

ABLE Age Adjustment Act: Estimate of Additional Eligible ABLE Participants

The ABLE Act limits eligibility to individuals with significant disabilities who were born with or acquired a disability prior to age 26. HR 4813/S 2704 proposes to expand the eligibility criteria to include people whose disabilities occur prior to age 46.

This document presents an estimate of the additional number of people who will become eligible to open ABLE accounts if the expansion is enacted.

Table 1: Estimated Impact of Age Expansion on ABLE Eligibility, by Selected Categories

	Age of Onset		
	0-25	26-45	Total
Children	3.3 million*		3.3 million
Working age			
SSI and/or DI Beneficiaries	4.1 million	4.8 million	8.9 million
SSI only [†]	<i>1.8 million</i>	<i>1.1 million</i>	<i>2.9 million</i>
DI only [†]	<i>1.7 million</i>	<i>3.2 million</i>	<i>4.9 million</i>
Receiving both SSI and DI (Concurrent beneficiaries) [†]	<i>660,000</i>	<i>450,000</i>	<i>1.1 million</i>
Not receiving SSA disability benefits	650,000	1.4 million	2 million
Veterans			
With Service Connected Disabilities [†]	<i>800,000</i>	<i>1 million</i>	<i>1.8 million</i>
Total Eligible under expansion who were are not eligible under current law	8.0 million	6.1 million	14.2 million

*Midpoint of NDI estimate of children eligible to open ABLE accounts based on ABLE Act.¹

[†]Estimates in blue are counted in other categories (i.e. SSI only is a subset of SSI and/or DI beneficiaries, Veterans are counted in SSI and/or DI beneficiaries or not receiving benefits)

¹ Goodman, N (2015). *Estimated Number of ABLE Act Participants*. National Disability Institute. July 2015.

Justification of Estimate

1. Estimate of Expansion Population

The number of people with disabilities with an age of onset between 26 and 45 who meet the Social Security definition of disability can be divided into three groups:

- Current SSI and/or SSDI beneficiaries.
- Individuals of working age who meet Social Security’s disability definition regarding significant functional limitation but do not receive SSI and/or SSDI benefits (who are permitted to open ABLE with certification from a licensed physician).
- Disabled Veterans (who also fall into category 1 and 2)
- Individuals who had an onset 26-45 but are now over 65 (could be former SSI/DI beneficiaries or not)

a. Estimate of Current SSI and SSDI beneficiaries with disability onset 26-45

Currently, 13 million people receive Social Security Disability (SSDI) or Supplemental Security Income (SSI) ages 18-64. Table 2 presents the estimated distribution of the age of disability onset based on survey of SSI and DI beneficiaries conducted by Mathematica Policy Research. We estimate that 4.4 million beneficiaries had an onset between 26 and 45 (35 percent multiplied by 13 million beneficiaries).

Table 2: Current SSI and SSDI Beneficiaries by Age of Onset and Type of Benefit

	SSI and DI Beneficiaries		SSI only		DI only		Receiving both SSI and DI (Concurrent beneficiaries)	
	Pct	N	Pct	N	Pct	N	Pct	N
Total Number of Beneficiaries	100%	12,956,156	100%	3,527,788	100%	8,021,728	100%	1,406,640
Age at onset								
<18	20%	2.6 million	36%	1.3 million	10%	825,000	33%	460,000
18-25	12%	1.5 million	14%	480,000	10%	825,000	14%	200,000
26-45	37%	4.8 million	32%	1.1 million	40%	3.2 million	32%	450,000
46-64	31%	4.1 million	18%	625,000	39%	3.1 million	21%	290,000

Sources: Author’s estimate based on Number of Beneficiaries, Social Security Annual Statistical Report.² Age of Onset: MPR Analysis of National Beneficiary Survey, Table C.9.³ MPR age categories differed slightly from the categories shown here. In order to develop an estimate of the number of beneficiaries age 26-45 we assume that age is equally distributed within each age group. For example, one-fifteenth of the individuals in the age group 25-39 are age 25. Percentages were also adjusted to exclude respondents for whom age on onset is not known. Percentages for SSI and/or DI beneficiaries differs slightly from the Mathematica number because is computed

² Social Security Administration (2017). Annual Statistical Report on the Social Security Disability Insurance Program, 2016 https://www.ssa.gov/policy/docs/statcomps/di_asr/2016/sect05.html#table66

³ Thornton, C., Fraker, T., Livermore, G., Stapleton, D., O’Day, B., Silva, T., Martin, E.S., Kregel, J. & Wright, D. (2006). *Evaluation of the Ticket to Work Program: Implementation Experience During the Second Two Years of Operations* (2003-2004). Submitted Mathematica Policy Research and Cornell University Institute for Policy Research to Social Security Administration, Office of Disability and Income Support Programs. https://www.ssa.gov/disabilityresearch/ttw2/ttw_report2.pdf

based on the percentages of SSI only, DI only and concurrent beneficiaries from the report and applied to the current based on the current number of each type of beneficiary.

b. Estimate of non-beneficiaries who would meet the SSA definition with disability onset 26-45

Several large national surveys estimate the number of people with disabilities. Estimates vary based on exact definition of disability and data source. The American Community Survey estimates 40 million (12.6 percent of adult population). The National Health Interview Survey estimate 57 million (20 percent of adult population). These estimates captures people with a wide variety of functional limitations and do not allow researchers to identify whether those limitations are severe enough to qualify for an ABLE account.

In order to estimate the number of individuals with a disability in the US we assume the midpoint of these estimates-48 million. Verbrugge and Yang estimate the age of onset based on individuals with Disabilities in personal care (limitations in Activities of Daily Living -ADLs), household management (Instrumental Activities of Daily Living -IADLs) and physical functions.⁴ We use the distribution on onset of IADLs as a measure of those most likely to qualify for an ABLE account.

We apply Verbrugge and Yang’s age distribution (Table 3) to the broad definition and find there are 8.4 million people with disability onset between 26 and 45. Of those, 4.5 million (see section a above) are SSI or SSDI beneficiaries leaving 3.9 million additional, a subset of whom have disabilities significant enough to qualify them for ABLE programs. Existing data sources do not provide information to estimate the size of the subset.

One-third of the working age population with disabilities are currently participating in the labor market (31 percent employed, 3 percent unemployed).⁵ Assuming that employment rate is constant regardless of onset, 2.8 million people with working age people with disabilities are currently in the labor force. Conservatively, we estimate that half of those who identify as having a functional impairment and are participating in the labor market (1.4 million) would meet the SSA definition of disability if they were not working.

Table 3: Disability Population by Age of Onset of Individuals who are Currently of Working Age based on Broad Definition of Disability

	Percent**	N (calculated)
Number *	100%	24 million
Age of onset**		
Less than 19	14%	3.3 million
20-25	5%	1.2 million
26-45	35%	8.4 million
46-65	46%	11.1 million

Sources: *Midpoint of various estimates Source. **Author’s calculation from Verbrugge and Yang

⁴ Verbrugge, L.M. & Yan, L. (2002). Aging with Disability and Disability with Aging. *Journal of Disability Policy Studies*. 12(4):253-267. Table 3.

⁵ Bureau of Labor Statistics (2017). Economic New Release: Table A-6. Employment status of the civilian population by sex, age, and disability status, not seasonally adjusted. <https://www.bls.gov/news.release/empsit.t06.htm>

c. Veterans

Almost 4.5 million veterans receive Disability Compensation is for Veterans with a Service-Connected disability (ie. “in recognition of the effects of disabilities, diseases, or injuries incurred or aggravated during active military service”). The compensation level is based on the percentage of disability (Table 4). Veterans may receive both VA disability compensation and SSDI. Recipient of a very high VA rating (70% or higher) usually meet the Social Security definition of disability.⁶ A portion those with lower levels may will meet the SSA definition thus qualify for ABLE. We assume that half of those with disability ratings of 50 and 60 percent would qualify. Thus almost 2 million veterans would be eligible in the absence of age of onset restrictions.

Table 4: Disability Compensation for Service-Connected Disability, 2016

Total Veterans with a Service-Connected Disability	4,356,443
0 to 20 percent	1,318,939
30 to 40 percent	785,690
50 to 60 percent	675,865
70 to 100 percent	1,575,952

Source: <https://www.benefits.va.gov/REPORTS/abr/ABR-Compensation-FY16-0613017.pdf>

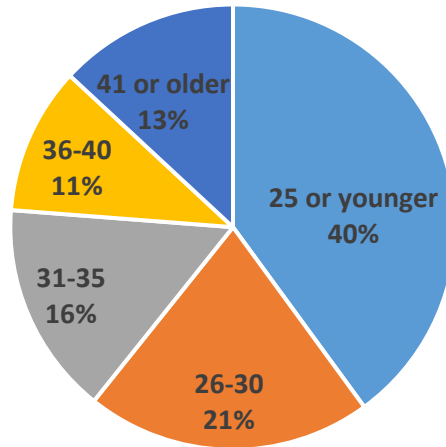
According to the department of defense, 40 percent of the military is 25 or younger and 48 percent are 26-40 (Table 5)⁷.

Assuming that the chances of acquiring a service-connected disability are the same regardless of age, we compute that one million disabled veterans (50 percent of 2 million) will become eligible based on the age expansion.

⁶ <http://www.disabilitysecrets.com/resources/disability/disability-social-security/overview-social-security-va-veterans-disability>

⁷ Department of Defense (2017). 2016 Demographics: Profile of the Military Community. <http://download.militaryonesource.mil/12038/MOS/Reports/2016-Demographics-Report.pdf>

Table 5:Age Distribution of Total Military Force (N=2.1 million)



Source: 2016 Demographics: Profile of the Military Community, Table 1.09

2. Estimate of Eligible Population under Current Legislation

Children: NDI estimated that 2.6 – 4 million children and 4.1-8 million adults are eligible for ABLE accounts under the current law. A full description explanation of the estimation methodology is available from NDI.⁸These estimates are based on two sources: The National Survey of Children with Special Health Care Needs estimated that 3.5 percent of children 0-17 (2.7 million children) have functional limitations.⁹ NDI calculated based on the number of children receiving special education services that four million have disabilities that likely meet the severity criteria in the ABLE Act.

SSI/SSDI Population: Using the approach described in section a above, 4.4 million SSI and SSDI beneficiaries had a disability onset prior to age 26.

Not receiving benefits: Using the approach described in section b above, using a broad definition of disability 5.7 million people had a disability onset prior to age 26, 4.4 million of whom are current SSI/SSDI beneficiaries. Thus some portion (we estimate half) of the remaining 1.3 million have a disability which would qualify them for ABLE.

Veterans: Using the approach described in section c above, 40 percent of the 2 million disabled vets likely to be eligible for ABLE (800,000) had a disability onset prior to age 26.

⁸ Goodman, N (2015) Estimated Number of ABLE Act Participants. National Disability Institute (January 6, 2015)

⁹ National Survey of Children with Special Health Care Needs. NS-CSHCN 2009/10. Data query from the Child and Adolescent Health Measurement Initiative, Data Resource Center for Child and Adolescent Health website. <http://www.childhealthdata.org/browse/survey/results?q=1828&r=1>. Qualifying disability defined as having a functional limitation

3. Additional Notes:

Over age 65: The prevalence of disability rises significantly with age. For example, according to the American Community Survey, while 13 percent of adults age 35-64 have a disability this percentage increases to 25 percent of individuals 65 to 74 and 50 percent of individuals 75 and over. However, while some elderly people acquired their disability as they aged, some age with disability. We did not produce an estimate of the number of the 20 million people over age 65 who had a disability onset prior to age 45 because it is not likely that these individuals would open an ABLÉ account.

Progressive nature of disability: The age of onset is not always straightforward for the population of people who acquire a disability between ages 26 and 45. A large percentage of SSI and SSDI awards in this age group are for “diseases of the musculoskeletal system and connective tissue,” “diseases of nervous system and sense organs” and mental health disorders. Many of these are the result of the progressive illness or chronic disease. Thus, the date at which the condition first appeared may be different from the date at which it became “disabling.”

Medicaid Eligibility for SSDI Beneficiaries: SSDI beneficiaries are eligible for Medicare after a 2 year waiting period. They may also be eligible for certain Medicaid benefits if they meet income and asset requirements. Attaining or maintaining eligibility for Medicaid could motivate SSDI beneficiaries to use open ABLÉ accounts.

There are 5.4 million SSDI beneficiaries (roughly 40 percent of whom had an age of onset 26-45) who are dually eligible for Medicare and Medicaid: 3.8 million full duals, and 1.6 million Partial Duals or MSPs.¹⁰ Of the 3.8 million full duals, 1.4 million are concurrent SSI/SSDI beneficiaries.¹¹ The remainder are SSDI beneficiaries with low incomes and assets.

Category	Benefit	Income	Asset restrictions
OPTIONAL MEDICAID ELIGIBILITY PATHWAYS FOR PEOPLE WITH DISABILITIES			
Incomes up to 100% of FPL (21 states)	Full Medicaid coverage	100% of FPL	Usually \$2000 for individuals, \$3000 for couple
Medically Needy (33 states)- Often called spend-down	Medicaid eligibility for those with high expenses—people “spend down” to the medically needy income level	Varies by state, tends to range from 50-75% of FPL	Usually \$2000 for individuals, \$3000 for couple
Medicaid Buy-In for Working People with disabilities	working individuals with disabilities, whose incomes and/or assets exceed the limits for other eligibility pathways, to “buy-in” to Medicaid coverage.	Varies by state. In 2015, median was \$2453 per month	Varies by state. Median in 2015 was \$10,000 for individual, \$15,000 couple. Eight states have no asset limit
SPECIAL INCOME RULE FOR INSTITUTIONAL LEVEL OF CARE			
Special Income Rule (44 states)	Medicaid benefits (including LTC for people whose functional needs require an institutional level of care	300% of FPL	Usually \$2000 for individuals, \$3000 for couple. Spousal

¹⁰National Profile of Medicare-Medicaid Enrollees (2012) <https://www.cms.gov/Medicare-Medicaid-Coordination/Medicare-and-Medicaid-Coordination/Medicare-Medicaid-Coordination-Office/Analytics.html> Table 2.

¹¹ MACPAC (2018). Dually eligible beneficiaries. <https://www.macpac.gov/subtopic/dually-eligible-beneficiaries/>

			impoverishment protections
MEDICARE SAVINGS PROGRAMS (MSPs)-REQUIRED			
Qualified Medicare Beneficiaries (QMBs)	Medicaid pays Medicare premiums and cost-sharing obligations	incomes up to 100% FPL	Usually \$7,280 for individual and \$10,930 for couple. CO, MN, NM has slightly higher limits. ME—much higher
Specified Low-Income Medicare Beneficiaries (SLMBs)	Medicaid pay Medicare premiums only	from 100 to 120% FPL	
Qualified Individuals (QIs)	Expansion of SLMB-- Medicaid assistance with paying their Medicare Part B premiums	up to 135% FPL	

Other means-tested benefits for SSDI beneficiaries: SSI beneficiaries are generally categorically eligible for SNAP, certain housing assistance, and other means-tested programs. SSDI beneficiaries may qualify if they meet the income and asset limits of the programs.