The short to medium term effects of reassessments of disability support pensioners on welfare recipiency and antidepressant use

[Preliminary work – Please do not cite without permission from the authors]

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In a nutshell

What? How was **healthcare** use and income support affected by **reassessment of** disability support pensioners including after the reassessments stopped. Gender difference?

Why? **1.** DSP recipients large and growing.

2. **Many stricter policies** yet **consequences underexplored** (labour -short time span).

3. Puzzling **gendered effects** reported yet unexplained (women worse off)

How? Difference in Difference as policy only targeted those under 35

Findings: Significant **long term and gendered** effect :

- Increase in antidepressants
- Women less likely to be on income support-> partner's income?

Suggestive of **strong stress** with **lasting consequences.**

Caution when deciding whether or how to implement reassessments.

2014 Reassessment of "Disability Support Pensioners"

- Number of DSP recipients **increasing** over time
- Recent changes: **stricter** entry or reassessments
- Our policy: **Reassess DSP recipients <35** y.o. vs new Impairment Tables
- Aim: **Moving** people off welfare **into work**
  - Growth seen as threat to safety nets
  - **Working** can be **beneficial**?

➔ Question: What about **long term healthcare use** & **welfare recipiency?**

Related literature on health(care)

- Mostly on **labour potential** => Some can work (30-50%) Bound (1989); Von Wachter et al. (2011); Chen & van der Klaauw (2008); Maestas et al. (2013); French & Song (2014); Moore (2015)
- DI reduces **financial distress** Deshpande (2019)
- Mortality - Gelber et al. (2018): more money => less deaths
  - Garcia-Gomez & Gielen (2018): **review => more female deaths not male**

  We know **gender differences in award** rates (Cabral & Dillender 2024)
- Health: inconclusive on a UK policy
  - Curnock et al. (2016) stricter policy (SF12-survey data) found on average positive changes
  - Barr et al (2016) using aggregated data show increases in area trends in **suicides**, self-reported **mental health problems** & **antidepressant** scripts
- Healthcare use (pre PLIDA) 2.5 years follow up-> **increased scripts suggestive of stress**

PLIDA data (2011-2019)

Census linked data to taxes, welfare, subsidized healthcare use, (cause of) deaths …

- **Income support**: type of support, amount and exact dates (2009-2021)
- PBS (medication) : exact **script** received
- MBS (medical services/visits): exact service or **visit** with date
- Exact date of birth

Strategy

The reform July 2014

Reassess DSP entrants 2008-2011 **<35 years old**

Data Selection: on DI in 2011q4 (welfare data – select aged 29-31)

Outcome: income support, medication and medical visits

Exploit **longitudinal** data to examine changes for the same (treated) group **before** and **after** the reform (those under 35)

Other changes over time? → Remove those changes thanks to a population "similar in trend" (control): those aged 35+ (36-38). **(Diff in Diff)**

$$H_{it} = \beta_0 + \beta_1 Young_i + \beta_2 Post2014_t + \boldsymbol{\beta_3} Young_i * Post2014_t + \varepsilon_{it}$$

Sample characteristics

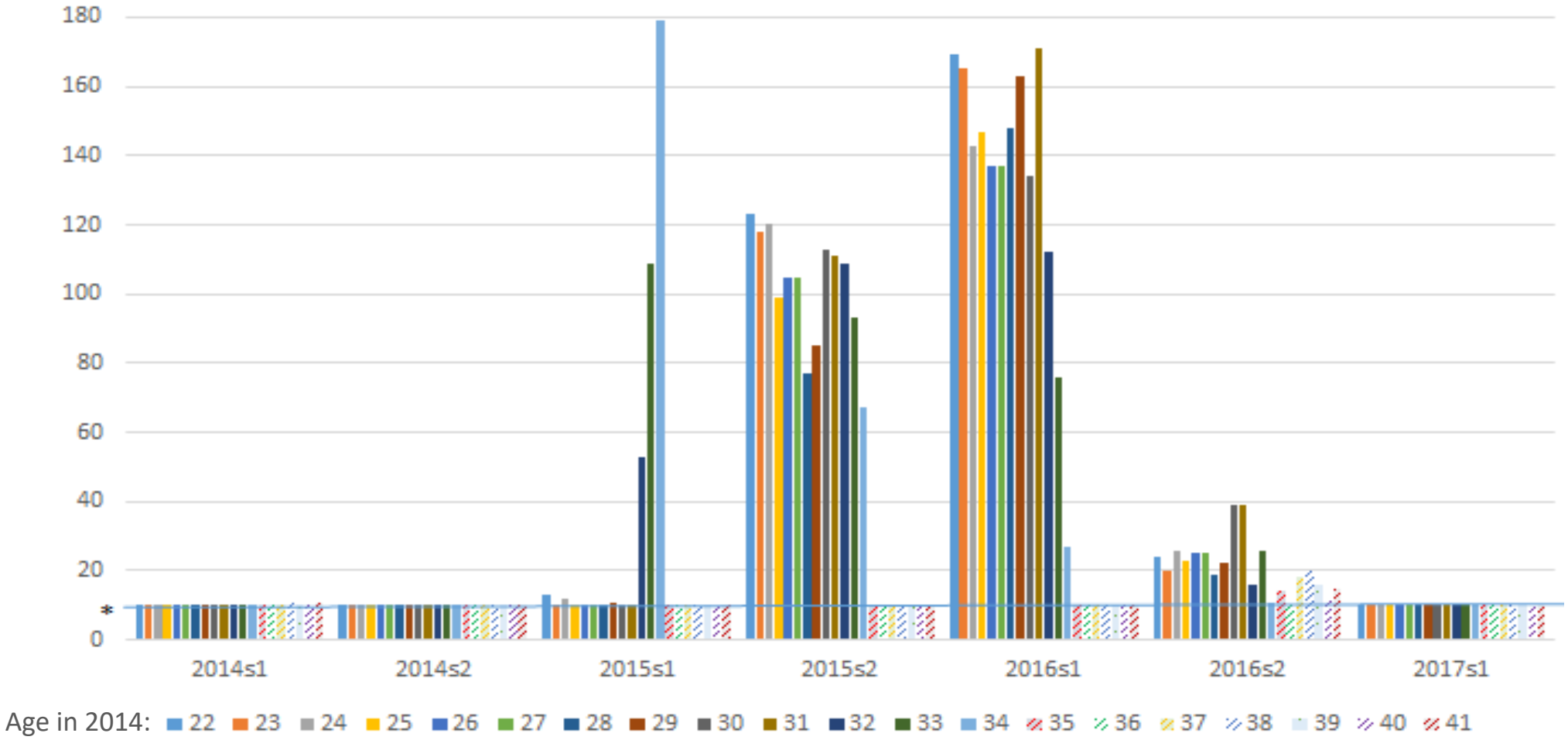
	Treated / Young Group (29-31 y.o.) N=22,281		Control /Old Group (36-38 y.o.) N=27,321	
Age (yrs) as at 9th August 2014	30.02		37.03	
Female	42.9%		42.0%	
Disability Support Pension 2011	100%		100%	
Disability Support Pension 2016	91.5%		94.9%	
Unemployment benefits 2011	5.59%		5.70%	
Unemployment benefits 2016	4.13%		1.17%	
		Any use		Any use
Nervous system scripts 2011	8.26 ;	61.6%	10.67 ;	70.6%
Nervous system scripts 2016	9.50 ;	61.9%	11.71 ;	70.2%
GP visits 2011	6.88 ;	87.1%	8.24 ;	89.6%
GP visits 2016	7.65 ;	88.4%	8.77 ;	89.8%
Specialist visits 2011	1.66 ;	33.1%	1.75 ;	34.8%
Specialist visits 2016	1.72 ;	35.6%	1.74 ;	36.9%

RESULTS

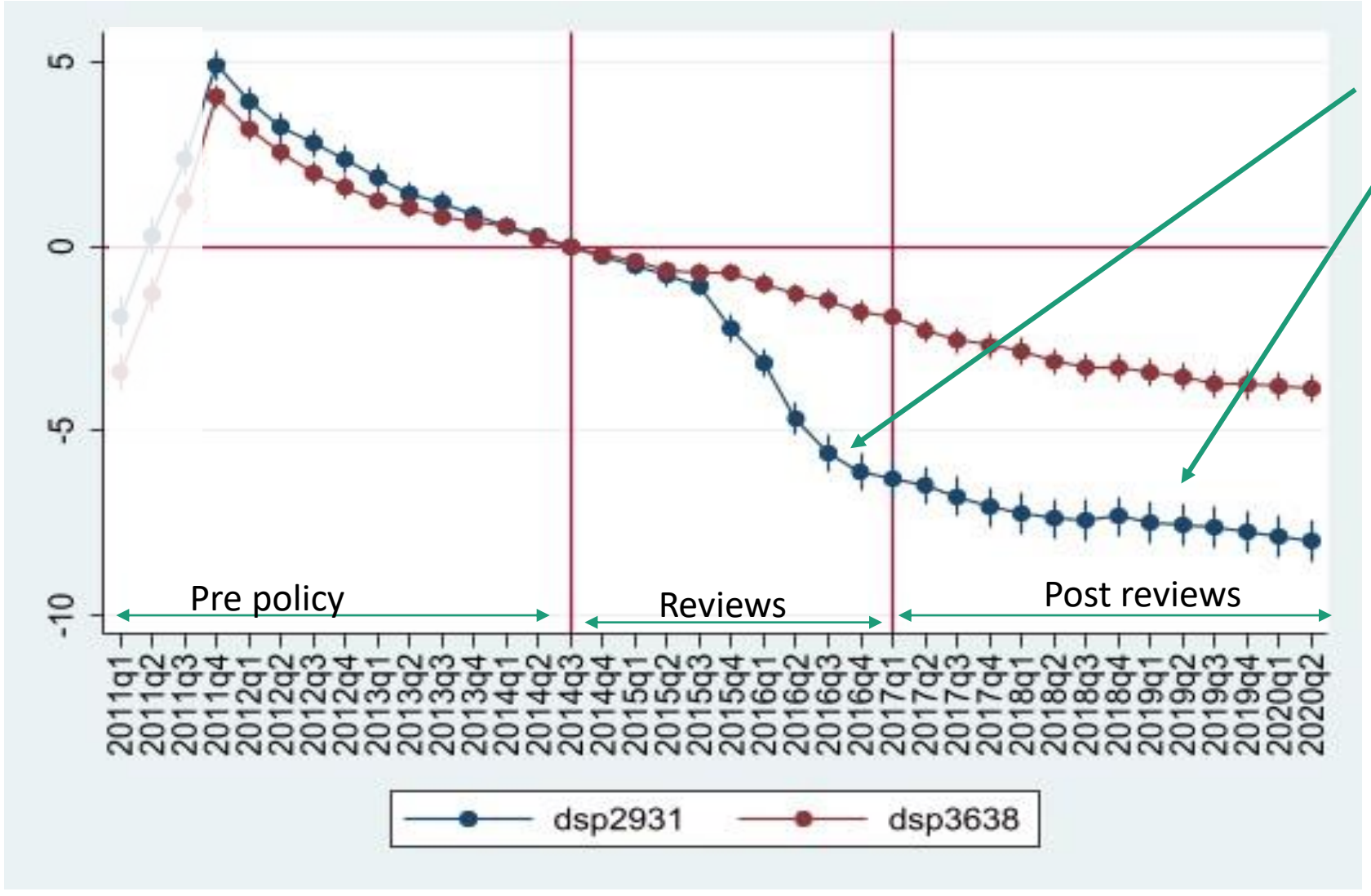
What do we find?

Can we see the reform?

Medical reasons for DSP exit – not much after 2016



Disability Support Pension- % points



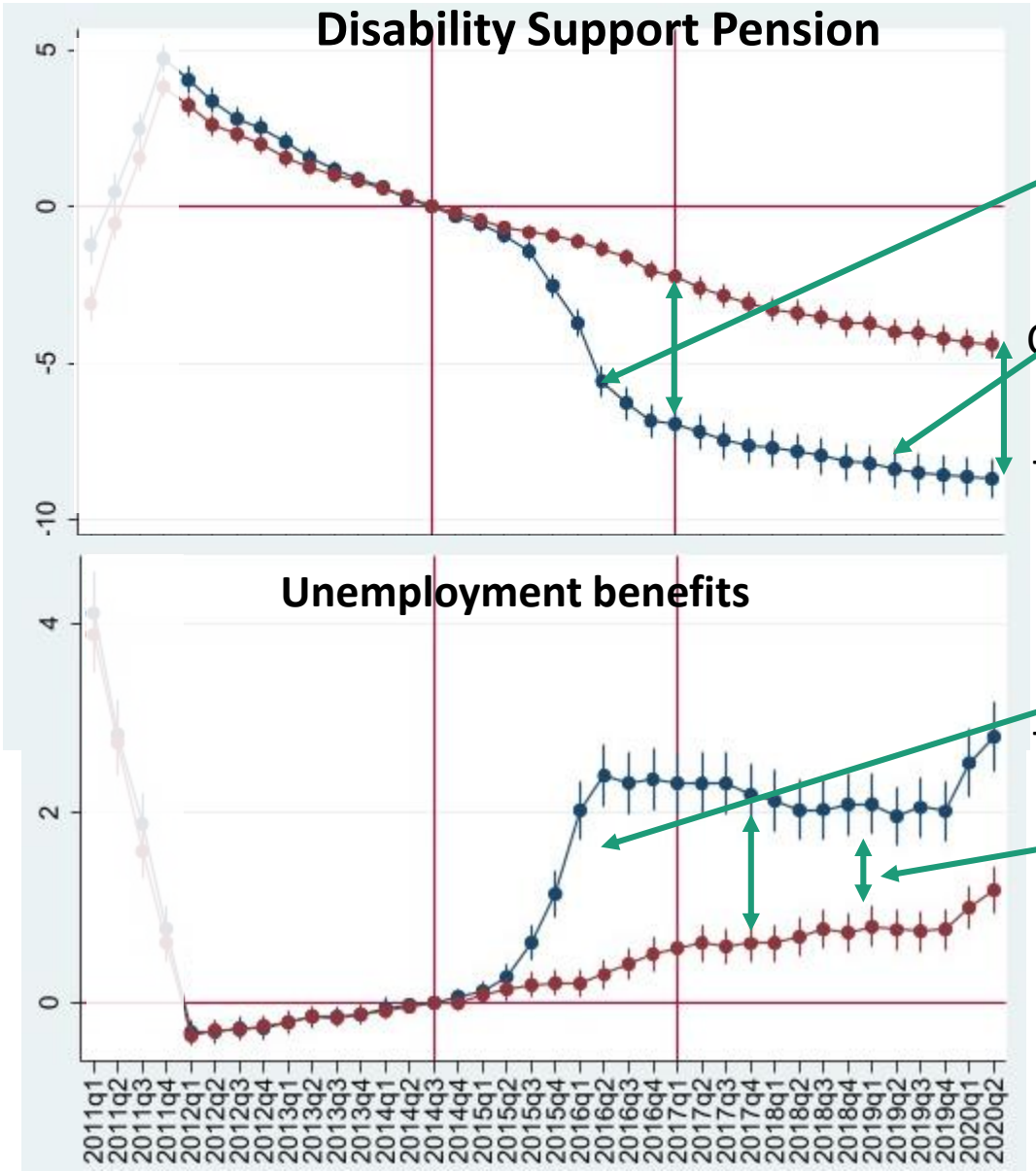
<35 exit DSP

Not coming back to DSP

>35 in red

<35 in blue (treated)

Probability to be on welfare benefits (females)



<35 exit DSP

Not coming back to DSP

Control group (over 35 : 36-38)

Treated group (under 35: 29-31)

They go onto unemployment benefits

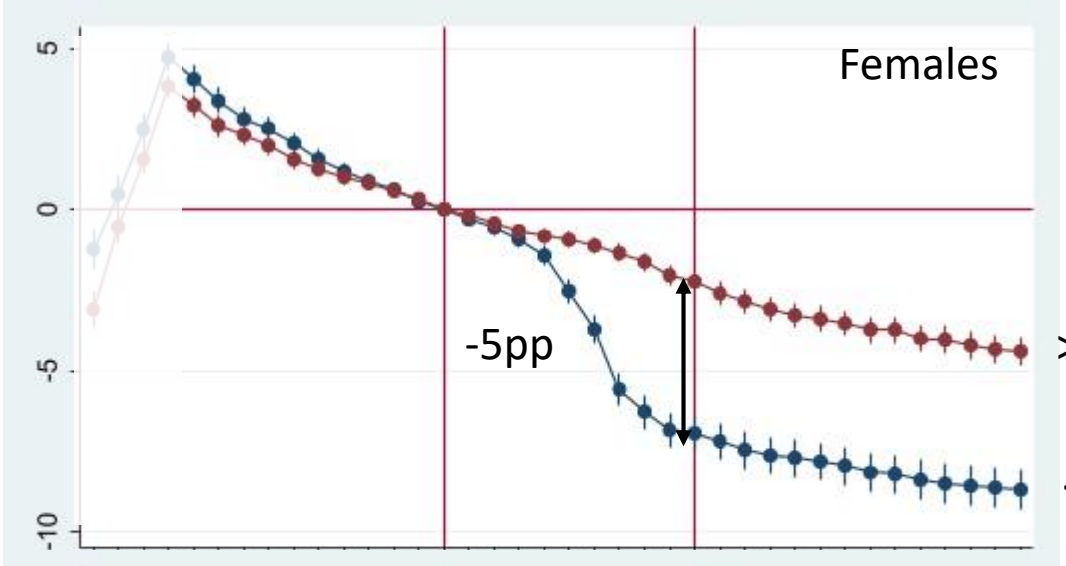
Treated

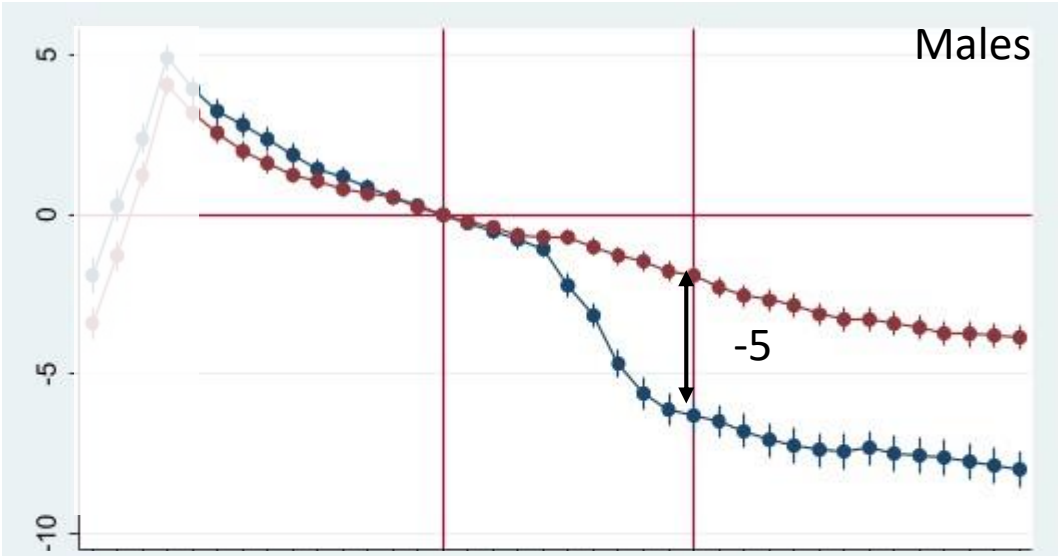
Catch up effect (those who have later gone onto unemployment benefits, already on unemployment benefits)

Control

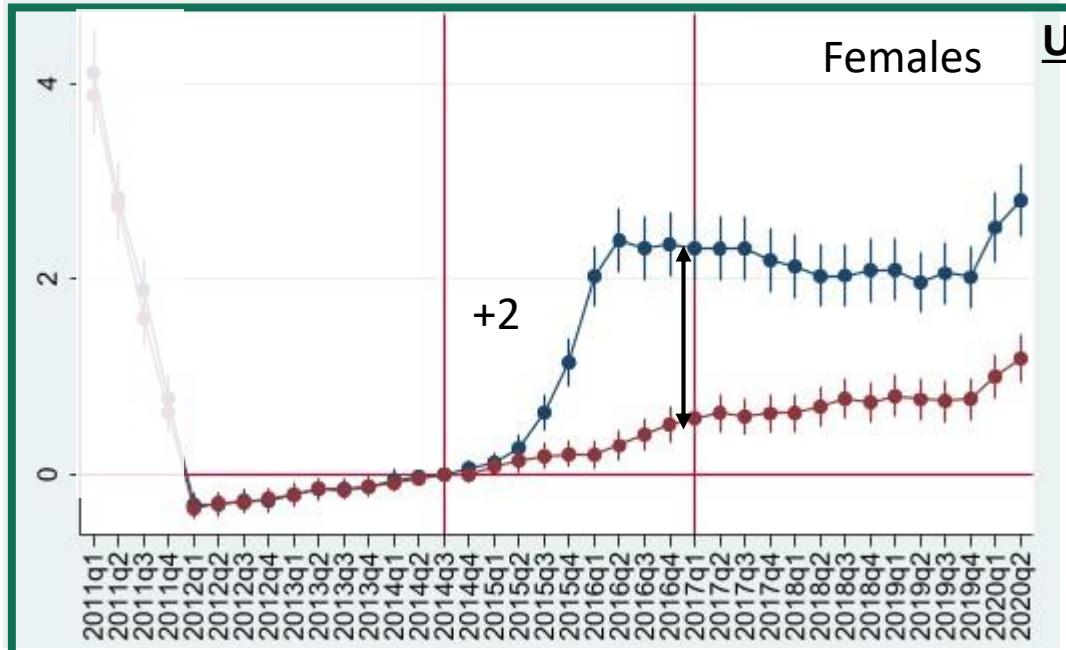
Welfare Benefits - % points

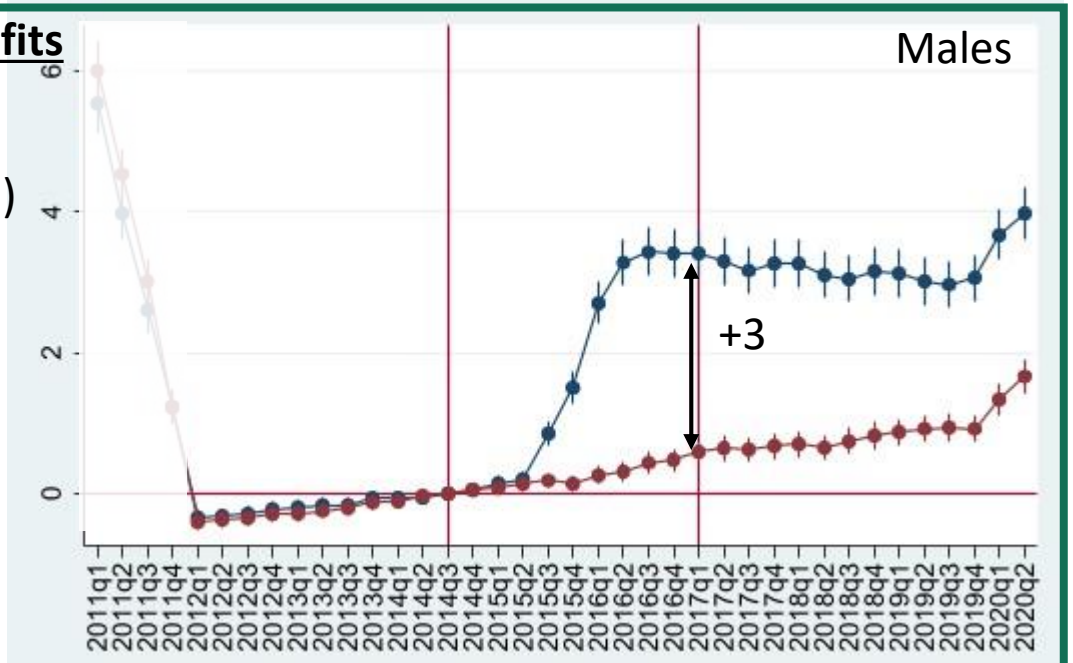
Disability Support Pension



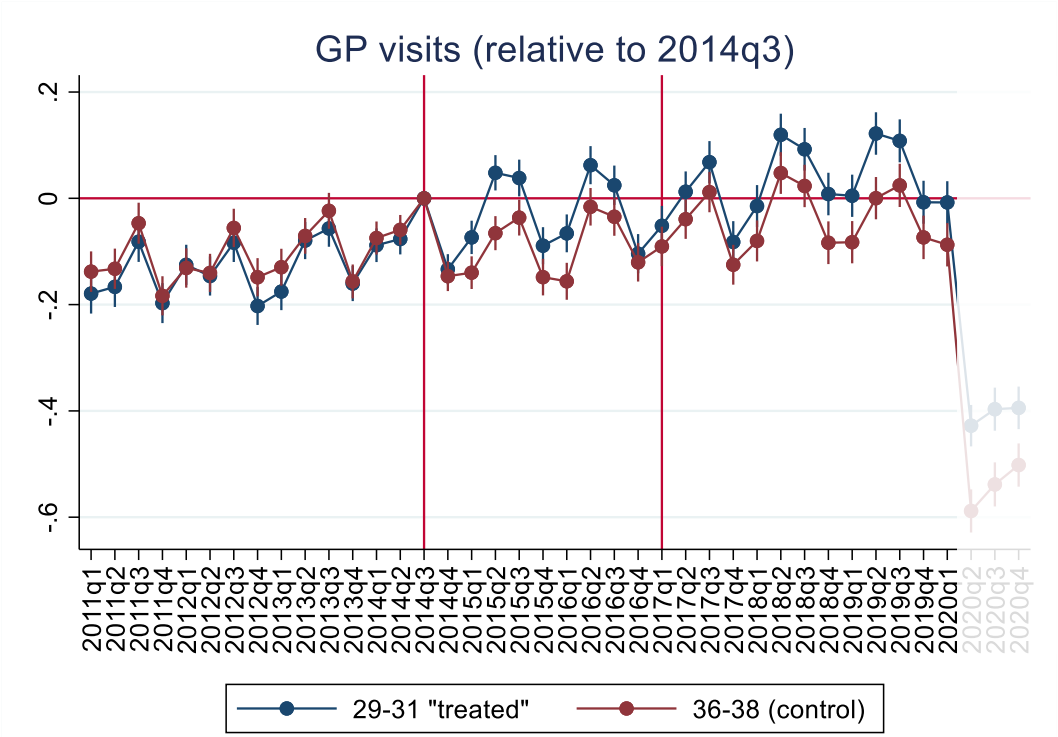


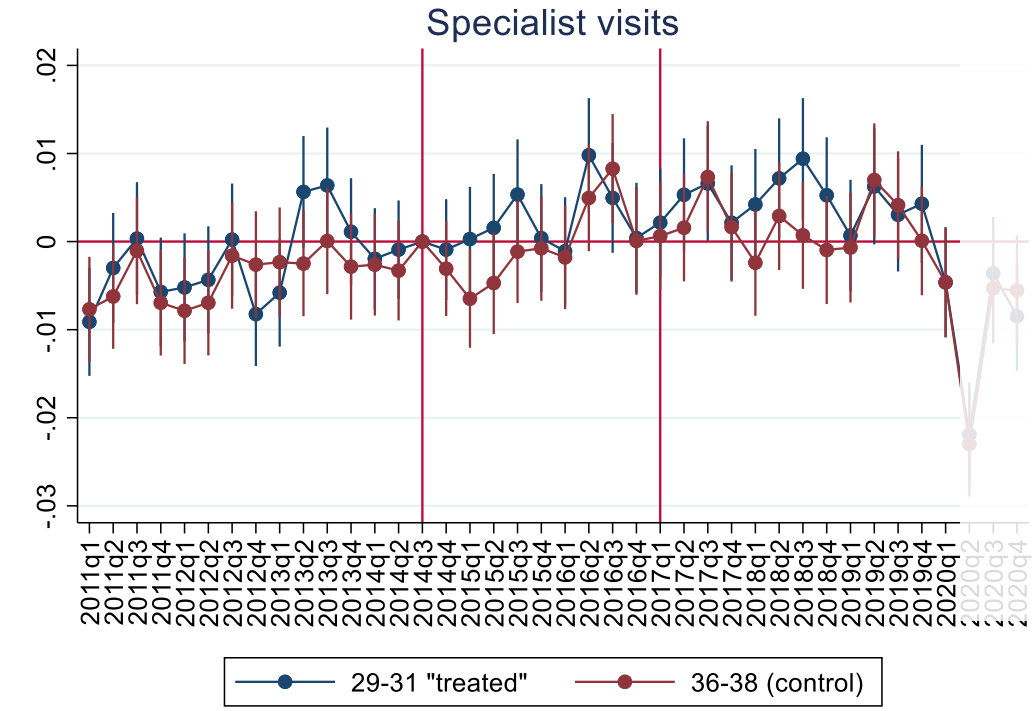
Unemployment benefits



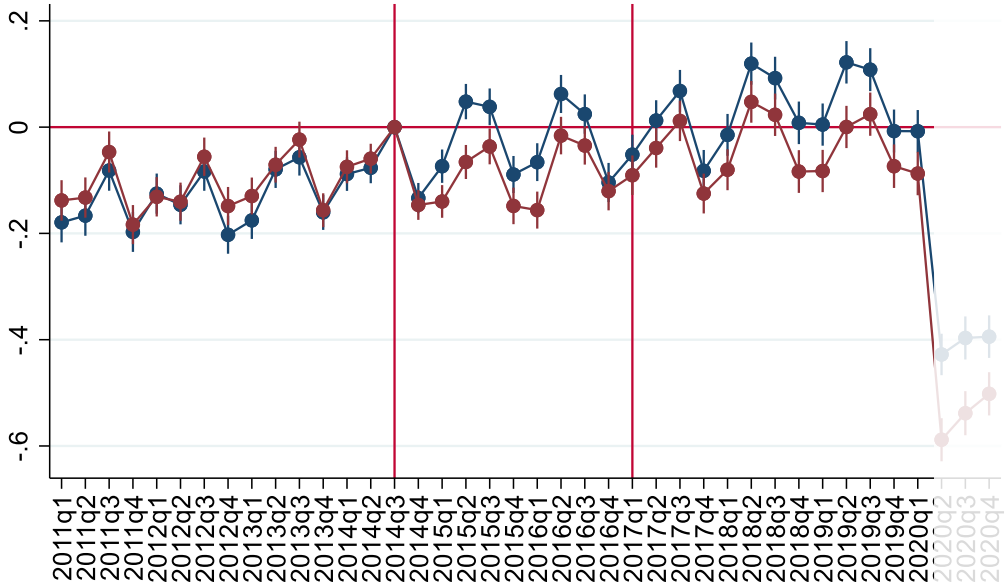


Do people seek medical evidence to stay on DSP?


GP visits (relative to 2014q3)
29-31 "treated"
36-38 (control)


Specialist visits
29-31 "treated"
36-38 (control)

What type of GP visits?


GP visits (relative to 2014q3)
.2
0
-.2
-.4
-.6
2011q1
2011q2
2011q3
2011q4
2012q1
2012q2
2012q3
2012q4
2013q1
2013q2
2013q3
2013q4
2014q1
2014q2
2014q3
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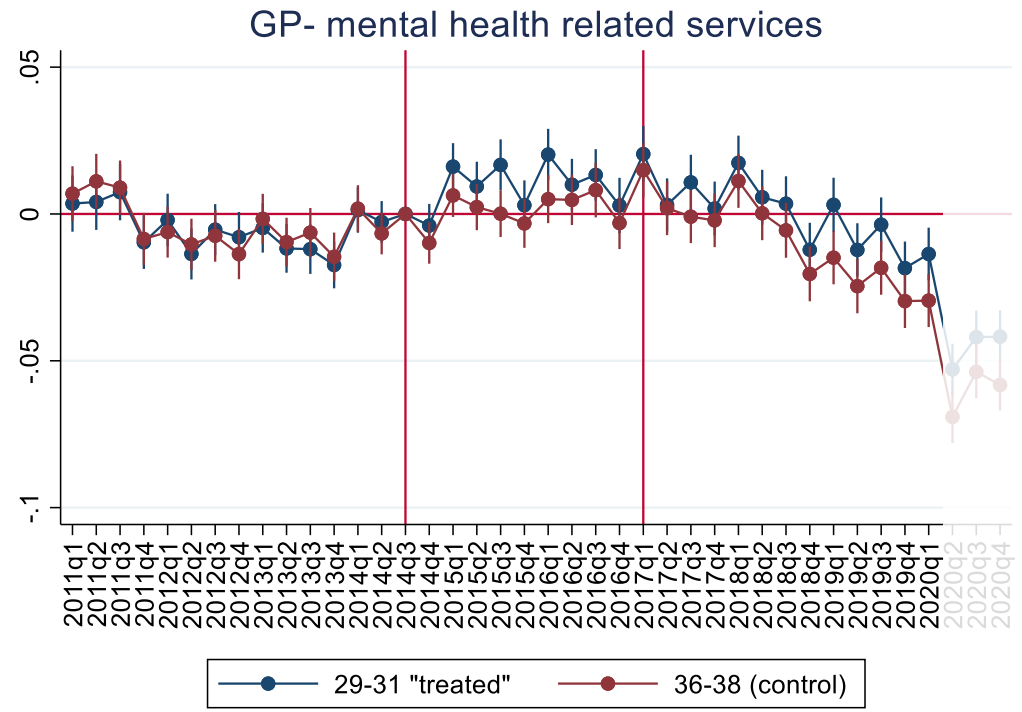
2020q2
2020q3
2020q4


GP- mental health related services
.05
0
-.05
-.1
2011q1
2011q2
2011q3
2011q4
2012q1
2012q2
2012q3
2012q4
2013q1
2013q2
2013q3
2013q4
2014q1
2014q2
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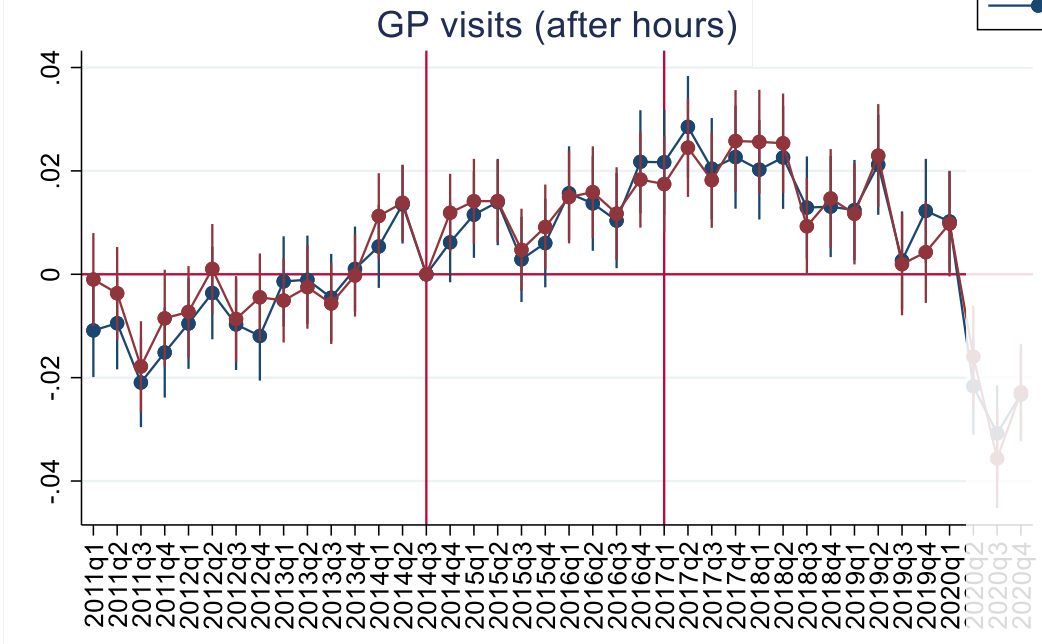
2020q3
2020q4
29-31 "treated"
36-38 (control)


GP visits (after hours)
.04
.02
0
-.02
-.04
2011q1
2011q2
2011q3
2011q4
2012q1
2012q2
2012q3
2012q4
2013q1
2013q2
2013q3
2013q4
2014q1
2014q2
2014q3
2014q4
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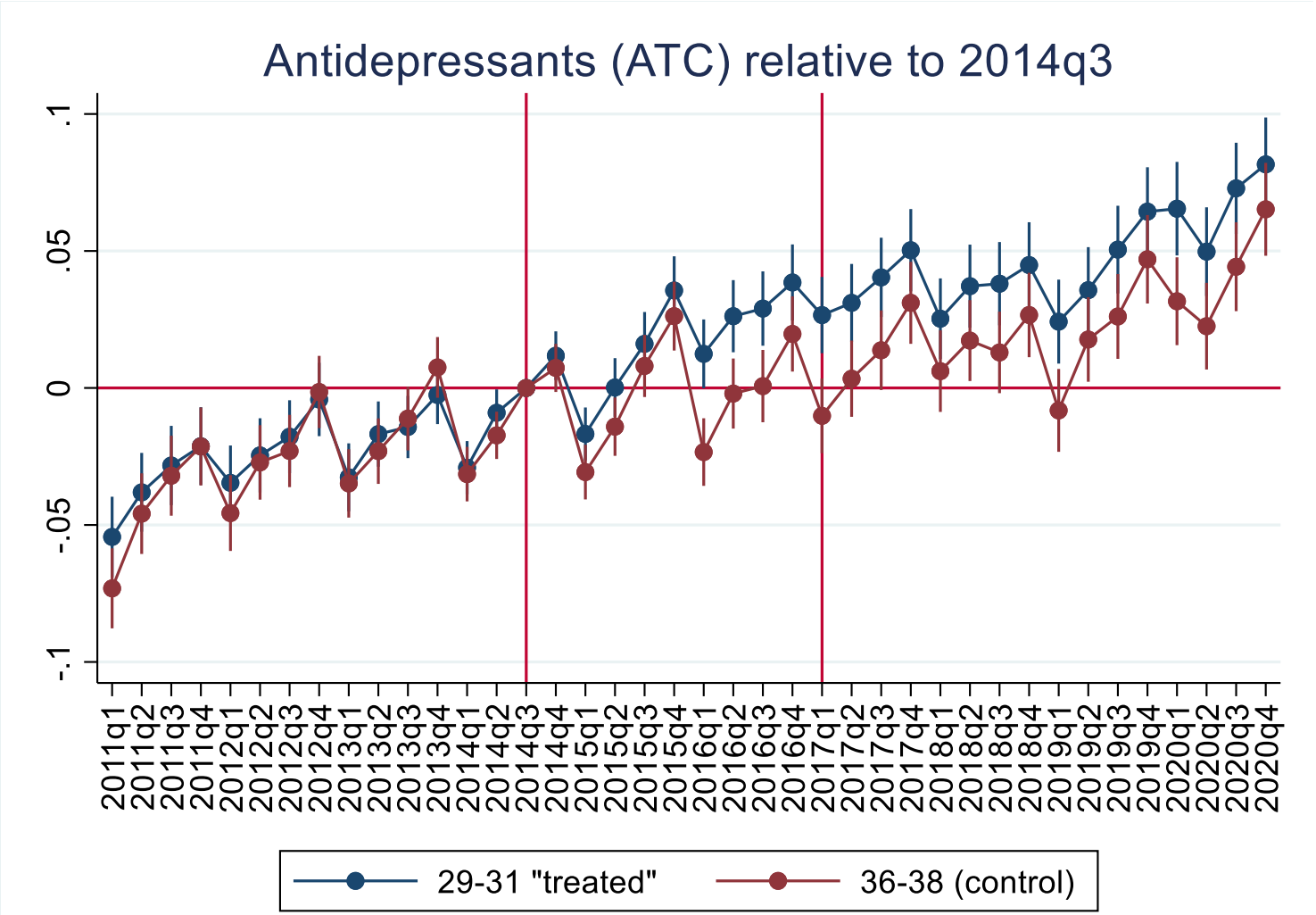
2020q4

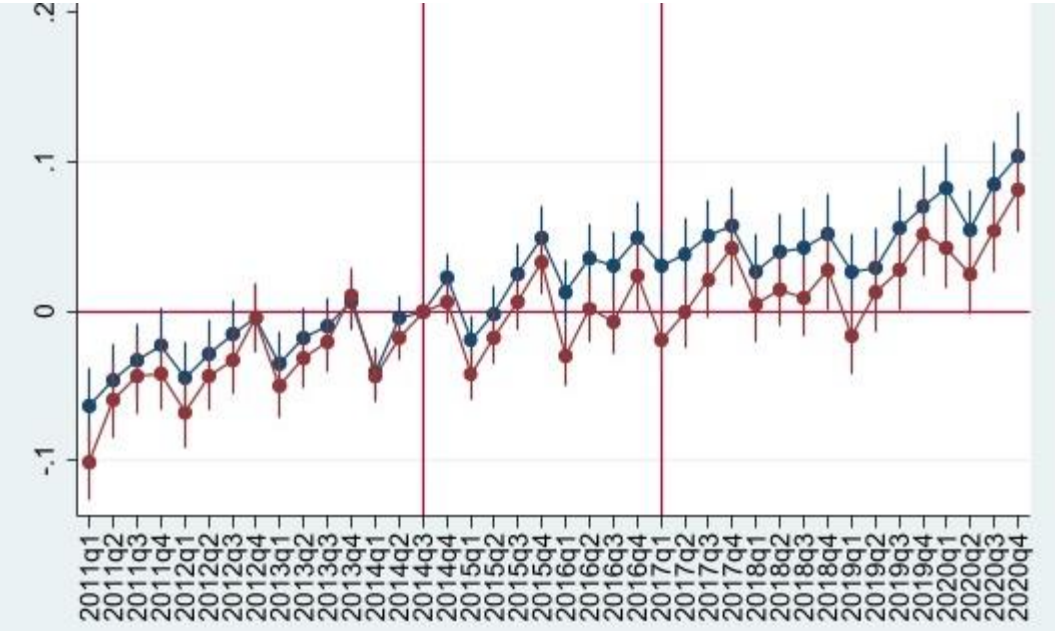
Evidence of stress?
What happens to antidepressants?



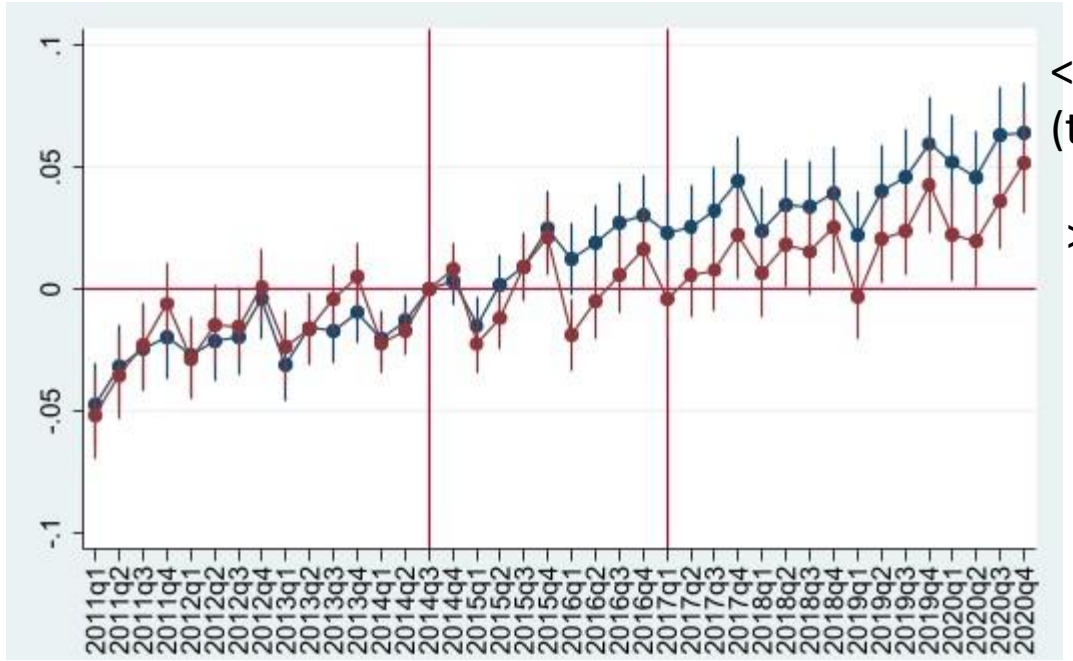
Although reassessments stopped,

Antidepressants did not go back to pre-reform levels

Gendered effects? **Antidepressants** (males on right)



Women



<35 in blue (treated)

>35 in red

Men

Women have about double the increase experienced by men?

Conclusion and next steps

- Based on 2015 & 2016-> Reform costly.
- Given the permanent exit out of DSP, then accounting only for costs to welfare system (reduced) and subsidized healthcare (increased), reform led decreased costs (2015-2019) but no account for costs related to:
  - Appeals (DSS and judicial system), reapplication
  - Carer's time, their wellbeing and that of household and DSP recipient
- Consequences greater than initially shown: long lasting (is it about antidepressants being hard to come off?)

Conclusion and next steps (Cont.)

- Future policies should account for potential **unintended consequences but we also need to better understand the "distribution" of those consequences:**
  - gender and household composition must matter
  - labour very good outcome? Short term only?
  - Combination of work and DSP ?
  - Rurality
  - Age?
  - Those with specific conditions/scripts ?

Thank you

Comments and feedback very welcome on how to extend and improve our work!

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Data from the Australian Bureau of Statistics:

- Customised Person Level Integrated Data Asset (PLIDA) [DataLab]
- PLIDA Basic Longitudinal Extract 2016 data for all other graphs, tables and results