Comments on Layton et al.
"The Consequences of (Partial) Privatization of Social Insurance for Individuals with Disabilities: Evidence from Medicaid"

Jody Schimmel Hyde

Presented at DRC Annual Meeting
Washington, DC

August 1, 2018

MATHEMATICA
CENTER FOR
STUDYING DISABILITY POLICY

Medicaid is highly valued by SSI recipients

- For adults with disabilities, Medicaid (pre-ACA) via SSI may have been one of the only coverage options.
- Disability beneficiaries cite health insurance benefits conferred with SSDI and SSI as critical (O'Day et al., 2016).

Medicaid-covered services are critical for adults with disabilities

- Medicaid often provides better supports for individuals with disabilities than private coverage.
- Yet, a non-trivial share of Medicaid enrollees reports unmet health care needs (Henry et al. 2011).

Fee-for-service (FFS) vs. managed care (MMC) in Medicaid

- States have been increasingly shifting disabled adults to mandatory MMC.
- In 2014, 77 percent of Medicaid enrollees were served under MMC, but those with disabilities underrepresented.

Innovation of this study

- **Considers a dramatic shift from FFS to MMC coverage for SSI recipients in Texas and New York in 2007.**
- **Documents changes in spending in the few years before and after policy change.**

Consider Texas and New York separately?

- **Transition to MMC in NY was less swift than in TX, and data were less complete.**
- **State MMC policies differed:**

	Covered	Carved out
Texas	Mental health Home health Long-term care (< 4 mos)	Prescription drugs Inpatient services
New York	Inpatient services Outpatient services Labs	Prescription drugs Mental health Long-term care

Are increases in spending unexpected?

- **Overall spending in Texas *increased* 9% after switch from FFS to MMC.**
  - **Findings stand in contrast to expectation of managed care cost containment.**
- **"Establishing managed care contracts with external providers requires some learning on the part of both policymakers and firms." (Perez, 2017)**

What does shift to MMC signal for access to needed services?

- "Complicated" pattern of spending changes.
- Do these shifts reflect more appropriate care? To what extent do they represent responses to carved out services?
- Was all long-term care spending included? If not, how would including it change the picture?

Paper highlights important points for future consideration

- **Consider not only source of health insurance coverage, but *type* of coverage.**
- **Future assessments should consider the benefits that MMC confers to disabled enrollees.**
  - **Disability status, functional limitations, or mortality.**
  - **Access to care and unmet health needs.**
  - **Do certain subgroups of enrollees benefit disproportionately?**