

# **The Transition to SSDI: Prospects for Early Early Intervention in California**

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# Overview

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- **Why *early* early intervention?**
- **Challenges**
- **Prospects in California**
- **Preliminary findings using workers' compensation (WC) data**

# Why *Early Early* Intervention?

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- **Early intervention can slow SSDI growth by stemming the flow of entrants**
- ***Early early* = still connected to an employer**
  - **Employer cooperation is key to keeping a worker in the labor force (Bevan 2015)**
  - **Delay causes decay (Autor et al. 2015)**
- **Not a new idea**

# Challenges for *Early Early* Intervention

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- **Step 1: Identify early**
- **Step 2: Recruit effectively**
- **Step 3: Intervene effectively**

# Challenges for *Early Early* Intervention

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# Prospects for Early Identification in California

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- **In California, SSDI applicants may first receive state-based disability benefits**
  - WC
  - Short-term disability insurance (STDI)
- **Can we predict likely SSDI entrants at WC/STDI entry?**

# California: SSDI Entry

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- **2013**
  - 72,618 new disabled worker beneficiaries
  - 63,217 new SSI adult recipients
- **Many SSDI beneficiaries receive WC or STDI**
  - December 2008: 17% of 617,808 disabled workers
  - Relatively new entrants
  - More enter after exhausting their WC/STDI benefits

# California: WC and STDI

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## WC

- Occupational injury/illness
- Financed by employers
- Pays two-thirds of weekly wage for up to two years, related medical costs
- 2013: 150,000 claims with one or more days away from work

## STDI

- Nonoccupational injury/illness
- Financed by workers
- Pays 55% of weekly wage up to one year, but no medical costs
- 2014: 470,000 claims



# Qualitative Findings

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- **Interviews**
  - State agencies
  - Other organizations
- **Findings**
  - WC: State Fund is very proactive; others focus on controlling costs
  - STDI: Just administers claims/benefits

# Predicting SSDI Entry: Ideal vs. Practical

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- **Ideal**

- Administrative WC/STDI records matched to Social Security Administration (SSA) records

- **Practical**

- Proxy measures for likely SSDI entry: 3, 6, and 12 months on WC/STDI

# WC Data

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- **3.7 million claims (January 2007–June 2012)**
- **650,000 (18%) with temporary disability payments**
- **Mean durations:**
  - 139 days for men, 152 days for women
  - Highest: ages 45–54, musculoskeletal (MSK) or psychiatric
  - Fall with weekly wage
- **Over 20% lower-back pain (LBP), 35% MSK**

# Preliminary WC Findings (1)

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- **MSK, psychiatric conditions are the most likely to exceed 12 months of temporary disability payments (20–28%)**
- **Certain subdiagnoses (LBP, depression, PTSD) are linked to longer durations (~300 days)**

# Preliminary WC Findings (2)

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- **Secondary psychiatric conditions are linked to longer durations, 50% higher chance of exceeding 12 months**
- **Burns, concussions: probability of exceeding 12 months is much greater after exceeding 3 months**

# Discussion

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- **California, other states with STDI are good candidates for *early* early intervention**
- **Federal government has a larger incentive than states to fund such interventions**
- **Timely identification and effective targeting are key—and possible**
- **Matched state-SSA records can help improve identification**

# Contact Information

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