

***How Does Health Insurance Affect  
Workers' Compensation Filing?  
(Forthcoming, Economic Inquiry)***

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**We are grateful for the financial support of NIOSH. All errors and views are ours.**

# *The Workers' Compensation and Health Insurance Puzzle*

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	Worker	
	Has Health Insurance	
	Yes	No
Proportion Filing	0.58	0.51
Proportion Losing Wages	0.24	0.42
Average Work-Days Lost	19.0	41.5

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# *The Workers' Compensation and Health Insurance Puzzle*

	Worker		Employer	
	Has Health Insurance		Offers Health Insurance	
	Yes	No	Yes	No
Proportion Filing	0.58	0.51	0.60	0.39
Proportion Losing Wages	0.24	0.42	0.25	0.36
Average Work-Days Lost	19.0	41.5	19.7	23.1

# ***Our Approach***

**Analyze determinants of filing behavior of young workers in nationally representative data**

**Data are from the National Longitudinal Survey of Youth, which identifies:**

- **Injured workers**
- **Injured workers who file claims**
- **Injured workers who filed claims *and* received benefits**

## ***Key Findings***

**Possession of health insurance per se has little effect**

**Working for a firm that *offers* health insurance makes workers more likely to file**

- Suggests the importance of workplace environment factors**
- Could be employer heterogeneity or incentives**

# ***NLSY Data on Injuries***

**National Longitudinal Survey of Youth is a nationally representative panel (1979-1998) of 12,686 individuals aged 14-22 in 1979**

**From 1988, respondents asked:**

- 1. If they were injured at work since last wave?**
- 2. If #1, have they filed a claim?**
- 3. If #2, have they received benefits?**
- 4. If #1, what was the nature of the injury:  
NLSY assigns ICD-9 codes**

# Summary of NLSY Injury Data

Year	Number of Workers With			Proportion of Injured With	
	Injuries/Illnesses	Claims	Benefits	Claims	Benefits
1988	844	401	187	0.48	0.22
1989	610	334	148	0.55	0.24
1990	606	343	168	0.57	0.28
1992	556	338	173	0.61	0.31
1993	452	248	115	0.55	0.25
1994	469	251	113	0.54	0.24
1996	577	347	151	0.60	0.26
1998	549	324	146	0.59	0.27
TOTAL	4663	2586	1201	0.55	0.26

# A Summary of Filing Behavior

(State, Year, and Industry Fixed-Effects)

(Individual Random-Effects)

**Worker Characteristic**

**Probability of Filing**

Employer offers hlth ins

**+15%**

[2.3%]

Belongs to a union

**+4.6%**

[2.6%]

Occupational disease?

**-15%**

[2.2%]

Lost 10 work days

**+1%**

[0.19%]



# Effects of Insurance Specific to Source

(State, Year, and Industry Fixed-Effects)

(Individual Random-Effects)

<i>Source of Insurance</i>	<i>Probability of Filing</i>
Current Employer	<b>+11%</b> [2.7%]
Previous Employer	<b>+2.1%</b> [8.5%]
Spouse's Employer	<b>+2.0%</b> [3.3%]
Spouse's Prev Employer	<b>+19%</b> [17%]
Retail Market	<b>-2.9%</b> [5.9%]
Medicaid/Welfare	<b>-21%</b> [5.7%]
Other Source	<b>-7.3%</b> [7.6%]

# ***Discussion***

**Insurance works as a proxy for whether employer offers it**

**Employers offering insurance:**

- Have less incentive to pass off health costs to workers comp**
- May be “worker-friendly” in general**

**Suggests importance of employer characteristics in worker filing decisions**