

# Assessing the cost of the Affordable Care Act and expanding Medicaid

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(Medical Xpress)—Extending Medicaid coverage to currently uninsured adults is likely to increase the cost of the program, according to health policy researchers, because those patients are prone to have more expensive health problems than nondisabled adults currently enrolled in Medicaid.

The [Affordable Care Act](#) gives individual states the option to expand their [Medicaid](#) programs to cover many who are uninsured. A study by Penn State and Wake Forest University researchers is among the first to quantify the potential financial impact of this option.

"We sought to compare the health needs and health-services utilization of the uninsured who are served by safety-net providers with those of nondisabled adult Medicaid recipients living in the same county, in order to help project the potential financial impact of enrolling uninsured people in Medicaid," the researchers stated in a recent issue of the *North Carolina Medical Journal*.

Wenke Hwang, associate professor of public health sciences at Penn State College of Medicine, and colleagues studied these two groups in Buncombe County, North Carolina, in 2008. Buncombe County's clinics and safety-net providers maintain comprehensive records about patients and the treatments they receive, offering a unique opportunity to assess the general health status and needs of the uninsured population.

Previous research has determined that [uninsured patients](#) were less likely to have been admitted to a hospital or to have visited an emergency room or outpatient clinic than Medicaid recipients. However, the uninsured tended to have ailments that cost more to treat than those with Medicaid.

"We found that if the low-income uninsured non-[elderly adults](#) had been covered by Medicaid, based on their illness burden profiles, they would have incurred 13 percent more costs on average

than the non-elderly Medicaid recipients," said Hwang. "This means that the non-elderly [uninsured population](#) has, on average, a slightly higher disease burden than the non-elderly Medicaid recipients."

The study looked at nearly 11,000 people over the course of the year. Medicaid recipients accounted for 7,191 of them and uninsured county-clinic patients numbered 3,603.

"Health reform laws will provide insurance coverage to many currently uninsured populations," said Hwang. "However, it may be more cost effective to simply strengthen the financial viability of the current safety-net providers without expansion of state Medicaid."

Kimberly Liao, research associate, public health sciences, Penn State College of Medicine; Leah Griffin, statistician, biostatistical sciences, and Mark Hall, professor of social science and health policy, both at Wake Forest University School of Medicine, also contributed to this research.

Provided by Pennsylvania State University

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