

Fact Sheet

IWPR #B299 October 2011

Paid Sick Days in Denver Would Improve Health Outcomes, Reduce Racial/Ethnic Health Disparities, And Help Control Health Care Costs

In Denver, 41 percent of the private-sector workforce, or 107,407 workers, lack access to paid sick days. In the present research, the Institute for Women's Policy Research (IWPR) estimates the improvements in access to health care and health outcomes that Denver workers without paid sick days and their families would experience if they were to gain access to paid sick days. In addition, IWPR examines the impact of paid sick days access on racial/ethnic disparities in access to health care and health outcomes and quantifies the cost of preventable emergency department visits in Denver. A regression analysis of data from the 2008–2009 National Health Interview Survey was conducted to estimate the size of the impact that access to paid sick days has on self-reported health status, the likelihood of delaying medical care for oneself or one's family member, and the number of visits to hospital emergency departments for oneself or one's child. After controlling for demographic variables and the presence of chronic health conditions, IWPR estimates that access to paid sick days is associated with better outcomes on all three variables: better self-reported health, a lower likelihood of delayed medical care, and less frequent visits to hospital emergency departments (Table 1).

IWPR analysis finds that black and Hispanic workers are much less likely than white workers to have access to paid sick days (Table 2). Improving paid sick days access would dramatically reduce this racial/ethnic inequity, and provide communities of color with health benefits that result from paid sick days coverage. In other words, paid sick days hold promise for improving the health of the black and Hispanic communities in Denver and for reducing longstanding racial and ethnic disparities in health (Table 2).

Table 1. Predicted paid sick days coverage and self-reported health, delayed medical care, and emergency department (ED) use, private sector employees

	Self-reported poor or fair health	Reported delayed medical care for self or family member in the last year	Number of ED visits for self or sample child in the last year
Has paid sick days	3.5%	14.7%	34.1 per 100 persons
Lacks paid sick days	4.7%	20.6%	39.7 per 100 persons

Note: Estimates control for gender, age, race/ethnicity (white, non-Hispanic; black, non-Hispanic; Hispanic; other race), education, household income, and chronic conditions.

Source: Institute for Women's Policy Research estimates based upon analysis of the 2008 and 2009 NHIS data for adults aged 18–64 years.

Table 2. Racial and ethnic disparities in self-reported health and access to paid sick days among Denver workers

	Self-re	eported poor or fair health	Has paid sick days
White	3.0%		66.2%
Black	4.0%		55.3%
Hispanic	5.3%		41.1%

Source: Institute for Women's Policy Research estimates based upon analysis of the 2008 and 2009 NHIS data for adults aged 18–64 years.

IWPR finds that among black and Hispanic workers, when controlling for income, education, and other demographic variables, access to paid sick days is associated with better self-reported health, fewer delays in medical care, and reduced usage of hospital emergency departments (Table 3). The data show that, regardless of race or ethnicity, Denver workers with paid sick days and their families are likely to be healthier than those without paid sick days. More limited access to paid sick days, however, means that the black and Hispanic communities in Denver have the most to gain from better access to paid sick days.

Table 3. Paid sick days coverage and predicted self-reported health, delayed medical care, and emergency department (ED) use, black and Hispanic private sector employees

	Self-reported poor or fair health	Reported delayed medical care for self or family member in the last year	ED visits for self or sample child in the last year
Black			
Has Paid Sick Days	4.0%	14.3%	51.9 per 100 persons
Lacks Paid Sick Days	6.7%	22.6%	59.6 per 100 persons
Hispanic			
Has Paid Sick Days	5.3%	18.1%	36.5 per 100 persons
Lacks Paid Sick Days	7.1%	21.4%	39.2 per 100 persons

Note: Comparisons control for education, income, age, gender, and presence of a chronic health condition. Source: IWPR analysis of 2008–2009 National Health Interview Survey data, private sector employees.

Delaying medical care can aggravate chronic health conditions or increase the severity of critical health conditions or injuries, but workers without paid sick days may be unable to promptly or regularly address health needs. The results of IWPR's regression analyses suggest that the inability to obtain timely and prompt health care as a result of a lack of paid sick time may lead to both worse general health and greater reliance on emergency departments, with serious economic as well as health-related consequences.

Expanded access to paid sick days would be likely to reduce costs associated with emergency room care. Previous IWPR research shows that net cost savings per event treated at the emergency department is about \$826.² If Denver workers without paid sick days were to gain access, 3,161 emergency department visits per year would be prevented, resulting in health care cost reductions of \$2.6 million annually (Table 4).

Health care costs for emergency department use are shared across a variety of private and public insurers, hospitals, and patients.³ For individuals without insurance, hospitals frequently seek payment from the patient. Since medical expenses are one of the most common reasons for individuals filing for bankruptcy,⁴ greater access to paid sick days could contribute to reducing the number of individual bankruptcies in the state. For individuals and families receiving public health insurance—such as Medicaid or the State Children's Health Insurance Program (SCHIP) the hospital is reimbursed by the government. IWPR estimates that public health insurance systems funded by Denver taxpayers would save \$866,953 annually from reduced emergency department use if paid sick days were universal (Table 4).

Table 4. Annual cost savings resulting from unnecessary emergency department (ED) visits in Denver, overall and among those receiving public health insurance

	Overall	Receiving Public Health Insurance
Preventable ED Visits	3,161	1,050
Preventable ED Costs	\$826	\$826
Cost Premium for ED Visit	\$2,609,809	\$866,953

Note: Calculations limited to private sector workers.

Source: IWPR analysis of 2008–2009 National Health Interview Survey data, National Compensation Survey, and the Medical Expenditure Panel Survey.

This fact sheet was prepared by Claudia Williams and Kevin Miller, Ph.D. Funding for this fact sheet was provided by the Ford Foundation, the Annie E. Casey Foundation, and the Public Welfare Foundation.

For more information on IWPR reports or membership, please call (202) 785-5100, e-mail iwpr@iwpr.org, or visit www.iwpr.org.

The Institute for Women's Policy Research (IWPR) conducts rigorous research and disseminates its findings to address the needs of women, promote public dialogue, and strengthen families, communities, and societies. The Institute works with policymakers, scholars, and public interest groups to design, execute, and disseminate research that illuminates economic and social policy issues affecting women and their families, and to build a network of individuals and organizations that conduct and use women-oriented policy research. IWPR's work is supported by foundation grants, government grants and contracts, donations from individuals, and contributions from organizations and corporations. IWPR is a 501 (c) (3) tax-exempt organization that also works in affiliation with the women's studies and public policy programs at The George Washington University.

1

¹Also see Claudia Williams. 2011. "Paid Sick Day Access Rates by Gender and Race/Ethnicity", 2010. IWPR Publication No. Q006. Washington, DC: Institute for Women's Policy Research.

² Miller, Kevin, Claudia Williams, and Young-min Yi. Forthcoming, 2011. "Paid Sick Days and Health: Cost Savings from Reduced Emergency Department Visits." Washington, DC. Institute for Women's Policy Research. ³Families USA. 2005. "Paying a Premium: The Added Cost of Care for the Uninsured." Publication No. 05-101. Washington, DC: Families USA Foundation.

⁴David U. Himmelstein, Elizabeth Warren, Deborah Thorne, and Steffie Woolhandler. 2005. "MarketWatch: Illness and Injury As Contributors to Bankruptcy." *Health Affairs*. (February): W5-63 - W5-64.