

Unbiased Analysis of Today's Healthcare Issues

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Is reducing disparity enough?

Written By: Jason Shafrin - Nov• 02•15

A recent paper in by [Martin et al. \(2015\)](#) finds that Medicaid Managed Care programs in Kentucky reduced monthly professional visits. Further, the decrease in the number of professional visits was larger for whites than for non-whites. The authors conclude:

We find evidence that MMC [Medicaid Managed Care] has the possibility to reduce racial/ethnic disparities in professional utilization. More work is needed to determine which managed care program characteristics drive this result.

This begs the question: is this reduction in disparity a good thing? The authors rightly point out that it is unclear whether the reduction in physicians visits represents a reduction in unnecessary care or a reduction in needed care. For the moment, however, let's consider the case where patients value more physicians visits and let us ignore the affect of more visits on premiums.

In this case, Medicaid managed care programs would represent a loss of utility for both whites and minorities. From the study, the decrease in physician visits is larger for whites however. Is this decrease in "disparities" worthwhile? I would argue not. Reducing the number of physician visits of those who have more on average is not a positive way to reduce disparities; the key is to *increase* the number of physician visits among those who do not have enough (i.e., minorities).

Harry Frankfurt makes a similar argument in his book [On Inequality](#). The goal of reducing inequality or disparities—whether it be disparities in income or physician visits—should not be to reduce the welfare of the better off, but rather improve the welfare of the worse off. For this reason, the tone of Martin and co-author's conclusion—in essence that reducing disparities is a good in and of itself—ignores the true motivation for reducing disparities: making sure those at the bottom have enough.

Source:

- Marton, J., Yelowitz, A., Shores, M. and Talbert, J. C. (2015), [Does Medicaid Managed Care Help Equalize Racial and Ethnic Disparities in Utilization?](#). *Health Services Research*. doi: 10.1111/1475-6773.12396

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