

**Stony Brook University
The Graduate School**

Doctoral Defense Announcement

Abstract

Elderly Care and Public Health Insurance Programs Evaluation

By

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This dissertation examines the effects of Medicaid and Medicare on medical care use among elderly Americans using panel data from the Health and Retirement Study (HRS).

Chapter one examines the effects of Medicaid coverage on medical care use, especially on long-term care (LTC), within the population of Medicaid eligible elderly beneficiaries. The health care utilization estimation addresses the endogenous Medicaid participation decision to control for the unobserved simultaneous propensity to utilize medical services that likely drives take-up and utilization. Significant positive program effects of Medicaid benefits are found on all medical care use, especially on LTC. After purging the endogeneity of Medicaid participation, the treatment effects for Medicaid coverage are identified. The impact of Medicaid participation on LTC use is significantly reduced suggesting simultaneity of these decisions. The evidence suggests that people do take-up Medicaid based on their expected medical care use, particularly LTC. This study revealed that current Medicaid eligible elderly consist of two groups. Group one consists of the pre-existing poor who are Medicaid-targeted beneficiaries. The second group consists of non-targeted beneficiaries who have changed their consumption and saving arrangements in order to qualify for Medicaid LTC coverage. Chapter two aims to test the assets-transfer behavior of non-eligible people who intend to pass the means-test of Medicaid program to qualify for LTC benefits. Chapter three examines Medicare policy and general health market access policy. We focus on adults who are approaching entry into Medicare. We explore the total medical spending and corresponding health status of previously uninsured individuals before and after they enter Medicare compared to their insured counterparts in a ten year period. The major finding is that the lack of private health insurance coverage before coming into Medicare increases total medical expenditures of previously uninsured elderly by a factor of 5, compared to previously insured people once they enter Medicare. During the same period, the previously uninsured elderly temporarily improves their health status compared with previously insured individuals. The evidence suggests that the uninsured gain through health investments. Effects are more significant for males than females. However, in the long-run, the insured consistently utilize more medical services due to aging whereas the uninsured do not utilize as much as insured at the same time, and which in turn shows up to reflect their worse health gap between previously insured and uninsured even after we control for mortality. Further, the gap of medical expenditures between the insured and uninsured totally goes away in the long run. Which as a policy implication, expanding private coverage to the uninsured especially males should result in substantial savings after they enter Medicare and better health in the long run.

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