



INSTITUTE FOR CIVIL JUSTICE



***The Fraction of Disability
Caused at Work***

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January 2006

Workers' Compensation & SSDI: Two Programs —Overlapping Populations?

- **Both programs provide compensation to disabled individuals**
 - **Workers' compensation costs to employers**
 - **\$64 billion (2001)**
 - **SSDI payments**
 - **\$60 billion (2001)**
- **Extent of overlap unclear**
 - **Goals of programs differ**
 - **Program administration is separate**
 - **Research literatures are distinct**

Workers' Compensation Is “Exclusive Remedy” for Workplace Injuries

- **Provides medical care & income support for injured workers without regard to fault**
 - Injured workers waive right to sue for damages
- **State-run program adopted in every state in early 20th century**
 - Benefit levels vary considerably
- **Employers purchase insurance to cover costs of injuries**
- **Benefits are subtracted from SSDI grant**

Questions Addressed in This Study

- **Among the disabled, what fraction were disabled because of their work?**
- **What types of injuries/illnesses cause disabilities?**
- **What are the costs to SSDI and Medicare of work-related disabilities?**

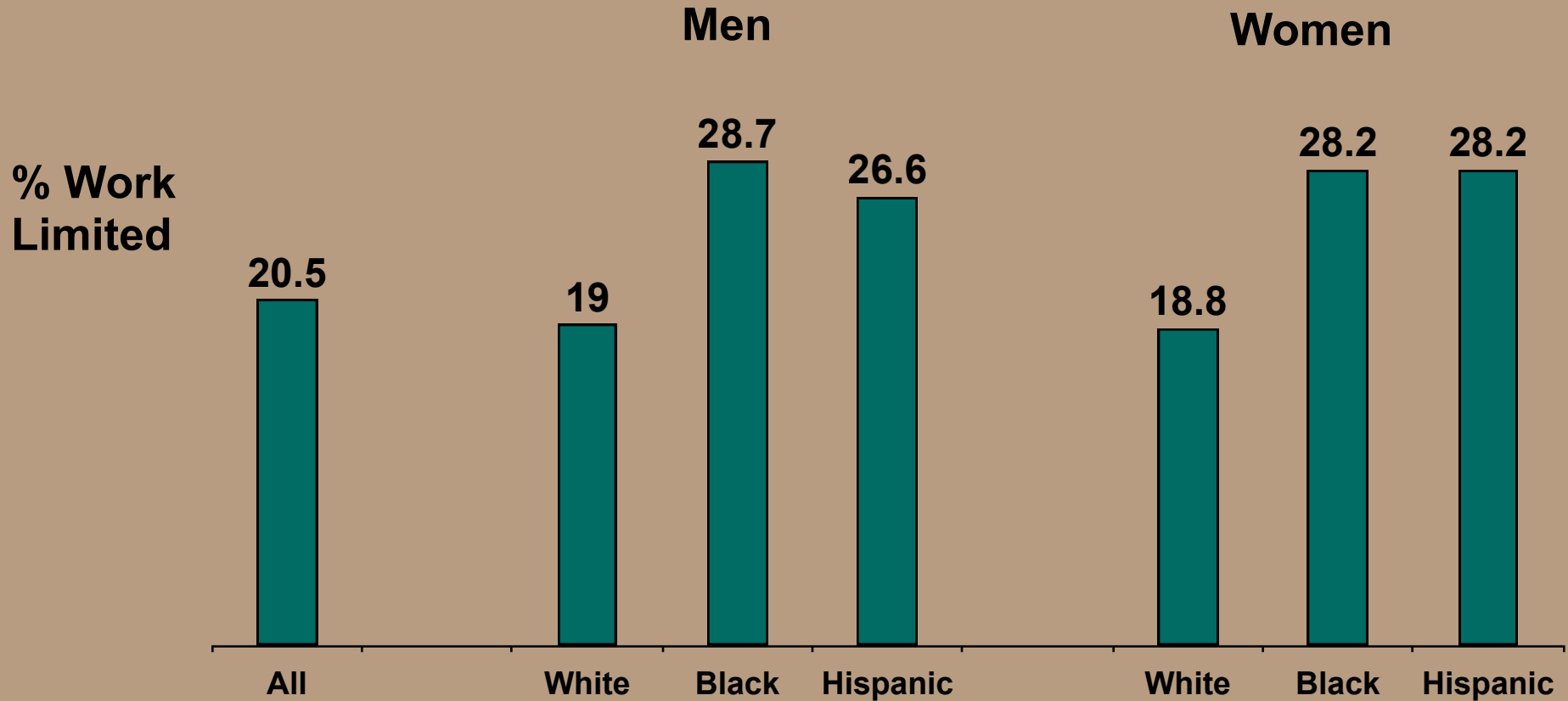
Health and Retirement Study Links Workplace Injury and Disability

- **National longitudinal survey of mature population**
 - Initial cohort was 51-61 years old in 1992
 - Funded by National Institute of Aging
- **Extensive information on disability, health conditions, employment, income, and demographics**
- **Includes data on self-reported cause of disability**

Definitions & Population

- **Disability is defined in two ways:**
 - **Work limited**
 - **“Do you have a physical, mental, or other health condition which limits the kind or amount of work that you can do?”**
 - **SSDI receipt**
- **Data require focus on disabled population ages 51-61**
 - **More restrictive analyses for younger population have been conducted**

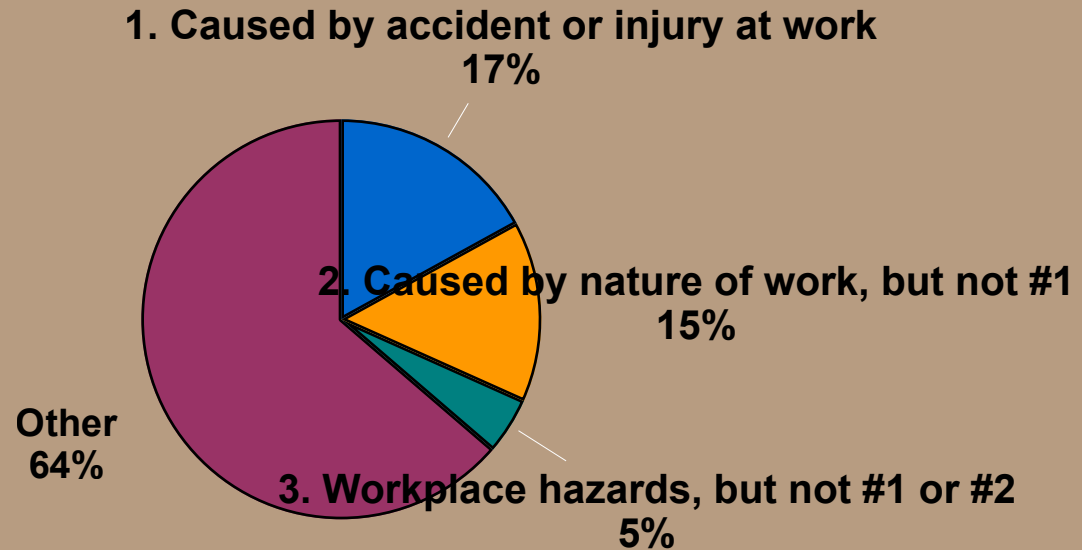
21% of 51- to 61-Year-Olds Are Work-Limited



Roadmap

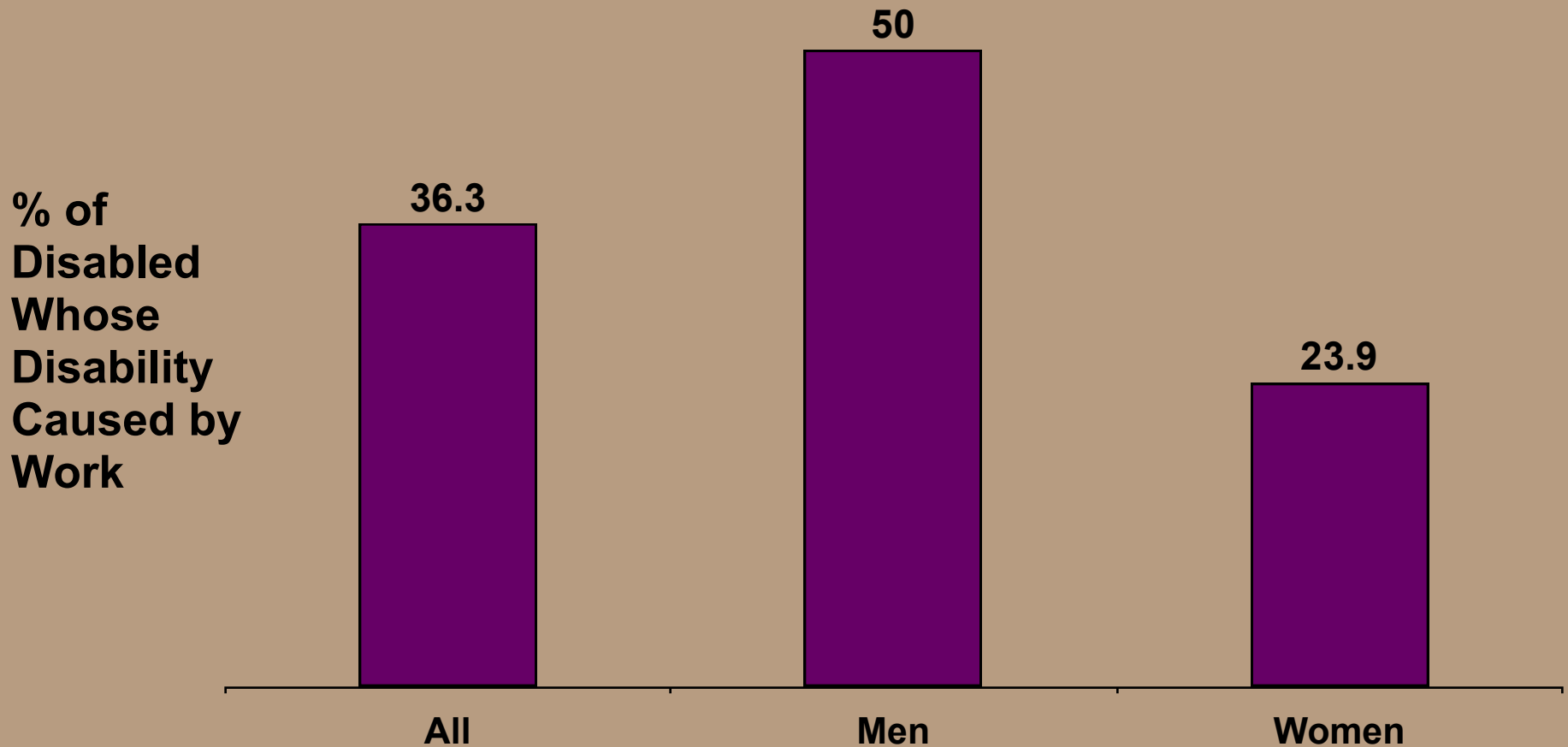
- **Among the disabled, what fraction were disabled because of their work?**
- **What types of injuries/illnesses cause disabilities?**
- **What are the costs to SSDI and Medicare of work-related disabilities?**

37% Were Disabled Due to Workplace Injuries, Exposures, or Nature of Job



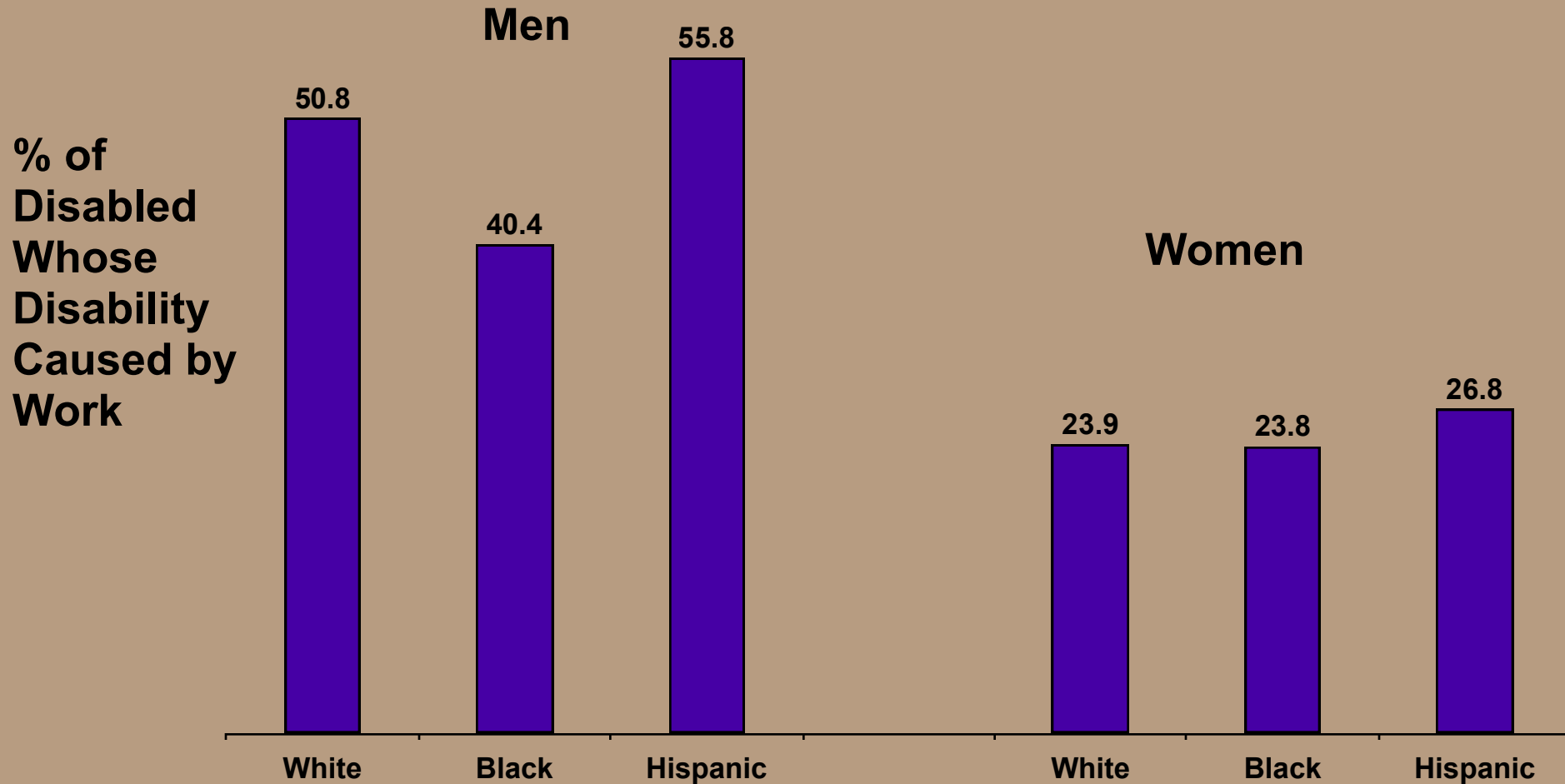
Disability population: work limited

Among the Disabled, Work is a More Common Cause Among Men



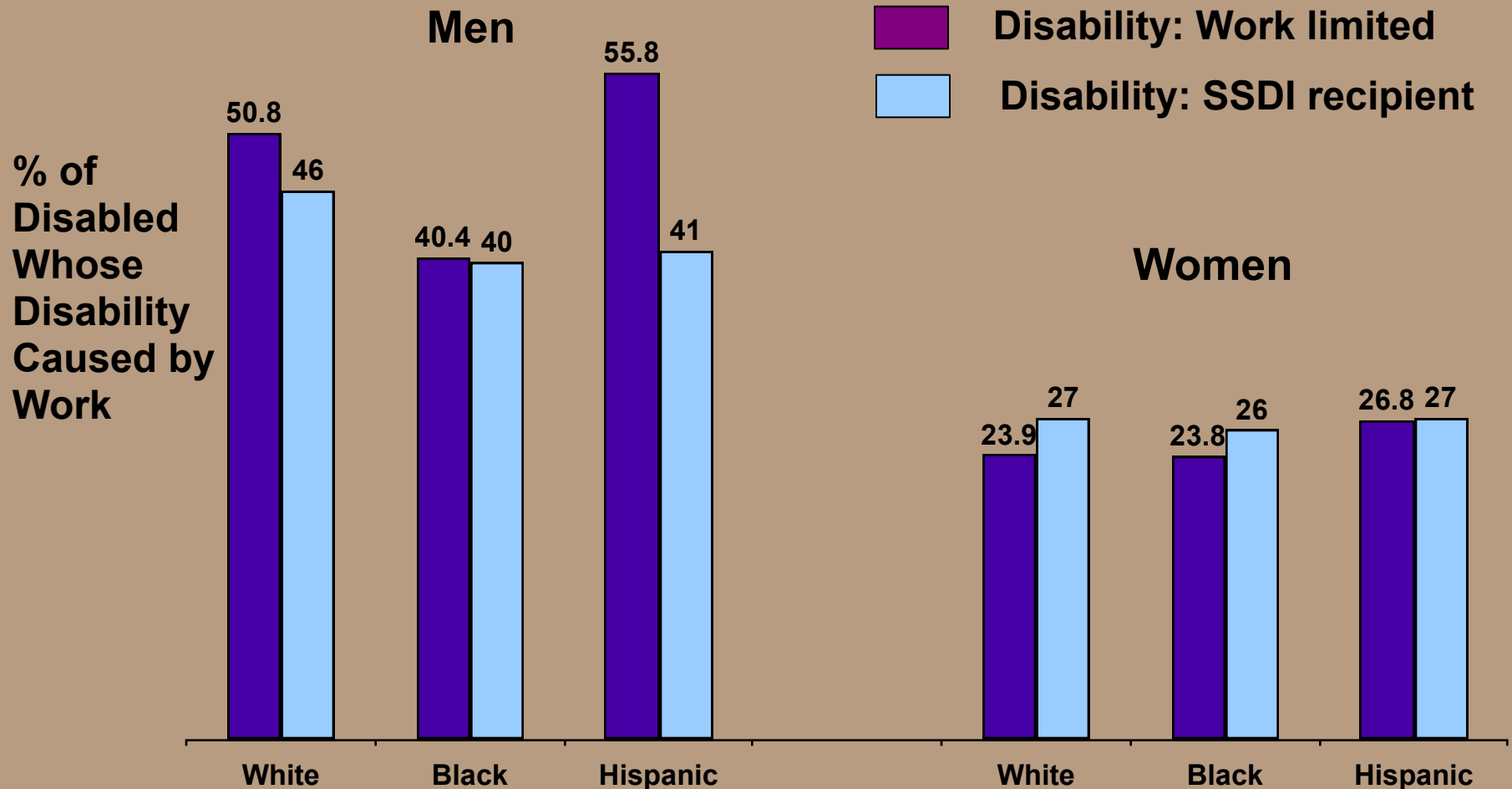
Disability population: work limited

Among the Disabled, Hispanic Men Have the Highest Rate of Workplace Attribution



Disability population: work limited

SSDI Recipients Are Equally Likely To Attribute Disability to Work



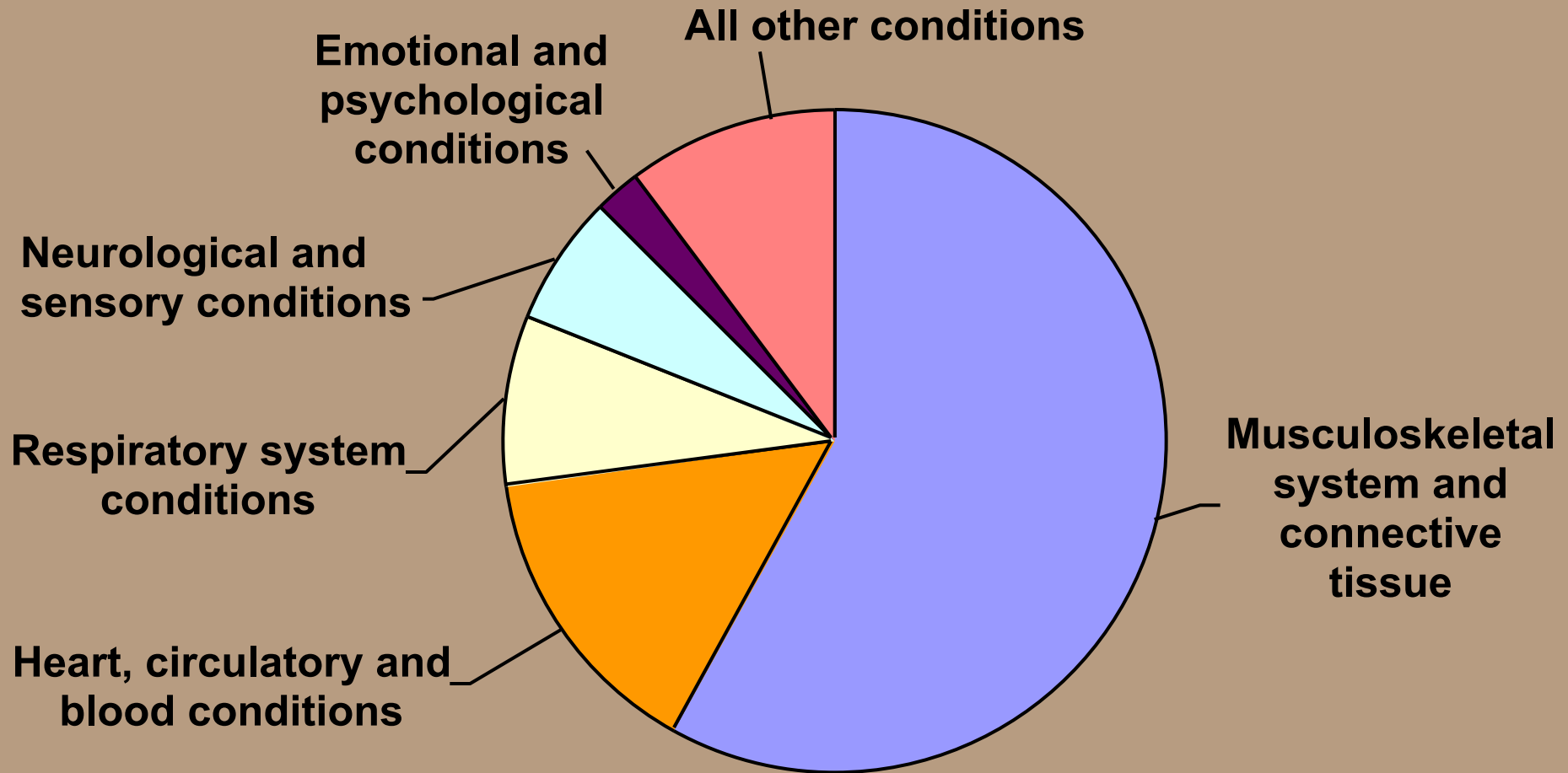
Bottom Line

- **For disabled population aged 51-61, more than one-third are disabled because of work**

Roadmap

- **Among the disabled, what fraction were disabled because of their work?**
- **What types of injuries/illnesses cause disabilities?**
- **What are the costs to SSDI and Medicare of work-related disabilities?**

Most Disabilities Caused at Work Are Due to Musculoskeletal Conditions



Roadmap

- **Among the disabled, what fraction were disabled because of their work?**
- **What types of injuries/illnesses cause disabilities?**
- **What are the costs to SSDI and Medicare of work-related disabilities?**

Work-Related Injuries May Cost More Than \$33 Billion Over and Above Workers' Comp

• Cost of workers' comp benefits (2001)	\$49.4B	
– Employer costs (NASI)	\$63.9B	
• SSDI cash benefits (2001)	\$59.6B	
– Work-related (37%)		\$22.1B
• Medicare costs for SSDI (2001)	\$29.7 B	
– Work-related (37%)		\$11.0B
• TOTAL Medicare/SSDI costs for occupational injuries (2001)		<u>\$33.1B</u>

Summary of Analysis

- **For the disabled population aged 51-61, one-third became disabled because of their work**
 - **50% among men**
 - **Comparable figures for SSDI population**
- **Work-related disability costs roughly \$33 billion in Medicare/SSDI**
 - **Plus \$64 billion in workers' compensation**

Policy Implications

- **Working conditions are an important source of trends & disparities in older-age disability**
- **SSDI & Medicare bear a good deal of the costs of workplace injuries**
 - **This creates incentives for states to reduce workers' comp benefits**

Policy Implications, Cont.

- **Coordinating SSDI & WC might reduce costs & create safer workplaces**
- **Consider a national commission to examine these issues**
 - **Last commission was established in 1972 to:**
 - **“undertake a comprehensive study and evaluation of state workmen’s compensation laws in order to determine if such laws provide an adequate, prompt, and equitable system of compensation.”**