

MOVING ON UP WITH MEPD

Employment First for Iowans with Disabilities



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Iowa Medicaid Overview

- Iowa currently (11/09) has approximately 357,000 Medicaid Members eligible for full benefits in a given month.
 - Child – 200,000
 - Adult – 57,000
 - Aged – 30,000
 - Disabled – 70,000
- Additional 55,000 in limited benefit programs
- Another 15,000 kids in T-XXI Medicaid Expansion
- Total Medicaid Services ~\$230m per month



Iowa's Medicaid Buy-In "Medicaid for Employed People with Disabilities"

- Eligible up to 250% of Federal Poverty Level
 - Currently 13,600 MEPD Members
 - Beyond 150%, monthly premium is charged
 - About 24% pay a premium
- Must have some earned income each month
 - Earned income tends to be modest
 - Average = \$161/month (median = \$30/mo)
 - About 60% work less than 10 hours per month, only about 5.6% working more than 80 hours per month.
 - Majority are self-employed in Child care, cleaning, and similar "casual jobs".

Do MEPD members have different costs than other disabled members?

Examined claims data
Working age adult recipients (age 18 – 64)
36 claims months (July 2007 – June 2009)

Average	
ALL Medicaid members	= \$ 906/month
Non-MEPD disabled members	= \$ 1,752/month
MEPD members	= \$ 526/month

Based on this analysis, it appears that MEPD members are more similar to non-disabled adult members, at least in terms of cost per member.

Does going to work or working reduce healthcare costs?

- Examined claims data
 - Same recipients both on MEPD and a non-MEPD disability eligibility category
 - Approximately 5,000 members met the criteria
- While on MEPD, monthly costs per recipient were approximately \$250/month less than when the same members were not on MEPD (and presumably not working).
 - It appears that working (on MEPD) costs Medicaid less
 - Can't necessarily say that there is a causal relationship

Do those who earn more cost less?

- Looked at MEPD members paying a premium vs. those not paying a premium
 - Premium kicks in over 150% Federal Poverty Level
- Premium paying recipients cost the Medicaid program approximately \$65/mo less than those MEPD recipients not paying a premium.
- Looked at MEPD members earning less than \$50/month (61% of all members).
- Within the range of \$0 – \$50 per month in earnings, each additional dollar earned is correlated with \$1.05 less in monthly healthcare costs to Medicaid.

Again, No evidence for causality

Summary

- Much research over the years has shown the link between work and health. Analysis of Iowa's data suggests evidence for this link, although not proof of causality.
- MEPD members medical costs are more like those of the general working-age adult Medicaid population than other disabled Medicaid members.
- MEPD members with greater earnings have lower healthcare costs.
- MEPD Members who have been on both other Medicaid coverage groups and MEPD have significantly lower costs while on MEPD than when not on MEPD.

Acknowledgement

Matthew Haubrich
Department of Human Services
Bureau of Research and Statistics
Fall 2009



Funding provided from CMS/Iowa MIG
Grant #1QACMS030233.

