Quantifying Wraparound Health Insurance Needs among Employed People with Disabilities

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Quantifying Wraparound Health Insurance Needs among Employed People with Disabilities

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Center for Health Policy and Research
University of Massachusetts Medical School

**Mathematica Policy Research

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June 13, 2015
Background

• Health care services and related supports can play a critical role in helping people with disabilities to work
  o 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
  o 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
  o 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)
  o Massachusetts Medicaid Buy-In Program
  o No income or asset limit
  o Employment of 40 hours per month required

• CHW administrative data (claims and eligibility)
  o 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

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>All (n=15,338)</th>
<th>Medicare (n=12,950)</th>
<th>Private (n=1,433)</th>
<th>Both (n=1,195)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age 50 to 64</td>
<td>62%</td>
<td>64%</td>
<td>60%</td>
<td>49%</td>
</tr>
<tr>
<td>Earnings &gt;$2,000 per month</td>
<td>9%</td>
<td>5%</td>
<td>47%</td>
<td>18%</td>
</tr>
<tr>
<td>OASDI Income</td>
<td>88%</td>
<td>95%</td>
<td>31%</td>
<td>86%</td>
</tr>
<tr>
<td>300% FPL or more</td>
<td>15%</td>
<td>10%</td>
<td>42%</td>
<td>30%</td>
</tr>
</tbody>
</table>

Data Source: CHW administrative data
## Results: Costs by Service Category

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

*Data Source: CHW administrative data*
## Results: Community-Based Services and Supports (Non-Mental Health)

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

*Data Source: CHW administrative data*
Results: Behavioral Health (Includes Community-Based)

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

Data Source: CHW administrative data
Results: PMPM Cost by Service and Insurance Type

<table>
<thead>
<tr>
<th>Service</th>
<th>Medicare</th>
<th>Private</th>
<th>Private and Medicare</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Based</td>
<td>$200</td>
<td>$400</td>
<td>$600</td>
</tr>
<tr>
<td>Behavioral Health</td>
<td>$100</td>
<td>$200</td>
<td>$300</td>
</tr>
<tr>
<td>Dental</td>
<td>$0</td>
<td>$100</td>
<td>$200</td>
</tr>
<tr>
<td>Pharmacy</td>
<td>$0</td>
<td>$50</td>
<td>$100</td>
</tr>
<tr>
<td>Transportation</td>
<td>$0</td>
<td>$50</td>
<td>$100</td>
</tr>
<tr>
<td>Professional Services</td>
<td>$0</td>
<td>$50</td>
<td>$100</td>
</tr>
<tr>
<td>Durable Medical Equipment</td>
<td>$0</td>
<td>$50</td>
<td>$100</td>
</tr>
<tr>
<td>Inpatient and Outpatient</td>
<td>$0</td>
<td>$50</td>
<td>$100</td>
</tr>
</tbody>
</table>
Results: PMPM Cost by Insurance Type and Monthly Earnings

- All Insurance
- Medicare
- Private
- Private and Medicare

Income Ranges:
- Less than $100
- $100 to $499
- $500 to $999
- $1,000 to $1,999
- $2,000 or more
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)
The research reported herein was performed pursuant to a grant from the U.S. Social Security Administration (SSA) funded as part of the Disability Research Consortium. The opinions and conclusions expressed are solely those of the author(s) and do not represent the opinions or policy of SSA or any agency of the Federal Government. Neither the United States Government nor any agency thereof, nor any of their employees, makes any warranty, expressed or implied, or assumes any legal liability or responsibility for the accuracy, completeness, or usefulness of the contents of this report. Reference herein to any specific commercial product, process, or service by trade name, trademark, manufacturer, or otherwise does not necessarily constitute or imply endorsement, recommendation or favoring by the United States Government or any agency thereof.
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