

## **MEDICAID EXPANSION AND REDISTRIBUTION IN VA DEPRESSION-RELATED VISITS**

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**Category:** Access to Health Insurance Coverage

### **Background**

Legislative changes to health coverage inevitably alter healthcare utilization dynamics. This study examines changes in healthcare behaviors among dual-eligible Veterans seeking treatment for depression after state decisions to expand Medicaid to childless adults.

### **Objectives**

To examine changes in the volume and distribution of depression-related outpatient visits for Veterans between the VA and Medicaid after state-level decisions to expand Medicaid.

### **Methods**

We leveraged a difference-in-difference design to investigate post-Medicaid expansion changes in outpatient visits documenting depression as the primary diagnosis for Veterans in New York, Maine, and Arizona. Using VA and Medicaid administrative data from 1999 to 2006, we calculated 1) the proportion of visits at VA facilities and 2) the total number of visits using fractional logit and ordinary least squares regression. These values were compared to those of demographically-comparable states that did not expand Medicaid as follows: New York vs. Pennsylvania, Maine vs. New Hampshire, and Arizona vs. New Mexico and Nevada. We further distinguished these effects between Veterans with priority 5 (indicating financial hardship) and non-priority 5 status. We controlled for age, gender and disease burden using concurrent Deyo scores.

### **Results**

Among non-priority 5 enrollees in states that expanded Medicaid, the proportion of depression-related, outpatient-VA visits during the pre- and post-expansion periods declined from .9527 (99% CI: .9478-.9575) to .9346 (.9307-.9386), compared to a decline from .9861 (.9834-.9888) to .9811 (.9793-.9829) in non-expansion states, representing a 1.30 percentage point greater decline among expansion than non-expansion states. Among priority-5 enrollees in states that expanded Medicaid, the proportion of depression-related, outpatient-VA visits during the pre- and post-expansion periods declined from .8745 (99% CI: .8639-.8852) to .8326 (.8253-.8399), compared to a decline from .9604 (.9531-.9677) to .9468 (.9424-.9512) in non-expansion states, representing a 2.83 percentage point greater decline among expansion than non-expansion states. For total depression-related outpatient visits, difference-in-difference analysis showed a negligible .00139 visit decline in the pre-post period between expansion vs. non-expansion states.

### **Discussion**

We showed a modest decline in use of VA services for depression in states that expanded Medicaid, especially among Veterans most likely to be newly eligible for Medicaid. There does not appear to be any association between expansion and the total number of outpatient visits for depression. This redistribution indicates that individuals with existing access to care may simply substitute care from a different source when they gain access to a new source of care instead of increasing utilization. This finding has potential ramifications for system-wide healthcare costs.