



MERCATUS CENTER
George Mason University

Medicaid Expansion and Mental Health

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Virtual Testimony | August 24, 2023
Kansas Special Committee on Mental Health

Goal: Reconcile Seemingly Contradictory Research

- Medicaid is not meeting needs of the most vulnerable
 - Barely half of emergency room visits by children (on Medicaid) for mental health crises are followed by adequate follow-up care, including nearly two-thirds among victims of firearm injuries (Hoffmann et al., 2023)
- Research shows medicaid expansion improves mental health for newly enrolled
 - Increased utilization of mental health services (Ortega, 2023) and improved management and reduced prevalence of depression (Finkelstein et al., 2012; Baicker et al., 2018)
- We find that by sharply increasing the numbers of Medicaid enrollees without a comparable increase in the number of healthcare providers serving Medicaid patients, expansion appears to exacerbate access to care problems for original beneficiaries (Bjoerkheim, Sigaud, and Ampaabeng, 2023)
- Key takeaway: crucial to consider potential negative spillover effects to expanding Medicaid in a context of widespread shortages for mental health professionals

Vulnerable in Kansas *Already* Lack Access to Mental Health Services

KANSAS REFLECTOR

Kansas foster kids suffer from shortage of mental health providers, high caseloads

BY: RACHEL MIPRO - JUNE 19, 2023

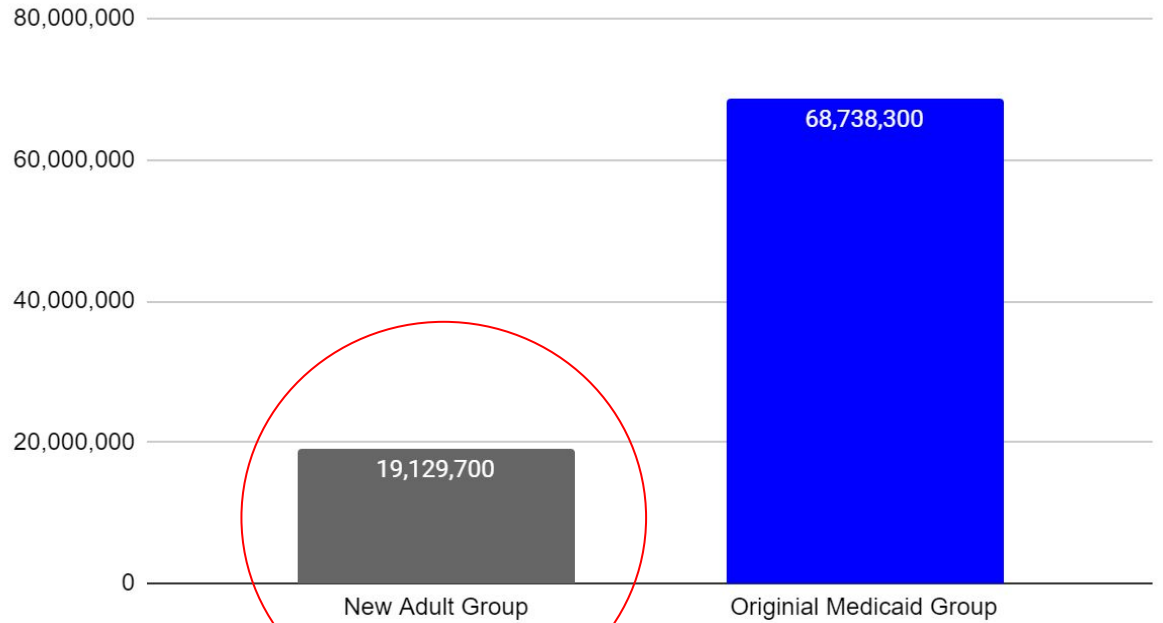


In the Kansas City area, 40% to 50% of children who need mental health services go untreated.



Noah Taborda
KCUR, June 2023

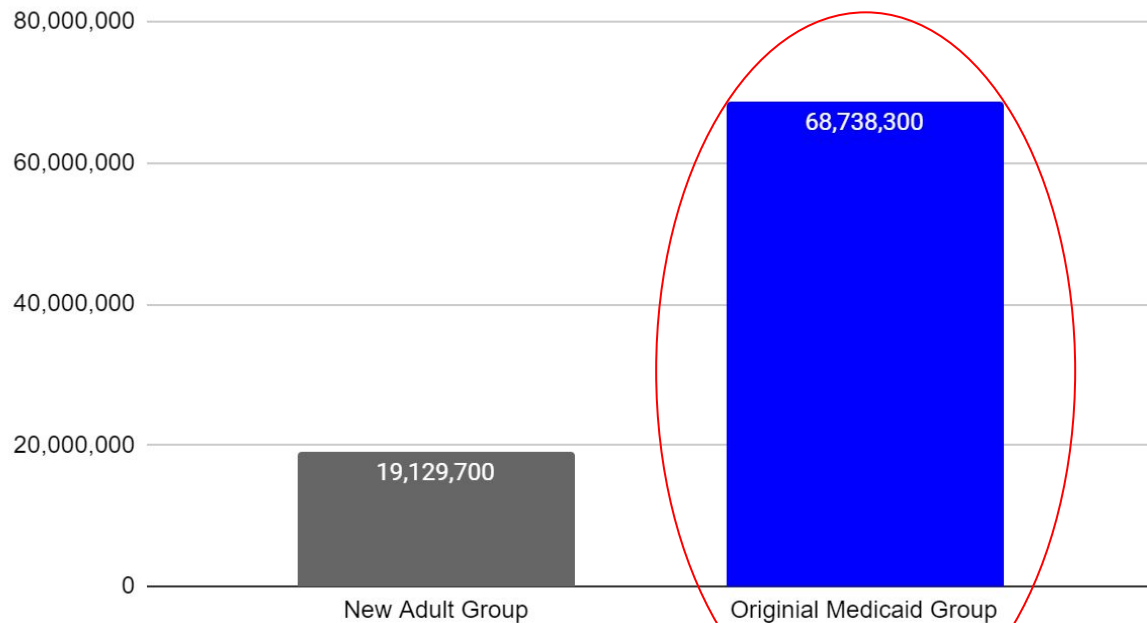
Medicaid Population by Group, 2019



Source: Kaiser Family Foundation

**Research
primarily
on 20
million
that gets
Medicaid**

Medicaid Population by Group, 2019



Source: Kaiser Family Foundation

But what happens to original population?

LOCAL & STATE >

Posted December 22, 2019 | Updated December 22, 2019

New Medicaid patients strain Maine's mental health services

The number of adults getting treatment has nearly doubled since the state expanded the health care program, and wait times are swelling.

“ We knew there was going to be a big surge, but our [mental health treatment] capacity is not meeting the need. ”

Malory Shaughnessy

Executive director of a nonprofit in Maine, one year after Medicaid expansion



There are too few people to take care of the overwhelming demand for [psychiatric] services.

Dr. Paul Keck

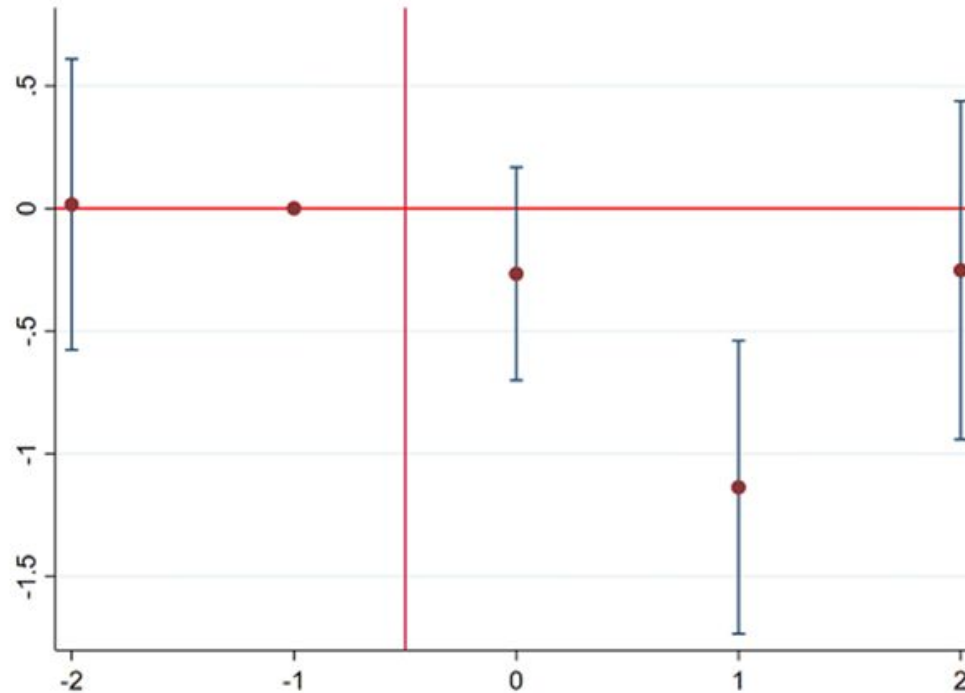
Psychiatrist in Ohio, March 2015 (14 months after Ohio expanded Medicaid)

Source: Poturalski, H. (2015, March 1). "Ohio Has 'Critical' Shortage of Psychiatric Hospital Beds." Journal-News.

Our Paper

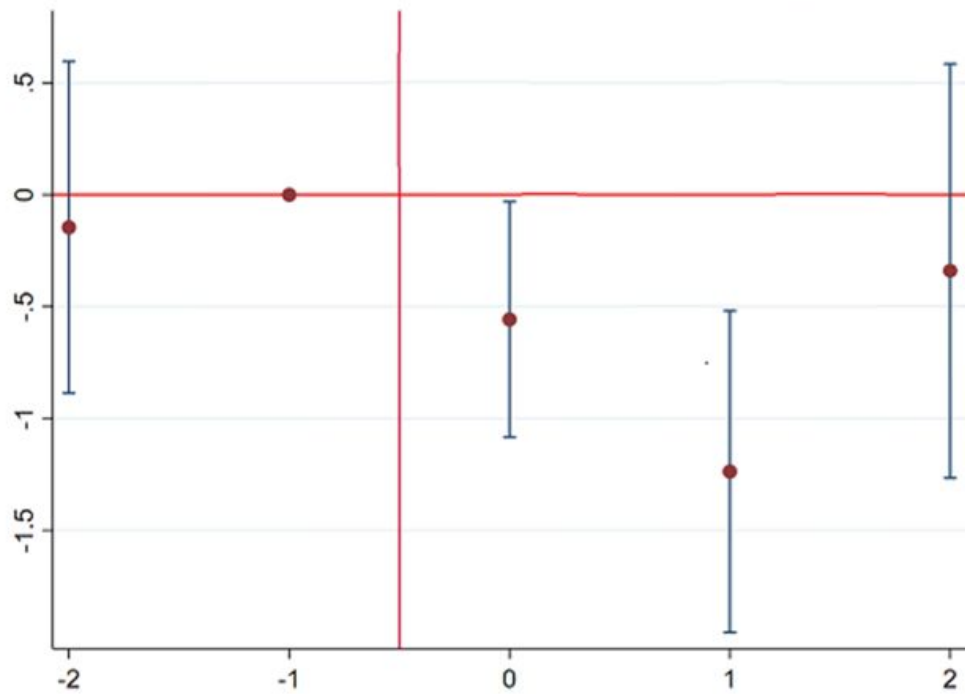
- What is the effect of Medicaid expansion on the mental health of original Medicaid beneficiaries?
- We use data from the Health and Retirement Study to create a perfectly balanced panel of Medicaid beneficiaries aged 40-64 that are enrolled *before* and *after* 2014 expansions.
- Use a difference-in-differences design to compare states that expanded Medicaid on January 1, 2014 to states that didn't
- Preview: We find Medicaid expansion increases an index of 8 depressive symptoms (depression, sadness, restless sleep, life satisfaction, etc.) by between 10.9-23% among near-elderly Medicaid recipients

Expansion Worsens Depression



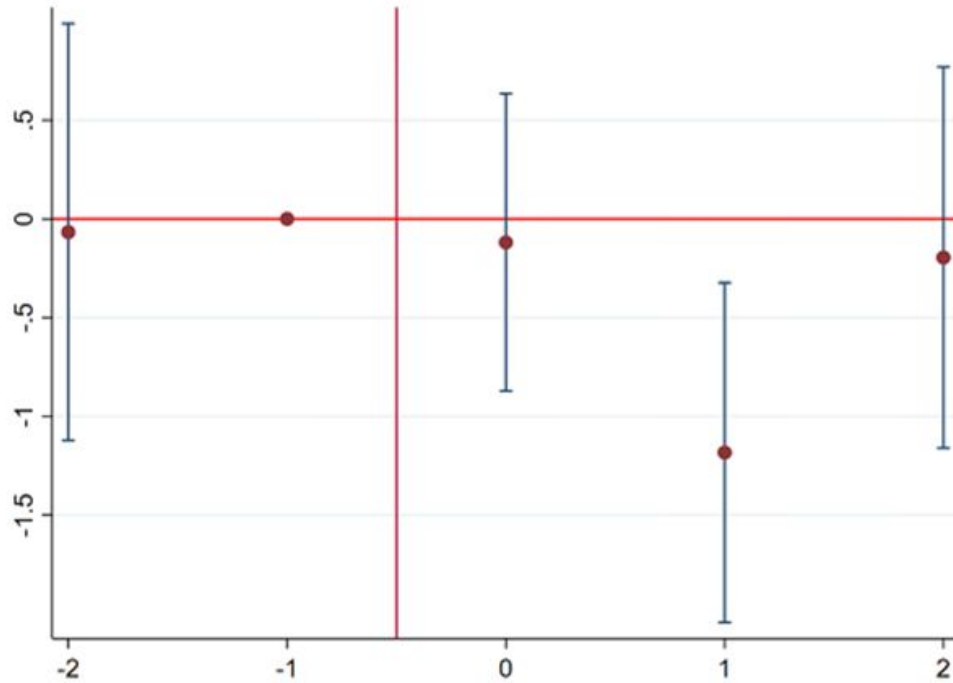
Note: Preferred specification. HRS sampling weights applied in all regressions. State-clustered standard errors and 90% confidence intervals. Intervals on the x-axis represent approximately two-year periods (-2 = 2010, -1 = 2012, ..., 2 = 2018).

Depression: Women



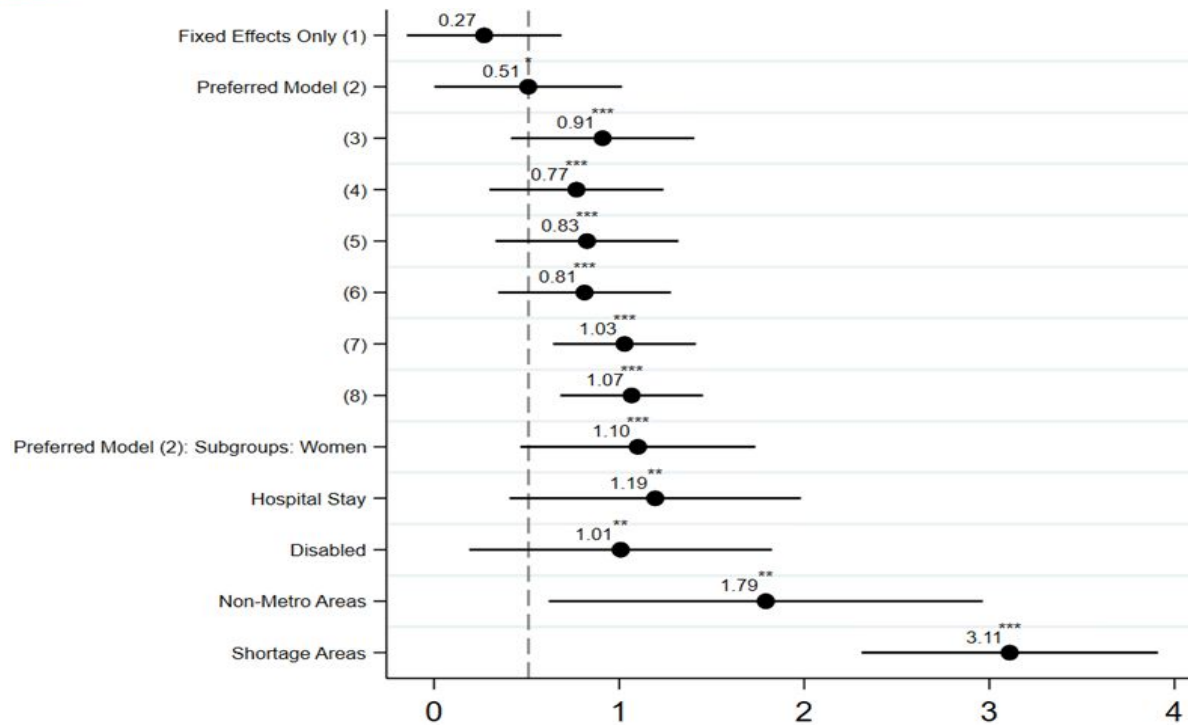
Note: Preferred specification. HRS sampling weights applied in all regressions. State-clustered standard errors and 90% confidence intervals. Intervals on the x-axis represent approximately two-year periods (-2 = 2010, -1 = 2012, ..., 2 = 2018).

Depression: Disabled Recipients



Note: Preferred specification. HRS sampling weights applied in all regressions. State-clustered standard errors and 90% confidence intervals. Intervals on the x-axis represent approximately two-year periods (-2 = 2010, -1 = 2012, ..., 2 = 2018).

Depression + Subgroups



Note: HRS sampling weights applied in all regressions. State-clustered standard errors. 90% Confidence Intervals.

* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

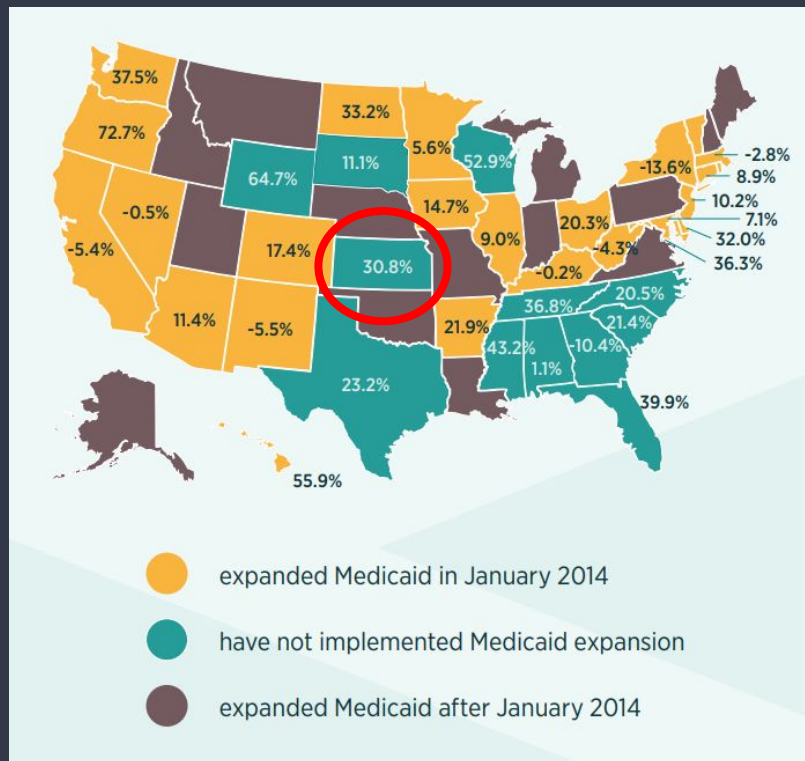
Medicaid Expansion Worsens Mental Health

- Medicaid expansion increases depression between 10.9% and 23% among near-elderly continuously-enrolled beneficiaries
- Negative spillover effects of expansion are worst
 - For women & disabled beneficiaries
 - In areas with shortages of mental-health professionals
 - In rural and non-metro areas
- Negative spillovers in original population likely outweigh positive effects among newly-enrolled 2-4 years after expansion
- Medicaid is not working for people unable to fend for themselves in part because it keeps being expanded to cover more people without corresponding expansions in the availability of providers

And.. Medicaid Expansions Shifts Resources Away from Kids

- From 2013 to 2019, per capita Medicaid spending on children rose by 23% in states that did not expand Medicaid. This compares with a rise of only 6% in expansion states.
- Adults joining Medicaid under expansion appears to crowd out care for other vulnerable groups, especially children.
- If expansion states had kept pace with non-expansion states, **an additional \$504 would have been spent on healthcare for each child on Medicaid** in 2019 in expansion states, on average.

(Blahous and Sigaud, 2022)



Policies State Lawmakers Can Pursue

- Make Treating Medicaid Patients Less Burdensome:
 - Several States Mandate Psychiatrist Conduct Regular Drug Screenings to Treat ADHD Patients
- Repeal Certificate-of-Need laws for Psychological and Psychiatric services
 - Bailey and Lewin (2021) find “CON laws are associated with fewer inpatient psychiatric clients and hospitals”
- Give Psychologists limited prescriptive authority (6 states)
 - Choudhury and Plemmons (2023) find “Mortality from self-inflicted injury decreased by 5 to 7 percentage points in New Mexico and Louisiana”

Mercatus Research and Commentary on Medicaid Expansion and Mental Health

Markus Bjoerkheim, Liam Sigaud, and Kofi Ampaabeng, [The Effect of the Affordable Care Act's Medicaid Expansion on the Mental Health Of Already-Enrolled Medicaid Beneficiaries](#), Mercatus Working Paper, Mercatus Center at George Mason University, Arlington, VA, July 2023.

Charles Blahous and Liam Sigaud, [The Affordable Care Act's Medicaid Expansion Is Shifting Resources Away from Low-Income Children](#), Mercatus Policy Research, Mercatus Center at George Mason University, Arlington, VA, December 2022.

Markus Bjoerkheim, [The Unseen Realities Behind Mental Healthcare in Schools](#), Open Health Policy, May 2023.

Liam Sigaud, [Symptoms of Anxiety and Depression in U.S. Adults Remain Elevated](#), Open Health Policy, June 2023



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References & Further Reading

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