

April 26, 2011

## Utah's Health Care Program for Working Adults with Disabilities

by Cathy Chambless, PhD, MPA, CPPA

The Center for Public Policy & Administration (CPPA) conducted an analysis for the Utah Department of Health on the Medicaid Work Incentive (MWI) program for working adults with disabilities. The purpose of the study was to assess the impact of MWI policy on participants' earnings, Medicaid expenditures, and use of other public benefits. Utah's MWI program began in 2001 as a strategy to encourage employment among low-income individuals with disabilities. The program offers people with disabilities *who are working* the chance to maintain Medicaid eligibility even when their income exceeds the usual level for ineligibility. These individuals are charged a premium based on a sliding scale. The program, therefore, is an incentive for individuals to work while keeping needed Medicaid health benefits.



The CPPA study looked at findings among a treatment group comprised of individuals who were eligible for MWI in any quarter from July 2006 through December 2009 and among a comparison group of similar individuals with disabilities who received Medicaid but were never on MWI. Findings include the following:

- Among participants with earnings, the MWI group showed significantly higher earnings than other Medicaid recipients with disabilities. Using wage data from the Unemployment Insurance system, the researchers found that MWI participants had earnings that were 62 percent higher compared with other Medicaid recipients with disabilities. Using self-reported wage data these same individuals had 34 percent higher earned income than individuals with earnings in the comparison group.
- In regard to labor market participation, an analysis of the UI wage data showed that for MWI recipients approximately 75 percent of all person-quarters showed earnings while for the comparison group only about 15 percent of all person-quarters showed earnings. The unit of analysis chosen for the MWI independent variable was person-quarter because of the pattern of recipients going on and off MWI; this variable is further described in the report.
- The odds of having any health care expenditures were 19.7 percent lower for the MWI group. Among those who did have health expenditures, MWI recipients had 57 percent lower Medicaid expenditures compared to people with disabilities who did not use MWI.
- Recipients of MWI are less likely to be receiving Supplemental Security Income, General Financial Assistance, and Food Stamps, while they are more likely to be receiving Social Security Disability Insurance than other Medicaid recipients with disabilities. MWI did not have a significant impact on the probability of receiving Temporary Assistance for Needy Families or Child Care assistance.

In conclusion, the researchers find that MWI participation is strongly associated with greater work effort and higher earnings on the part of people with significant disabilities. Additionally, MWI recipients use fewer health care services than other individuals with disabilities on Medicaid, and they pay a premium that partially offsets the cost of their medical care. The report authored by Cathy Chambless, Richard E. Nelson, and Sara McCormick (December 2010) is titled: *Impact of the Medicaid Work Incentive (MWI) program on earnings, health care expenditures, and utilization of public assistance for individuals with disabilities*, is available at [www.workabilityutah.org/documents/about/MWI%20Full%20Report%2012-20-10.pdf](http://www.workabilityutah.org/documents/about/MWI%20Full%20Report%2012-20-10.pdf)

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