Gender Differences in Disability Evaluations: Evidence from Randomly Assigned Workers' Compensation Doctors

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Related SSA focal areas: 2 "Determining Disability", 3 "Requirements of Work in the Modern Economy", 10 "Improving Service Delivery".

While there is growing evidence that male-female disparities exist in access to disability benefits from social insurance programs (e.g., Low and Pistaferri 2019, Card and McCall 2009), little is known about what mechanisms underly these patterns and what policies effectively address these disparities. In this paper, we study the role of evaluator gender in driving gender disparities in the disability evaluation of injured workers and the receipt of cash benefits. To study this question, we leverage random assignment of medical examiners (medical doctors and chiropractors) to claimants in the setting of Texas' workers' compensation system. Random assignment of examiners to claimants arises in this setting through the claim dispute resolution process, in which insurers and/or claimants may request independent medical evaluations to settle disputes over a worker's degree of ongoing disability and permanent impairment severity rating. Conditional on a claimant's county, assignment of a claimant to a provider is random among providers with similar credentials, and workers' compensation insurers must pay benefits to injured workers based on the randomly assigned provider's impairment evaluation. Our analysis draws on a unique administrative dataset we compiled through a series of open records requests containing information on all impairment exams performed by randomly assigned doctors between 2013 and 2017 (roughly 70,000 exams) and on all health care and income benefits that claimants received through the Texas workers' compensation system before and after the exam. Our preliminary analysis indicates that male claimants are evaluated similarly by male and female evaluators, while female claimants are evaluated differently depending on the evaluator's gender. Our preliminary estimates suggest that female claimants evaluated by male examiners—relative to female patients evaluated by female examiners---are approximately 5 percent less likely to receive additional cash benefits after a medical exam and receive 8.5% lower cash benefits on average. Based on these preliminary findings, the results suggest parity in the sex ratio of providers performing these medical exams would reduce gender disparities in benefit receipt by increasing cash benefits paid to women while leaving benefits paid to male claimants largely unaffected. Our setting has sufficient power to conduct heterogeneity analysis to try to understand whether these effects are stronger for certain types of disabilities and to explore potential mechanisms behind these effects.

Our project relates to three of the SSA RDRC research focal areas. First, the proposed project relates to the SSA RDRC research focal area 2 "Determining Disability". This project aims to understand whether gender of the evaluator plays a role in explaining gender disparities in disability evaluations. While our setting is workers' compensation disability evaluations not SSA disability determinations, the evaluation of workers' compensation impairments resembles criteria used for SSA disability determinations, and similar gender disparities (conditional on observables) exist in claim approval rates in workers' compensation insurance and Social Security Disability Insurance (see Low and Pistaferri 2019 and Card and McCall 2009).[1] Second, our proposed project also relates to SSA RDRC focal area 3 "Requirements of Work in the Modern Economy". Ex ante, it is possible that the 20 percentage point gender gap in SSDI claim approval rates (conditional on observables) documented by Low and Pistaferri (2019) reflects differences in attributes observable to the examiner but unobservable to the econometrician. Key attributes unobservable to the econometrician but potentially considered by the examiner include the requirements

[1] Low and Pistaferri (2019) show that female applicants for SSDI are 20 percentage points more likely to be rejected than similar male applicants, and Card and McCall (2009) document that females' workers' compensation claims are 19 percent more likely to be denied than males' workers' compensation claims.

of work for a specific job, which may vary systematically by sex if women hold different jobs than men hold (conditional on high level occupational groups observed by the econometrician). Our preliminary analysis points out that some part---it turns out a relatively large part---of gender disparities in benefit receipt conditional on observables is due to evaluator discretion (rather than differences in unobservables across female and male claimants), and evaluator sex has an important impact on gender disparities in benefit receipt. Lastly, our proposed project also touches on SSA RDRC research focal area 10 "Improving Service Delivery". Our preliminary findings suggest that the same disability evaluation system delivers benefits of different generosity depending on claimant sex. Further, our preliminary findings suggest that a way to reduce gender disparities in disability evaluations would be to increase the share of female evaluators.

REFERENCES

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