

Historical Disability Outcomes of Enrollees in the Kansas High Risk Pool:
A White Paper presented to CMS by the Kansas DMIE Project January, 2006

Jean P. Hall
Janice M. Moore
Division of Adult Studies
University of Kansas

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A vital component of the evaluation of the Kansas Demonstration to Maintain Independence and Employment will be to assess the degree to which participants in the intervention group are prevented or forestalled from moving onto public disability cash and medical assistance programs. For this reason, it is essential to know the historical rates of disability outcomes for people enrolled in the state's high risk pool.

Benefit Management, Inc., the third-party administrator for the plan since 2000, conducts a voluntary exit survey with all people who leave the pool. The survey asks respondents if they have other health insurance coverage available and is sent out immediately upon dis-enrollment. The survey thus provides a "snapshot" of what coverage, if any, participants move to at the time they leave the pool. Based on survey data from 395 participants aged 18 through 63 who terminated between January 2004 and August 2005, 8.3% transitioned immediately from the pool to Medicare and 7.3% to Medicaid. Approximately one-third transitioned to other insurance, 5% died, and 48% left for other reasons. Because most respondents did not give a reason (but simply failed to pay their premiums or left the question blank), these data do not provide a complete picture; however, they do support the hypothesis that a significant percentage of persons dis-enrolling from the Kansas high risk pool go directly to public insurance programs. Once participants reach age 64, almost all of those who dis-enroll go directly to Medicare. Thus, the high risk pool appears to function as transitional insurance for chronically ill adults entering public medical assistance programs through both disability and age.

Because the application process for federal disability programs is often long and arduous, we recognize that it may take months or even years for some participants with disabling conditions to qualify. Therefore, we greatly appreciate the opportunity to investigate the longer-term disability outcomes afforded us by a match with the Ticket Research File. In November 2005 BMI provided Mathematica Policy Research, Inc [MPR] a file containing 2,747 persons who terminated from the Kansas high risk pool between March 1999 and August 2005 for matching with the Ticket file. Social Security number, gender, and year of birth were used to match records. 501 unique Social Security numbers were found in the TRF file; however, 6 did not match due to gender and 31 due to year of birth. The final extracted file had 464 cases, representing persons enrolled in SSDI or SSI at some time between January 1996 and September 2004.

In computing the disability rate, the 2,747 denominator was adjusted to delete Social Security numbers that could not have been matched, either because they were duplicated (i.e., persons listed under another family member's SSN), under age 18, terminated from the risk pool prior to 2000, or obviously invalid SSNs (e.g., single-digit). The final denominator was 2,403, for a disability rate of 19.3%. Because the risk pool termination file ran through August 2005, while TRF files ended in 2004, this figure may be somewhat understated.

TRF Demo files were also used to identify the timing of disability onset relative to the time of risk pool dis-enrollment. Within each Social Security eligibility category (SSDI, SSI, concurrent SSDI and SSI, 1619a and 1619b), data were separated into three mutually exclusive categories: 1) those who started and ended the disability program

before dis-enrolling from the high risk pool; 2) those who started the program after dis-enrolling from the high-risk pool; and 3) those who started the program before dis-enrolling from the high-risk pool and continued after. Within each disability category, a small number of persons were found who both started and ended the program before dis-enrolling from the high-risk pool. Without person-level data, it is impossible to determine why this occurred. However, the total number of persons participating in all programs combined is larger than 464 (n=491), indicating that some participated in more than one program during the four-year period. Therefore, one possible interpretation is that some of those who both started and ended enrollment simply moved between SSA eligibility categories rather than out of Social Security itself. Without person-level data, duplicate counting makes it impossible to trace the exact path of individuals over time. All that can be said with certainty is that 464 (19.3%) of those dis-enrolling from the high risk pool between 2000 and 2004 participated in one or more Social Security programs during this period; altogether, the distribution of eligibility was 374 (80.6%) in SSDI, 66 (14.2%) in SSI, 43 (9.5%) concurrently in SSDI and SSI, 2 (.04%) in 1619a, and 6 (1.3%) in 1619b.

Continued enrollment in the high risk pool following disability onset can be explained by the two-year waiting period for Medicare coverage. Many of these people transition directly from the high risk pool to Medicare. For the 267 individuals with Medicare Part A that started after dis-enrollment from the high-risk pool, 134 (50.2%) had no gap between their risk pool coverage and Medicare, while the remainder transitioned to Medicare evenly over a 56-month period. The 58 persons who started SSDI *after* leaving the high risk pool may help explain this large spread over time because they would have begun their 24 month waiting period later. Over all, those dis-enrolling from the risk pool averaged 8.6 months between the termination of risk pool insurance and the start of Medicare, with a standard deviation of 13 months.

Consistent with national trends, SSDI beneficiaries were somewhat older on average than SSI beneficiaries at disability onset. However, the mean age was early to late 40s for both groups (48 for SSDI, 43 for SSI). 77 persons (16.6%) died within four years of disability onset. The mean time for receiving disability cash assistance was calculated *only* for those who left the risk pool after disability (i.e., not for the vast majority who remained in the risk pool following disability onset). It was 40.6 months for the 58 persons who received SSDI and 22.5 months for the 31 persons who received SSI. SSDI beneficiaries received an average cash assistance of \$1001(s.d. 363) and SSI beneficiaries \$415(s.d. 301).

The Ticket data also confirms our initial thoughts that the characteristics of Kansas high risk pool enrollees transitioning to disability programs are somewhat different from the larger disabled SSI and SSDI populations in the state. For example, persons of white non-Hispanic race are significantly over-represented in the risk pool relative to their distribution in both the state and those receiving Social Security disability benefits (Table 1); 96.5% of risk pool dis-enrollees are white, compared to 86% of the Kansas population and 85% of dually eligible disabled Kansans¹. Only 0.9% of risk pool dis-enrollees were African American, compared to 5.7% of the Kansas population and 12.4% of dually eligible disabled Kansans. This phenomenon is likely accounted for by the high premiums for risk pool participation, which effectively exclude people of lower socioeconomic status, including many minorities. In addition, risk pool dis-enrollees also

differ from the larger SSA disability population in their primary disabling conditions. As Table 2 shows, they have disproportionately lower rates of serious mental illnesses and higher rates of neoplasms.

Table 1. Racial Distribution of Kansas High Risk Pool Dis-Enrollees Entering Social Security Disability Programs, 2000-2004, Compared to Kansas Dually Eligible

	Kansas High Risk Pool		Kansas Dual Eligibles*	
	Frequency	Percent	Frequency	Percent
Non-Hispanic White	441	95.0%	1165	84.7%
Asian	5	1.1%	2	0.1%
African-American	4	0.9%	171	12.4%
Native American	1	0.2%	11	0.8%
Hispanic	4	0.9%	21	1.5%
Other	2	0.4%	5	0.4%
Missing	7	1.5%	0	0.0%
	464	100.0%	1375	100.0%

*Source: Hall, JP, Moore, JM, & Shireman, TI. (2005). Unintended Consequences: The Potential Impact of Medicare Part D on Dual Eligibles with Disabilities in Medicaid Work Incentive Programs. Washington, DC: Kaiser Commission on Medicaid and the Uninsured; figures are for a sample population of dual eligibles in the state, not the entire population.

Table 2. Primary Disabling Condition, Kansas High Risk Pool Dis-enrollees, 2000-2004 Compared to Kansas SSI Population and National SSDI Population

	KS High Risk Pool		KS SSI Population*		National SSDI**	
	Frequency	Percent	Frequency	Percent	Frequency	Percent
Mental disorders	88	19.0	15,004	59.7	1,511,685	30.2
Back & musculoskeletal conditions	67	14.4	2,297	9.1	1,298,688	26.0
Neoplasms	54	11.6	236	0.9	148,186	3.0
Nervous system & sensory impairments	60	12.9	2,313	9.2	500,320	10.0
Circulatory system	47	10.1	815	3.2	526,976	10.5
Respiratory system	18	3.9	520	2.1	163,327	3.3
Digestive system	17	3.7	228	0.9	77,784	1.6
Endocrine system	16	3.5	1,188	4.7	202,744	4.1
Injuries	16	3.5	699	2.8	230,675	4.6
Genitourinary system	10	2.2	227	0.9	86,557	1.7
Other	7	1.5	153	0.6	9,579	0.2
Infectious diseases	2	0.4	162	0.6	88,755	1.8
Blood & blood-forming diseases	1	0.2	0	0.0	11,799	0.2
Congenital anomalies	0	0.0	194	0.8	7,738	0.2
Skin and subcutaneous tissue	0	0.0	0	0.0	12,308	0.2
Missing	61	13.2	1,094	4.4	120,016	2.4
Total	464	100.0	25,130	100.0	4,997,137	100.0

*Source: SSI Work Incentive File and Revised Management Information Counts System (REMICS). Special data runs prepared for CMS by the Social Security Administration; Contact: Stephen Knapp (410)786-2292 (sknapp@cms.hhs.gov) for further information

**Source: Annual Statistical Report on the Social Security Disability Insurance Program, 2003, SSA Publication No. 13-11826

Relevance to ongoing research

Certain factors limit the validity of both the snapshot and long-term disability data; however, each represents an approximate benchmark, or range of benchmarks, that can be expected for the demonstration control group.

The snapshot survey data are both short-term and incomplete. For instance, insurance outcomes are unknown for almost half of the group. Further, insurance status is based on self-report, and the questions are not carefully defined. For example, these data include many persons who simply stop paying premiums or give no reason for terminating their insurance. It is unclear whether persons reporting that they have Medicare or Medicaid actually have the coverage or simply mean to apply and may have terminated their risk pool coverage for another reason, such as inability to afford it. Finally, the definition of “other insurance” is unclear and could be interpreted by some to include Medicare or Medicaid.

The longer term view of disability from the Ticket file work is also limited by the quality of the data available from BMI for the match. The Social Security number attached to a policy is not necessarily that of the individual but could be that of a spouse or other family member. Entire families, including adult children, are often listed under a single Social Security number. While we appreciate the work of MPR in performing the data match, their breakdown in the timing of disability onset relative to risk pool termination is difficult to interpret. Without person-level data we are unable to trace movement between various Social Security programs and the high risk pool. Mathematica’s data run seemed to assume that the group of interest was primarily dis-enrollees who moved to Social Security *after* terminating from the high risk pool, and they thus did not provide descriptive statistics for the vast majority of dis-enrollees who did not immediately terminate their risk pool coverage following disability onset. Because Medicare does not begin immediately after disability onset, these persons often continued in the risk pool until their Medicare coverage began.

Given these limitations, we have two potential benchmarks for SSA program participation rate for risk pool members: 15.6% at risk pool termination and 19.3% over a 48-month period. This provides at least an approximation of disability rates for risk pool participants that can be used to assess disability outcomes for DMIE participants. Compared to the overall Kansas SSI/SSDI disability program participation rate for adults age 18 to 64 of 1.78% of the state’s population², the historical disability rate for participants in the high risk pool is quite high.

¹ Hall, JP, Moore, JM, & Shireman, TI. (2005). *Unintended Consequences: The Potential Impact of Medicare Part D on Dual Eligibles with Disabilities in Medicaid Work Incentive Programs*. Washington, DC: Kaiser Commission on Medicaid and the Uninsured.

² Social Security Administration (2003). *State Statistics*. Washington DC: Author.