

Paul Krugman - New York Times Blog

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Medicaid Nonsense

Busy day, no additional blogging until much later. But you should be reading The Incidental Economist on the Oregon Medicaid study that's creating a lot of fuss today. Basically, budget woes forced Oregon to allocate Medicaid access by lottery, giving a rare randomized experiment. Those who got Medicaid suffered much less financial distress and less depression; they received more preventive care; but on some (not all dimensions) their health wasn't significantly better than those who lost out in the lottery.

Somehow, conservatives think this is a big win for their opposition to universal health insurance. Why? What it suggests is that the health benefits of ANY kind of health insurance are somewhat hard to identify over a two year period; so, are you about to give up your own insurance, or is your best bet that having that insurance is still a very good idea? And the financial benefits are a big part of that! Since you are going to treat your illnesses, better not to bankrupt yourself in the process, right?

Oh, and until now the claim of right-wingers has been that Medicaid actually makes you sicker; serious researchers have always said that this was a case of selection bias, because sicker people got Medicaid — and now we have confirmation: those who got Medicaid were at least somewhat healthier than those who didn't.

Above all, you should bear in mind that if health insurance is a good idea — and you are nuts if you let this study persuade you otherwise — Medicaid is cheaper than private insurance. So where is the downside?