

Workers with eye-care coverage work more hours and rise higher within their organizations

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More than half of adults in the United States have clinically significant eyesight problems that can compromise their performance in the workplace. While many people can afford to improve their vision with eyeglasses or contact lenses, that can be a financial burden for workers on Medicaid, a joint federal and state health insurance program for pregnant women, low-income families and disabled people.

Yet states have leeway in deciding which benefits are available to their enrollees—and access to vision coverage isn't universal said Brandy Lipton, a public health researcher at San Diego State University.

"Vision coverage policies vary across states, with some states not providing any coverage, some covering exams to assess visual acuity, and some covering exams and eyeglasses for vision correction," Lipton said.

Given that range of coverage, access to vision care through insurance programs like Medicaid represents not just a public health concern, but an economic one, Lipton said. In a new study, Lipton and coauthor Michel Boudreaux of the University of Maryland, College Park, analyzed the effects of Medicaid vision benefits in the workforce and found evidence that coverage may boost productivity.

"Vision coverage doesn't appear to affect whether adults are employed or unemployed," Lipton explained, "but those with coverage do tend to

work more hours and to be employed in occupations that require a higher level of skill."

Previous studies have found that as Medicaid benefits rise, employment and labor outcomes suffer slightly. Overall employment and hours worked fall as benefits increase. That's because such benefits represent a kind of implicit tax on earning, dampening salaries and reducing what economists call "the returns to work," or the economic payoff for working.

But that's not the whole story, said Lipton. Little is known about how specific services, like vision care, affect work activity.

So, the authors analyzed data from a household survey of Americans, the Current Population Survey, administered between 2002 and 2013. They reviewed statistics such as full-time and part-time employment status, hours worked, hourly wages and occupational skill level. Then they mapped those data points to state-by-state data on Medicaid adult vision coverage collected by the Kaiser Family Foundation. Crucially, they looked at before-and-after data from states that changed their policies to newly offer vision coverage. That allowed the researchers to zero in on the effects vision coverage had on employment.

"So, intuitively, we observe employment outcomes among Medicaid enrollees before and after they have vision coverage through Medicaid," Lipton said.

Controlling for factors such as poverty level and additional insurance coverage, Lipton and Boudreaux found that vision coverage under Medicaid didn't appear to affect whether workers were employed or unemployed. Vision coverage also didn't appear to boost hourly wages.

But those who were employed and lived in states with generous vision

benefits were about 13 percent more likely to work full-time than part-time than those who lived in states with no or limited Medicaid vision coverage. The authors recently published a preprint of their paper on the *Social Science Research Network* website.

Workers living in states that offer Medicaid adult vision coverage also tended to have higher occupational skill levels than uncovered workers. "That suggests vision coverage may facilitate switching to higher-skilled occupations," Lipton said.

Overall, the work suggests expanding [vision coverage](#) under Medicaid can have tangible benefits to workers' career prospects, Lipton said. Further work is needed to tease out how other individual benefits within insurance policies affect economic outcomes, she added.

More information: Michel Boudreaux et al. Medicaid Benefit Generosity and Labor Market Outcomes: Evidence from Medicaid Adult Vision Benefits, *SSRN Electronic Journal* (2018). [DOI: 10.2139/ssrn.3101045](#)

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