Medicaid Eligibility and Healthcare Utilization in Arizona: A Natural Experiment

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Learning Objective:

- Specifically – How did utilization of hospital-based care respond to policy-mandated changes in coverage and access to coverage?

- Broadly – How does health insurance affect health care utilization?
Overview:

- In 2011, to address budget shortfalls, Arizona legislature froze enrollment in the Proposition 204 program, which made AHCCCS (Medicaid) available to childless adults with income <100% FPL.
- Freeze blocked new enrollment and re-enrollment (unless under different eligibility criteria).
- ACA restored funding in 2014.
- Matched administrative data allows tracking of hospital and ED utilization through freeze and restoration.
Overview: AHCCCS Enrollment under Proposition 204 Program¹

Among those enrolled as of 6/30/2011. Source: AHCCCS

¹) Among those enrolled as of 6/30/2011. Source: AHCCCS
The Evidence: Hospitalization & ED Visit Rates\(^1\) – Disenrollment\(^2\)

HERE Freeze Disenrolled (70%)  
LINE HER Never Disenrolled (25%)

1) Per thousand. 2) For those enrolled as of 6/30/2011 (excludes 5% disenrolled after 2014). Sources: AHCCCS, ADHS HDD
The Evidence: Hospitalization & ED Visit Rates\(^1\) – Reenrollment\(^2\)

- Freeze Reenrolled (14%)
- ACA Reenrolled (44%)
- Never Reenrolled (42%)

1) Per thousand. 2) Disenrolled during freeze period. Sources: AHCCCS, ADHS HDD
Health Policy Implications:

- No increase in ED utilization, post-disenrollment
- Decline in all hospital utilization associated with loss of coverage
- Conversely, with 2014 coverage restoration, utilization increased (Wisconsin and Oregon studies found similar results)
Why This Matters:

- Loss of coverage/access to coverage associated with foregone hospital-based care
- Is this critical care? Preventative care?
- Where do the costs shift?
Bonus: Primary Payer for Utilization by Former Enrollees

[Graph showing total utilization and percent of total utilization by payer from 7/10 to 7/14. The graph includes lines for Self Pay, Private, Other Payer, Medicare, and Non-Medicaid Hospitalizations/ER Visits.]