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STATE HEALTH ACCESS DATA ASSISTANCE CENTER

How did primary care clinicians respond to Medicaid expansion? New evidence from all-payer claims data

This brief summarizes the recent paper "The effect of Medicaid expansion on Medicaid participation, payer mix, and labor supply in primary care" by authors Hannah T. Neprash, Anna Zink, Bethany Sheridan, and Katherine Hempstead and can be found in the December 2021 issue of the *Journal of Health Economics* and at doi.org/10.1016/j.jhealeco.2021.102541.

Introduction

The Medicaid program has grown dramatically since the implementation of the Affordable Care Act's (ACA) Medicaid expansion, adding approximately 15 million new enrollees, many of whom were previously uninsured. While this increase represented the largest expansion in the program's history, it was also accompanied by concerns regarding access to care. Access to care for Medicaid beneficiaries has long been a challenge for the program, and the large increase in the number of people with Medicaid coverage fueled concerns that new enrollees would not be able to find physicians willing to treat them.

To analyze and monitor this situation, existing research has relied on physician survey data to study trends in physician acceptance of Medicaid and the factors associated with participation in the Medicaid program. For example, under contract with the Medicaid and CHIP Payment and Access Commission (MACPAC), SHADAC used data from the National Electronic Health Records Survey (NEHRS) to create state-level estimates of physician participation in Medicaid before and after expansion and to study the physician- and practice-level characteristics associated with participation.

A new study led by Dr. Hannah Neprash is the first to provide direct answers about how clinicians responded to the Medicaid expansion. In their paper, Dr. Neprash and her co-authors use all-payer claims and practice management data from athenahealth from 2012 through 2017 to directly estimate the effect of Medicaid expansion on the number of Medicaid appointments and number of Medicaid patients seen by primary care clinicians (i.e., Medicaid participation), the total number of appointments provided (i.e., their labor supply) and the share of those appointments paid for by Medicaid versus private coverage or other payers (i.e., payer mix). The study used a difference-in-differences methodology that compares the relative change in participation in states subject to the Medicaid expansion compared to the change in states not subject to the expansion, estimating a causal effect of expansion on clinician participation in Medicaid.

This study, along with existing estimates of physician acceptance of Medicaid patients such as those on SHADAC's State Health Compare, provides a new understanding of how and which physicians serve Medicaid patients. This brief highlights key findings from this new work.

Explore physician participation in Medicaid further on State Health Compare

Data users looking for more information on physician participation in Medicaid in their state can visit SHADAC's State Health Compare for two related measures:

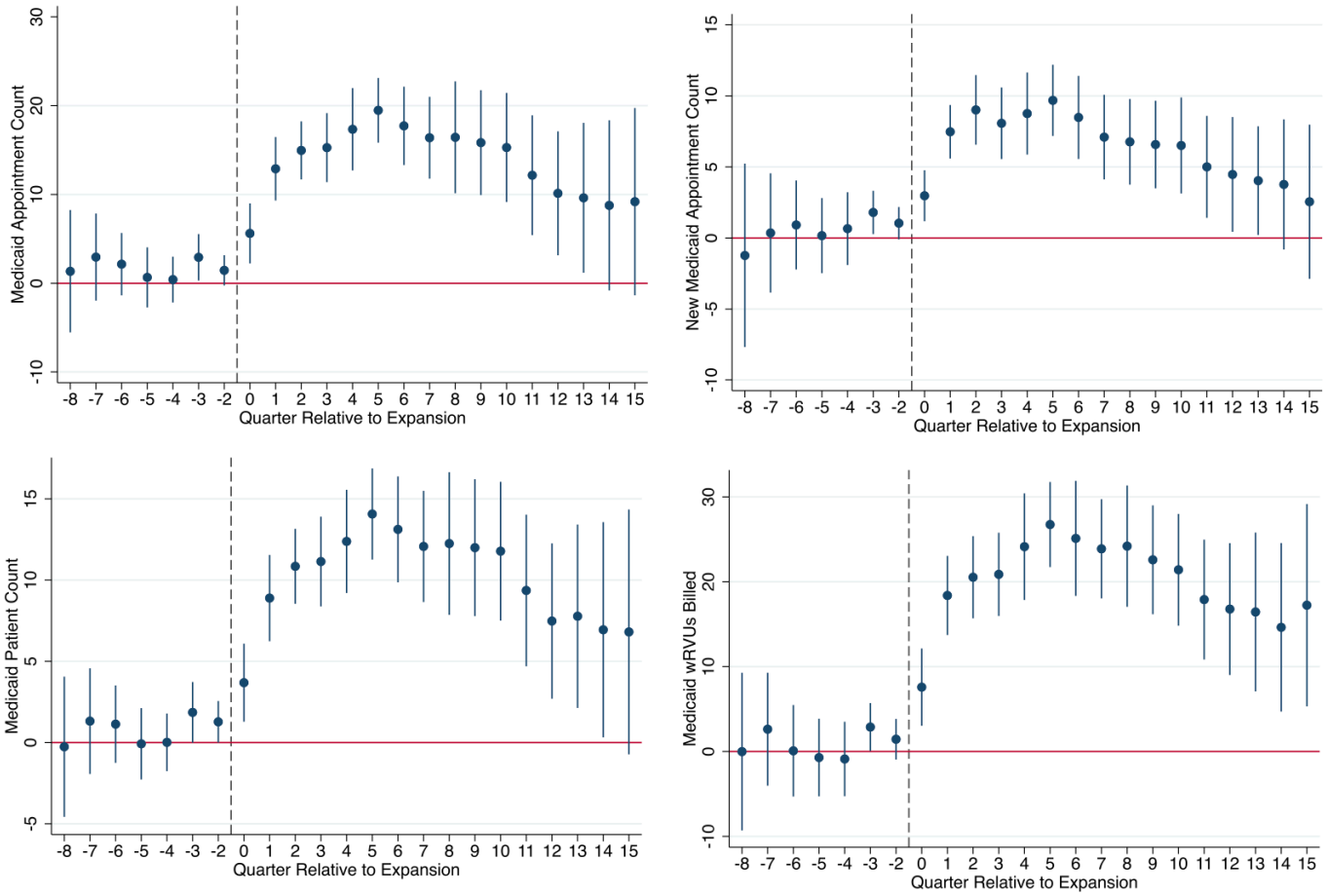
Physicians who accept new patients by Coverage Type (Medicaid, Medicare, Private)

Physicians who accept new Medicaid patients (by Ratio of Mid-level Providers, Setting, Share of Medicaid Patients)

These state-level measures use data from the 2011-2017 NEHRS, which is representative of office-based physicians engaged primarily in direct patient care. Examining overarching trends for these State Health Compare measures shows that physicians are less likely to accept new patients with Medicaid coverage compared to those with private or Medicare coverage, and that physicians with an above-average share of mid-level providers (e.g., nurse practitioners or physician assistants) or who already serve an above-average share of Medicaid patients are more likely than average to accept new Medicaid patients. Both of these findings from State Health Compare echo those found in Neprash, et al.

Medicaid expansion led to an increase in Medicaid participation

Difference in key access indicators between expansion and non-expansion states in the eight quarters prior and 16 quarters following ACA expansion.



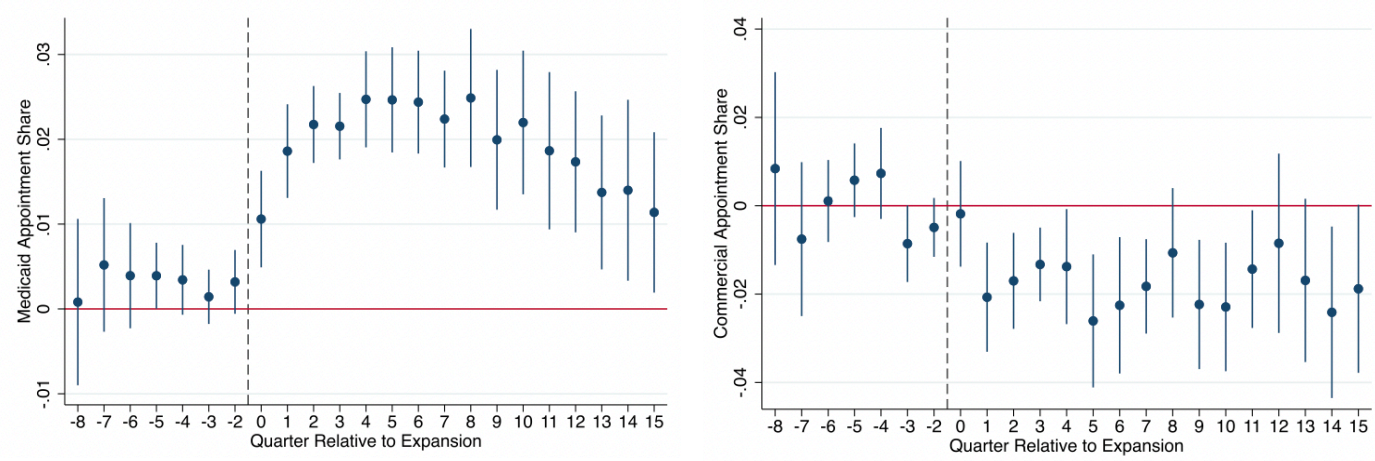
As shown in the above figure, the authors found that Medicaid expansion led to an increase in primary care clinician participation in Medicaid by a number of measures, including Medicaid appointment and patient count, new Medicaid appointment count, and Medicaid work relative value units (wRVUs), a measure of intensity of services provided. The bullets below summarize these findings over the course of the study period.

Following Medicaid expansion:

- *Primary care clinicians conducted an average of 12.2 more Medicaid appointments per quarter*, a 21 percent increase from the pre-expansion average. Roughly half of these appointments were for new Medicaid patients who had not previously seen that physician.
- *Clinicians increased the number of unique Medicaid patients they saw*, seeing 9.3 more patients per quarter under Medicaid expansion.
- *Clinicians increased the intensity of services they provided for patients*, indicating that they were potentially treating new patients with greater health care needs than the patients seen before expansion.

Clinicians reduced commercially-insured appointments to see more Medicaid patients

Difference in the share of appointments by payer type between expansion and non-expansion states in the eight quarters prior and 16 quarters following ACA expansion.



The study found that clinicians did not increase their Medicaid participation by expanding the total number of appointments, the total number of days they spent practicing, or other measures of labor supply. Rather, as shown in the figures above, clinicians offset the increase in services provided to Medicaid patients by decreasing services provided to commercially insured patients. The bullets below summarize these findings over the course of the study period.

Following Medicaid expansion:

- *Clinicians increased their share of Medicaid appointments by 1.7 percentage points (PP) on average*—a relative increase of 16 percent compared to a pre-expansion baseline of 10.6 percent Medicaid patient appointment share.
- *Clinicians decreased their share of commercially insured appointments by 1.6 PP on average*—a relative decrease of 2.8 percent compared to a pre-expansion baseline of 52.8 percent commercially insured appointment share.
- Primary care clinicians with a high Medicaid patient share before expansion had a greater relative increase in Medicaid appointment share and decrease in commercial patient share compared to all clinicians.

New Analytic Approach Builds on and Confirms Previous Research

Both long-standing and recent concerns that expansions in Medicaid coverage may not translate to access to care if clinicians are not willing to treat Medicaid patients have been borne out by evidence that has long shown that many providers are less willing to treat Medicaid-covered patients than patients with other forms of health insurance coverage.

This paper is the first to use nationwide, all-payer claims data to examine how clinicians changed their labor supply and payer mix in response to Medicaid expansion. It provides evidence that clinicians responded to increased demand for care from Medicaid patients by increasing the number and share of appointments provided to Medicaid patients while decreasing the number and share for commercially insured patients. This dynamic was more pronounced among clinicians already serving a higher Medicaid patient population, echoing previous work showing that services for Medicaid patients are somewhat concentrated among high-Medicaid clinicians, potentially because these clinicians are able to make serving Medicaid-covered patients financially feasible by maintaining low costs.