Project Proposal – Social Security Disability and the Affordable Care Act

Background

The Patient Protection and Affordable Care Act (ACA) was signed into law by President Barack Obama on March 23, 2010 with the intent of improving access and affordability of health insurance within the United States. Through a number of employer and individual mandates, tax credits, subsidies for lower income Americans, and the creation of regulated health insurance marketplaces, the ACA aimed to expand coverage and control the rate of increase of health care costs nationwide.

The ACA was an incremental reform that leveraged existing regulatory structures and programs to expand coverage. As such, the Congressional Budget Office’s (CBO) task in estimating the interacting budgetary effects of the reform needed to take into account the how both covered and uncovered individuals would move between non-coverage, employer provided coverage, existing individual policies, the new health insurance marketplaces, Medicaid and other government programs. Given this complex problem, the CBOs initial estimates must be continually re-evaluated based on its observed results as the program matures and changes. While most ACA provisions went into effect in 2014 or prior, there are provisions that are in flux through 2020 under current law and changes to the law are, of course, possible at any time.

One potential effect that went un-estimated by the CBO was movements within the Social Security Disability program. While the program is focused on income rather than health insurance, there is a provision that provides for Medicaid eligibility after one year of being enrolled in the disability program. With this provision in place, prior to the ACA, the disability program was a viable way in which for individuals to eventually acquire health insurance coverage that was otherwise not available, even though that is not the primary goal of the program. Given that the ACA marketplaces provide an alternative means to acquire health insurance to all Americans, it could be the case that the ACA would reduce enrollments in the program and save the U.S. Government money on the Social Security side of the ledger. However, it is also possible that people who would otherwise go on disability are holding on to jobs that provide health insurance, and will go on disability now that they have access to health insurance independent of being employed. Since it was unknown which effect would dominate, the CBO did not make an estimate of the cost/savings in this area.

With several years of ACA enrollment data now available, I propose to investigate whether or not the ACA has measurably reduced or increased enrollment in Social Security Disability in the early implementation of the law. If the ACA did influence enrollments in the disability program, that would indicate that as the CBO makes its ongoing budget estimates for the ACA, it should take into account the costs or savings as a result of these effects.

Data

Enrollment data for the ACA since 2014 is readily available on both a national and State by State basis on the Centers for Medicare and Medicaid Services (<https://www.cms.gov/>) site. The Social Security Administration (<https://www.ssa.gov/>) similarly provides national and State by State disability program application and enrollment data, which goes back much further given the age of the program.

Since disability enrollments are also related to general macroeconomic conditions, I will also require national and State by State GDP and income data, which is available on the Bureau of Economic Analysis (<https://www.bea.gov/>) website. In addition, such data is available from the U.S. Census Bureau (<https://www.census.gov/>). From the Census Bureau, I will also need State by State population data so that I can make cross state comparisons of enrollments as a percentage of the total population.

Approach

I plan to approach this first at a national level and look at disability claims over time, controlling for macroeconomic conditions (and possibly other factors) and look for any structural break that corresponds to ACA implementation. In this part of the project I will need to identify non-ACA factors to control for when assessing impact on disability claims.

I will then look at the State by State microdata on disability claims and ACA enrollments. This part of the project will involve data from all sources identified above, and I suspect any conclusions drawn will be more tentative given that only 2-3 years of State Level data is available and seems to be limited to 37 states that did not institute their own ACA exchanges and used the federal healthcare.gov website to implement the program.

Deliverables

I plan to produce a short research paper, corresponding python notebooks for the figures and calculations generated, and a slide presentation highlighting the major findings.