Spillover Effects of the Affordable Care Act on Medicare Beneficiaries

Carmen Lehnigk
SC-BI Fellowship
25 July 2018
My Question

What, if any, spillover effects did elderly Medicare beneficiaries experience as a result of the Affordable Care Act insuring more nonelderly through the marketplaces?
Motivation

Multi-payer systems can create spillover

My Contribution

First Virginia county-level study examining spillover to Medicare beneficiaries from the ACA

Focusing on hospitalization outcomes

Exploiting county-level variation in uninsurance rates to show the intensity of the ACA’s effect & create a natural experiment
**Methods**

- Fixed county level effects in multivariate regressions
- Panel data

- Key explanatory variable: uninsXpost
  
  \[ \text{uninsXpost} = \text{unins2013} \times \text{POST} \]
### Results

<table>
<thead>
<tr>
<th>Variable</th>
<th>uninsXpost (County/Year/Quarter)</th>
<th>uninsXpost (County/Year)</th>
<th>uninsXpost (Discharge)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rate of elderly Medicare hospitalizations</td>
<td>0.00013</td>
<td>0.00251*</td>
<td>n/a</td>
</tr>
<tr>
<td>Rate of non-elective elderly Medicare hospitalizations</td>
<td>0.00008</td>
<td>0.00118</td>
<td>n/a</td>
</tr>
<tr>
<td>Rate of elective elderly Medicare hospitalizations</td>
<td>0.00005</td>
<td>0.00081</td>
<td>n/a</td>
</tr>
<tr>
<td>Rate of emergency department visits among elderly Medicare patients</td>
<td>n/a</td>
<td>-0.00270</td>
<td>n/a</td>
</tr>
<tr>
<td>Log of Medicare total charges</td>
<td>0.0108***</td>
<td>0.00665*</td>
<td>0.00277</td>
</tr>
<tr>
<td>Log of non-elective Medicare charges</td>
<td>0.0134***</td>
<td>0.00685</td>
<td>0.00340</td>
</tr>
<tr>
<td>Log of elective Medicare charges</td>
<td>0.00914</td>
<td>0.00103</td>
<td>-0.00133</td>
</tr>
</tbody>
</table>

Statistical significance: *** p<0.001, ** p<0.01, * p<0.05, n/a signifying not applicable.
Discussion & Conclusion

Overall increases in Medicare hospitalization volume & charges

No negative spillover
Thank you!

Questions?

clehnik@email.wm.edu