

New Evidence of the ACA's Effect on People with Disabilities: Health Insurance, Employment, and Benefits

Presenters

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Mathematica's Center for Studying Disability Policy Forum

February 7, 2019



Welcome



Moderator

Jody Schimmel Hyde

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Today's Speakers



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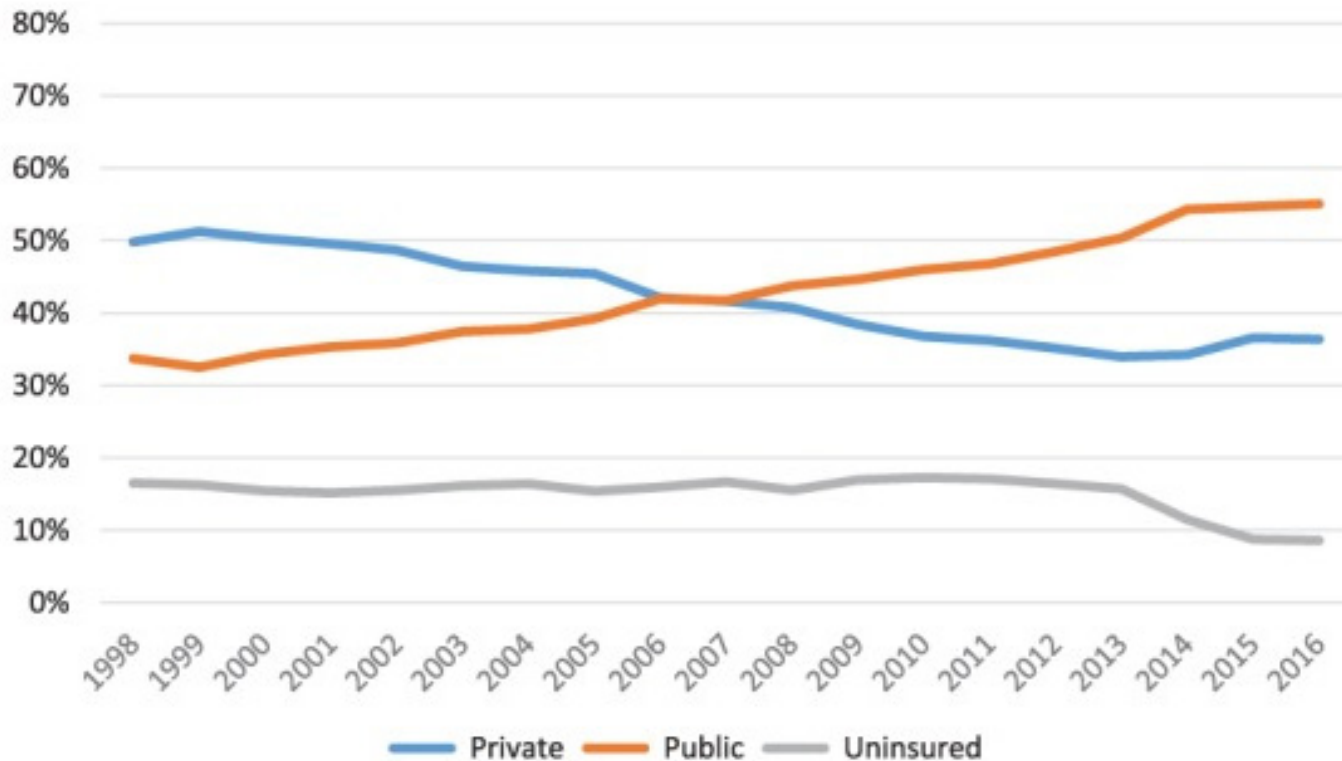
Limited Health Insurance Options for Adults with Disabilities in the Past

- **Public health insurance conferred with federal disability receipt**
 - Medicare with SSDI, Medicaid with SSI
- **Other public coverage (VA/Tricare)**
- **Employer-sponsored health insurance coverage**
 - Only for those working in covered occupations
- **Nongroup coverage**
 - Expensive, limits on pre-existing conditions

The Changed Landscape

- **Patient Protection and Affordable Care Act (ACA) 2010**
- **2010: Removal of pre-existing conditions limits and lifetime benefit caps, extended dependent care until age 26**
- **2014: Medicaid expansions to individuals with incomes up to 138% of poverty level, health insurance marketplaces for group coverage, premium subsidies**

Trends in Health Insurance for Adults with Disabilities, 2001-2016



Source: Kennedy, Wood and Frieden, *Inquiry*, 2017.

Affordable Care Act (ACA) Medicaid Expansions and the Employment of Adults with Disabilities

**Purvi Sevak and Jody Schimmel Hyde
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Availability of Medicaid to Adults with Disabilities

- **Pre-ACA**: Limited to certain groups
 - Supplemental Security Income (SSI)
 - Medically needy
- **Post-ACA**: Starting in 2014, states can offer Medicaid to those with incomes up to 138% of the federal poverty level
 - As of today, 37 states have adopted the expansion

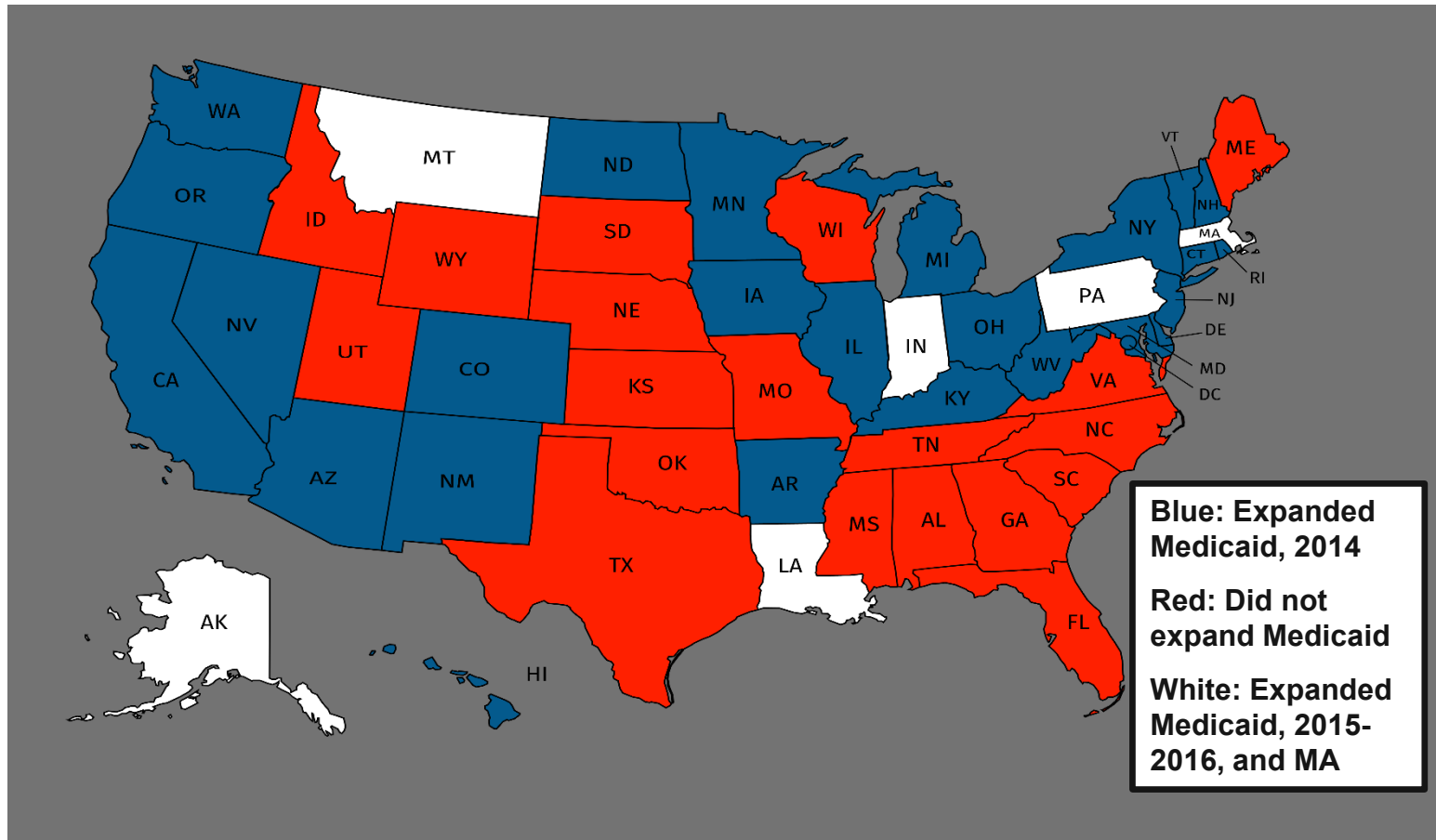
Literature Documents Little Effect on Employment

- **Across the full labor force, no significant effects on:**
 - Employment rate
 - Labor force participation
 - Job transitions
 - Hours worked
- **Hall et al. (2018): Slight increase in the employment rates for people with disabilities in expansion states relative to rates in non-expansion states**

How to Assess the Impact of Expanding Medicaid

- **“Natural experiment”**
 - All states could have expanded, but not all did
- **Compare states that expanded Medicaid to states that did not**
- **Assumes that expansion and non-expansion states are the same, except for the policy change**
 - Is this a reasonable assumption?

State's Medicaid Expansion Status as of 2016



Expansion States Differ From Non-Expansion States

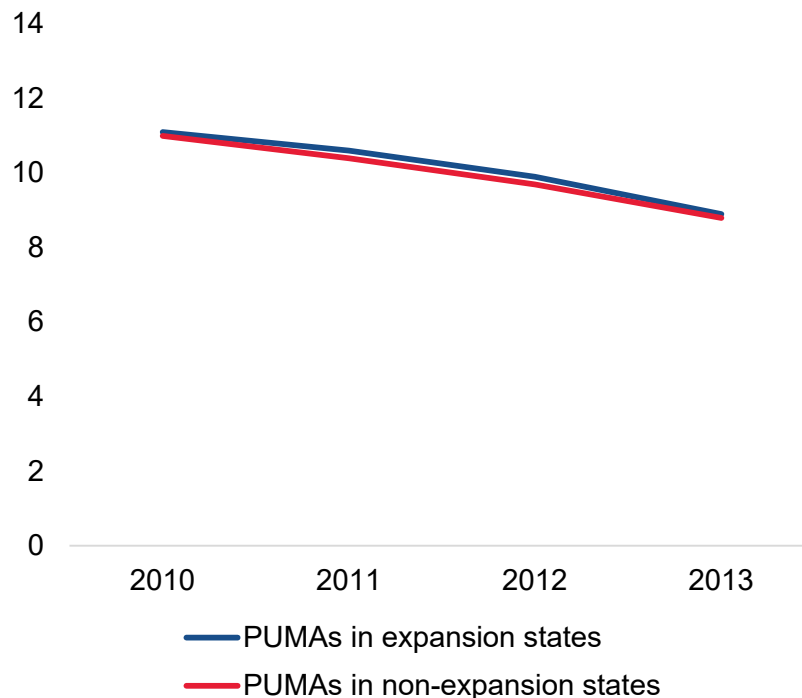
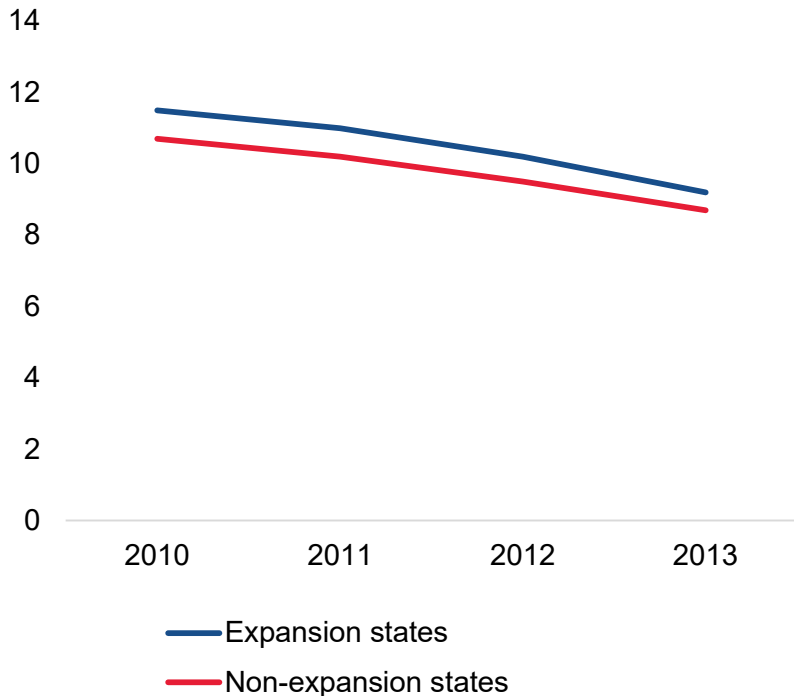
- **Pre-ACA, relative to non-expansion states, Medicaid expansion states had:**
 - Lower poverty rates, higher average incomes
 - Higher population density
 - Higher share with Medicaid, lower share uninsured
 - Slightly higher employment rate for people with disabilities
 - Slightly higher unemployment rate overall

Our Study Design's Innovation

- **Comparison sample that closely resembled expansion states pre-ACA**
 - Used the 2010–2017 American Community Survey
- **Used statistical tools to identify geographic areas in non-expansion states similar to geographic areas in expansion states**
 - Census Public Use Microdata Areas (PUMAs)

Comparing PUMAs in Expansion and Non-Expansion States

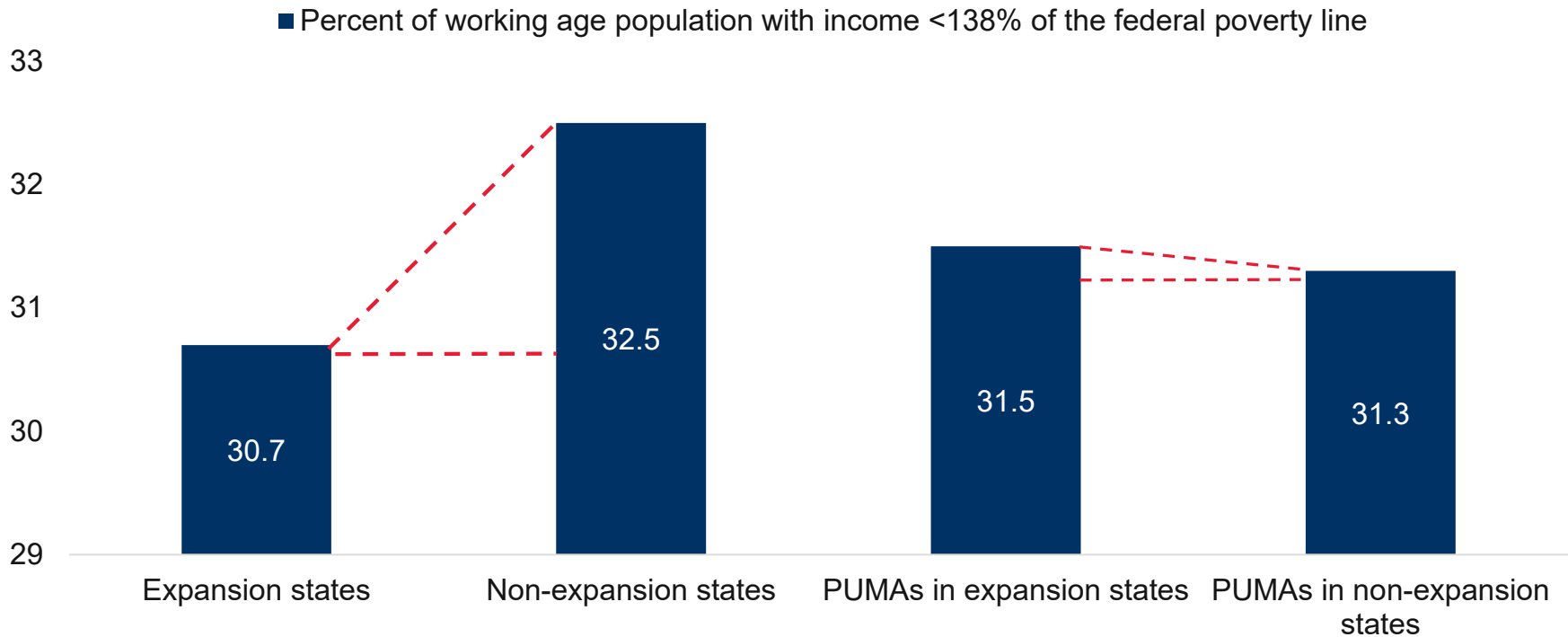
Overall unemployment rates (%), 2010-2013



Source: Authors' calculations using PUMA-level statistics derived from the 2010–2013 American Community Survey.

Note: Expansion states include those that expanded Medicaid in 2014; non-expansion states include those that had not expanded Medicaid by 2018.

Assessing the Quality of the Comparison Group



Source: Authors' calculations using PUMA-level statistics derived from the 2010–2013 American Community Survey.

Note: Expansion states include those that expanded Medicaid in 2014; non-expansion states include those that had not expanded Medicaid by 2018.

Estimating the Impact of the Medicaid Expansion

- **Calculate the change in the employment rate around the ACA in non-expansion PUMAs**
 - What would have been expected in absence of the policy change
- **Make the same calculation in expansion PUMAs**
- **Multivariate analysis to control for individual characteristics and PUMA attributes**

Findings: Expansion Had No Effect On Employment

- **Employment rates among adults with disabilities rose post-ACA across all states**
 - No significant difference in expansion states
- **No effect on any subgroups we examined, by:**
 - Gender
 - Number of disabilities
 - Educational attainment
 - Age
 - Pre-ACA state and local characteristics (Medicaid generosity, poverty rate, uninsured rate)

Discussion

- **Possible reasons for no effect**
 - Positive effect in some states and negative in others?
 - Employment impacts of Medicaid coverage may take longer to materialize
 - Uncertainty about ACA's possible repeal
- **Overall, the concern that people would stop working because they had other ways to get health insurance has not been borne out**

Acknowledgements

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Trends in Health Insurance Among Workers with Disabilities, 2001–2017

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*Presented at Mathematica's Center for Studying Disability Policy
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Why Consider Workers with Disabilities?

- **Workers with disabilities may:**
 - Earn too much to be eligible for federal disability benefits
 - Work in part-time, non-salaried jobs or in positions/industries without coverage
- **De-linking of health insurance and employment in ACA may be particularly salient and change incentives**

Questions We Answer

- **How did the share of working adults with disabilities who had health insurance change from 2001–2017?**
- **How did the source of coverage among insured workers with disabilities change over the same period?**
- **How did these changes compare to changes in other groups?**
 - **Adults with disabilities who are not working**
 - **Workers without disabilities**

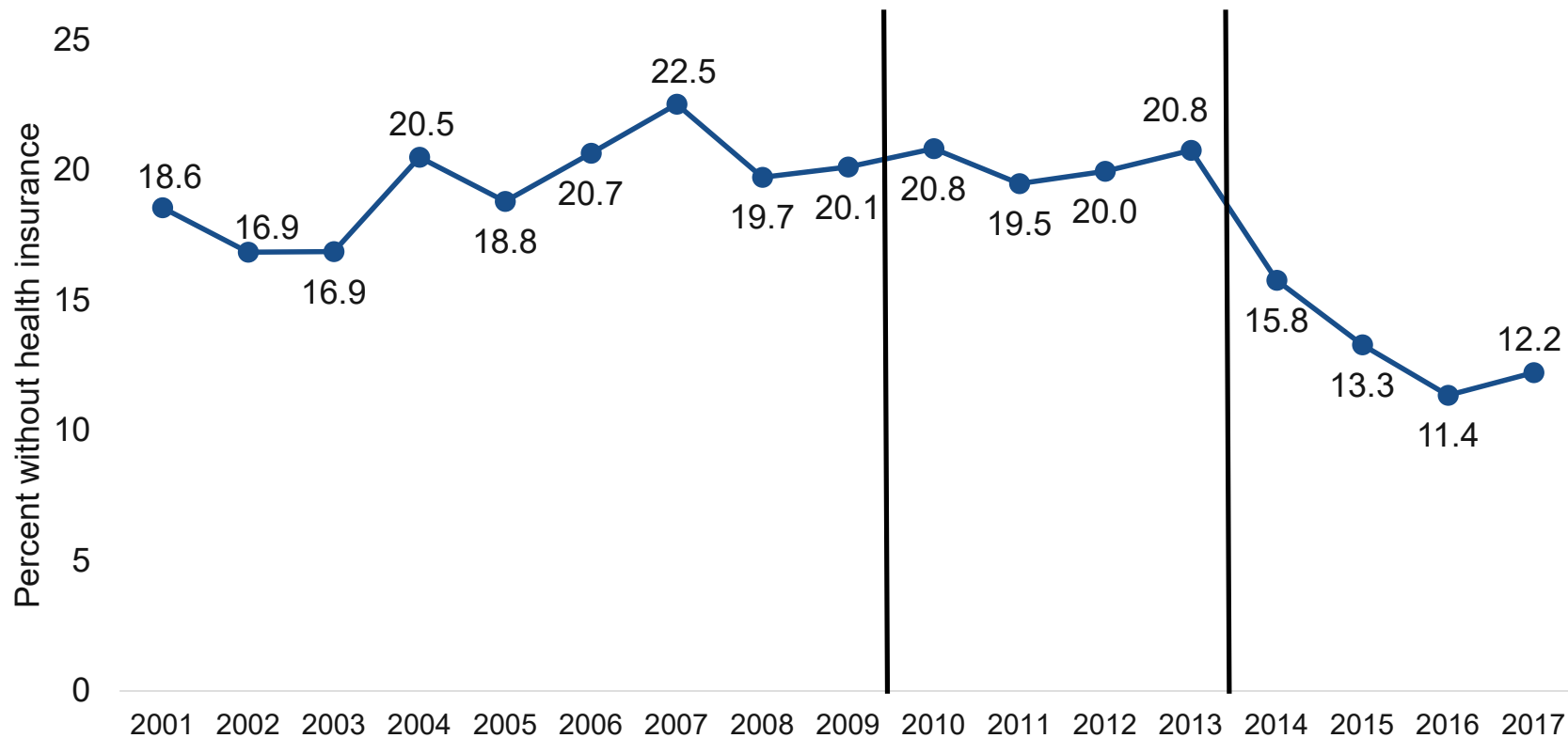
Identifying Workers with Disabilities

- **National Health Insurance Survey (NHIS), 2001–2017**
- **Employed: Worked for pay in the past 1–2 weeks**
- **Disability: Affirmative response to having a health condition that limits quantity/type of work**
- **About 1,400 workers with disabilities each year**

Classifying Health Insurance

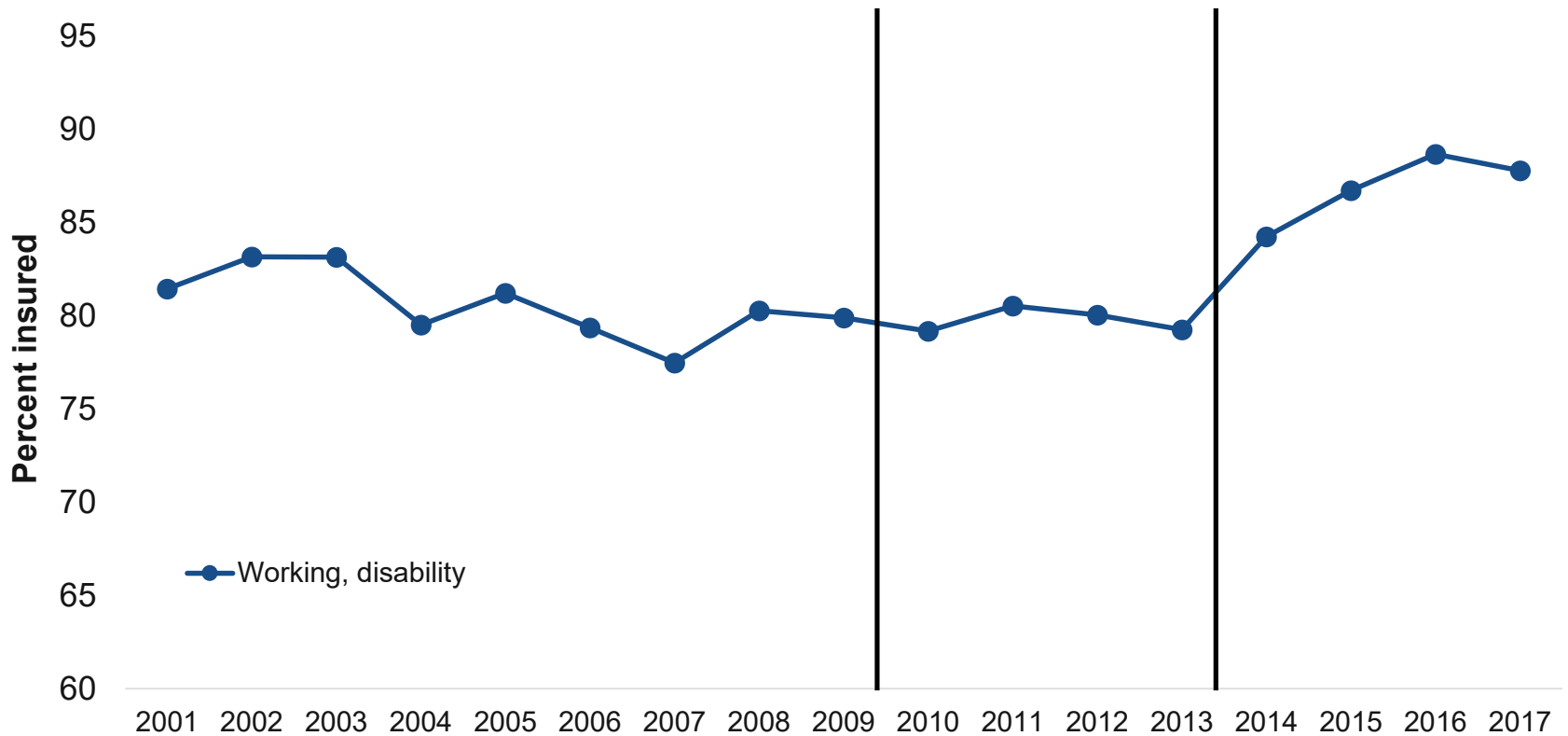
- **Health insurance at the time the survey was conducted**
- **Any Medicaid: Medicaid in combination with any other source**
- **Medicare (but no Medicaid)**
- **Purchased through employer only**
- **Other: private purchase, other public, combinations not categorized above**
- **Uninsured if none of the coverage sources**

Rates of Uninsurance Dropped Among Workers with Disabilities



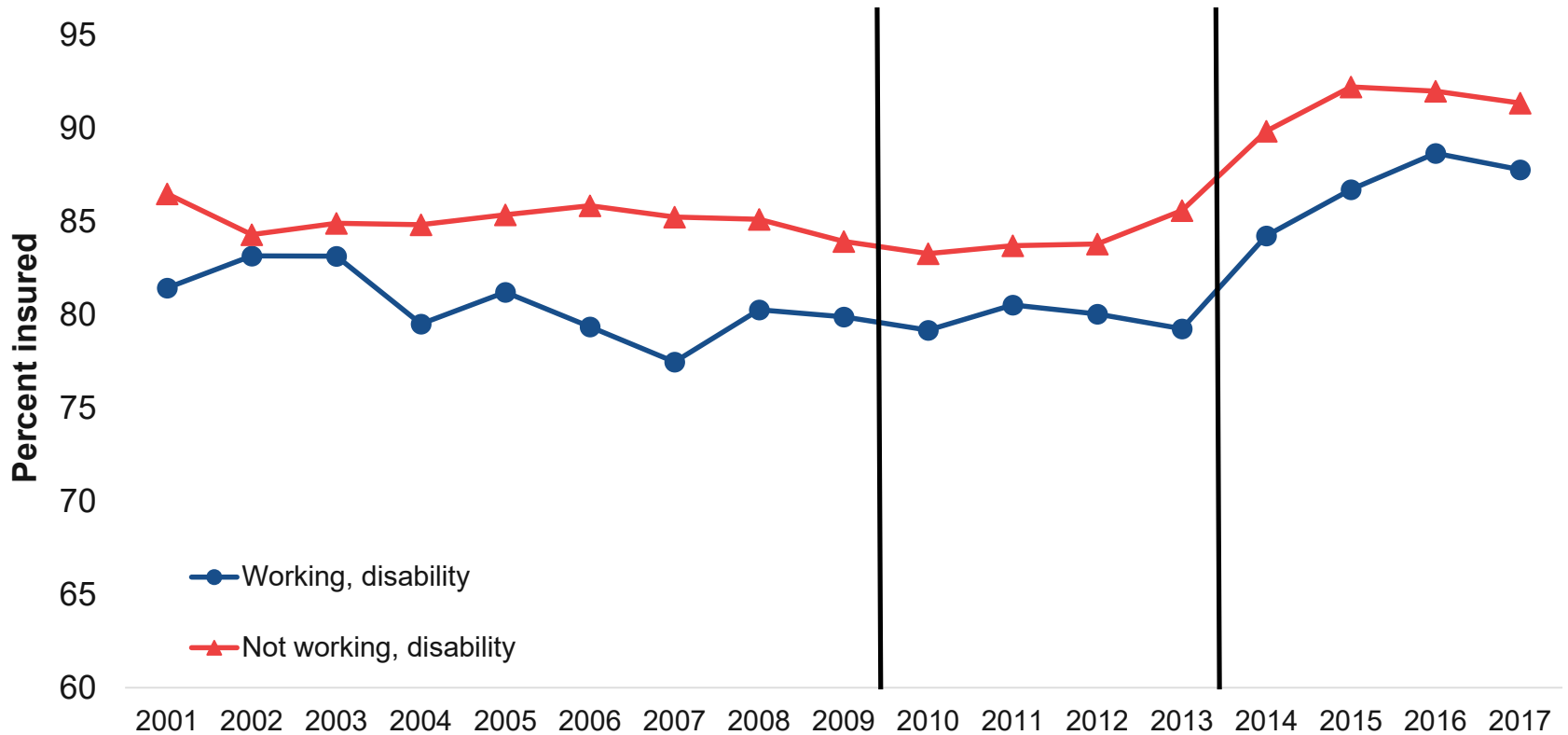
Source: Authors' calculations using the IPUMS Health Surveys, 2001–2017.

Increases in Coverage Similar Across Disability and Employment Status Groups



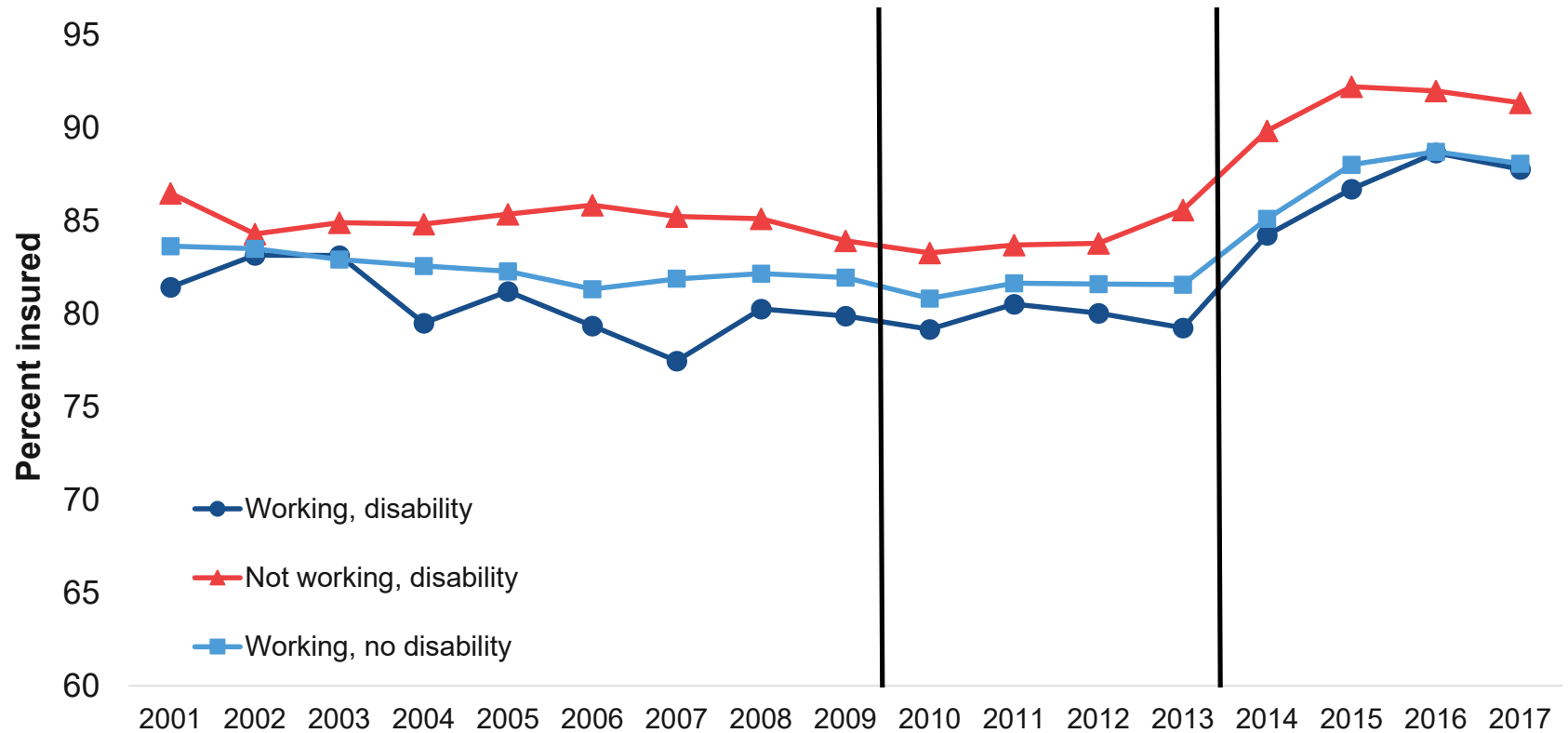
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Increases in Coverage Similar Across Disability and Employment Status Groups



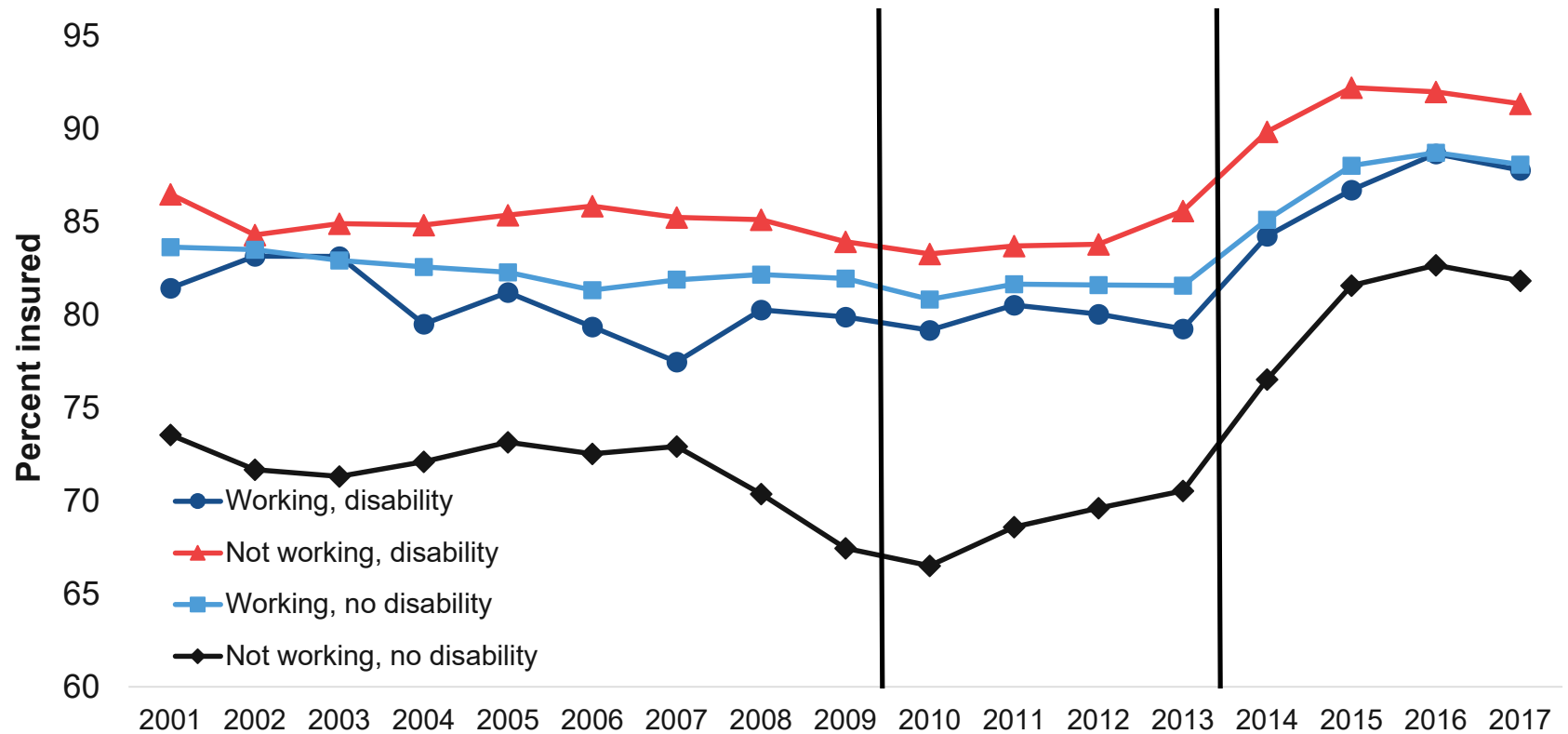
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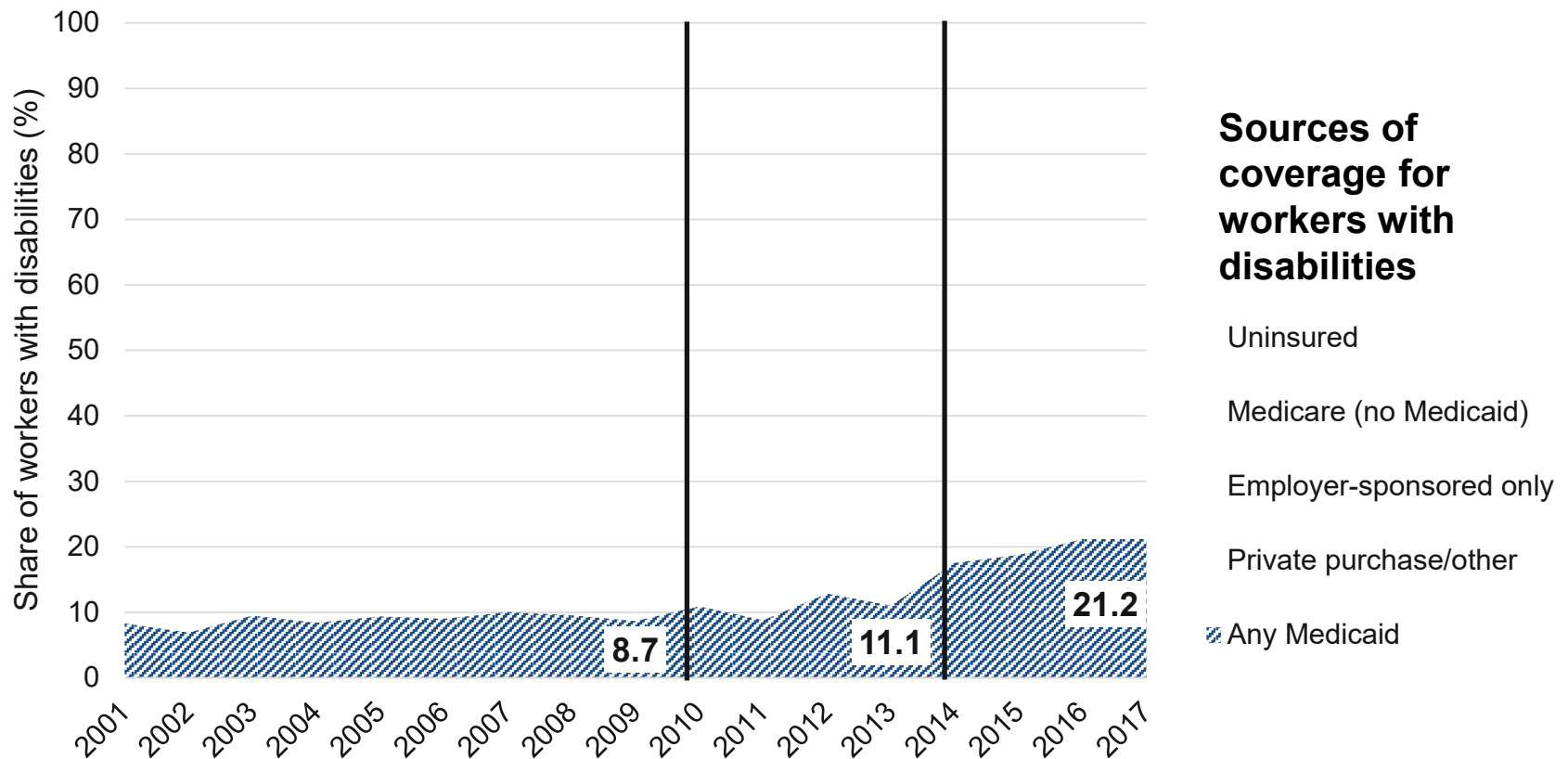
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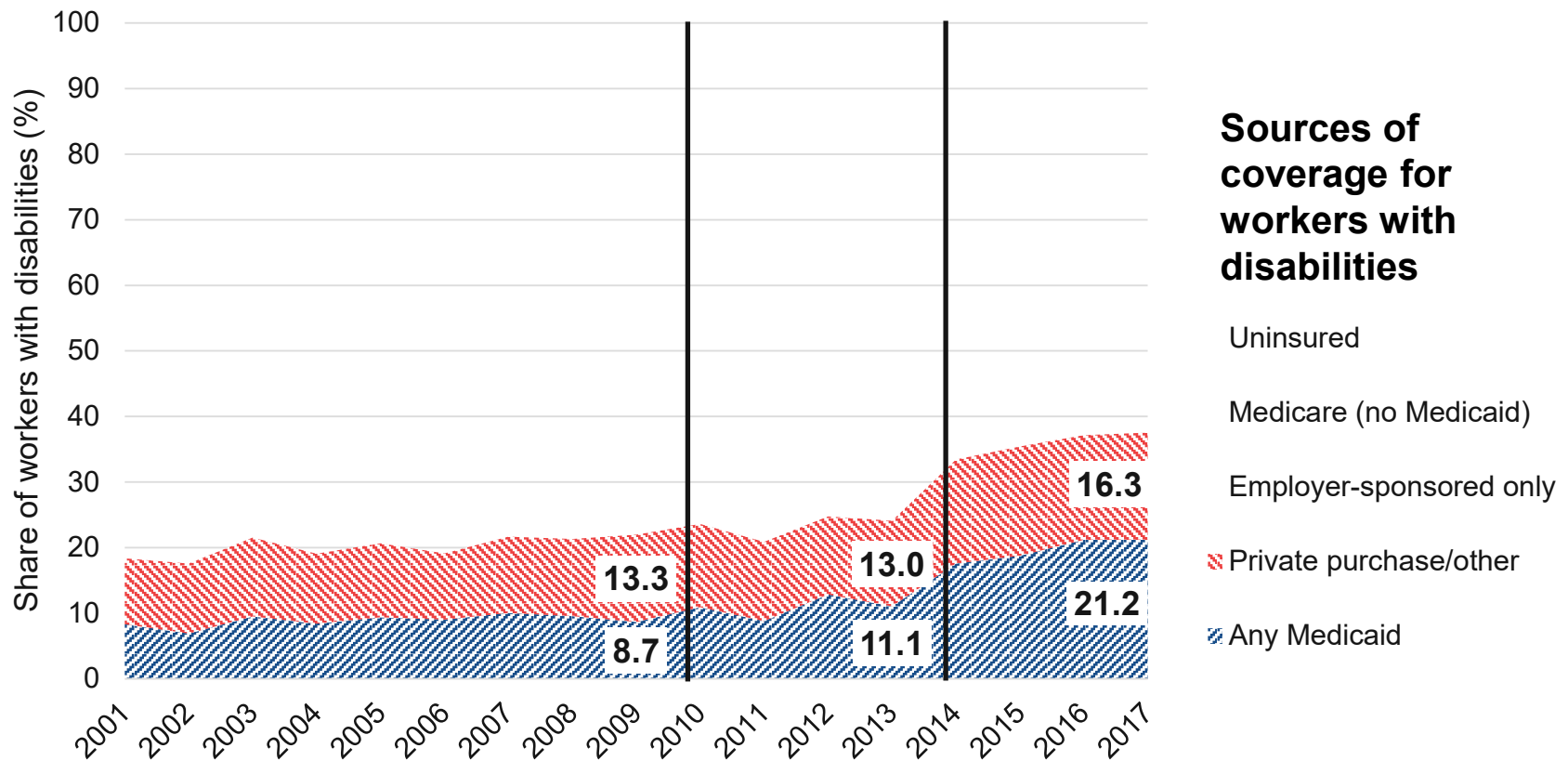
Source: Authors' calculations using the IPUMS Health Surveys, 2001–2017.

Types of Coverage Contributing to Increased Share with Insurance



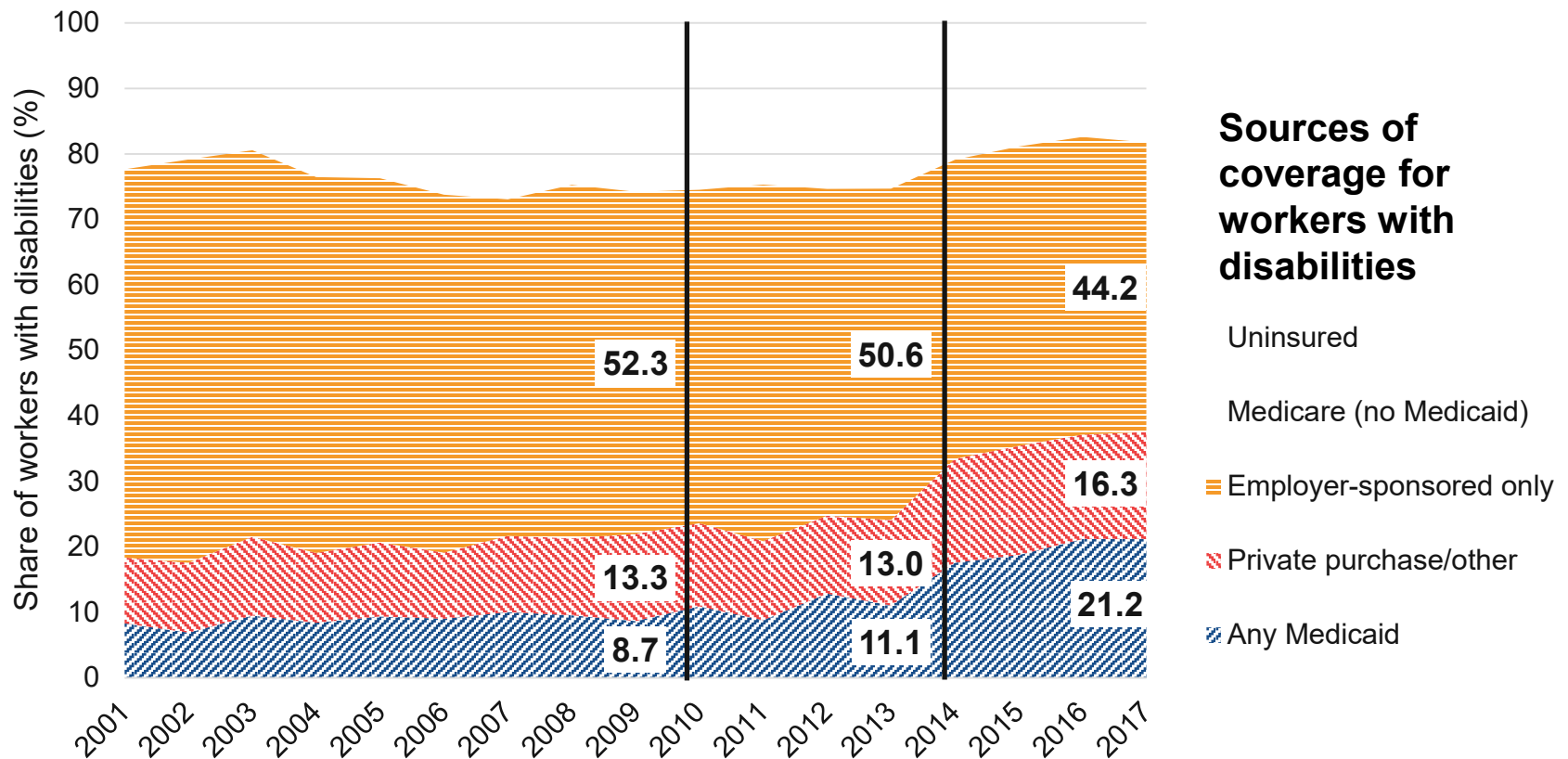
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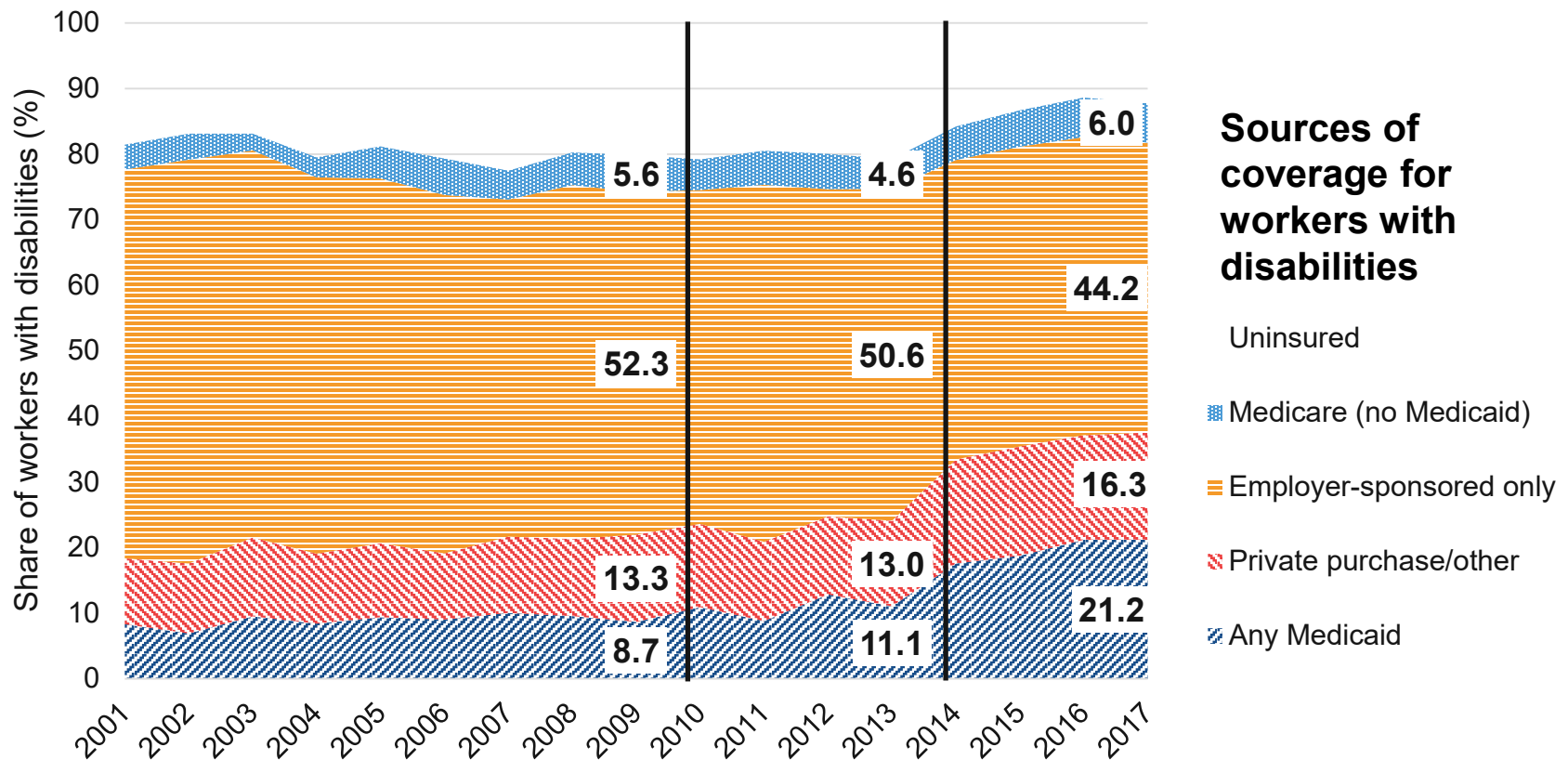
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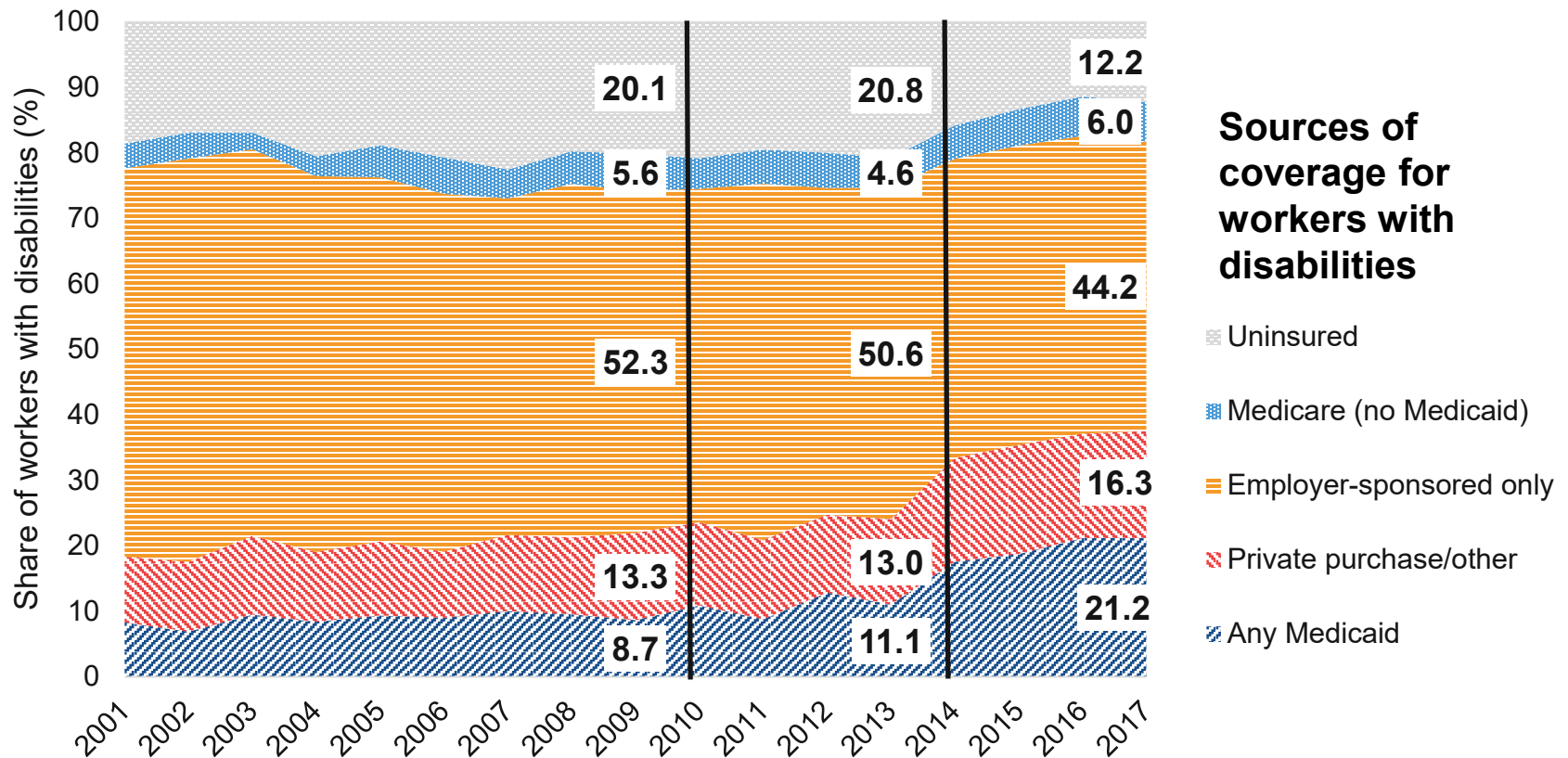
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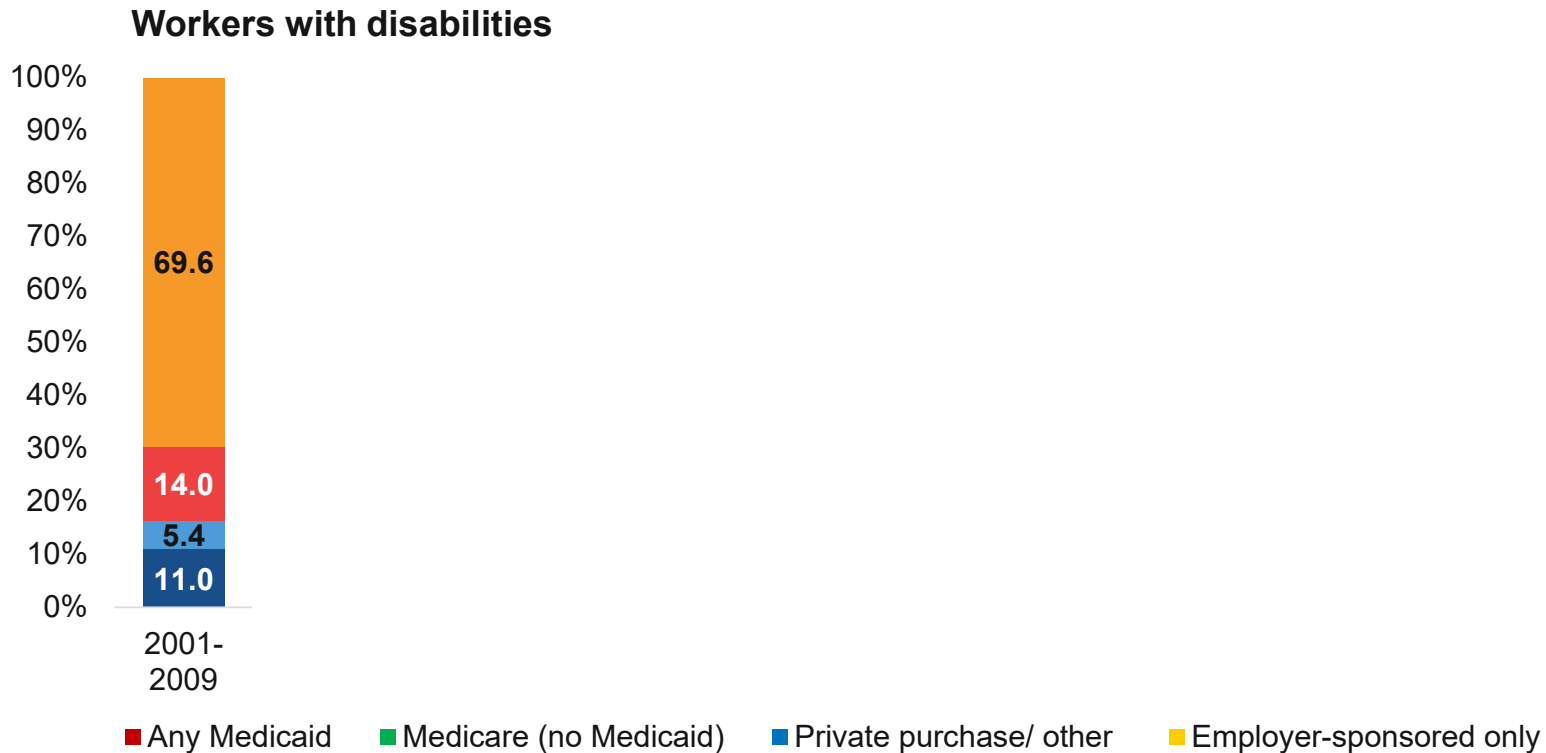
Source: Authors' calculations using the IPUMS Health Surveys, 2001–2017.

Types of Coverage Contributing to Overall Increase



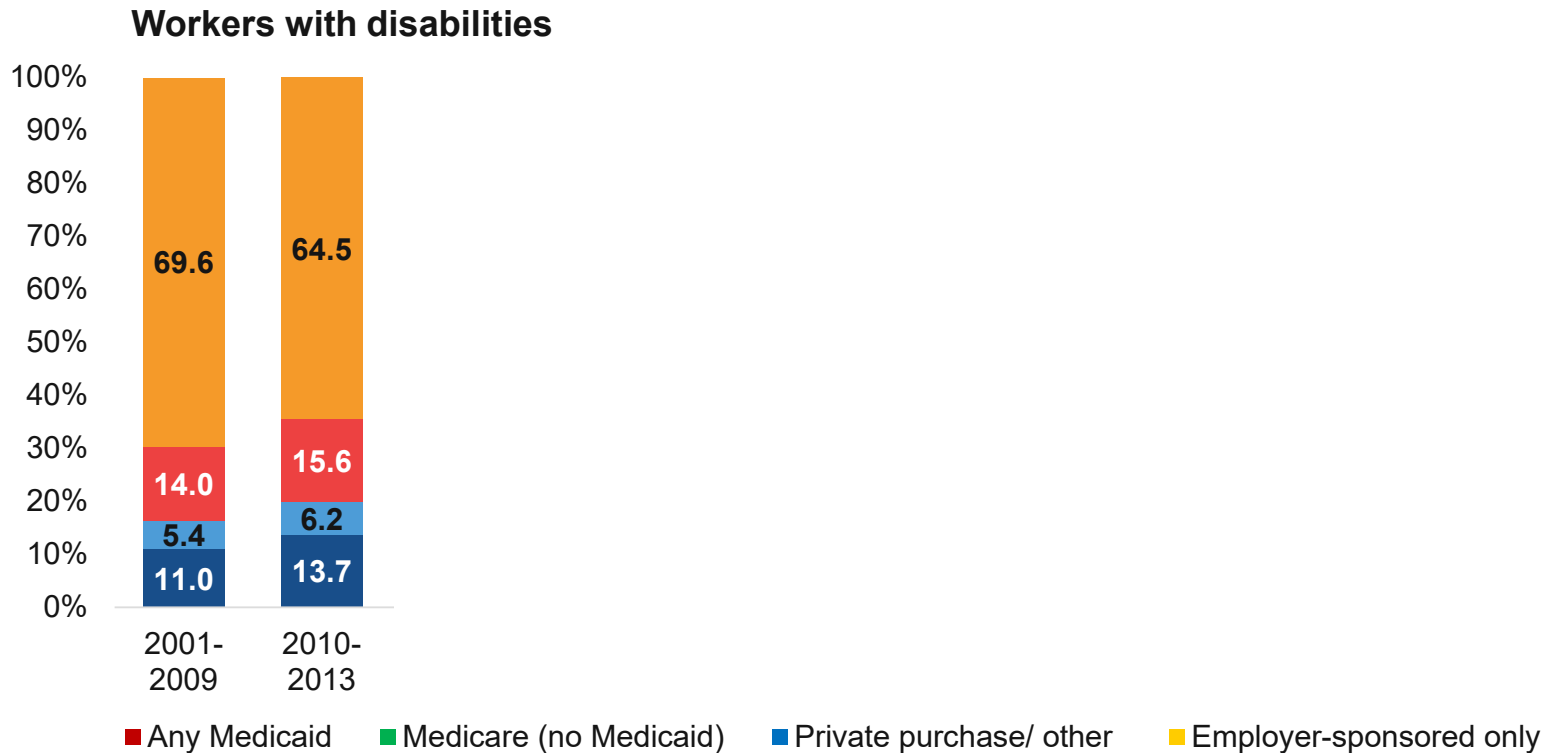
Source: Authors' calculations using the IPUMS Health Surveys, 2001–2017.

Compositional Changes in Coverage Source Among the Insured



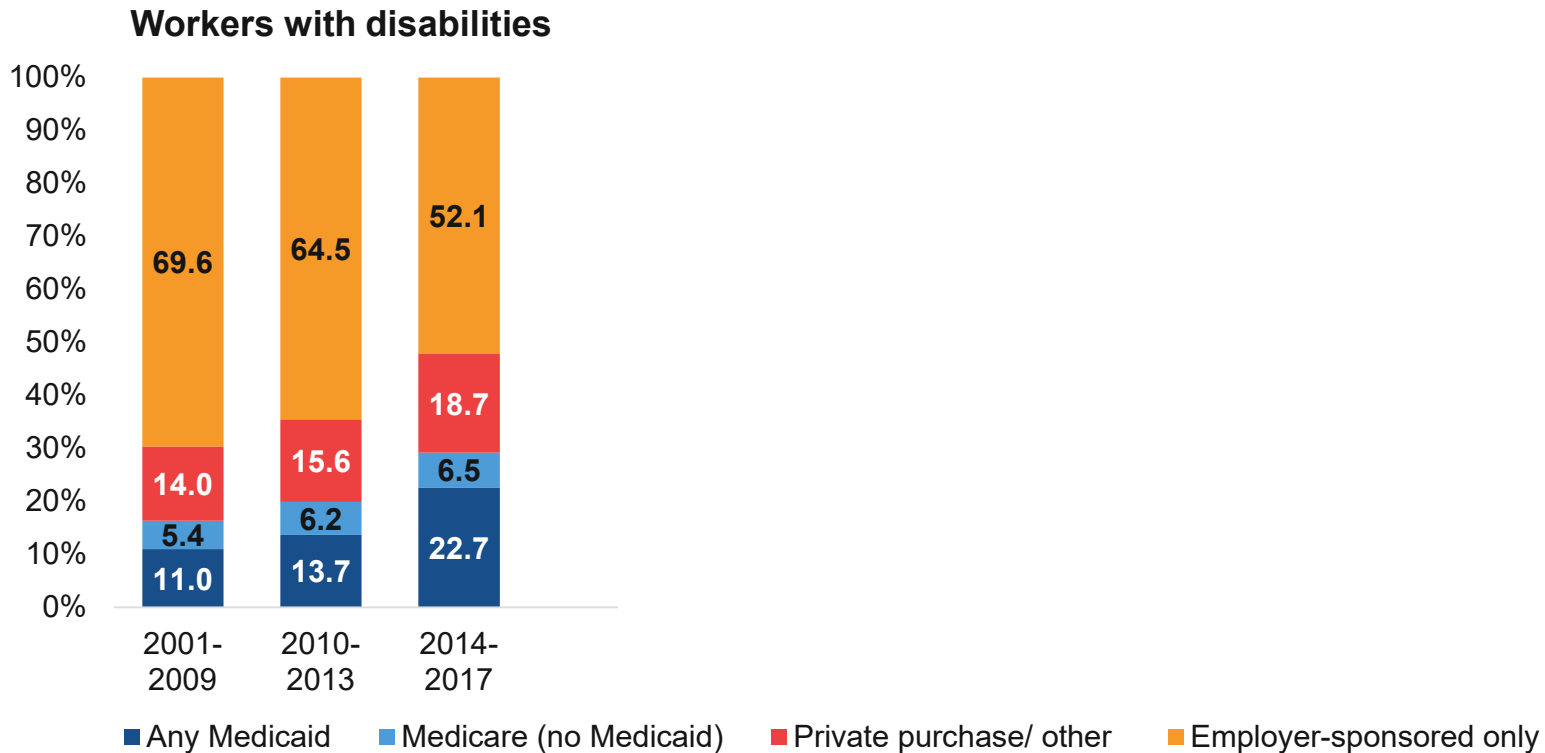
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Compositional Changes in Coverage Source Among the Insured



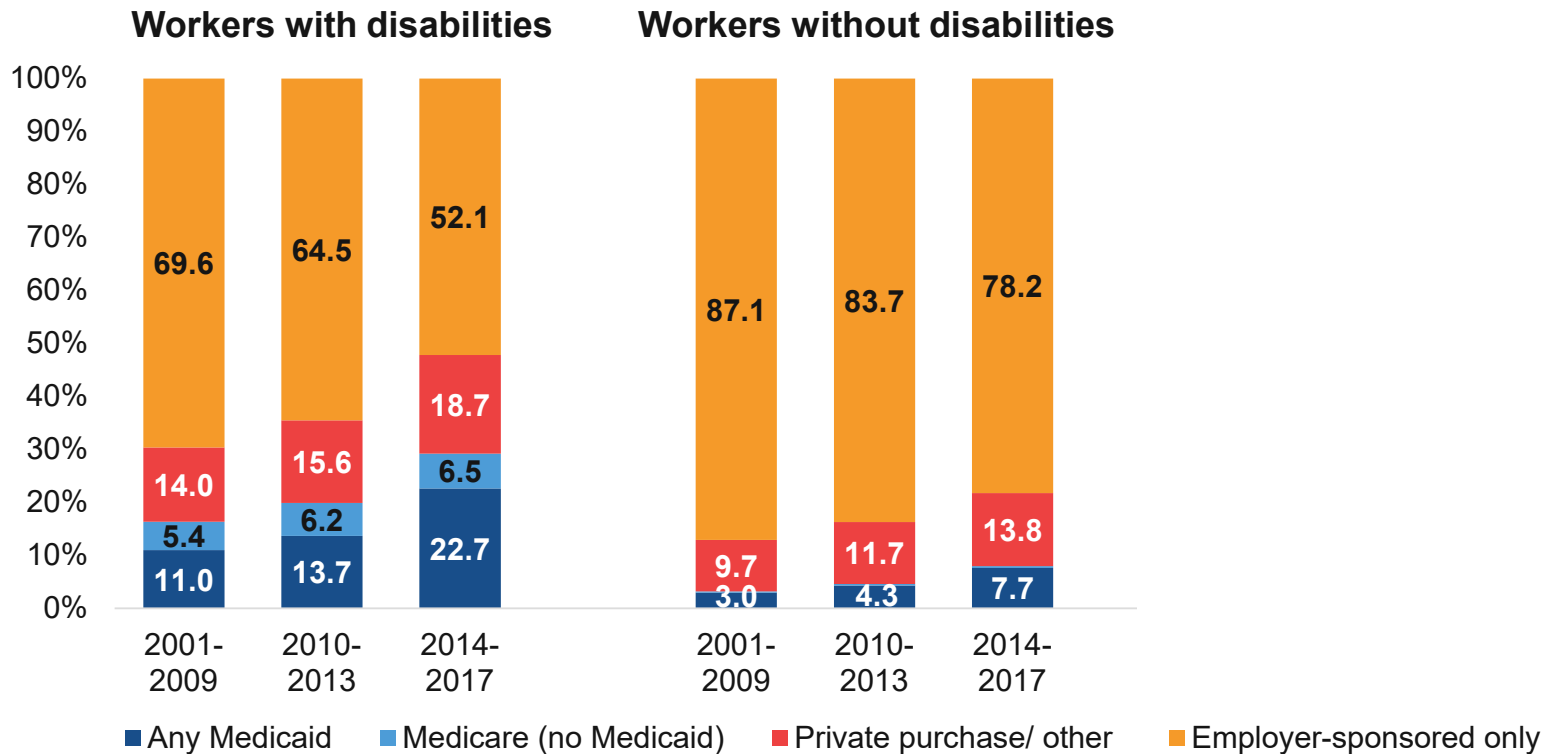
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Compositional Changes in Coverage Source Among the Insured



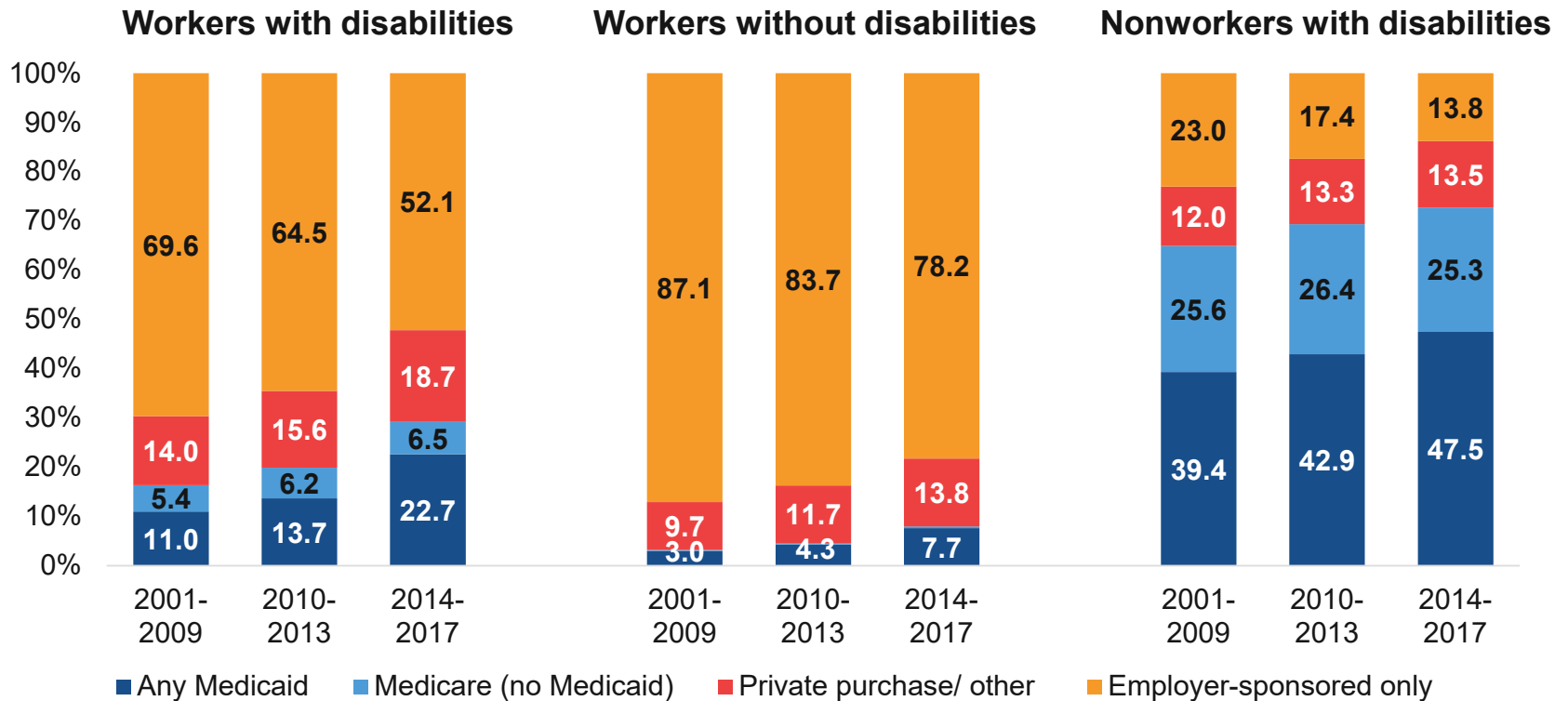
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Compositional Changes in Coverage Source Among the Insured



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Compositional Changes in Coverage Source Among the Insured



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Summary of Findings

- **Workers with disabilities experienced:**
 - Decline in uninsurance after 2014 that was similar to the decline seen in other groups
 - Notable increases in coverage from Medicaid and privately purchased sources
 - Decline in employer-sponsored health insurance that seems to be larger than it is for other groups
 - Important: we cannot measure individual substitution across sources of coverage

Implications of Increase in Medicaid Coverage among Workers with Disabilities

- **Alternative to seeking federal disability benefits for health coverage**
 - Potentially reduces disincentive to work
- **Reduction in full-time “job lock”**
 - We observe an increase in part-time status among employed workers over study period
- **Potentially better array of covered services in Medicaid relative to employer plan (Gettens and Henry 2015)**

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How Does Losing Health Insurance Affect Disability Claims? Evidence from the Affordable Care Act's Dependent Care Mandate

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*Presented at Mathematica's Center for Studying Disability Policy
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Health-Insurance–Motivated Disability Enrollment (HIMDE)

- **SSA disability benefit programs include health insurance**
 - **SSI: Medicaid**
 - **SSDI: Medicare (after a waiting period)**
- **Individual coverage was historically difficult to obtain**
 - **Disabilities may limit a person’s ability to work**
 - **Higher premiums for pre-existing conditions**

Overview of Paper

- **Study how insurance coverage from ACA's age-26 provision affects SSI participation**
- **Increase in SSI applications and awards around 26th birthday, starting in 2011**

ACA's Age-26 Provision

- **Young adults can remain on parents' plan until the month of their 26th birthday**
- **Previous studies of this provision show:**
 - **Insurance coverage increased for those under 26 (Antwi et al. 2014)**
 - **Workers' compensation claims increased after 26 (Dillender 2015)**

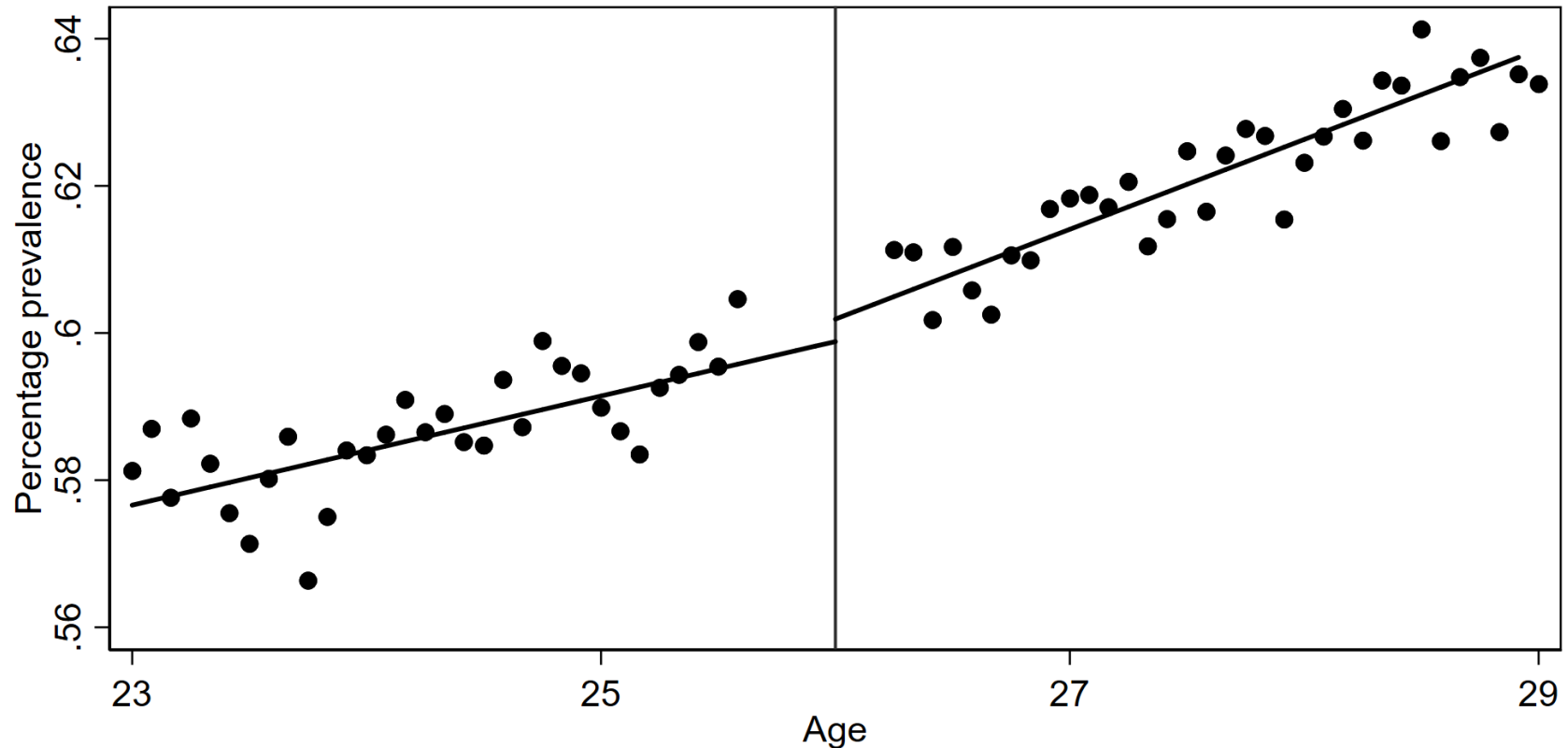
How Does Availability of Other Health Insurance Affect HIMDE?

- **Our study: parental health insurance and SSI**
 - Focus on 2010 ACA mandate that dependent coverage be made available up to 26th birthday
- **Past research: Medicaid expansions and SSI**
 - Reductions for children (Leverre et al. 2018)
 - Mixed evidence for childless adults (Burns and Dague 2017, Chatterji and Li 2017, Anand et al. 2019, Schmidt et al. 2017)

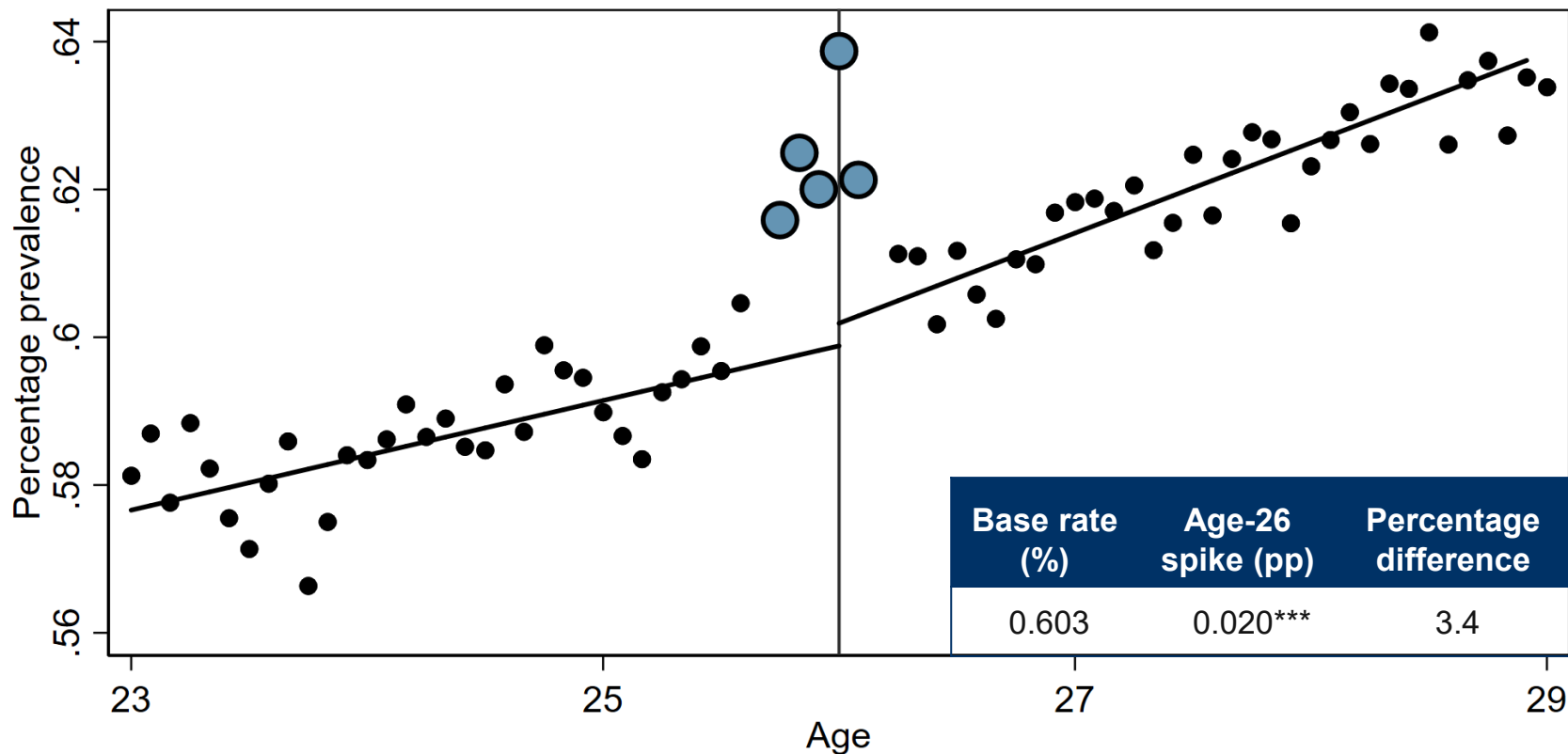
Data Sources

- **Administrative data on SSI applications and awards**
 - Counts by year, state, and age in months
- **Combined with Census population estimates to get annual application and award rates**

Application Rates Increase Near Age 26

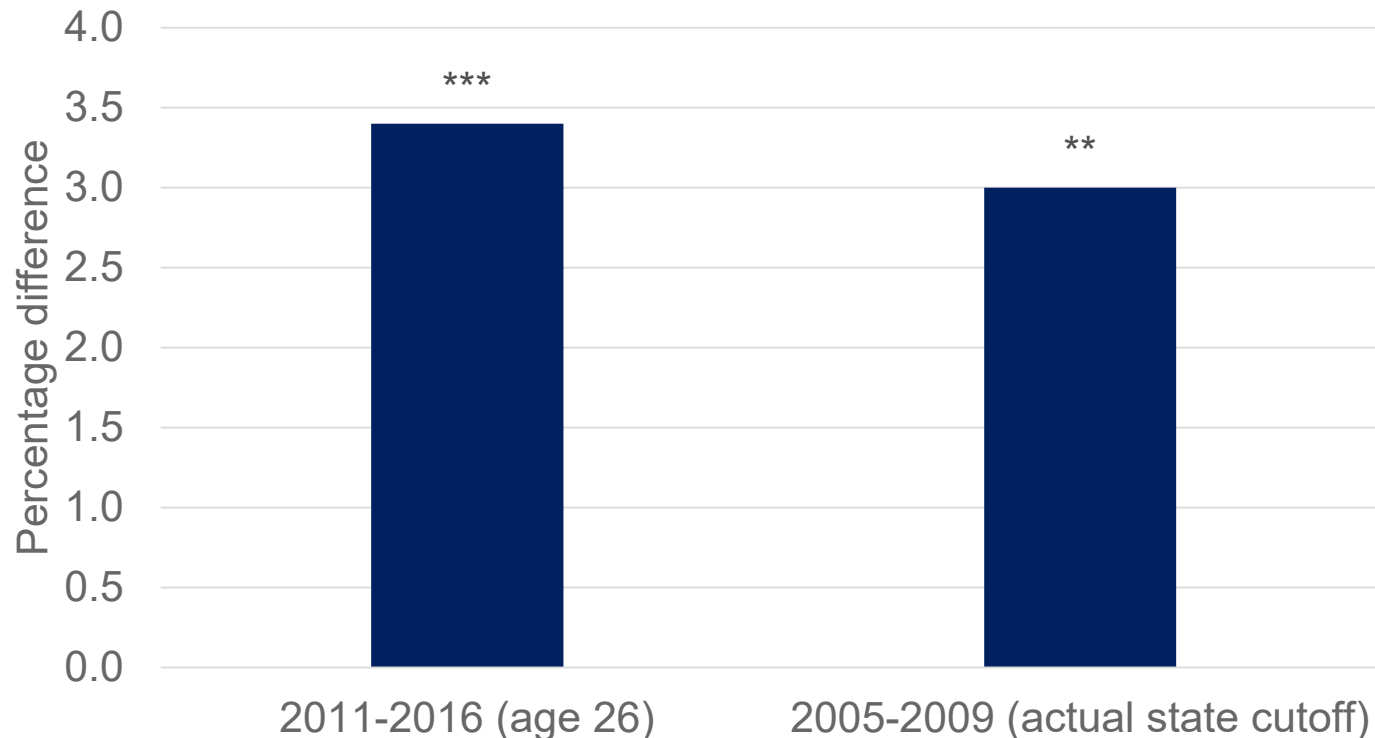


Application Rates Increase Near Age 26



Note: The circles show the national percentage of people at each age (in months) applying for SSI between 2011 and 2016.

Applications Increase at State Cutoffs Before Full ACA Implementation



Note: Percentage differences come from regression estimates of the excess in SSI applications divided by predicted values for a five-month response window around the age cutoff at which young adults lose insurance coverage through their parents in each year.

*/**/** indicates a statistically significant estimate at the 10/5/1 percent level.

Additional Analyses

- **Similar pattern for awards, though smaller in magnitude**
- **No increase at age 26 before policy went into effect**
- **Application spike differentially decreases in Medicaid expansion states**
 - **Importance of outside option for insurance**

Conclusions and Implications

- **Some young adults seek SSI primarily because they lack health insurance**
 - Spike in applications at age 26 reveals HIMDE
- **Stand-alone coverage could avoid ancillary costs and reliance on cash benefits**

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Discussant



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Discussion

- **Medicaid expansion appears to have no effect on employment for people with disabilities, but the effect of any national policy change is difficult to measure**
- **De-linking health insurance from disability cash benefits is still important**
- **We still have not determined the incentives and supports that will help people with disabilities enter or stay in the workforce**

Audience Q&A



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