup>12</sup> Trying to roll back the expansion has also proven to be a dicey proposition for Republicans; conservative Kentucky Governor Matt Bevin did just that, and became the least popular governor in America.<sup>13</sup> He went on to lose his 2019 reelection bid to Democrat Andy Beshear, in a state that Donald Trump won by 30 points in 2016.

- ▶ Recent polling from Virginia, Kentucky, and Louisiana suggests that support for Medicaid expansion remains strong in red and purple states. In Louisiana, Data for Progress’s polling shows that 62 percent of voters support Medicaid expansion, with only 25 percent of voters opposed.<sup>14</sup> A recent Data for Progress poll of Virginia shows Medicaid expansion overwhelmingly popular in swing districts.<sup>15</sup>

## Medicaid expansion can increase political participation

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The policy case for expanding Medicaid is strong, but recent research suggests another compelling reason: expanding Medicaid also provides benefits for democracy. Using various data and approaches, a number of scholars have concluded that Medicaid expansion is associated with a bump in voter turnout, and possibly in voter registration as well.

- ▶ In a 2017 study, Jake Haselswerdt analyzed changes in Medicaid enrollment and US House voter turnout between the 2012 and 2014 elections, finding a large and statistically significant positive correlation.<sup>16</sup>
- ▶ In a 2018 study, Joshua Clinton and Michael Sances examined differences in county-level voter turnout and registration across the borders between states that did and did not accept the Medicaid expansion. They found a significant and positive effect of expansion on turnout in the 2014 midterms, though only in high-eligibility counties where coverage gains stood to be above the national median. They also found a positive and statistically significant effect on voter registration, though, again, only in high-eligibility counties.<sup>17</sup>
- ▶ A 2019 study by Kathryn Baicker and Amy Finkelstein ran an experiment on the effect of Medicaid expansion on voting in Oregon in 2008 and 2010, using the Oregon Medicaid lottery. Prior to the passage of the ACA, Oregon was interested in expanding its Medicaid program to include poor, childless, able-bodied adults (the same group targeted by the later ACA expansion), but the state lacked the

funds to cover them all. The solution was a lottery that randomly assigned Medicaid eligibility, creating an opportunity for researchers. True randomization allows researchers to determine if Medicaid enrollment, and not some other factor correlated with enrollment, truly causes the outcome of interest. Researchers can also study outcomes at the individual level, including linking subjects to public voter records to determine if they are registered or if they voted. Baicker and Finkelstein also find a positive and statistically significant effect of Medicaid enrollment on voting in 2008 (as well as a similarly sized effect on voter registration that was not statistically significant).<sup>18</sup>

Table 1 summarizes the findings and methods of these studies.

Why might Medicaid expansion increase political participation? None of these studies can determine that for certain, but existing work suggests a number of possibilities.

- Medicaid enrollment likely boosts registration. Both the Clinton/Sances and Baicker/Finkelstein studies find suggestive evidence of this. Under the National Voter Registration Act of 1993 (sometimes referred to as “Motor Voter”), states are required to offer citizens the opportunity to register to vote during bureaucratic

interactions, such as applying for a driver’s license or signing up for Medicaid coverage. Comparative research shows that our relatively complicated system of voter registration is one major reason why voter turnout in the United States consistently lags behind our international peers.<sup>19</sup> Thus, if Medicaid makes it easier to register, that should have an impact on participation.

- The ways Medicaid improves people’s lives may make them better able to participate in politics. Research shows that healthier people are more likely to vote.<sup>20</sup> Mental health, an area where the Oregon Medicaid experiment showed clear positive effects, is also associated with participation.<sup>21</sup> Additionally, Medicaid improves financial security, which may free up time and mental bandwidth for people to participate in politics. Unsurprisingly, given all of these effects, people with health insurance are more likely to vote than the uninsured.<sup>22</sup>
- Medicaid eligibility gives previously disenfranchised people a stake in politics. This is the pattern Andrea L. Campbell found in her study of the historical development of Social Security, which she demonstrates to be the cause of American senior citizens’ high levels of activism and political participation, not the result of it.<sup>23</sup>

**Table 1. Recent studies on the impact of Medicaid expansion on political participation**

STUDY	METHODS	EFFECTS
Haselswerdt	First differences; Medicaid enrollment and voter turnout at the Congressional district level, 2012–2014.	0.511 additional votes for each additional person enrolled.
Clinton and Sances	Regression discontinuity; turnout and registration in border counties in expansion states neighboring nonexpansion states, 2010–2016.	0.43-percentage-point increase in voter turnout, and a 0.19-percentage-point increase in registration for each percentage-point increase in the insured rate. <sup>a</sup>
Baicker and Finkelstein	Randomized field experiment with instrumental variable analysis; individual-level Medicaid enrollment, voting and registration in Oregon, 2008–2010.	Enrollment in Medicaid increased individual likelihood of voting by 2.5 percentage points and of being registered by 2.1 percentage points. <sup>b</sup>

Notes: <sup>a</sup> From 2010–2014 midterms; calculated by the authors for this report. <sup>b</sup> Registration effect was statistically insignificant ( $p=.23$ ).

Whatever the reasons for Medicaid expansion's effects on turnout, the consistency of positive findings across multiple published studies with different research designs suggests that it is real and potentially important. The findings suggest that as many as 1.7 million fewer people would have voted in the 2014 midterm elections if not for Medicaid expansion.

## The missing Medicaid millions: what if every state expanded?

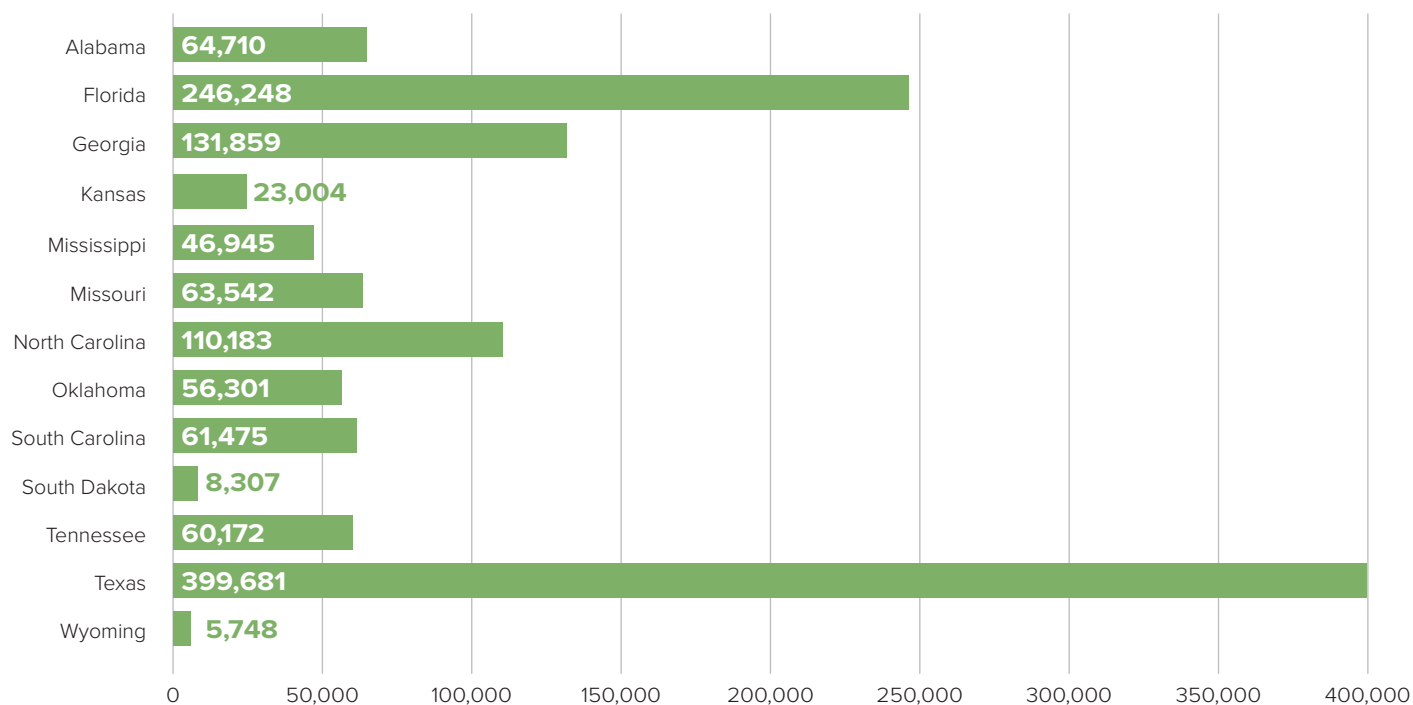
Drawing on these studies, it's possible to predict how much voting and registration would increase if all thirteen holdout states expanded Medicaid.<sup>24</sup> Since the initial Medicaid expansions occurred before the 2014 midterm elections, we assume that these hypothetical new expansions would take place between the 2020 general election and the 2022 midterms. We start with Kaiser Family Foundation estimates of the coverage gap in each state.<sup>25</sup> We then multiply those numbers by the estimates of expansion effects on participation from each

study. This yields a range of estimates: Baicker/Finkelstein predict an effect of 0.025 additional votes per new enrollee, while Haselswerdt predicts a considerably larger effect of 0.511. Clinton/Sances fall in the middle of those two, with a predicted increase of 0.43 percentage points in turnout of the voting-age population per 1-percentage-point increase in the insurance rate.<sup>26</sup> In Figure 1, we display the average of these three predictions in terms of the raw number of votes, and in Figure 2 we show the expected turnout increase by percentage of votes cast in 2018.

In total, we predict that about 1.3 million more people would vote in the 2022 midterms if every state were to expand Medicaid.

In terms of voter registration, extrapolating from the Clinton/Sances study, we would predict a nationwide registration increase of about 647,000, while the Baicker/Finkelstein findings suggest a more modest increase of about 92,000, though recall that the registration effect was not statistically significant in their study.<sup>27</sup>

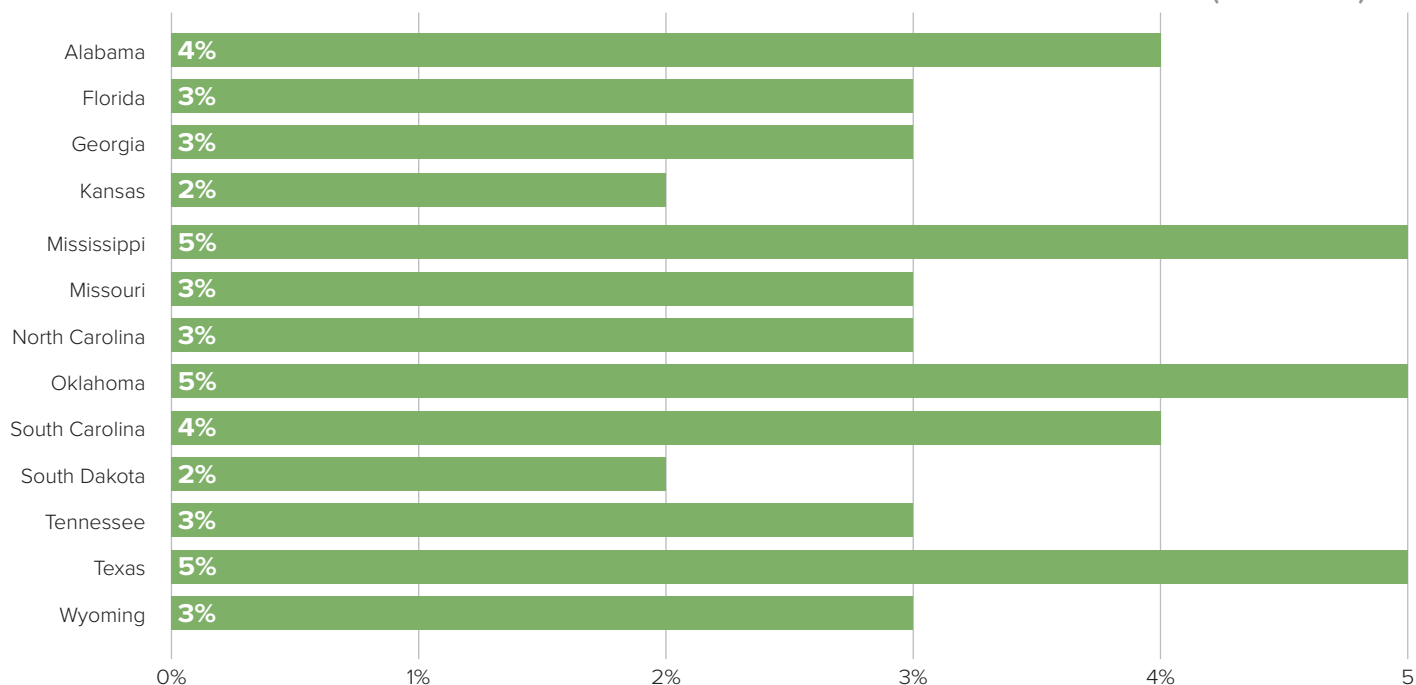
PROJECTED VOTER TURNOUT INCREASE IF EACH STATE EXPANDED MEDICAID



Average projections from Haselswerdt (2017), Clinton and Sances (2018) and Baicker and Finkelstein (2019)

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## PROJECTED VOTER TURNOUT INCREASE IF EACH STATE EXPANDED MEDICAID (% of 2018)



Average projections from Haselswerdt (2017), Clinton and Sances (2018) and Baicker and Finkelstein (2019)

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## Caveats

Solid research supports the positive effects of Medicaid expansion on political participation, but there are a number of caveats to keep in mind.

- ▶ First, it may be difficult to apply these past findings to future Medicaid expansions. For one thing, the red states that have yet to expand Medicaid may not do so as robustly and aggressively as states that have already expanded; they may implement expansion in ways that limit take-up of new benefits (e.g., with burdensome paperwork and poor staffing of the agencies in charge of signups).<sup>28</sup> If red states make the signup experience frustrating and stigmatizing, they may also alienate those who do sign up and make them less likely to engage in politics. On the other hand, the so-called “welcome-mat effect,” in which Medicaid expansion boosts enrollment among those already eligible, may balance out such effects.<sup>29</sup>
- ▶ It’s also unclear whether these effects will last. Both the Clinton/Sances and Baicker/Finkelstein studies found statistically significant effects in the election following expansion, but not after that. It’s also worth noting that long-term participation in Medicaid may actually be depressive to political participation; the research of Jamila Michener has shown that relying on Medicaid can be frustrating and politically alienating.<sup>30</sup>
- ▶ Lastly, we don’t know what the ultimate political effects of these changes would be. Haselswerdt finds no consistent evidence that Medicaid expansion tilted the election results towards either party in 2014, though more recent work by Hollingsworth and colleagues suggests that since the enactment of the ACA, county-level insurance gains have benefited Democrats at the ballot box.<sup>31</sup>

## Endnotes

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