Narrative Review of the Medicaid Buy-In (MBI) Program Research

Today, individuals with disabilities have more opportunities than ever before to engage in the world of work. Innovative policies and laws have helped to break down structural and accessibility barriers, and cultural norms are shifting to create a more accommodating environment for individuals with disabilities in the workplace. In response to the fears of losing medical benefits as a result of employment, 42 states and the District of Columbia have established MBI programs that allow persons with disabilities to "purchase" health insurance through Medicaid by paying a monthly premium. .

Boston University Center for Psychiatric Rehabilitation set out to find out the results of the Medicaid Buy-In. We found 30 national and state studies and evaluations of the program. These studies all discuss Medicaid Buy-In participants' employment and earnings activities. Evaluations of these programs have found that MBI enrollees earn more money, work more hours, contribute more in taxes, and rely less on food stamps than people with disabilities who are not enrolled.[i] Analysis of SSA earnings data by Mathematica Policy Research, Inc. shows that, nationwide, an average of 40 percent of participants increased their wages upon enrollment in the MBI program.[ii]

While the average income of wage-earning participants remains low at $8,237, those 40 percent witnessed a median, inflation-adjusted increase in earnings of $2,582.[iii] States evaluations, with few exceptions, also document that MBI programs are helping participants to earn and work more. States programs can impact the earnings and employment averages of their MBI participants in two fundamental ways: attracting participants likely to earn and work more, and helping participants—once enrolled—to increase hours worked and income earned. To the first avenue, states can adjust their eligibility requirements so that their programs attract higher earning and higher wealth individuals. Regarding the second, program policies (such as limited work "grace periods") and support mechanisms (like coordination with the Social Security Administration's other work incentive programs) can help enrolled participants to work and earn more.

Even with the positive influence of the MBI program, this is a population that often has major challenges. Continuous, full-time employment rarely occurs. This challenge is further compounded by a high rate of prolonged dependence on federal disability programs, such as SSI/DI and the built in disincentives. The MBI program itself is not without imperfections. Participants in many states find the program complex and difficult to understand, and work support features, such as employment counseling services, are often underfunded and/or insufficiently marketed.

Despite these complications, the reviewed evaluations and studies document that **MBI programs successfully enable participants to engage, or engage more robustly, in the labor market.** Program enrollment rapidly exceeded projections in many states, clarifying that a high demand for the program exists. This growth is likely the result of findings by several states that emotional factors compel participants to work or work more, regardless of the monetary incentive. Furthermore, enrollment in the MBI program causes **participants to feel more financially secure**, and some states report improvements in mental health associated with increased employment

The results of much-needed experimental initiatives, expected in 2011, will potentially help the MBI program evolve towards a more targeted and comprehensive range of services, as opposed to a uniform structure for all individuals with a disability. Information from these future evaluations and studies should inform policy considerations about how best to structure programs and incentives to facilitate increased earnings and employment for people with disabilities who want and are able to work.

---

[i]Healthcare for Workers with Disabilities: Supporting and Encouraging Employment. (April 2009) Melissa Ford Shah, MPP, David Mancuso, PhD, Lijian He, PhD, Sharon Estee, PhD, and Barbara E.M. Felver, MPA, MES, In collaboration with the Health and Recovery Services Administration Doug Porter, Assistant Secretary, Steve Kozak, HWD Program Manager. Funded by the Centers for Medicare and Medicaid Services Medicaid Infrastructure Grant Program CFDA 93.768. Accessed October 31, 2009: www.dshs.wa.gov/pdf/ms/rda/research/9/96.pdf

[ii] Liu, S., and Weathers, B. *Do participants increase their earnings after enrolling in the Medicaid Buy In program?* Princeton: Mathematica Policy Research, Inc., 2007.

[iii] Participants with no earned income excluded from analysis. Gimm, G., Davis., S.R., Andrews, K.L., Ireys, H.T., and Liu, S. *The Three E's: Enrollment, Employment, and Earnings in the Medicaid Buy-In Program, 2006*. Washington, DC: Mathematica Policy Research, Inc., 2008.