



EFFECTS OF AFFORDABLE CARE ACT (ACA) MARKETPLACE PLANS ON DISABILITY CLAIMING

*Research conducted by Samsun Naher, University of New Mexico
October 2022*

Health insurance Marketplaces, a.k.a. “exchanges”, were established through the Affordable Care Act (ACA) to facilitate individual access to affordable health insurance following the implementation of the individual mandate. People with qualifying disabilities can alternatively obtain health insurance through Supplemental Security Income (SSI) and SSI for children programs. This study examines the relationship between the pricing of the ACA Marketplace plans and disability claiming.

Specifically, this paper contributes to the literature by using the publicly available data from the State Agency Monthly Workload Data (SAMWD), HIX compare (Health Insurance Exchange Comparison) data, Kaiser Family Foundation (KFF), the University of Kentucky Center for Poverty Research (UKCPR), and the Current Population Survey (CPS) from the Integrated Public Use Microdata Series (IPUMS) -CPS, and the restricted version of administrative data from the Social Security Administration (SSA) to examine the effect of state-level and Geographic Rating Area (GRA)-level changes in the premium of health plan for a 30-year-old-with-2-children on the number of SSI and SSI child applications per 10, 000 individuals at the state-level and GRA-level. This paper also contributes by exploring the heterogeneous effects across different subgroups.

ACA Marketplace Plans on Disability Claiming

Health Insurance Marketplaces established through the ACA as health plan platforms to improve an affordable and stable source for an individual to buy health insurance through different premium plans. The benefits of purchasing health insurance through ACA Marketplace plans include the availability of various health plans at affordable prices for uninsured individuals regardless of their financial, health, or disability status. If people with low incomes and disabilities get health insurance through SSI, they do not need to buy a marketplace plan and pay the penalty that people without health coverage must pay. However, determining low income and disability under SSI programs includes five steps, and the process is time-consuming. The eligibility process for ACA health plans is fast and straightforward. This study makes four hypotheses. First, getting health insurance through the ACA Marketplace plans could reduce SSI participation if the premium cost is affordable for low-income individuals and people with disabilities. Second, assuming that the premium cost is not affordable for low-income individuals and people with disabilities, they could switch to the SSI program, which ultimately increases SSI program participation. Third, some individuals will still be willing to apply for the SSI program because they could suffer from severe disability problems that can prevent them from working for a long time. Finally, others can also shift to ACA Marketplace plans regardless of higher premium prices to avoid the wait time during the determination process of the SSI program.



This paper is the first to test whether receiving health insurance through ACA Marketplace plans affects SSI participation. Precisely, the project focuses on the effect of state-level and Geographic Rating Area (GRA)-level changes in the prices of health plan for a 30-year-old-with-2-children on the number of SSI and SSI child applications per 10, 000 individuals at the state-level and GRA-level using a linear fixed-effect model. The study finds no statistically significant effect on the changes in the prices of a 30-year-old-with-2-children health plan on the number of disability applications per 10, 000 individuals at the state level and GRA level from the primary analyses.

Receiving Health Insurance through ACA Marketplaces is Associated with a Decrease in SSI Participation for Certain Subgroups

The study finds evidence that certain subgroup populations are less likely to apply for SSI programs if the premium of a 30-year-old-with-2-children health plan increases, such as populations living in states or GRAs with higher unemployment rates, poverty ratios, and high school graduation rates, as well as individuals living in states where a higher percentage report work limitations.

Implications

- The overall effects of ACA Marketplace plans on disability claiming are not significant, but they affect specific subgroup populations.
- Insurers may be targeting people who are not likely to apply for the disability programs as these individuals are not likely to be eligible for SSI.
- Access to health insurance could improve health, leading to lower rates of disability in the future and, thus, lower applications.
- So, insurers could be raising prices where fewer people are likely to be eligible for public assistance and where economies are healthier. Decreasing in disability applications, apparently, will decrease costs to the SSA.

The research reported herein was performed pursuant to a grant from the U.S. Social Security Administration (SSA) funded as part of the Retirement and Disability 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, express 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.