

# A Snapshot of Employment and Health for Ohio's Lower-Income Workforce,

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## **INTRODUCTION**

Ohio's labor market continues to strengthen, with the 2018 unemployment rate falling to 4.5% from its high of 11% in 2010.<sup>1</sup> Despite these gains, the statewide unemployment rate masks important changes in labor market participation, health, and access challenges facing the Ohio workforce. This brief examines changes in the Ohio labor market from 2008-2017, the overall health of Ohio's workforce, and implications for Ohio's Medicaid program. Analyses focus on adults 19-64 years of age.

## **METHODS**

This brief uses data drawn from the 2017, 2015, and 2012 Ohio Medicaid Assessment Surveys (OMAS) and the 2010, 2008, and 2004 Ohio Family Health Surveys (the prior name of OMAS).

OMAS is a random sampling telephone survey that assesses Ohio residents' access to health care, their

health status, and how they use health care among those who are on Medicaid, eligible to participate in Medicaid, and those who are not on Medicaid. The 2017 OMAS survey includes data from 39,711 Ohio adults, and 9,202 proxy interviews from Ohio children. The 2017 OMAS survey is the 7th iteration of the survey. This brief adjusts for survey weights and represents non-institutionalized Ohio adults. More information on the findings and methodology of the OMAS survey is accessible at grc.osu.edu/OMAS/2017Survey.

#### I. Are more Ohioans working?

The federal unemployment rate obscures several important workforce dynamics since it excludes individuals who are not seeking employment. Figure I displays the percent of the adult Ohio population who report any workforce participation for the potentially Medicaid eligible population (0-138% Federal Poverty Level [FPL]) and the near-Medicaid eligible (139-200% FPL). In 2017, 138% FPL was

# **KEY FINDINGS**

- In 2017, a greater proportion of Medicaid eligible Ohio adults were working than at any point in the past decade.
- Over 9 in 10 employed Medicaid enrollees exceed the 20 hours per week full-time definition for Ohio's submitted Group VIII Work Requirement and Community Engagement 1115 Demonstration Waiver (2018).
- For non-working Ohioans, 62.1% of Medicaid eligible and 55.4% of near-Medicaid eligible adults self-reported a physical and/or mental disability.

\$28,180 in annual household income for a family of three. For this brief, the income category of 0-138% FPL will be referred to as "potentially Medicaid- eligible"; the category of 139-200% will be referred to as "the 139-200% FPL group. " Since the 2014 expansion of Medicaid to 138% FPL, most individuals potentially Medicaid eligible have been working (see Figure 1).

# Figure I: Workforce Participation by Annual Household Income (as Percent of Federal Poverty Level), Ages 19-64, 2004-2017



Source: Ohio Family Health Survey 2004-2010, Ohio Medicaid Assessment Survey 2012-2017

## 2. Are the increases in employment for fulltime or part- time jobs?

We use data from the U.S. Census Bureau's 2008-2016 American Community Surveys (ACS) to examine changes in part-time and full-time employment. Ohio's Work Requirement and Community Engagement 1115 Demonstration Waiver proposal requires Medicaid beneficiaries to work at least 20 hours per week, unless they do not



Working Part Time (<20 hrs/week)</li>

#### Figure 2: Mean Percent of Ohio Workers with Household Income at or below 138% FPL Full Time Versus Part Time (20 Hours, by 1115 Waiver Proposal Definition), Ages 19-64, 2008-2016

Source: IPUMS-USA, University of Minnesota, www.ipums.org

■ Working Full Time (20+ hrs/week)

meet other workforce readiness criteria. Figure 2 tracks changes in full-time and part-time work, with the minimum work requirement proposed as 20 hours or more per week, in accordance with the proposed 1115 Ohio Waiver.<sup>2</sup>

Figure 2 shows that from 2008-2016 between 10-15% of potentially Medicaid-eligible adults in Ohio worked less than the required 20 hours per week specified in the 1115 Waiver proposal. Over 8 in 10

> potentially Medicaid-eligible adults who were employed satisfied the work requirement. This proportion has also held steady for the last decade among those working potentially Medicaideligible adults, with 89.9% of working adults exceeding 20 hours per week in 2008 and 86.3% meeting the requirement in 2016.

## 3. Does health status prevent Ohioans from working?

The Social Security Administration (SSA) reports that the number of disabled workers nationwide continued to increase.<sup>3</sup> and Ohio reflected this ongoing

#### Figure 3: Percent of Lower-Income Adults (19-64) with a Physical or Mental Disability, by Work Status and Income Group (as Percent of Federal Poverty Level), 2010-2017



Source: Ohio Family Health Survey 2010, Ohio Medicaid Assessment Survey 2012-2017

trend. The OMAS did not ask respondents if they

whether individuals reported a physical or mental

series of proxy measures were used to track

had been classified as disabled by the SSA. Instead a

a similar increase in the proportion of Ohio adults who rated their general health as fair or poor. Among the potentially Medicaideligible non-workers, fair or poor health status increased from 41.6% in 2004 to 50.4% in 2017; more of the 139-200% FPL group also rated fair or poor general health status, increasing from 29.7% in 2004 to 44.5% in 2017.

The prevalence of chronic conditions can serve as another indicator of health status that may limit individuals' ability to work. Table I tracks the overall

prevalence in Ohio's working age population of chronic conditions, including (1) hypertension, (2) heart disease, and (3) diabetes.

Over the last decade, hypertension, heart disease, and diabetes have all increased in Ohio's working

Figure 3 shows the increasing percent of potentially Medicaid-eligible and 139-200% FPL workers who were disabled. Disability has increased across both the working and non-working lower-income populations in Ohio. For non-working Ohioans, 62.1% of potentially Medicaid-eligible and 55.4% of 139-200% FPL adults reported a physical or mental disability in 2017.

condition or disability.

Without a direct measure of SSA disability, self-rated overall health status<sup>4</sup> served as an additional proxy indicator of disability status. Figure 4 shows

#### Figure 4: Self-Rated Health Status -- Percent of Lower-Income Adults (19-64) Reporting Fair or Poor Self-Rated Health Status, by Work Status and Income Group (as Percent of Federal Poverty Level), 2004-2017



Source: Ohio Family Health Survey 2004-2010, Ohio Medicaid Assessment Survey 2012-2017

 Table I: Percent Reporting Chronic Diseases/Conditions by Work Status, Ages 19-64, 2008-2017

 (Excluding 2010 Data Due to Small Sample Size)

|      | Hypertension |               |                |               | Heart Disease |               |                |               | Diabetes     |               |                |               |
|------|--------------|---------------|----------------|---------------|---------------|---------------|----------------|---------------|--------------|---------------|----------------|---------------|
|      | 0 - 138% FPL |               | 139 - 200% FPL |               | 0 - 138% FPL  |               | 139 - 200% FPL |               | 0 - 138% FPL |               | 139 - 200% FPL |               |
|      | Worker       | Non<br>Worker | Worker         | Non<br>Worker | Worker        | Non<br>Worker | Worker         | Non<br>Worker | Worker       | Non<br>Worker | Worker         | Non<br>Worker |
| 2008 | 20.5%        | 38.9%         | 25.1%          | 35.6%         | 3.5%          | 13.2%         | 3.9%           | 11.6%         | 7.8%         | 17.4%         | 6.6%           | 16.2%         |
| 2012 | 23.9%        | 43.2%         | 26.4%          | 41.0%         | 4.0%          | 15.3%         | 4.7%           | 11.6%         | 8.6%         | 18.4%         | 8.3%           | 17.9%         |
| 2015 | 21.6%        | 43.0%         | 22.3%          | 42.2%         | 4.1%          | 12.1%         | 3.2%           | 11.7%         | 7.9%         | 19.8%         | 7.4%           | 17.7%         |
| 2017 | 21.9%        | 44.5%         | 23.0%          | 42.7%         | 3.9%          | 16.0%         | 3.1%           | 15.1%         | 7.1%         | 20.8%         | 8.0%           | 20.3%         |

Source: Ohio Family Health Survey 2008, Ohio Medicaid Assessment Survey 2012-2017

age population, in particular among non-working adults.<sup>5</sup> For non-working potentially Medicaideligible adults, 38.9% reported hypertension in 2008, increasing to 44.5% in 2017 (35.6% and 42.7% respectively for non-working adults at 139-200% FPL). Similarly, diabetes increased from 17.4% to 20.8% for potentially Medicaid-eligible non-workers and from 16.2% to 20.3% for the non-working adults at 139-200% FPL. Heart disease, including coronary artery disease, heart attack, and congestive heart failure, increased modestly among potentially Medicaid-eligible non-workers, from 13.2% in 2008 to 16.0% in 2017, and from 11.6% to 15.1% among non-working adults at 139-200% FPL. Rates in 2017 were lowest among potentially Medicaid-eligible workers and workers at 139-200% FPL (84.1% and 82.9% respectively), with ~90% nonworkers in both income categories reporting having a usual source of care. Similarly, there was minimal variation over the decade for working age-adults reporting a physician's visit or annual physical. Again, potentially Medicaid-eligible and 139-200% FPL workers had lower rates of reported physician visits in the past 12 months compared to non-workers (74.5% and 71.6% respectively among workers versus 85.8% and 83.8% among non-workers).



#### Figure 5: The Effects of Medicaid Enrollment on Employment for Continuous Medicaid Expansion Enrollees, 2018

Source: 2018 Medicaid Expansion Assessment Telephone Survey

## 4. How well can lower-income, working-age Ohioans access the health system?

The increasing prevalence of chronic disease in the working-age population raises the question of whether they can access the health care system to control their chronic conditions. Individuals reported having a usual source of care at rates that fluctuated between 80.0% and 90.0% over the decade, but none of the changes were statistically significant.

# CONTRIBUTION OF MEDICAIDTO WORK

As shown in the 2018 Ohio Medicaid Expansion Assessment,<sup>6</sup> individuals who enrolled following Medicaid expansion stated that Medicaid made it easier to continue working and to look for work. Among enrollees currently-employed in the 2018, 83.5% reported that having Medicaid coverage made it easier for them to continue working (Figure 5). For unemployed enrollees, 60.0% reported that Medicaid coverage made it easier to look for work.

Figure 6 illustrates the percent of adults who were not working (either unemployed or not in the labor force) by county.<sup>7</sup> It should be noted that these estimates are substantially higher than the federal unemployment rate since they include both the unemployed and those not looking for work (not in the labor force). On average across Ohio, 41.0% of adults aged 19-64 do not work. However, counties vary widely from a low of 26.8% to a high 57.8%; the highest proportions not working are in the Appalachian region (32 counties).

Ohio's pending 1115 Waiver proposal requires work or community engagement for Medicaid enrollment or to remain enrolled in Medicaid. The waiver allows exemptions for disability, being age 55 or older, working at least 20 hours, being enrolled in school, and those caring for a family member. Note that the very large sample sizes in the fiveyear rolling averages from the 2016 American



Figure 6: Percent of Ohio Adults Not Working (Unemployed and Not Looking for Work) in 2016, Ages 19-64

Source: 5-year rolling average from the American Community Survey

Community Survey (ACS) allowed a partial estimate for the percent of Medicaid enrollees subject to the work requirement for each county in Ohio.

In Figure 7, in accordance with the 1115 waiver proposed, individuals were considered subject to the work requirement if: (1) They do not work at least 20 hours per week; (2) are not enrolled in school; (3) do not report a disability; and (4) were between ages 19 and 54 - the map estimates **did not** include enrollees who care for a family member. Specifically, Figure 7 shows the county level differences in percent of Group VIII enrollees who will face the work requirement (not accounting for family caretakers). In the average Ohio county, 13% of Group VIII adults would be subject to the work requirement. Statewide, approximately 36,000 Medicaid enrolled individuals would be subject to the requirement (Ohio Department of Medicaid estimate, June 2018). However, counties varied widely from a low of 5.1% to a high of 21.3% with substantial variation across Ohio's regions. Figure 7: Percent of Medicaid Expansion Enrolled Adults Subject to Proposed Medicaid Work Requirements Under Community Engagement 1115 Demonstration Waiver, Ages 19-64



Source: Group VIII 2016 and 2018 Telephone Surveys

CONCLUSION

The overall rate of workforce participation for all Ohioans ages 19-64 years has increased over the last decade. Examining the work requirement specifics of the proposed 1115 Waiver for those enrolled in Medicaid, over 90% of those currently employed exceed the 20 hours per week requirement to remain enrolled in Medicaid. For those with incomes  $\leq$  138% FPL, self-reported physical and mental disabilities are predominant barriers to securing or maintaining employment. It is estimated that 87% of the currently Medicaid enrolled would be eligible for exemption from the work requirements of the proposed 1115 waiver. It should be noted that more would likely be eligible from exemption as current Medicaid enrollees who care for a family member were not included in these analyses. More than 8 in 10 employed enrollees mentioned Medicaid making it easier to continue working, and 60.0% of unemployed enrollees discussed Medicaid facilitating their search for work. Given these statistics, research with the Medicaid expansion population shows that Medicaid expansion is beneficial to work status and beneficial to those seeking a job.

# **POLICY CONSIDERATIONS**

This brief shows that a greater proportion of Medicaid eligible Ohio adults are working than at any point in the last decade. Similarly, over 9 in 10 employed Medicaid enrollees exceed the 20 hours per week full-time definition for Ohio's submitted Group VIII Work Requirement and Community Engagement 1115 Demonstration Waiver. Additionally, Ohio Medicaid studies have shown that Medicaid facilitates return to work, though low -income workers often have multiple part-time and seasonal work arrangements. Ongoing Medicaid reforms may be improved by considering the dynamic relationship between employees and employers to protect the health gains among Medicaid enrolled workers.

# Endnotes

- I. Bureau of Labor Statistics
- 2. Consistent with its mission to support the administration of Ohio's Medicaid program, the OMAS changed its workforce participation question in 2014 to be consistent with the Affordable Care Act's definition of full-time as employees working 30 hours or more per week. This change in the survey instrument prevents comparison of estimates of 2017 and 2015 workforce participation to the pre-2014 surveys.
- Social Security Administration. Annual Statistical Report on the Social Security Disability Insurance Program, 2016 <u>ssa.gov/policy/docs/statcomps/di\_asr/2016/sect01.html</u>

- 4. The five response item self-rated health status survey questions are considered to be highly valid in predicting clinical health status and often are more reliable predicting overall health status than physician visits. See Idler, E.L. and Benyamini, Y (1997) Self-rated health and mortality: a review of twenty-seven community studies, *Journal of Health and Social Behavior*, 38(1): 21-37; Assari, S., Lankarani, M.M., Burgard, S. (2016) Black-white difference in long-term predictive power of self-rated health on all-cause mortality in United States, *Annals of Epidemiology*, 27(4): 106-114.
- 5. Miroqwsky, J & Ross, C.E. (2017) <u>Education, Social Status,</u> <u>and Health</u>, Routledge Press: New York, 242 pp.
- 6. The Ohio Department of Medicaid <u>Medicaid.ohio.gov/Portals/0/Resources/Reports/Annual/Gr</u> <u>oup-VIII-Final-Report.pdf</u>
- 7. Estimates were generated for public use microdata areas (PUMAs), which are collections of counties or census tracts with at least 100,000 people based on the decennial census. The estimates are an aggregation of the five-year average from the American Community Survey within these PUMAs.

For more information please visit <u>http://www.grc.osu.edu/</u> OMAS.

Ohio

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