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

<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 ≥$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><strong>Total</strong></td>
<td><strong>55.4</strong></td>
<td><strong>448</strong></td>
<td><strong>90.1</strong></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>Total</td>
<td>30.0</td>
<td>231</td>
<td>1,957</td>
<td>10.7</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

- Community Based
- Behavioral Health
- Dental
- Pharmacy
- Transportation
- Professional Services
- Durable Medical Equipment
- Inpatient and Outpatient

Costs range from $0 to $600:
- Medicare
- Private
- Private and Medicare
Results: PMPM Cost by Insurance Type and Monthly Earnings

- **All Insurance**
- **Medicare**
- **Private**
- **Private and Medicare**

Monthly Earnings:
- 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)
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Contact Information

Jack.gettens@umassmed.edu
508-856-4334
dhoffman@mathematica-mpr.com
202-554-7517
Alexis.henry@umassmed.edu
508-856-8833