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When reform works

Jun 1st 2010, 13:41 by R.A. | WASHINGTON

HEALTH care reform in Massachusetts was a template of sorts for the national reform bill recently enacted by Congress. Included in that reform was an individual mandate. New economic research from Jonathan Kolstad and Amanda Kowalski investigates the effect of the mandate in the context of reform on costs and treatment:

In April 2006, the state of Massachusetts passed legislation aimed at achieving near universal health insurance coverage. A key provision of this legislation, and of the national legislation passed in March 2010, is an individual mandate to obtain health insurance. In this paper, we use hospital data to examine the impact of this legislation on insurance coverage, utilization patterns, and patient outcomes in Massachusetts. We use a difference-in-difference strategy that compares outcomes in Massachusetts after the reform to outcomes in Massachusetts before the reform and to outcomes in other states. We embed this strategy in an instrumental variable framework to examine the effect of insurance coverage on outcomes. Among the population discharged from the hospital in Massachusetts, the reform decreased uninsurance by 28% relative to its initial level. Increased coverage affected utilization patterns by decreasing length of stay and the number of inpatient admissions originating from the emergency room. We also find evidence that outpatient care reduced hospitalizations for preventable conditions. At the same time we find no evidence that the cost of hospital care increased. The reform affected nearly all age, gender, income, and race categories.

Emphasis mine. Obviously, there's more to America's health care crisis than coverage and more to reform than the mandate. But expanded coverage and reduced preventable hospitalisations with no increase in costs is pretty darn good.

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jomiku wrote: Jun 1st 2010 2:34 GMT As a resident of MA, I can add two things:

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