NEW REPUBLIC

More Good News for Obamacare: It May Be Saving Lives After All

By: Jonathan Cohn Date: May 5, 2014

Remember that bombshell study that made Obamacare look so bad a year ago? It used data from <u>Oregon</u> to show that giving people health insurance might not make them healthier. Critics of the Affordable Care Act seized on the paper, which appeared in the *New England Journal of Medicine*, as yet more proof the health care law would be a boondoggle.

Now a new study is out. It's based on data from Massachusetts. And it makes Obamacare look good. The study has limitations, just like last year's, but it should also get tons of attention. It appears in the <u>Annals of Internal Medicine</u>, with one of the very same authors as the old study, and has a rigorous design that experts say makes it unusually important.

It also suggests the health care law, implemented effectively, could save thousands of lives a year.

The subject of the new paper is the Massachusetts health care reform scheme, signed into law by then-Governor Mitt Romney, that took effect in 2007. It is an obvious subject for research, because it looks just like Obamacare and it <u>succeeded in reducing the number of uninsured</u>, just as Obamacare seems to be doing. The change made a <u>big difference</u>. Subsequent studies showed that, as more people got insurance, fewer people struggled with medical bills and more people got regular medical care. But while <u>hospitalizations for preventable conditions</u> came down and <u>people reported that they felt better</u>, those findings didn't fully address the question of how insurance was affecting health.

Enter three well-credentialed, well-respected health care economists—<u>Benjamin Sommers</u> (who's also a physician) and <u>Katherine Baicker</u>, from the Harvard School of Public Health; and <u>Sharon Long</u>, a senior fellow at the Urban Institute. The trio obtained figures on mortality and, better still, they were able to isolate causes of mortality "amenable to health care." In other words, they were able to get data on cancers, various cardiac problems, and other conditions that, with better medical care, people should be more likely to survive. Then they compared how the people in Massachusetts fared relative to groups of people from around New England, who were similar in almost every meaningful way—age, income, and so on—except that they lived in states where similar expansions of health insurance were not underway.

The results were clear. In those other places, outside of Massachusetts, the death rate from "amenable" causes went down by only a little bit and the overall death rate actually increased a

tad. But in Massachusetts, deaths overall and deaths from "amenable" causes both went down—significantly. The authors calculated that, for every 830 people who got insurance in Massachusetts, about one person avoided a premature death.

That's a big payoff and it suggests Obamacare might have one, too. If millions of additional Americans end up with health insurance because of the law, as now seems likely, it would mean that at least a few thousand are going to live longer. And the number could get pretty high. A story in the <u>New York Times</u> suggested 17,000 would be a good guess. <u>Harold Pollack</u> has done some back-of-the-envelope math for <u>healthinsurance.org</u> and concluded the number could be as high as 24,000.

Of course, those figures assume the correlation in Massachusetts is indicative of what will happen across the country under Obamacare. The authors don't make such a bold claim—for good reason. Massachusetts is just one state, with all the usual idiosyncrasies. And as any expert would quickly observe, a paper like this could never prove, to academic standards, that people are living longer because they have health insurance. But the very large data set from Massachusetts allowed the researchers to get granular data and to search for correlations with other factors, besides health insurance, that might have helped Massachusetts residents to live longer. They didn't find any—and that says an awful lot.

"When we look at the impacts across cause of death, we see the strongest gains for the conditions that are most amenable to increased health care use," Long told me. "When we look at the impacts across population groups, we see the strongest gains for the populations that were most likely to see gains in insurance coverage under reform—nonelderly adults, adults in counties with a lower-income population, and adults in counties with a higher uninsurance rates prior to reform." Citing their attempts to find other factors, Long, who conducted many of those previous studies on Massachusetts, concluded, "it's hard to imagine what could be driving the results besides [the state's] expansion in coverage."

"Quasi-experimental studies like this one can take advantage of both longer time frames and larger sample sizes," Baicker added. "While it is harder to establish causality definitively, we work hard to eliminate other potential explanations—making it seem like the expansion is the most viable explanation of the reduced mortality."

As <u>Adrianna McIntyre</u>, the widely read blogger on health policy, puts it, "The findings aren't bulletproof, but they're close."

But then what about that other study, the one with data from Oregon? It's still important, because it was based on a natural and truly randomized experiment, the kind that happens very rarely in the social sciences. A few years ago, Oregon had enough money to expand its Medicaid program—but not enough to cover everybody who wanted to enroll. State officials used a lottery to determine who could sign up and that created two groups, distinct only in their random luck. A star-studded group of researchers—including Baicker, a co-author on the Massachusetts study—focused on health indicators like control of diabetes and high blood pressure. They found no proof that people on Medicaid had better results. To the Affordable Care Act's detractors, the Oregon study was proof that expanding Medicaid which the Affordable Care Act does as part of its efforts to help people get insurance—is worse than a waste of money. "If you support expanding Medicaid," <u>Avik Roy</u> wrote in *Forbes*, "you're doubling down on a failed system." That argument never made much sense. The same Oregon study reaffirmed that people ended up more financially secure and that they reported themselves to be in better mental health—two very real benefits that, arguably, offered plenty of justification for the law.

But the lack of clear results on health was a genuinely big deal—and Baicker, for one, thinks the results still raise doubts about how much expanding Medicaid alone can accomplish. "Medicaid improves well-being in important ways (including finances, mental health, self-reported health, and care access and quality), but does not corral chronic disease," Baicker told me, when I asked her how a sensible, honest person might interpret the two sets of results. "This (non-comprehensive) package of improvements comes at a cost to taxpayers, as enrollees use not only more preventive care, but more hospital and ED visits. How policy-makers weigh the costs against the benefits depends on which aspects of well-being they care about and what the alternative uses of the money are." Quite right—here, for example, is Michael Cannon of the Cato Institute, suggesting the benefit does not justify the expansion's large cost.

Still, the Oregon experiment also had limits, because its sample size for measuring health effects was small. In fact, scholars like <u>Austin Frakt from Boston University and Aaron Carroll from</u> <u>Indiana University</u> argued the sample size was too small to draw any firm conclusions about effects on health. (The two blog for <u>The Upshot</u> now.) They thought it would take a study with a much larger population, and a longer time to observe results, for real changes in health outcomes to show up. That's precisely what the new Massachusetts study does, even though it's not a perfectly random study. "The Oregon study is an extremely well-done study," says Sommers, "but it's just impossible to randomize several hundred thousand people to coverage and follow them for 4 years. That's what we can do with the Massachusetts natural experiment, and it gives us much greater ability to identify these sorts of health impacts of insurance coverage."

Informed, honest people can disagree over exactly how to reconcile the two sets of results—and skeptics, particularly on the right, will undoubtedly find flaws with the Massachusetts study that I am not spotting yet. But here's one more thing to keep in mind. The findings from a Massachusetts are consistent with a long line of similar, previous work. In the 1990s, for example, economists Janet Currie and Jonathan Gruber found that expanded eligibility for Medicaid led to lower infant mortality and fewer low birthweight babies. "More work is clearly needed," says Gruber, an MIT professor who was an architect of both the Massachusetts and federal health reforms, "but we should basically be back to our presumption that health insurance improves health."

Note: This item has been updated with new links, clarifying language and such.