



THE EFFECTS OF EXPANDING ACCESS TO MENTAL HEALTH SERVICES ON SS(D)I APPLICATIONS AND AWARDS

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Individuals and households with mental health difficulties can earn sufficient income; but there are far-reaching labor market implications. A potential way to increase labor market participation and reduce reliance on SS(D)I for those suffering from severe mental illness (SMI) could be to provide better access to mental health services. On the other hand, additional access to mental health treatment may increase the likelihood of proper diagnoses of SMI, which could increase the take-up of disability programs.

How does expanding office-based mental health establishments affect SS(D)I participation?

We examine how expansions in office-based mental health establishments affect participation in the Social Security Administration (SSA) programs that support individuals with disabilities: SSI and SSDI. Our data comes from counties across the U.S. and includes the number of office-based mental healthcare providers--or single physical locations. We also use administrative data on the number of prime-aged (18-64) SS(D)I applications and awards for 2010–2016. Intuitively, our analysis compares SS(D)I applications and awards after a change in a county's number of mental health establishments. The figure below highlights the counties in which our data allows us to identify expansions and contractions of local mental health offices. This figure further shows the areas that experienced expansions and contractions in office-based mental health establishments from 2010 through 2016.

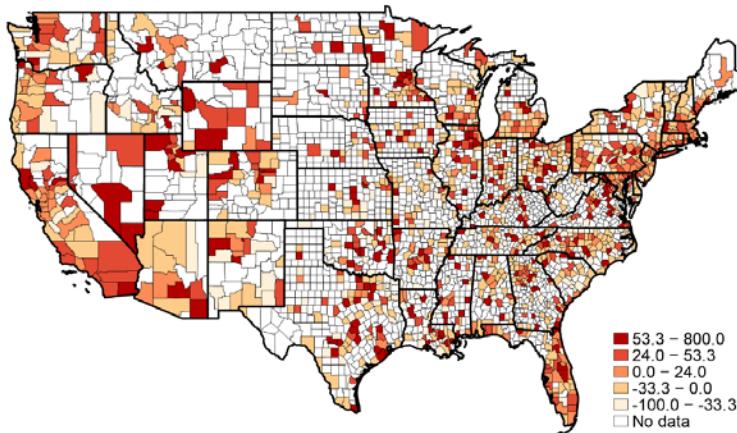


Figure 1: The map shows the percentage change in the number of office-based mental health facilities in each county from 2010 through 2016. Data were obtained from the U.S. Census Bureau's County Business Patterns, and facilities were identified using the



following North American Industry Classification Codes: Offices of Physicians, Mental Health Specialists (621112) and Offices of Mental Health Practitioners (except Physicians) (621330).

Expansions in office-based mental health establishments increase SS(D)I applications.

Our findings indicate that increased availability of mental health facilities *increases* participation in SS(D)I programs. Overall, a 10 percent increase in the number of office-based mental health establishments in the county increases the SSI application rate by 1.2 percent and increases the SSDI application rate by 0.7 percent. In counties with populations with lower household income, less education, and a higher proportion of residents below the poverty line, we see that the effects on SSI and SSDI applications are larger; awards also increase. Since these less affluent counties are the most likely to have populations that struggle with SMI, may have fewer job prospects that accommodate SMIs, and have earnings consistent with SSI eligibility. These findings suggest that mental health resources are an important link to benefits that may greatly assist individuals' necessary expenses.

Having physicians in office-based mental health establishment translates SSI applications into awards.

While the effect of additional establishments on SSI awards is not statistically different from zero on average, we find evidence that additional office-based mental health facilities that have physicians (as opposed to other mental health professionals) increase both SSI applications and awards. This provides some evidence that receiving treatment from a medical doctor may be an important mechanism for proper diagnosis and successful completion of the SSI application process—at least in the relatively short run.

Implications

- Office-based mental health establishments, particularly those where physicians are present, can help individuals with severe mental illness access SSI benefits.
- The effects are even larger among counties with less affluent populations. This finding suggests that increasing access to mental health resources can be a pathway through which people suffering from severe mental illness are properly diagnosed, and access the safety net.
- To the extent that some of the mental illness suffered due to the COVID-19 pandemic has long-term consequences, the results from this study suggest that additional resources to address these mental health strains may simultaneously increase applications for federal disability benefits.

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