

Healthcare Cost-Sharing and the Economic Security of Social Security Disability Insurance Beneficiaries: Medicaid Expansion and the SSDI-Medicare Population

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Key Findings and Policy Implications

This paper examines how the Medicaid expansion in the Affordable Care Act affected the healthcare and out-of-pocket medical spending of SSDI beneficiaries who became newly eligible for dual Medicare-Medicaid benefits. It uses data from three separate, nationally representative surveys: the American Community Survey, the Current Population Survey's Annual Social and Economic Supplement, and the 2014 panel of the Survey of Income and Program Participation. The paper finds that:

- Dual Medicare-Medicaid coverage increased by 4.0 to 5.5 percentage points among SSDI beneficiaries, equivalent to an over 10 percent increase relative to the pre-expansion Medicaid coverage rate of 38 percent in our sample. The increase was larger among white beneficiaries, beneficiaries with self-care or ambulatory difficulties, rural beneficiaries, and married beneficiaries without children.
- Eligibility for dual coverage reduced the likelihood that survey respondents reported any out-of-pocket healthcare expenditure by over 12 percentage points. This implies that nearly all of those newly covered by Medicaid went from paying at least some out-of-pocket expenditures to not paying them.
- There was no statistically significant effect of the Medicaid expansion on whether an individual had a physician visit in the past year, our one measure of healthcare utilization in the study.

The analysis improves our understanding of three areas of public policy interest: first, the effects of the ACA Medicaid expansions; second, the landscape of supplemental coverage options available to SSDI beneficiaries beyond Medicare; and third, the sensitivity of physician visits to the structure and extent of health care coverage.

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