



# Quantifying Wraparound Health Insurance Needs among Employed People with Disabilities

Jack Gettens\*, Denise Hoffman\*\*, Alexis D. Henry\*

*\*Disability, Health and Employment Policy Unit  
Center for Health Policy and Research  
University of Massachusetts Medical School*

*\*\*Mathematica Policy Research*

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# Background

- Health care services and related supports can play a critical role in helping people with disabilities to work
  - DME, PAS, PT/OT, mental health, medications
- Some employed persons with disabilities have health care services and related support needs that are not generally covered by health insurance
  - For the most part, ACA does not change this
- “Wrap-around” coverage (or other policy) options may be a viable solution and support employment among people with disabilities
  - Coverage for services not covered by primary insurance

# Study Goals

- Estimate the wraparound cost and utilization of employed persons with disabilities
- Inform policy development

# Methods

- Massachusetts implemented a similar policy to the ACA in 2006
- Case study of CommonHealth Working (CHW)
  - Massachusetts Medicaid Buy-In Program
  - No income or asset limit
  - Employment of 40 hours per month required
- CHW administrative data (claims and eligibility)
  - Fee-for-service data; encounters not applicable for CHW

# Study Sample

- 15,388 employed people with disabilities
  - Ages 21 to 64
  - Using CHW as secondary coverage in 2012
- Primary insurance coverage
  - Medicare 84%
  - Private Insurance 9%
  - Medicare and private insurance 8%

# Analysis

- Monthly analysis to handle time-varying attributes
- Attributes from eligibility data: primary insurance type, age, gender, monthly earnings, monthly work hours, wages (derived), monthly OASDI, family income (FPL)
- Cost and utilization measures: total cost, per-member-per-month, per-user-per-month, unduplicated counts of service users
- Classification of claims into service categories using procedure codes and service provider types

# Results: Participant Characteristics

Characteristics	All (n=15,338)	Medicare (n=12,950)	Private (n=1,433)	Both (n=1,195)
Age 50 to 64	62%	64%	60%	49%
Earnings $\geq$ \$2,000 per month	9%	5%	47%	18%
OASDI Income	88%	95%	31%	86%
300% FPL or more	15%	10%	42%	30%

*Data Source: CHW administrative data*

# Results: Costs by Service Category

Service Category	Total Cost (Million \$)	Cost Per User Per Month (\$)	Unduplicated Users (%)
Community-Based Services and Supports (Non-Mental Health)	30.0	1,957	10.7
Behavioral Health (includes Community-Based)	10.0	170	41.3
Inpatient and Outpatient Services (Non-Behavioral Health)	4.9	58	58.4
Professional Services	2.7	27	69.6
Pharmacy	1.9	22	61.7
Other	1.9	36	35.8
Non-Emergency Transportation	1.4	122	8.2
Durable Medical Equipment and Medical Supplies	1.4	49	18.2
Dental	1.1	24	30.2
Total	55.4	448	90.1

Data Source: CHW administrative data



# Results: Community-Based Services and Supports (Non-Mental Health)

Service Category	Total Cost (Million \$)	Cost Per Member Per Month (\$)	Cost Per User Per Month (\$)	Unduplicated Users (%)
Personal Assistant Services	20.8	160	2,260	6.4
Home and Day Health	5.4	42	1,224	3.1
Adult Foster Care	3.2	25	1,310	1.7
Day Habitation	0.5	4	814	0.5
<b>Total</b>	<b>30.0</b>	<b>231</b>	<b>1,957</b>	<b>10.7</b>

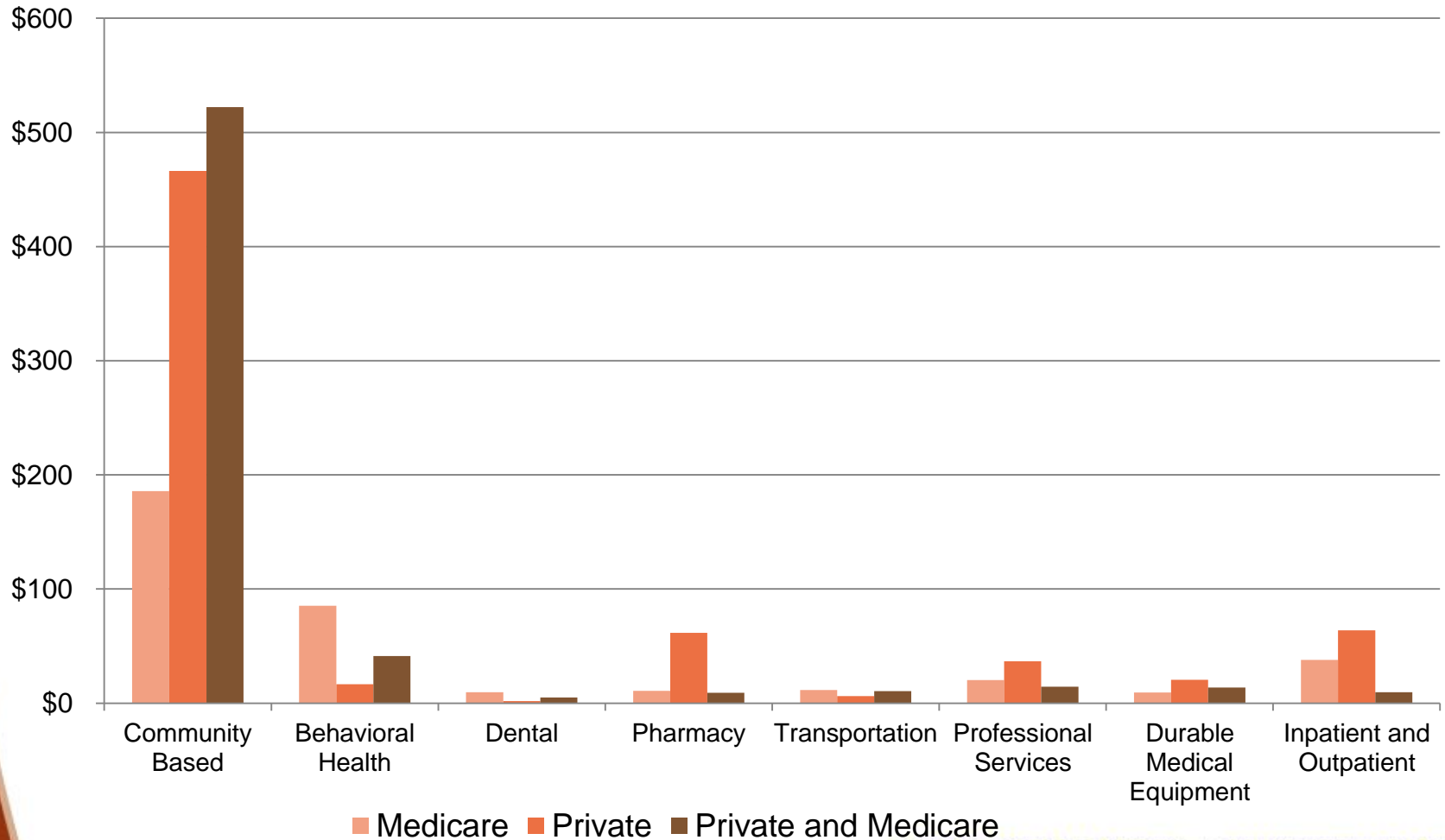
*Data Source: CHW administrative data*

# Results: Behavioral Health (Includes Community-Based)

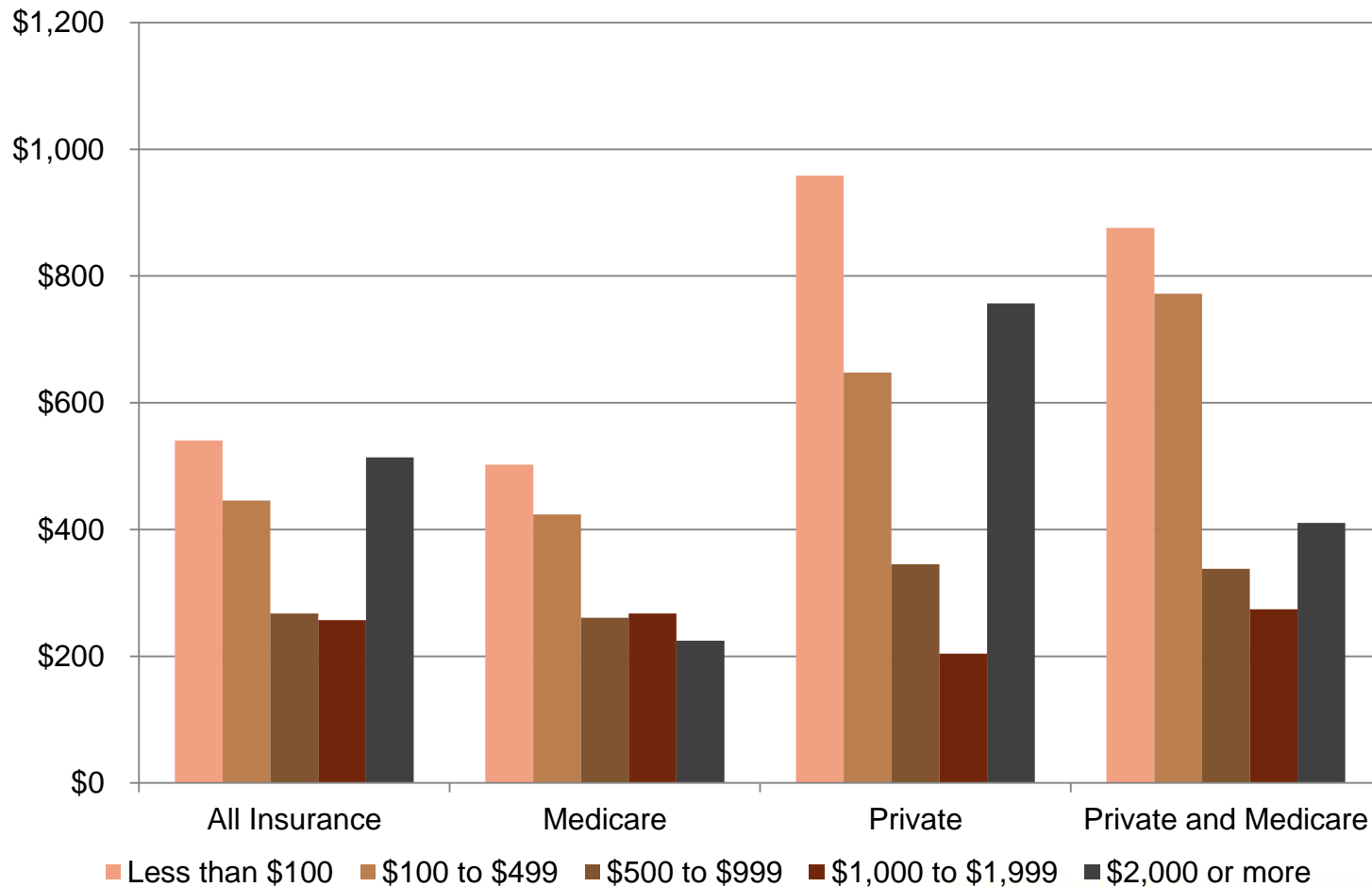
Service Category	Total Cost (Million \$)	Cost Per Member Per Month (\$)	Cost Per User Per Month (\$)	Unduplicated Users (%)
Community-Based Mental Health	5.0	38	444	7.8
Psychiatric Treatment	4.2	33	78	37.7
Substance Abuse	0.8	6	256	2.2
<b>Total</b>	<b>10</b>	<b>77</b>	<b>170</b>	<b>41.3</b>

*Data Source: CHW administrative data*

# Results: PMPM Cost by Service and Insurance Type



# Results: PMPM Cost by Insurance Type and Monthly Earnings



# Summary

- The majority of the sample had primary insurance coverage from Medicare and had earnings below \$2,000 per month.
- Wraparound expenditures averaged \$427 PMPM
- Highest expenditures were for services generally not covered by private insurance or Medicare
  - Non-mental health community-based services, \$231 PMPM
  - Mental health community-based services, \$38 PMPM
- A relatively low proportion of members used community-based services
  - Non-mental health community-based services, 11%
  - Mental health community-based services, 7.8%
- Sample members incurred additional expenditures for services generally covered by primary insurance
- Cost and utilization variation across insurance types and employment levels

# Limitations

- Only includes services covered by CHW
- Estimates do not reflect persons who:
  - Do not meet CHW eligibility requirements
  - Have access barriers
  - Choose to not participate in CHW
- Does not include persons with private marketplace-based coverage
- Massachusetts results may not represent other states

# Next Steps

- **Employment-Related Health Insurance Needs Survey (EHINS)**
  - “Follow-up” to the 2014 MA Behavioral Risk Factor Surveillance System (BRFSS)
  - Analysis in progress
  - Statewide estimates of characteristics, service use and needs
- **Assessment of policy options for program components**
  - Eligibility (employment requirement, disability definition, income limits, asset limits)
  - Covered services (medically necessary, disability related)
  - Member cost sharing (premiums, co-pays, co-insurance, deductibles, maximum out-of-pocket)
  - Subsidy mechanism (federal tax credits, federal match, block grant)
  - Subsidy levels
  - Program administration (federal, state, shared federal/state, marketplace, other)
  - Plan administration (public, private)

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# Contact Information

[Jack.gettens@umassmed.edu](mailto:Jack.gettens@umassmed.edu)

508-856-4334

[dhoffman@mathematica-mpr.com](mailto:dhoffman@mathematica-mpr.com)

202-554-7517

[Alexis.henry@umassmed.edu](mailto:Alexis.henry@umassmed.edu)

508-856-8833