

# DRC BRIEF

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## Quantifying the Health Insurance Needs of Employed and Potentially Employed Persons with Disabilities

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## Abstract

Health insurance coverage does not fully meet the employment-related healthcare needs of employed and potentially employed persons with disabilities. Secondary health insurance to wraparound primary coverage may be a viable policy solution to meet the healthcare demands of this population. This study quantifies the employment-related needs using data from a 2014 Massachusetts survey of working-age persons with disabilities. An estimated 70 percent of workers and 67 percent of potential workers used employment-related healthcare services. Approximately 7 percent of workers and 33 percent of potential workers had an unmet need for employment-related healthcare services. The findings suggest that alleviating the unmet need for employment-related services would increase the employment of persons with disabilities.

## Introduction

The employment rate among persons with disabilities is low. Currently, approximately 26 percent of working-age people with disabilities are employed (Bureau of Labor Statistics, 2015) and an even smaller portion, only 7 percent, of people with severe disabilities receiving public disability benefits are employed (Livermore & Bardos, 2015).

Improving access to health care services that support employment has the potential to increase the employment rate of people with disabilities (Henry, Long-Bellil, Zhang, & Himmelstein, 2011). The Affordable Care Act provides health insurance to working-age adults with disabilities who were formerly uninsured, but we do not expect that the new coverage will fully meet the employment-related healthcare needs of many persons with disabilities. Rather than requiring healthcare reform plans to include additional employment-related services for persons with disabilities, an alternative and potentially more viable policy solution is for a new type of subsidized coverage to ‘wrap-around’ healthcare reform coverage (Perriello, 2015).

There is lack of information quantifying the employment-related healthcare service use and unmet need for services among insured working-age persons with disabilities. For example, the following questions are unanswered: What is the healthcare service use among insured working-age persons with disabilities? What is the employment-related healthcare service use? What is the unmet need for healthcare services? What is the unmet need for employment-related services? The answers are needed to support future policy discussions and potential development of wraparound plans.

This issue brief provides answers to these questions, at a high-level, based on a survey of working-age persons with disabilities in Massachusetts, the Employment Needs Survey (ENS). The survey, conducted in 2014, included questions on health insurance, disability benefits, employment, healthcare services, services from disability agencies, health care costs and service delivery.<sup>1</sup> We focus on workers and potential workers. Workers were persons that were working at the time of the survey. Potential workers were persons that were seeking employment or planned to work in the future.

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<sup>1</sup> More information about our data sources and methods can be found in Gettens, Henry, and Lei (2016).

## Characteristics of workers and potential workers

Comparing the characteristics of workers and potential workers, there were similarities and differences (Table 1). A higher percentage of potential workers were male, 45 percent compared to workers, 30 percent. Potential workers were also younger, approximately 47 percent of potential workers were between the ages of 18 to 34 compared to 27 percent of workers.

A higher percentage of potential workers had difficulty concentrating, remembering and making decisions (68 percent) compared to workers (44 percent). Potential workers also had a higher prevalence of difficulty doing errands alone (45 percent) compared to workers (24 percent). In contrast, approximately 18 percent of workers had difficulty seeing compared to 8 percent of potential workers.

There was a high prevalence of chronic conditions among both workers and potential workers. Depression was the most frequently reported chronic condition with 54 percent of workers and 72 percent of potential workers reporting this condition. There was also a high prevalence of rheumatic diseases (arthritis, rheumatoid arthritis, gout, lupus, or fibromyalgia) among workers (46 percent) and potential workers (35 percent).

Potential workers were more likely to be DI or SSI beneficiaries. More than one-third of potential workers were beneficiaries compared to 8 percent of workers. Workers and potential workers differed in their insurance coverage. As expected, the percentage with employer sponsored insurance-only coverage was high among workers (62 percent). Medicaid coverage (Massachusetts Medicaid-only and Massachusetts Medicaid secondary coverage) was an important source of coverage among potential workers (51 percent).

Table 1. Characteristics of workers and potential workers

Characteristic	Workers	Potential workers
Number	236	152
Number (weighted)	103,418	79,962
Male <sup>a</sup> (%)	30	45
<b>Age<sup>a</sup> (%)</b>		
18 to 24	13	27
25 to 34	14	20
35 to 44	15	16
45 to 54	35	15
55 to 64	23	23
White-only race (%)	82	76
Hispanic (%)	14	11
<b>Education (%)</b>		
Less than High School	17	23
High School	23	32
Some college	36	32
4 years or more of college	23	14
<b>Disability (%)</b>		
Difficulty seeing <sup>b</sup>	18	8
Difficulty concentrating, remembering, making decisions <sup>b</sup>	44	68
Difficulty walking, climbing stairs	44	38
Difficulty dressing, bathing	12	20
Difficulty doing errands alone <sup>b</sup>	24	45
<b>Health (%)</b>		
Fair or Poor Health	37	38
Physical health not good prior 30 days	18	31
Mental health not good prior 30 days	14	23
Health interfered with usual activities prior 30 days	19	33
<b>Conditions (%)</b>		
Heart disease/stroke	9	4
Asthma	21	23
COPD	12	12
Rheumatic disease	46	35
Depression <sup>b</sup>	54	72
Diabetes	11	15
<b>Beneficiaries (%)</b>		
D <sup>b</sup>	8	23
SSI <sup>b</sup>	3	16
SSDI or SSI <sup>b</sup>	11	36
<b>Health Insurance<sup>b</sup> (%)</b>		
Employer Sponsored Insurance-Only	62	32
Medicare-Only	2	2
Massachusetts Medicaid- Only	17	28
Massachusetts Medicaid Secondary Coverage <sup>c</sup>	13	24
Other	6	14

Note: The source is the 2014 Employment Needs Survey. Percentages are based on weighted data.

<sup>a</sup>Proportion or distribution of workers is significantly different from distribution or proportion of potential workers at the 0.10 level, chi-squared test.

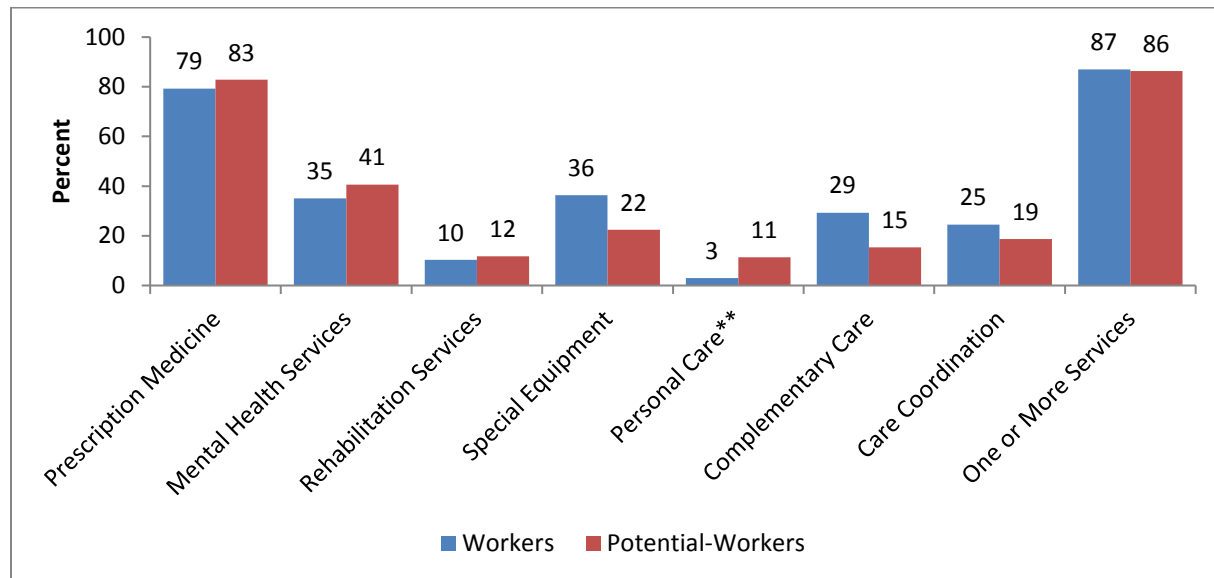
<sup>b</sup>Proportion or distribution of workers is significantly different from distribution or proportion of potential workers at the 0.05 level, chi-squared test.

<sup>c</sup>Persons with Massachusetts Medicaid Secondary Coverage have primary coverage (Employer Sponsored, Medicare, or Other) in addition to Medicaid.

## What is the healthcare service use?

Nearly all workers and potential workers used one or more services. The use of personal care services was higher among potential workers compared to workers (11 percent vs. 3 percent). In contrast, the survey data suggests that the use of special equipment and complementary care may be higher among workers.<sup>2</sup> Approximately 36 percent of workers used special equipment compared to 22 percent of potential workers and 29 percent of workers used complementary care compared to 15 percent of potential workers.<sup>3</sup>

Figure 1. Percentage of workers and potential workers using service



Note: The source is the 2014 Employment Needs Survey. Percentages are based on weighted data.

\*Proportion or distribution of workers is significantly different from distribution or proportion of potential workers at the 0.10 level, chi-squared test

\*\*Proportion or distribution of workers is significantly different from distribution or proportion of potential workers at the 0.05 level, chi-squared test

## What is the employment-related healthcare service use?

A high percentage of workers and potential workers reported using services that were very important to their maintaining employment or starting to work (Figure 2). Overall, approximately 70 percent of workers and 67 percent of potential workers reported using employment-related services.<sup>4</sup> The highest percentages of workers and potential workers reported employment-related use of prescription medicines and mental health services. Potential workers reported higher employment-related use of personal care services compared to workers. The survey data

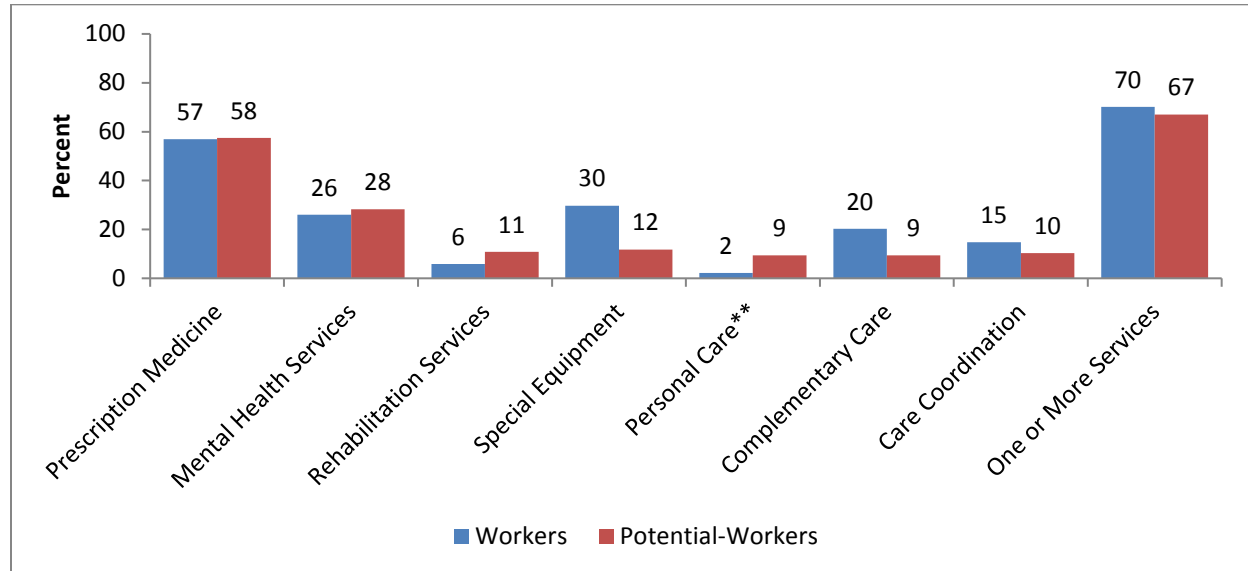
<sup>2</sup> The differences between workers and potential-workers are not statistically significant.

<sup>3</sup> Complementary care includes acupuncture, massage therapy, nutritional supplements, chiropractor services, and hypnosis.

<sup>4</sup> A service is employment-related if it is 'very important' to maintaining or starting employment.

suggests that employment-related special equipment use and complementary care use may be higher among workers compared to potential workers.<sup>5</sup>

Figure 2. Percentage of workers and potential workers using employment-related service



Note: The source is the 2014 Employment Needs Survey. Percentages are based on weighted data.

\*Proportion or distribution of workers is significantly different from distribution or proportion of potential workers at the 0.10 level, chi-squared test

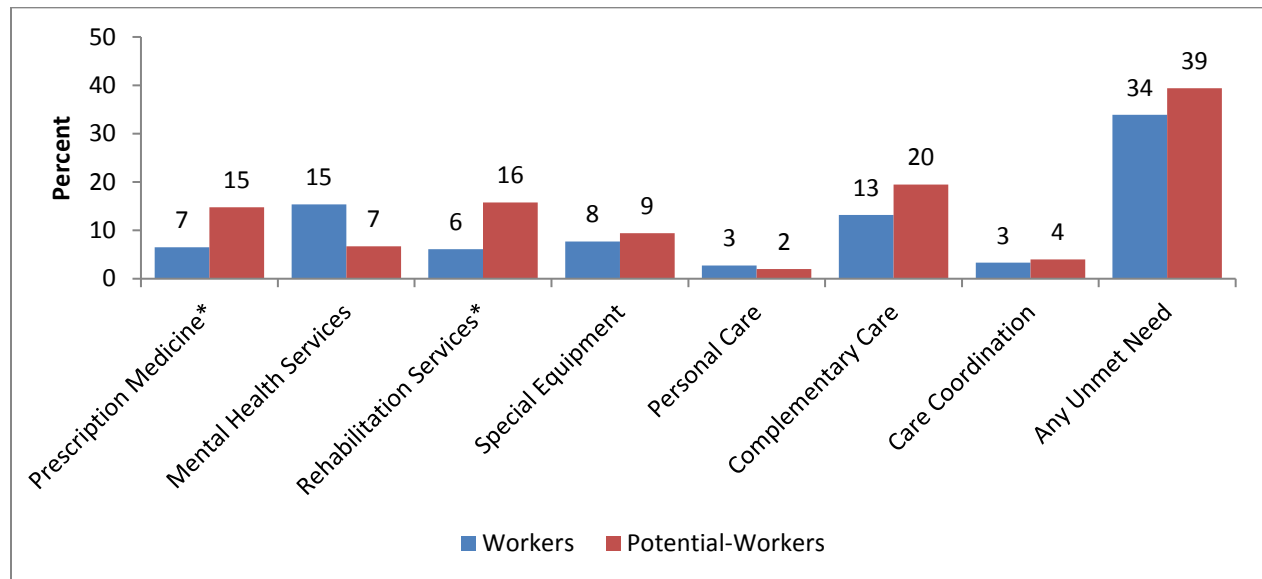
\*\*Proportion or distribution of workers is significantly different from distribution or proportion of potential workers at the 0.05 level, chi-squared test

### What is the unmet need for healthcare services?

A relatively high percentage of workers and potential workers reported needing a health care service that they did not receive (unmet need). Overall, 34 percent of workers and 39 percent of potential workers had an unmet need. Among workers, the highest unmet need was for mental health services (15 percent) and complementary care (13 percent). Among potential workers, the highest unmet need was for prescription medicine (15 percent), rehabilitation services (16 percent) and complementary care (20 percent). Potential workers had higher unmet need for prescription medicine and rehabilitation services compared to workers.

<sup>5</sup> These differences are not statistically significant.

Figure 3. Percent persons with unmet service need



Note: The source is the 2014 Employment Needs Survey. Percentages are based on weighted data.

\*Proportion or distribution of workers is significantly different from distribution or proportion of potential workers at the 0.10 level, chi-squared test

\*\*Proportion or distribution of workers is significantly different from distribution or proportion of potential workers at the 0.05 level, chi-squared test

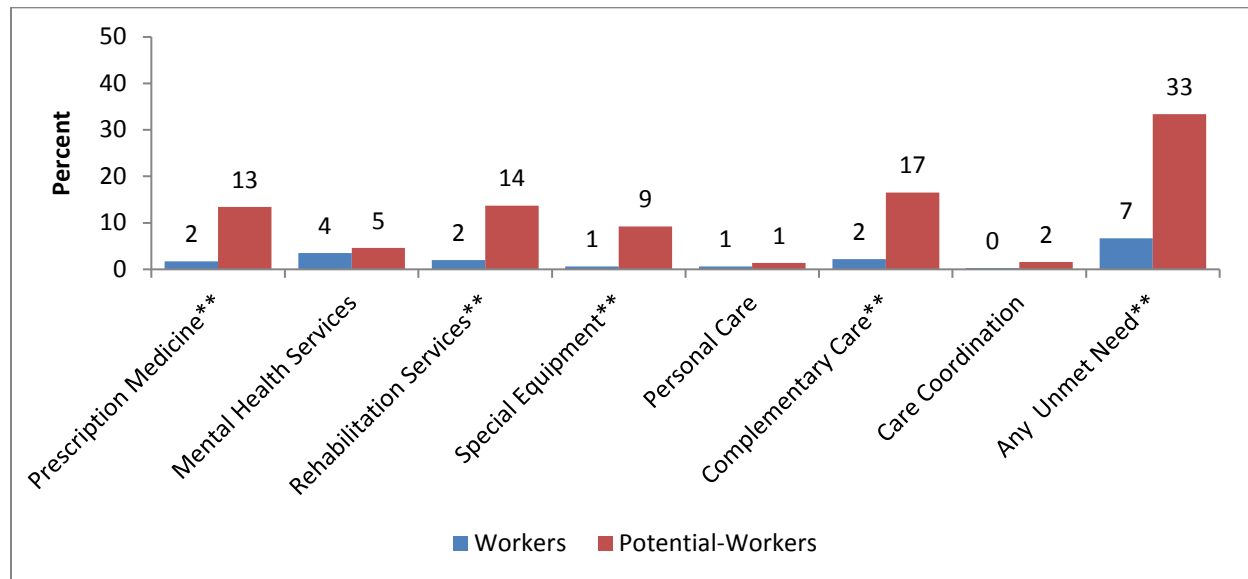
### What is the unmet need for employment-related healthcare services?

The employment-related unmet need is much higher for potential workers compared to workers (Figure 4). Approximately one-third of potential workers had an employment-related unmet need while only 7 percent of workers had such a need.<sup>6</sup> Compared to workers, potential workers unmet need was higher for prescription medicine (13 percent vs. 2 percent), rehabilitation services (14 percent vs. 2 percent), special equipment (9 percent vs. 1 percent) and complementary care (17 percent vs. 2 percent).

Why is the employment-related unmet need lower among workers than potential workers? There are a variety of possible explanations. One possible explanation is that the unmet need adversely affects employment. Employment-related unmet need may make it less likely that potential workers become employed. For persons that are employed, an employment-related unmet need may make it less likely that they stay employed.

<sup>6</sup> An unmet need is employment related if it frequently or always interferes with a job or if receipt of the service would help someone go to work.

Figure 4. Percent persons with employment-related unmet need



Note: The source is the 2014 Employment Needs Survey. Percentages are based on weighted data.

\*Proportion or distribution of workers is significantly different from distribution or proportion of potential workers at the 0.10 level, chi-squared test

\*\*Proportion or distribution of workers is significantly different from distribution or proportion of potential workers at the 0.05 level, chi-squared test

## Summary of findings

We used a Massachusetts survey of persons with disabilities to estimate healthcare service use, employment-related healthcare service use, unmet need for healthcare services and unmet need for employment-related healthcare services among workers and potential workers. We found the following:

- Nearly all workers and potential workers use one or more services. The percentages of workers and potential workers using prescription medicine, mental health services, rehabilitation services, special equipment, personal care, complementary care, and care coordination are comparable.
- High percentages of workers and potential workers reported use of employment-related services. Approximately 70 percent of workers reported that their healthcare services were very important to their employment and 67 percent of workers reported that their health services were very important to their starting to work.
- The overall level of unmet need was similar for workers (34 percent) and potential workers (39 percent). Among workers, the highest levels of unmet need were for mental health and complementary care services. Among potential workers, the highest levels of unmet need were for prescription medicine, rehabilitative services, special equipment and complementary care.



- The overall level of employment-related unmet need was much higher for potential workers (33 percent) compared to workers (7 percent). Compared to workers, potential workers had higher employment-related unmet need for prescription medicine, rehabilitation services, special equipment and complementary care.

### Implication of the findings

A high percentage of workers and potential workers reported using employment-related healthcare services. This suggests that healthcare services play a very important role in the employment of persons with disabilities and that access limitations would adversely affect employment.

Even though most workers and potential workers reported use of employment-related healthcare services, there was an unmet need. If the unmet need is resolved, will it improve the employment of persons with disabilities? The findings from this study do not answer this question; however, the findings provide information to support a preliminary estimate of the upper limits of the effects on employment.

We first assess the possible effect on potential workers. Approximately 33 percent of potential workers have unmet employment-related healthcare needs. At best, alleviating the unmet need would result in employment of these potential workers. This would increase the employment rate of the insured working-age persons with disabilities in Massachusetts by 8 percentage points from 31 percent to 39 percent.<sup>7</sup> The characteristics of potential workers suggest that their capacity to work is lower than that for those actually working. Potential workers have higher prevalence of cognitive difficulties, difficulties doing errands alone, and depression and also greater participation in DI and SSI compared to workers. These differences suggest that the effect would be smaller than 8 percentage points.

Alleviating unmet employment-related healthcare needs may also decrease workers' health-related work problems, for example work absences, difficulty concentrating on work, and general difficulty working because of health or disability. Approximately 7 percent of workers reported that an unmet healthcare need interfered with their job. At best, alleviating unmet employment-related healthcare needs would eliminate these difficulties. Again, we expect the actual effects to be smaller because some persons will have difficulties that are not resolved by healthcare services.

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<sup>7</sup> See Gettens, Henry and Lei (2016) for the basis of this calculation.

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