



KANSAS DEMONSTRATION TO MAINTAIN INDEPENDENCE AND EMPLOYMENT – DECEMBER 2010

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Division of Adult Studies

In our current health care system, those who need the most care to manage chronic conditions may face prohibitive costs in terms of premiums, deductibles, and co-pays. The result can be poorer health, premature death, delayed care, loss of employment, and a bigger financial burden on society through Social Security disability program payments.

A recently completed University of Kansas Center for Research on Learning project looked at how a change in mindset regarding health insurance for individuals with potentially disabling, chronic conditions could lead to better health for the individuals and cost savings for society.

“There’s a recognition that we need to be intervening earlier to try to prevent people from going on to disability in the first

place,” says Jean Hall, associate research professor in the Center for Research on Learning’s Division of Adult Studies. Hall led the Kansas Demonstration to Maintain Independence and Employment, a five-year project funded by the Centers for Medicare and Medicaid Services. DMIE provided Medicaid-like health insurance benefits to individuals who had pre-existing conditions that prevented them from obtaining private health insurance. These individuals don’t have access to group insurance through an employer—about 70 percent of study participants were self-employed—and have been denied when they have tried to purchase private insurance. Under our current health care system, their only option is to enroll in one of the high-risk insurance pools offered by 35 states.

“The high-risk pools are the coverage of last resort, but the

PROJECT GOALS

This project sought to answer the following questions:

- How does self-reported health status and quality of life change over time for participants in the intervention and control groups?
- How does access to care and service use for the two groups change over time?
- How do medical costs for the two groups change over time?
- How does employment change over time for the two groups? More specifically, how do absenteeism, earnings, and self-reported levels of job performance change over time in addition to rates of employment and unemployment?
- Which employment support services are most frequently used and what is their perceived impact by participants?

DURATION OF PROJECT

This five-year project began in 2005.

FUNDING AGENCY

Centers for Medicare and Medicaid Services

premiums are very steep and they increase with age,” says Hall. Deductibles are high—the most popular plan has a deductible of \$5,000—and a co-pay of 30 percent applies after the individual meets the deductible. Price is not the only drawback to the high-risk pools.

“The coverage that’s available through the pool is not the kind of coverage they need,” says Hall. “They need comprehensive coverage that allows them to manage their illnesses, take their medications as needed.”

The stories of how individuals in the DMIE study managed their illnesses without DMIE support illustrate the no-win choices this population contends with under the current health care system: One man set aside two or three pills from his medication every month so that in December, he wouldn’t have to pay for another refill. Another man stopped cardiac rehabilitation therapy after an autumn bypass surgery when the calendar rolled over to a new year and his payments credited toward his annual deductible reset to zero. Some people waited to seek care, including scheduling surgery, until they needed so much that meeting their deductibles became inevitable. The predominately well-educated, middle-class participants in the study knew they were making bad decisions but believed they didn’t have other options.

“There really is such a thing as having insurance that you can’t afford to use,” Hall said.



Through analysis of results of the DMIE study, Hall’s research team argues that it is more cost-effective to provide better health insurance coverage up front than to pay Medicare or Medicaid plus disability benefits for life. Study participants in the intervention group received more comprehensive benefits at less cost and, as a result, sought more appropriate medical services for their conditions and had better long-term health outcomes.

One of the most encouraging findings of the study involved a comparison of the physical health of the intervention group and a control group. Although the control group’s overall health was better at the beginning of the study, the health of the intervention group finished better and, in fact, declined less than one would expect due to typical aging.

The DMIE research has implications in the greater health care debate now playing out on the national stage.

Recent health care reform legislation established a federal high-risk pool to provide coverage for people with pre-existing conditions. The federal pool is a little less expensive than the state pools, but coverage is similar. In addition, when health insurance exchanges go into effect in 2014, the basic, or bronze, coverage level may look similar to high-risk pool coverage.

“We’re concerned that we’ll see the exact same thing, that even though people have health insurance, they may not be able to afford to use it,” Hall says. “Between now and 2014, we’re really trying to show that maybe we need to reconsider how things are structured, especially for people with chronic conditions.”

Though the DMIE project concluded this fall, the results tie in to a new project led by Hall that will evaluate the federal high-risk pool. The study is part of The Commonwealth Fund’s Affordable Health Insurance program. Hall released an initial report from that study earlier this fall. Her final report, expected in April 2011, will make recommendations for policymakers to consider as they establish insurance exchanges, with particular emphasis on the needs of individuals who are unable to obtain insurance now because of pre-existing conditions.

“Our concern is for people with chronic illnesses or chronic conditions, that their needs are met both in the short term by the national pool and in the long term by the exchange coverage,” Hall said.

RESEARCH DESIGN

Randomized control trial with repeated measures



WHAT PARTICIPANTS SAY ABOUT THE DMIE PROGRAM

PERSONNEL

Jean Hall, Principal Investigator
Jan Moore, Project Coordinator and
Data Manager
Shawna Chapman, Graduate
Research Assistant

PARTNERS

Kansas Health Policy Authority
Benefit Management, Inc.
Kansas Health Insurance Association
Shorman Solutions

"If I'm not going to hit \$5,000 [his deductible], I'm not getting it done. I had a stomach wall hernia that I had to wait for three years until I had a shoulder surgery. I got the hernia fixed December 1 and the shoulder surgery December 23."

"Being on this program has improved my life and health. Just the stress of not worrying about money or whether I can afford to go to the doctor has improved my mental health, which affects my physical health."

"I'm a land surveyor. I own my own business. I've got heart disease and had a couple of heart attacks. I worked out in the field today for the first time since my first heart attack three years ago. This program may save my life."

