

The New York Times

Why Expand Care With No Proven Benefits?

By: Michael Cannon – May 7, 2013

ObamaCare aims to cover 16 million poor uninsured adults through Medicaid, plus 16 million higher-income uninsured Americans through government-subsidized “private” insurance. Supporters portrayed these “reforms” as a matter of life and death, particularly for the poor. Yet a monumental new study finds that “Medicaid coverage generated no significant improvements in measured physical health outcomes” for poor adults. These findings strengthen the case that states should stop implementing ObamaCare, and Congress should swiftly repeal it.

In 2008, Oregon launched an ObamaCare field test. The state handed out Medicaid slots via lottery to thousands of the very folks to whom ObamaCare opens Medicaid. Economists then studied the differences between the lottery winners and losers. The random assignment of subjects makes Oregon’s the most reliable study—indeed the *only* reliable study—ever conducted on the effects of Medicaid.

The results stunned and embarrassed ObamaCare supporters. Medicaid increased medical spending from \$3,300 to \$4,400 per person, but produced no discernible improvement in blood pressure, cholesterol, blood sugar levels, or risk of heart attacks after two years. Medicaid should have had an *immediate* impact on these measures, especially among the poor. Its failure to do so also casts doubt on any supposed long-term benefits from Medicaid and even ObamaCare’s subsidies for higher-income households. (Government subsidies are even less likely to improve the health of people with higher baseline access to care.) As Nicholas Kristof admits, ObamaCare supporters “oversold benefits of health insurance.”

Some supporters complain Oregon’s sample size was small. That’s another way of saying the disease burden among this group is not as great as you might think. Others stress that Medicaid reduced depression and financial strain. But these protests miss the point. The absence of physical-health improvements indicts the entire enterprise. Supporters have an obligation to show that the \$2 trillion in entitlements ObamaCare will launch next year would actually improve enrollees’ health. The Oregon study shows they cannot meet their burden of proof. What part of “no discernible improvement” don’t they understand?

The notion that Medicaid should provide only catastrophic coverage likewise misses the point. Congress should have to produce evidence of benefit before it forces taxpayers to fund any such program. Yet there’s no reliable evidence that government-provided catastrophic coverage would improve enrollees’ health, either.

This landmark study’s findings strengthen the case for repealing ObamaCare. Until Congress acts, states can stop both the Medicaid expansion and ObamaCare’s health insurance “exchanges.”