

## Do Medicaid Expansions Reduce Hospital Uncompensated Care? Evidence from Early Expansion in Connecticut

As some states continue to debate whether or not to expand Medicaid under the Affordable Care Act, a key consideration is the impact of expansion on the financial position of hospitals. Conclusive evidence from the 28 states that expanded coverage in 2014 is still several years away; in the meantime, we analyze the experience of hospitals in Connecticut, which expanded Medicaid coverage in 2010. Using hospital-level panel data from 2007-2013 Medicare cost reports, we use a difference-in-differences approach to compare the change in Medicaid volume and uncompensated care in Connecticut to changes in other Northeastern states. We find that early Medicaid expansion resulted in significant increases in Medicaid revenue and discharges, as well as reductions in uncompensated care.