Structural Barriers to Receipt of Income Support and Health Insurance among Disabled Adults by Race and Ethnicity, David Cutler and Ellen Meara

Recent research suggests stark differences in the treatment of potential SSDI beneficiaries along a number of dimensions, including race and ethnicity. Blacks earn less than Whites and are in more physically demanding jobs than Whites. Not surprisingly, SSDI enrollment is higher for Blacks than Whites. The medical system also treats Blacks differently than Whites. Black patients with pain are less likely to receive opioid prescriptions than White patients, even at the end of life (Morden et al. 2021).

As disability enrollment has contracted in recent years, there is potential for adversely affecting Blacks relative to Whites. Indeed, award rates have declined markedly since 2011 (Maestas 2019), and office closing has limited entry into the program, especially for people with mental illness (Deshpande and Li 2020). But little is known about individual demographic characteristics of people affected by declines in disability awards, and the potential health and economic impacts of potential SSDI recipients.

We propose a two-stage project to understand how declining disability awards may differentially affect recipients by race and ethnicity, to understand structural barriers that generate differences in health and economic well-being by race and ethnicity. In year 1, we propose to use the NBER's Medicare claims data (enrollment files and claims), a universe of SSDI recipients receiving Medicare due to disability, to understand changes in the composition of SSDI recipients (and therefore disabled Medicare beneficiaries), and the potential impact on health. In year two, we propose to apply algorithms like those used in Medicare to identify beneficiary race and ethnicity to administrative data at SSA, where typically race data have been lacking. We will do so to understand structural barriers to entry to the program – e.g., bias in examiners or ALJs and bias that results from office closings or more stringent eligibility determination guidance.

The project leads include David Cutler and Ellen Meara. We will request funds for re-use of Medicare data (year 1), RA help (year 2), and (in year 2) expenses related to linking of data for race assignment in SSA administrative file. In year 1, we will characterize changes in the racial and ethnic composition of SSDI beneficiaries as a function of office closings (Deshpande and Li) and more stringent eligibility determination (Maestas). In year 2, we will use methods already widely used in Medicare data sets to assign race to applicants (and, if possible, administrative law judges) in SSA administrative data to understand whether there are structural sources of bias in the appeals process. To the extent that the pipeline has shifted adversely to Blacks and/or Hispanics, we will investigate at what stage of the process that has occurred.

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Morden, Nancy E., Deanna Chyn, Andrew Wood, and Ellen Meara, 2021, "Racial Inequality in Opioid Prescription Receipt: Individual Health Systems' Role," Lebanon, New Hampshire, Manuscript.