The Impact of the ACA Medicaid Expansion on Disability Program Applications

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Key Findings and Policy Implications
This paper analyzes how the increased access to Medicaid through the Affordable Care Act (ACA) affected SSI and DI applications. It uses county-level data on SSI and DI applications obtained from the Social Security Administration, and it focuses on contiguous county pairs that cross state borders – where one of the counties is in a state that expanded Medicaid eligibility under the ACA and the neighboring county is in a state that did not. The paper finds that:

- A typical expanding county reduced the number of uninsured people by about 1.7 percentage points relative to an adjacent non-expanding county, or by around 9 percent of the baseline uninsured level. This magnitude is similar to the effect found in other studies.

- There is no evidence supporting a relationship between Medicaid availability and the decision to apply for SSI or DI benefits. None of the empirical models tested provide evidence that the higher Medicaid income limits created by the ACA had impacts on applications to the SSI or DI programs.

The net effect of Medicaid expansion on disability program applications is theoretically ambiguous, decreasing the relative benefit of DI (or SSI) program enrollment, but also lowered the cost of exiting the labor market to apply for benefits. The empirical findings, however, suggest little or no net effect in one direction or the other.

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