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# Working Healthy: A Medicaid Buy-In Success Story

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# Background

- Health care costs for people with disabilities average 4 to 7 times those of their non-disabled peers; higher costs makes insurance an absolute necessity
- Inadequacies of private insurance, e.g., attendant services, cost-sharing, pre-existing conditions
- Employer-based; full-time
- 70% of people with disabilities are unemployed
- Medicare does not cover many needs of people with disabilities and Medicaid requires impoverishment
- Fewer than 1/2 of 1% of SSI recipients or SSDI beneficiaries ever leave the rolls by starting or returning to work



# Medicaid Buy-Ins

- Authorized by the Balanced Budget Act of 1997 and the Ticket to Work-Work Incentives Improvement Act of 1999
- Allow people with disabilities to work, accumulate assets, and get or maintain Medicaid coverage
- In 2007, nearly 106,000 people with disabilities participated in Medicaid Buy-In programs in 34 states; 42 now operate



# The Kansas Medicaid Buy-In, *Working Healthy*

- Current enrollment of 1100+
- Eligibility:
  - Ages 16-64
  - Income up to 300% of federal poverty level
  - Payment of employment taxes
  - Assets up to \$15,000
  - Meet Social Security criteria for disability

# Snapshot of Participants, 2008

- Average age is 48 years
- 48% male and 52% female
- 90.5% white; 6.5% black; 0.9% Native American; 0.5% Asian; 1.6% unknown
- 3% Hispanic
- 59.9% single; 30.1% widowed; 10% married
- 10.8% have children under age 18
- 49.3% have at least some college
- Average hourly wage is \$7.98 and average hours worked per week is 19

Data Sources: Kansas Medicaid Management Information System (iMMIS) (n=1082) and Self-reported from 2008 Working Healthy Satisfaction Survey (n=381)



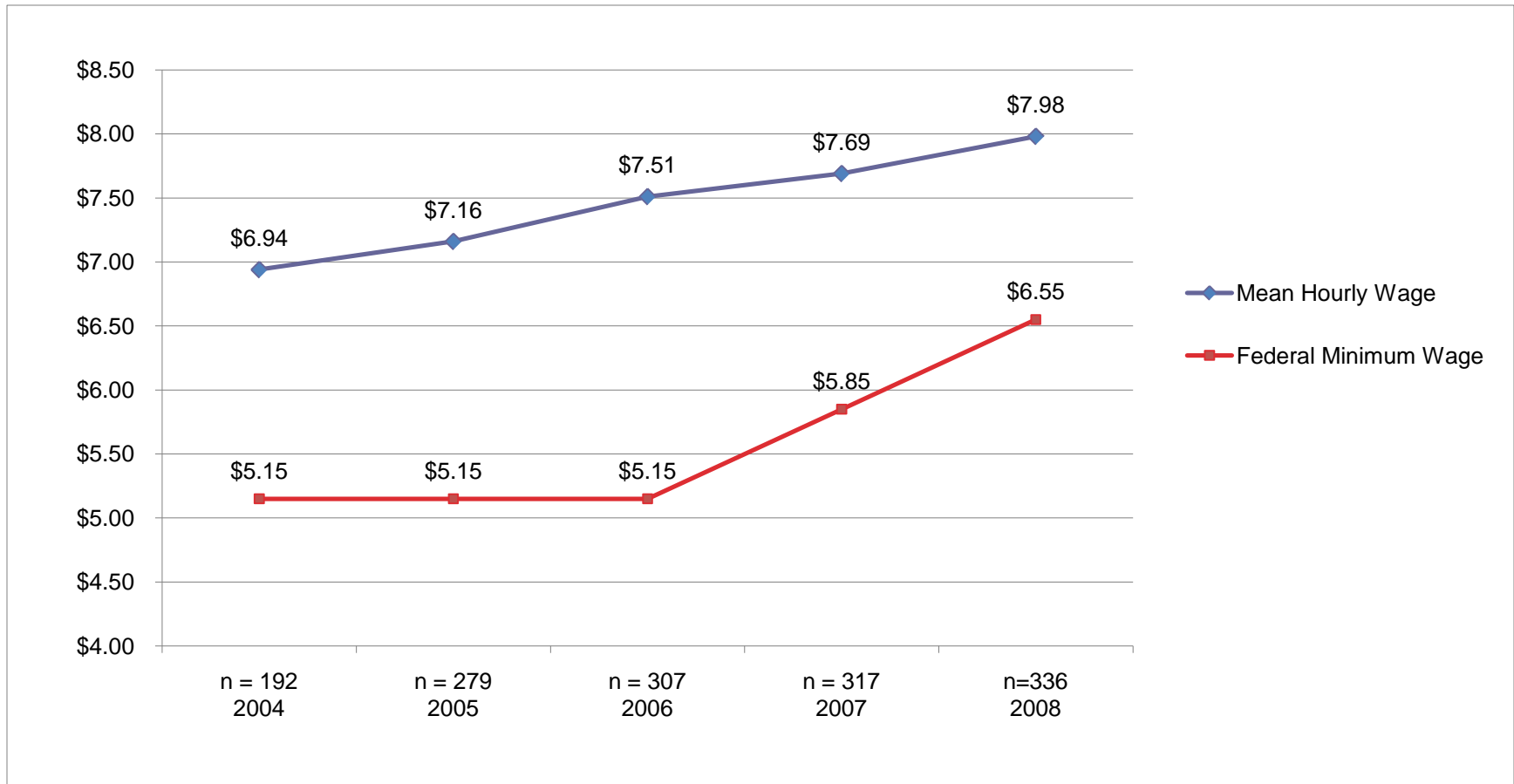
# Primary Self-Reported Disabilities

- Mental illness 44.6%
- Chronic illness 19.8%
- Physical disability 18.9%
- MR/DD 7.3%
- Sensory 3.1%
- Other 6.3%

# How are enrollees faring?

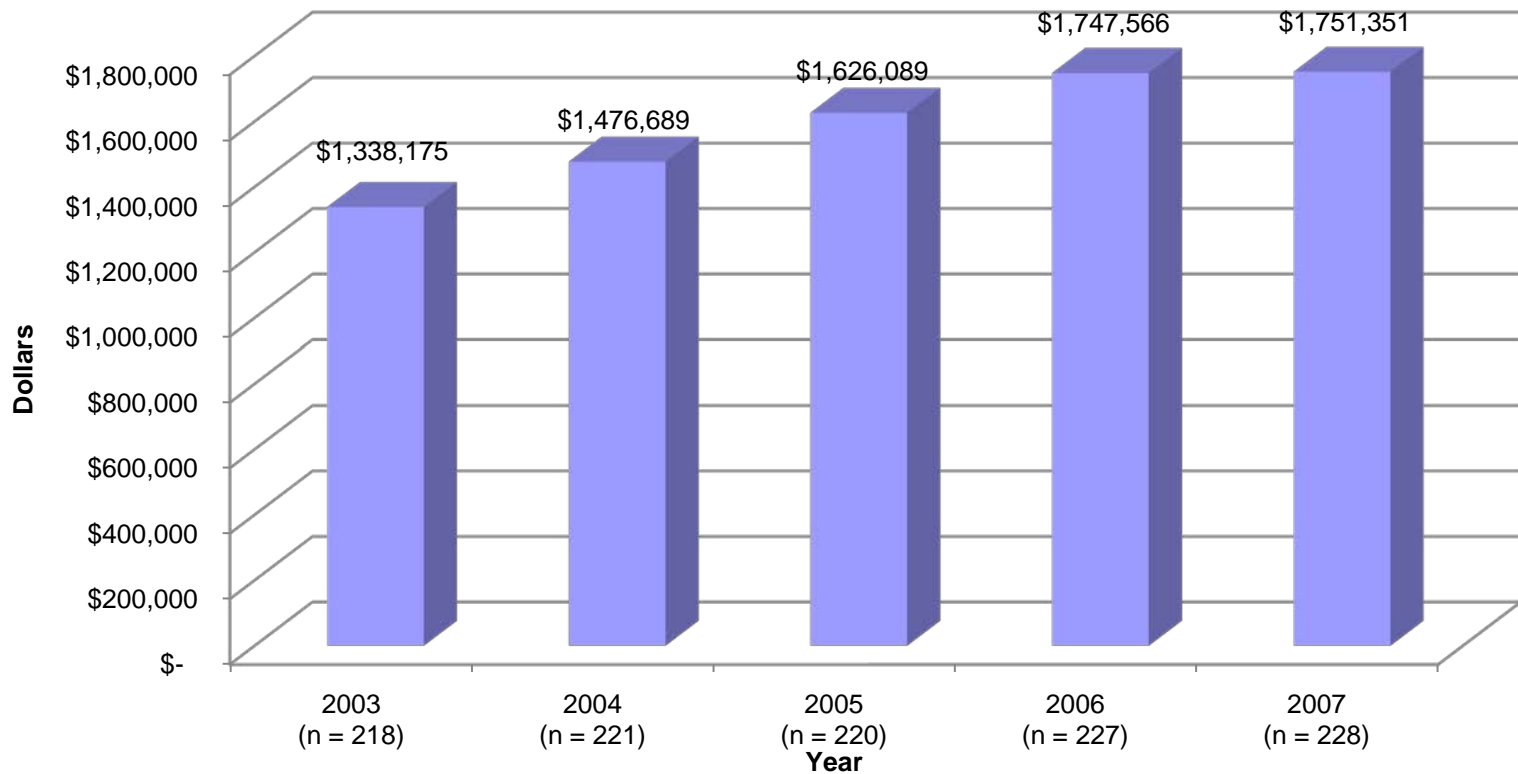
- A majority of enrollees report:
  - Improved mental health since enrolling in the Buy-In (53.4%)
  - Improved financial status since enrolling in the Buy-In (59.3%)
  - An increased level of independence since enrolling in the Buy-In (59.9%)
- Overall earnings are increasing, overall medical expenditures are decreasing

# Enrollees' Self-Reported Hourly Wages, 2004-2008



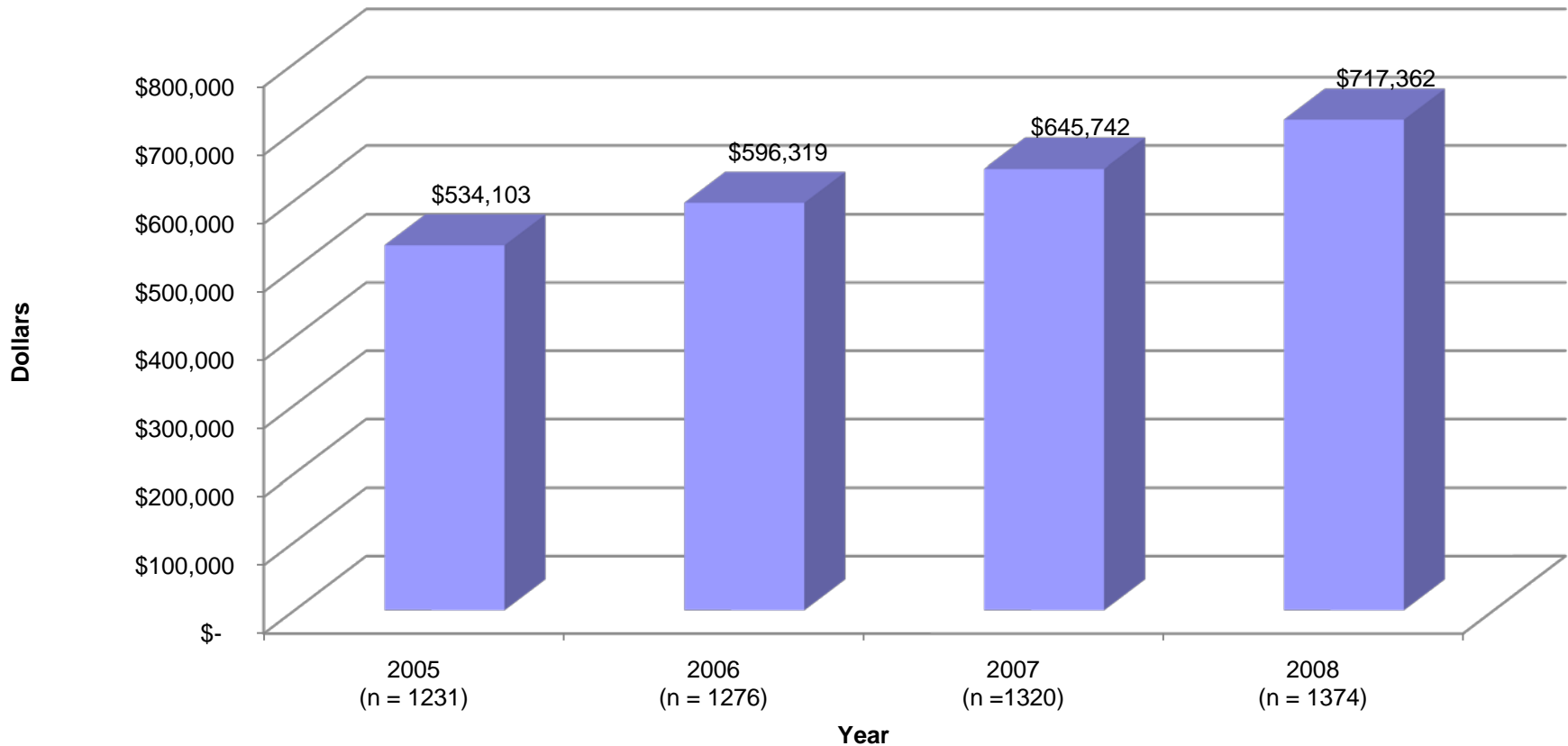
Data Source: Annual participant satisfaction surveys

# Federal Adjusted Gross Income - Continuously Enrolled Participants



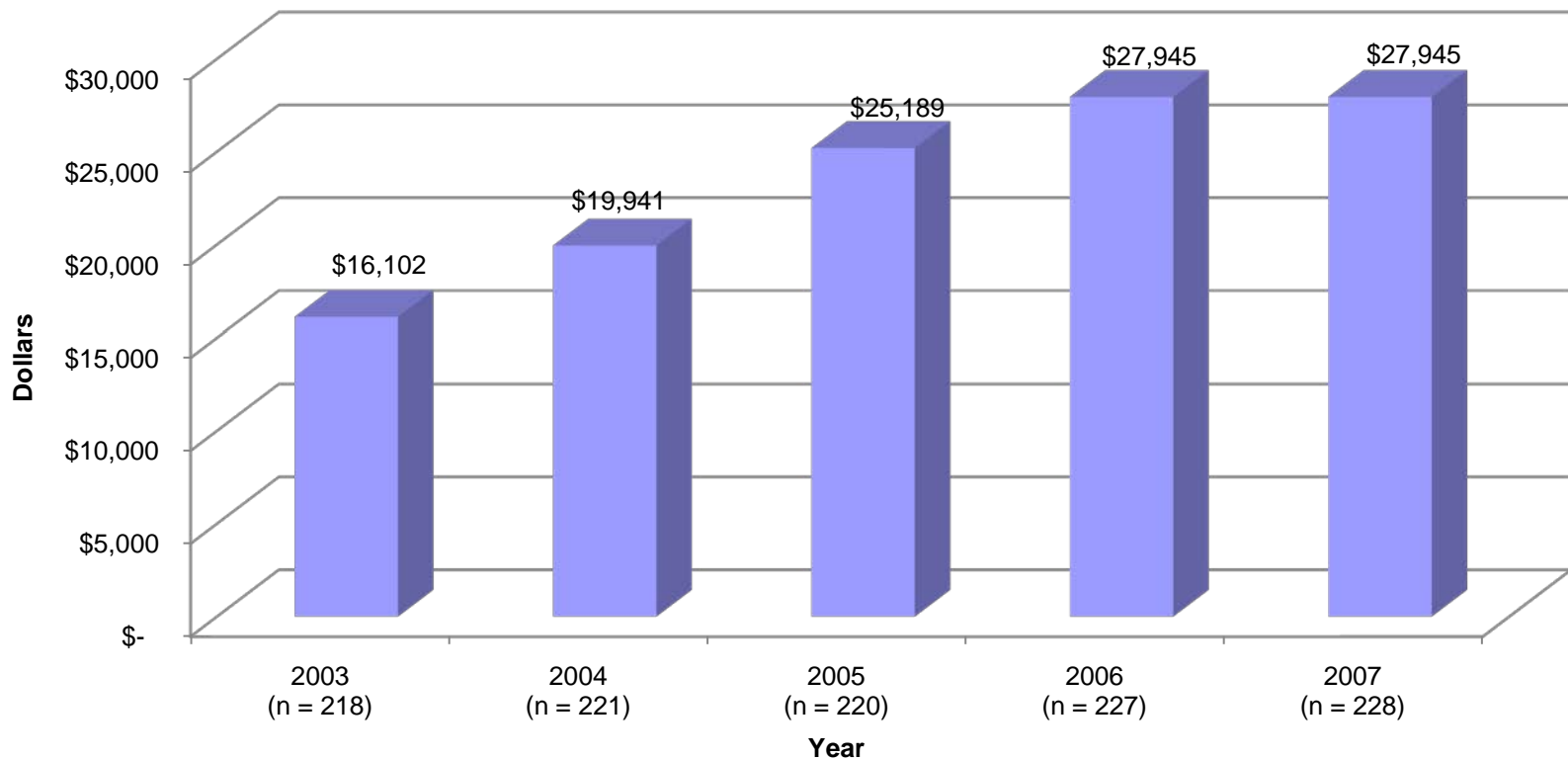
Data Source: Kansas Department of Revenue Income Tax Data

# Premiums Paid – All Enrollees



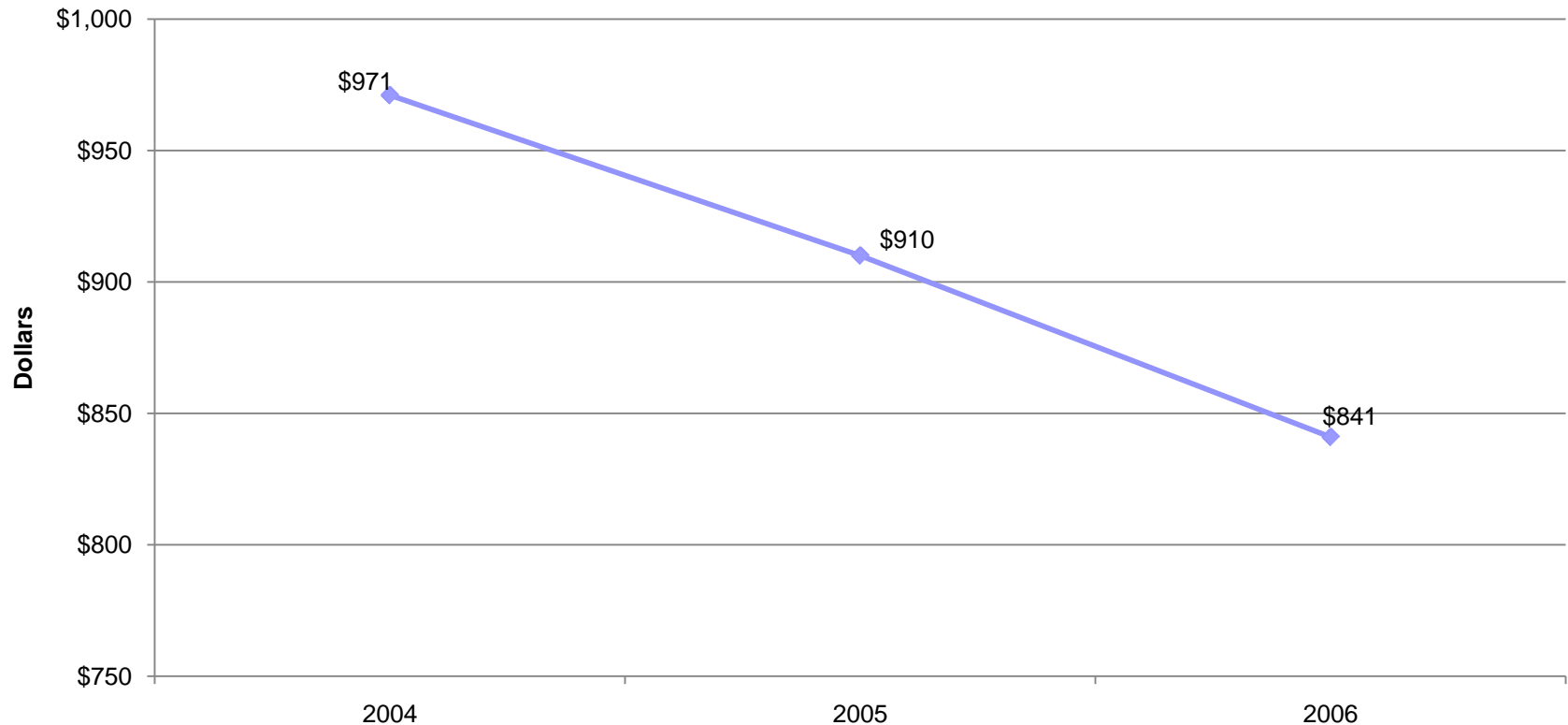
Data Source: Kansas Automated Eligibility Child Support Enforcement System (KAECSES)

# Aggregate state taxes paid – Continuously enrolled participants



Data Source: Kansas Department of Revenue Income Tax Data

# Total Medicaid & Medicare Inpatient and Outpatient Expenditure Trends, Continuously Enrolled Group

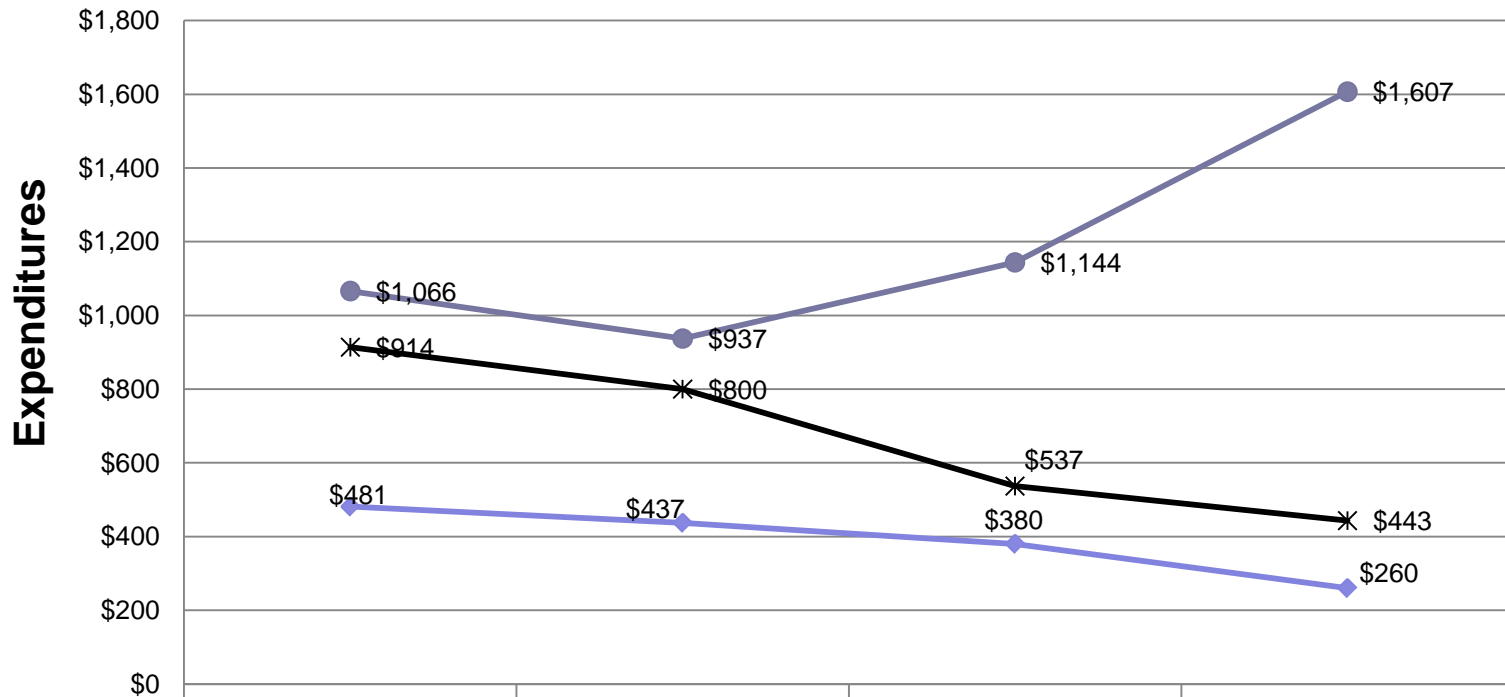


Data Sources: Centers for Medicare & Medicaid Services Standard Analytical Files (SAF) and Kansas Medicaid Management Information System (iMMIS).

Note. Expenditures were adjusted to 2007 prices using the Consumer Price Index for medical care.

# Medicaid Expenditure Trends

## PMPM Medicaid Outpatient Expenditures 2004-2007



	2004	2005	2006	2007
● Non-enrollee Comparison Group*	\$1,066	\$937	\$1,144	\$1,607
* All Buy-In Enrollees**	\$914	\$800	\$537	\$443
◆ Continuously Enrolled 2004-07***	\$481	\$437	\$380	\$260

Data Source: Kansas Medicaid Management Information System (iMMIS)

Note: Expenditures were adjusted to 2007 prices using the Consumer Price Index for medical care.

\* For 2004-2007, n=755    \*\* Due to increasing Buy-In enrollment each year, for 2004 n=1025, for 2005 n=1230, for 2006 n=1275, and for 2007 n=1303    \*\*\* For 2004-2007, n=254



# From Participants:

- I don't feel useless, and I take pride in being a tax payer again.
- Being able to work gives me a sense of accomplishment and self worth. I strive not to be a bigger burden on my family than already am.
- My health has improved. My outlook on life has improved.
- I am able to take meds as prescribed rather than trying to make them last longer.



# Lessons for National Health Care Reform

- Tying health insurance to employment, especially full-time employment, is problematic for many people with disabilities
- On the other hand, a means-tested model is not effective in supporting self-sufficiency for people with disabilities
- People with disabilities can earn more, cost less, and help offset their own costs
- Need coverage for everyone regardless of health status and employment, with premiums/costs tiered to income

# Additional information

- *Working Healthy* Policy Briefs and Chartbook are available at

<http://www.workinghealthy.org/publications/publications.html>

- Hall, J.P., Fox, M.H., & Fall, E. (in press). Evaluating the Kansas Medicaid Buy-In: Factors influencing enrollment, health care utilization, and work. *Disability and Health Journal*.
- Hall, J.P., & Fox, M.H. (2004). What providers and Medicaid policymakers need to know about barriers to employment for people with disabilities. *Journal of Health and Social Policy*, 19(3), 37-50.