



Fact Sheet

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Paid Sick Days in Philadelphia Would Lower Health Care Costs by Reducing Unnecessary Emergency Department Visits

Thirty-four percent of Philadelphia private-sector employees, or approximately 182,629 workers, lack access to paid sick days. This fact sheet reports findings from research by the Institute for Women's Policy Research (IWPR) on how increased access to paid sick days would improve both accesses to health care and health outcomes in Philadelphia. The research also quantifies the savings gained by providing access to paid sick days to all private-sector workers, thereby preventing some emergency department visits in Philadelphia.

Using data from the 2010–2011 National Health Interview Survey, IWPR estimated 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 self-reported health, a lower likelihood of delayed medical care, and less frequent visits to hospital emergency departments (Table 1).¹

If Philadelphia workers without paid sick days were to gain access, about 12,188 emergency department visits would be prevented each year, reducing health care costs by \$10.3 million annually.

Delaying medical care can aggravate chronic health conditions or increase the severity of critical health conditions or injuries; workers without paid sick days may be unable to promptly or regularly address health needs by taking time off work to go to the doctor. 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 and health-related consequences.

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

Access to Paid Sick Days	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
With Access	3.70%	14.20%	32.0 per 100 persons
Without Access	4.80%	21.50%	37.2 per 100 persons

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

Source: IWPR estimates based upon analysis of the 2010 and 2011 NHIS data for adults aged 18–64 years.

Expanded access to paid sick days would be likely to reduce costs associated with emergency room care because paid sick days give people the time needed to go to the doctor during regular office hours, rather than relying on emergency room care after business hours. Previous IWPR research shows that net cost savings per event treated by a primary care physician rather than at the emergency department is about \$852.¹ If Philadelphia workers without paid sick days were to gain access, about 12,188 emergency department visits per year would be prevented, resulting in health care cost reductions of \$10.3 million annually (Table 2).

Table 2. Annual cost savings resulting from preventable emergency department (ED) visits in Philadelphia.

	Preventable Emergency Department Visits
Preventable ER Visits	12,188
Preventable ER Costs	\$852
Cost Premium for ER Visit	\$10.3 million

Note: Calculations limited to private sector workers.

Source: Institute for Women’s Policy Research estimates based on analysis of the 2010 and 2011 National Health Interview Survey, the 2011 American Community Survey, and the 2008 Medical Expenditures Panel Survey. Dollar amounts are in 2011 dollars.

Health care costs for emergency department use are shared across a variety of private and public insurers, hospitals, and patients.² When individuals lack insurance, hospitals frequently seek payment from the patient. Since medical expenses are one of the most common reasons that individuals file for bankruptcy,³ greater access to paid sick days could reduce individual bankruptcies.

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¹ Adjusted for inflation, original value from: Miller, Kevin, Claudia Williams, and Youngmin Yi. 2011. *Paid Sick Days and Health: Cost Savings from Reduced Emergency Department Visits*. Institute for Women's Policy Research. Publication No. B301. <http://www.iwpr.org/publications/pubs/paid-sick-days-and-health-cost-savings-from-reduced-emergency-department-visits>

²Families USA. 2005. *Paying a Premium: The Added Cost of Care for the Uninsured*. Publication No. 05-101. Washington, DC: Families USA Foundation.

³David 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.