

## **Disability Heterogeneity in the Impact of the Affordable Care Act's Medicaid Expansions on Disability Employment**

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### **Key Findings and Policy Implications**

This paper examines the impact of the Medicaid expansion in the Affordable Care Act on the employment rate of people with disabilities. Using data from the Current Population Survey from 2008 to 2019, we segment the population with disabilities by disability type, disability recency and labor force attachment, and we analyze the employment effects on each subgroup separately. Our findings are as follows:

- Among people with higher labor force attachment, there is no estimated effect of Medicaid expansion on the employment rate of people with ongoing disabilities. There is suggestive evidence of a negative effect of Medicaid expansion on employment rates for people with higher labor force attachment and new disabilities. The estimated negative effect is -2.5 percentage points, or -3.3 percent relative to the average employment rate for this subgroup.
- Among people with lower labor force attachment, there is suggestive evidence of a positive effect of Medicaid expansion on employment for people with ongoing disabilities. The estimated positive effect is 1.1 percentage points, or a 21 percent increase relative to the average employment rate for this group. We find no effect on employment for people with lower labor force attachment and new disabilities.
- When we disaggregate the population with disabilities by disability type, we find no effect of Medicaid expansion on employment.

The findings from the existing literature on the employment effects of Medicaid expansion on people with disabilities is mixed. This is in part due to different study designs picking up different employment effects on distinct subgroups of people with disabilities. In this study, by separately analyzing the employment effects on different subcategories of people with disabilities, we are able to partially disentangle these differential impacts, since treatment effects for certain disability subgroups can be offsetting.

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