

Opportunities for States to Help Workers with Medical Conditions Keep Their Jobs

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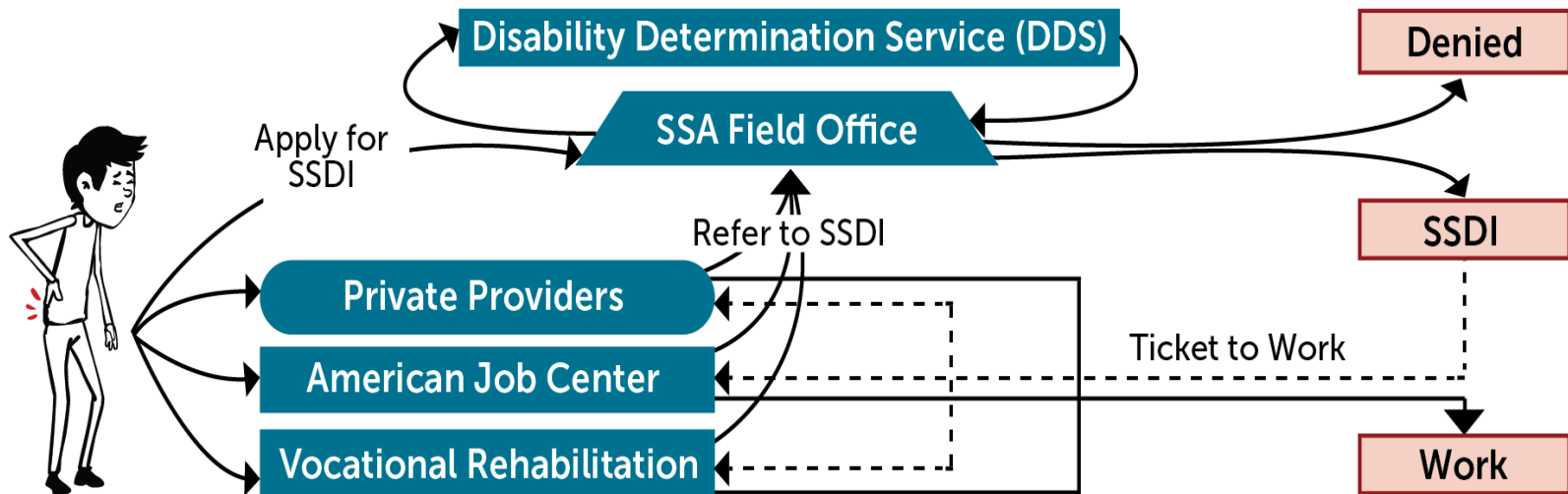
June 14, 2018



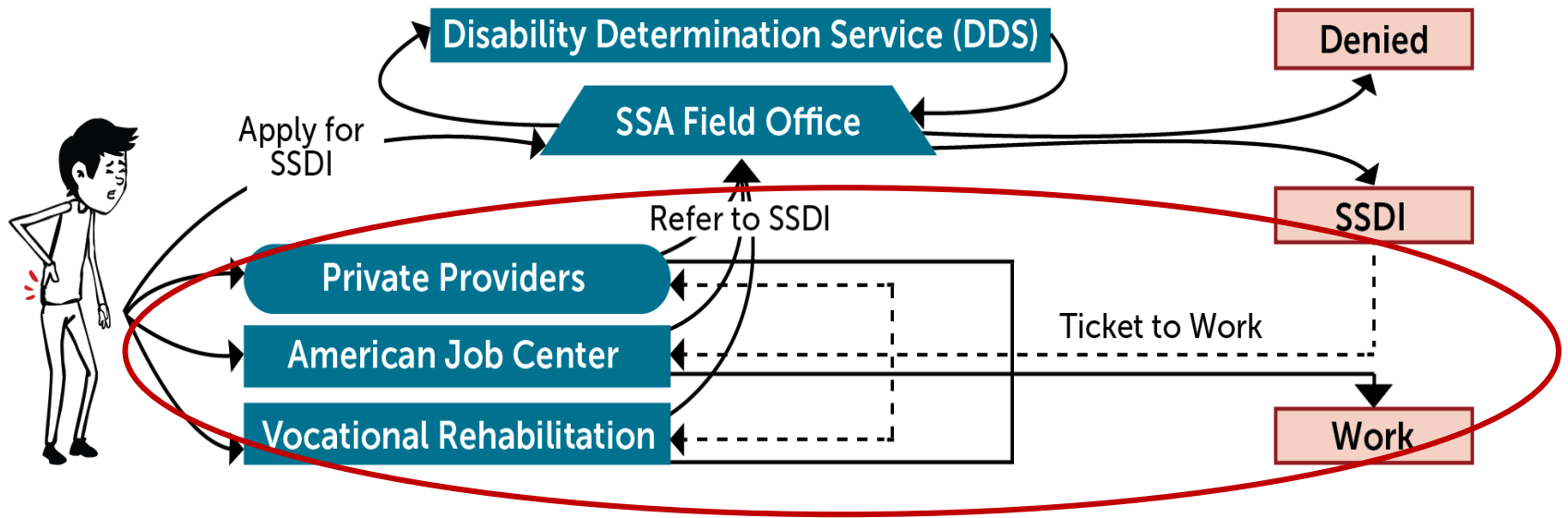
Outline

- **Problem: every year hundreds of thousands of US workers stop working because of *preventable* disabilities**
 - Their medical conditions lead to work disability because they do not get evidence-based services and support
 - Costs to workers, the US economy, and federal and state governments are huge
- **The federal government has started to enlist states in an effort to address this problem**
 - The RETAIN demonstration is the first major opportunity for states
 - Others are likely to follow in the future
 - **PAY ATTENTION!**

Today's support "system" for workers with significant medical problems



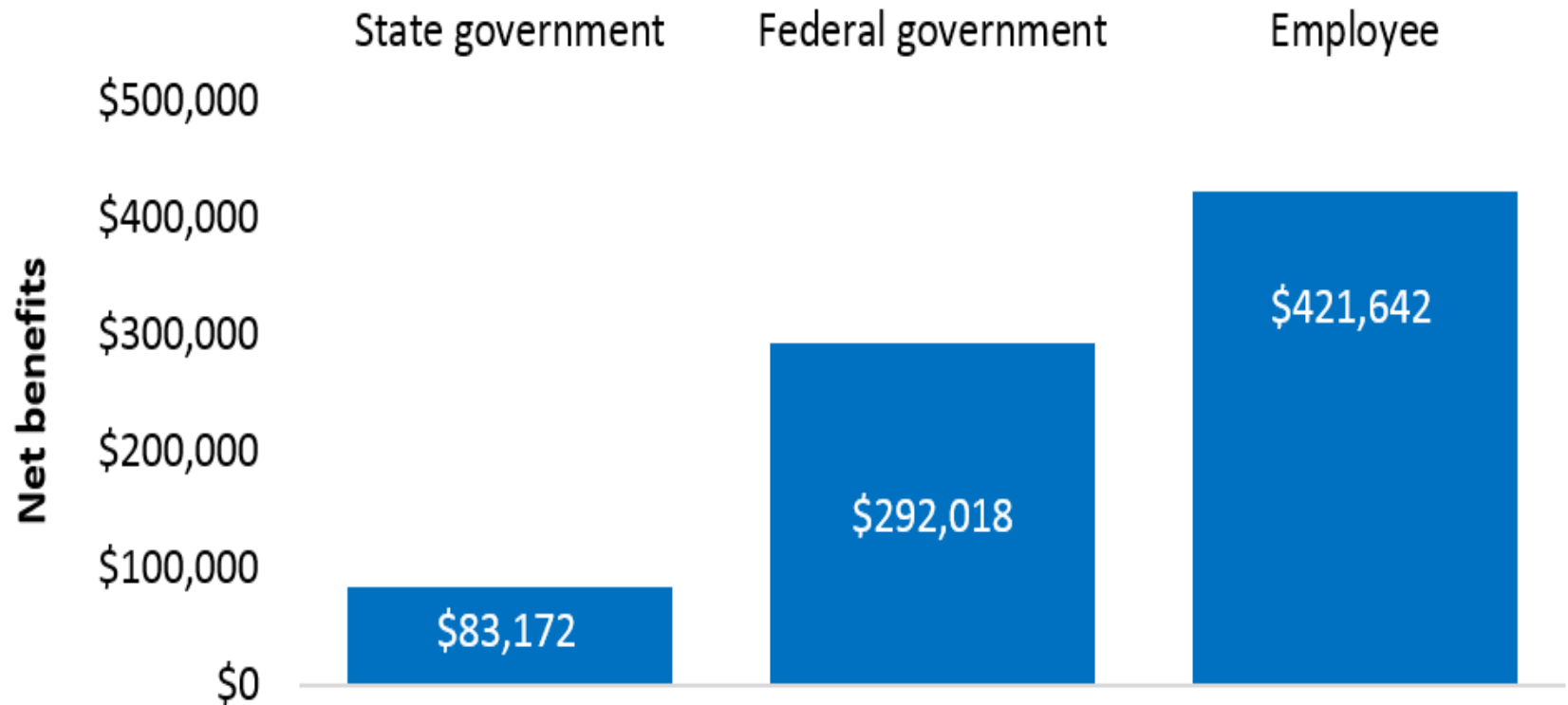
Fragmentation, gaps, and misaligned incentives push workers toward SSDI



Fundamentals

- **2.7 million workers apply for SSDI (FY 2016)**
- **706,000 awarded**
- **Little government help for keeping jobs**
 - No federal agency tasked with preventing job loss
 - States not traditionally focused on such workers
 - Incentives for employers are limited
 - Physicians focus on treatment, not function

The cost of not preventing needless work disability is high



Research findings

- **Many workers are “falling through the cracks”**
- **Business case for taking action is:**
 - Challenging for private sector
 - Stronger for states
 - Strongest for federal government
- **Substantial evidence on what works—but only in specific contexts**

Why should state governments care?

- **Help workers and families prosper**
 - They are the biggest winners
- **Benefits employers, state competitiveness**
- **Improve state government's fiscal health (?)**
- **States have the capabilities:**
 - State agency tools
 - Ability to engage with the private sector
 - Employers and workers
 - Health care systems and other service providers

Immediate opportunity:

- **RETAIN Demonstration**

- **Retaining Employment and Talent after Injury/Illness Network**
- **Federal investment in addressing the problem**
 - Department of Labor (DOL), with the Social Security Administration (SSA)
- **5-year cooperative agreements with State Workforce Development Agencies and their partners**
 - Phase 1: \$2.5 million for each of 8 states to develop and pilot
 - Phase 2: \$19.75 million for each of 4 states to fully implement and test

- **Applications due on July 23**

RETAIN (cont.)

- **Goals:**
 - Increase retention of workers with medical conditions/prevent needless work disability
 - Reduce entry into Social Security Disability Insurance (SSDI)
- **Target population: workers with medical conditions that put them at high risk for needless progression to work disability**
 - Whether or not condition is job-related

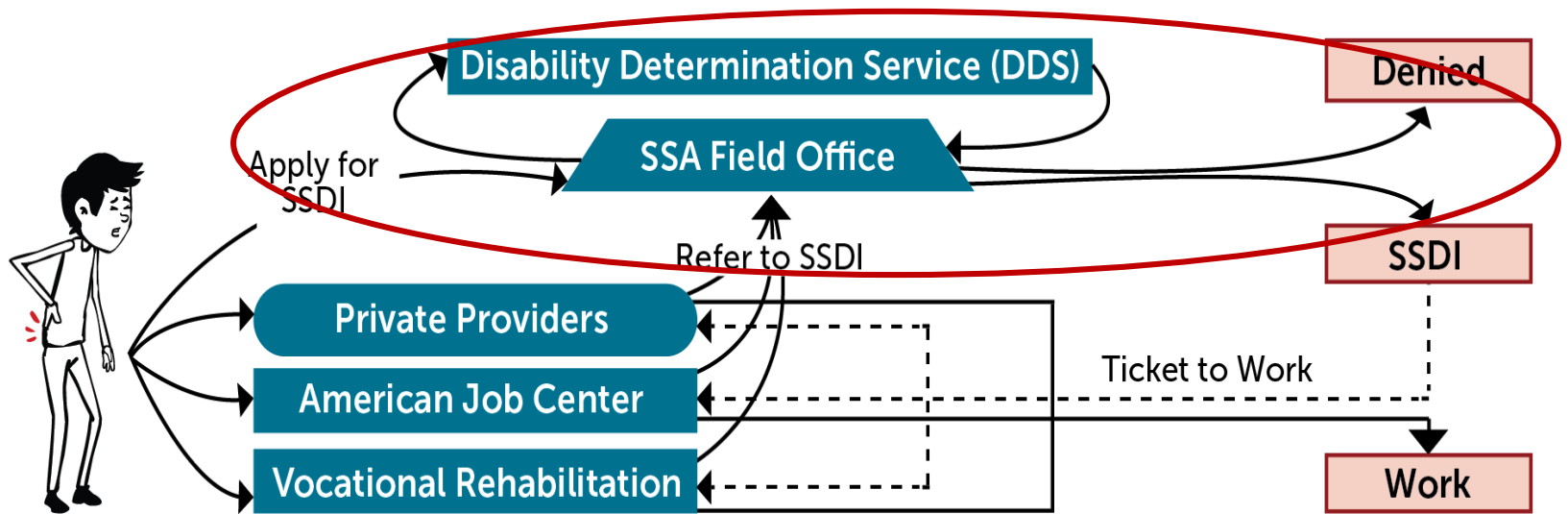
Promising approaches that states may adapt to their own environment

- **Monitoring and coordination of services**
- **Training and incentives on best practices**
 - E.g., around pain management
- **Early return to work support**
- **Work-place interventions**
- **Retraining and re-employment**

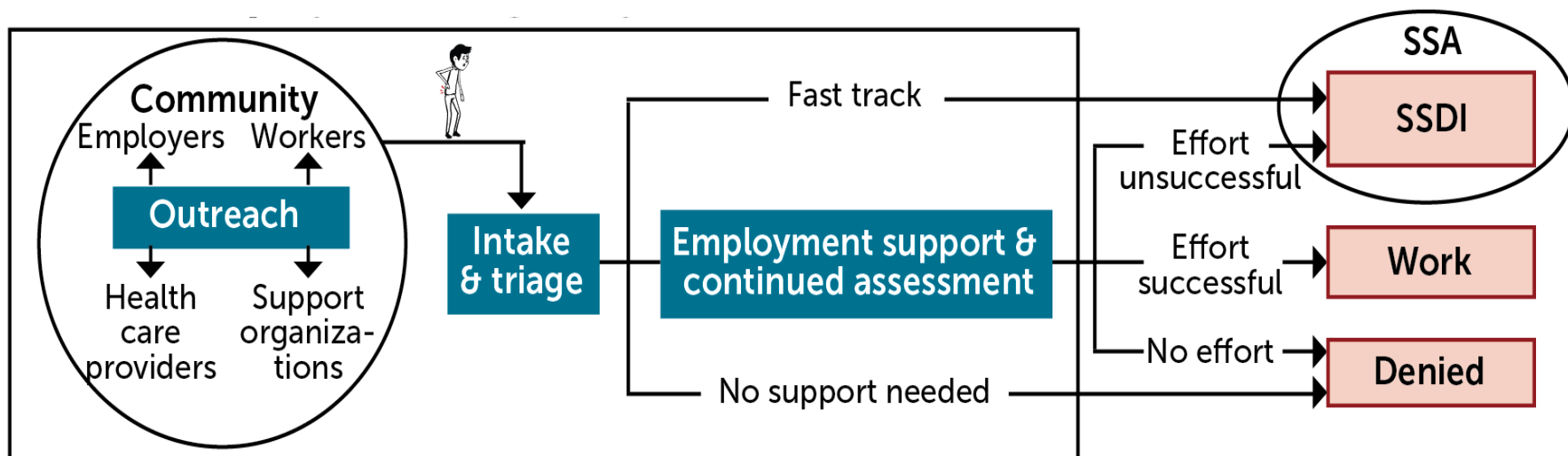
States can leverage:

- 1. Workforce development system**
 - a. American Job Centers**
 - b. Vocational rehabilitation**
- 2. Health agency**
- 3. Workers' compensation (public or private)**
- 4. Disability insurance and workers' compensation for state and local employees**
- 5. Temporary disability insurance**
- 6. Large health systems**

The future: RETAIN success would set the stage for fixing the SSDI application process



State-led Employment/eligibility Service (EES) System



- Integrates functional employment support system with SSA's disability determination process
- Replaces hypothetical assessment of inability to work with a real test of ability to work *with support*

Intent of EES Employment Supports

✓ **Better outcomes for workers**

– **Avoid economic loss and social isolation**

✗ **Deny disabled workers the benefits to which they are entitled**

Recent EES developments

- **Office of Management and Budget:**
 - How could EES be tested under current demonstration authority?
 - Must be voluntary
- **At OMB's instigation, we are developing a preliminary demonstration design**
 - Goal 1: within current demonstration authority
 - Goal 2: bi-partisan support

Conclusion

- **U.S. support system for workers with significant medical conditions is weak**
- **Strong federal interest in improving**
- **Promising approaches exists**
- **Success requires that states play a leading role**
- **RETAIN is the first major opportunity for states**
- **There will be more in due course!**
- **PAY ATTENTION!**

Contact Information

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