



# Fact Sheet

IWPR #B329

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## **Paid Sick Days in Chicago Would Lower Health Care Costs by Reducing Unnecessary Emergency Department Visits**

In Chicago, 42 percent of the private workforce, or approximately 461,000 employees, 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 the City of Chicago. The research also quantifies the savings gained by providing access to paid sick days to all workers, by preventing unnecessary emergency department visits in Chicago.

Using data from the 2011–2012 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).<sup>1</sup>

If Chicago workers without paid sick days were to gain access, about 22,000 emergency department visits would be prevented each year, reducing health care costs by \$12 million annually, including \$3 million in savings to public health insurance systems.

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 as well as health-related consequences.

**Table 1. Impact of Paid Sick Days coverage on self-reported health, delayed medical care, and emergency department 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 Paid Sick Days	3.7%	14.8%	35 per 100 persons
Without Paid Sick Days	4.9%	21.8%	40 per 100 persons

Note: Estimates are national and control for gender, 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 2011 and 2012 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. IWPR research shows that net cost savings per event treated at a primary care physician rather than at the emergency department is about \$539.<sup>2</sup> If Chicagoans without paid sick days were to gain access, about 22,000 emergency department visits per year would be prevented, resulting in health care cost reductions of \$12 million annually (Table 2).

**Table 2. Annual Cost Savings Resulting from Unnecessary Emergency Department Visits in Chicago and Among those Receiving Public Health Insurance**

Costs	Overall	Receiving Public Health Insurance
Preventable ED Visits	22,022	5,669
Preventable ED Costs	\$539	\$539
Cost Premium for ER Visit	\$11,869,970	\$3,055,833

Source: Institute for Women’s Policy Research estimates based on analysis of the 2011 and 2012 National Health Interview Survey, the 2011 American Community Survey, and the 2011 Medical Expenditures Panel Survey.

Health care costs for emergency department use are shared across a variety of private and public insurers, hospitals, and patients.<sup>3</sup> 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,<sup>4</sup> greater access to paid sick days could reduce individual bankruptcies. For individuals and families receiving public health insurance—such as Medicaid or State Children’s Health Insurance Program (SCHIP)—the hospital is reimbursed by the government. IWPR estimates that public health insurance systems funded by taxpayers would save \$3 million annually from reduced emergency department use if paid sick days were universal in Chicago (Table 2).

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[The Institute for Women's Policy Research \(IWPR\)](http://www.iwpr.org) 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.

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<sup>1</sup> Table 1 is updated from Miller, Williams, and 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> Table 1, page 7; for additional methodological details, please see the relevant sections of this publication. These effects occurred for individuals regardless of health insurance coverage status.

<sup>2</sup> Figure updated 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.

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<sup>3</sup>Families USA. 2005. *Paying a Premium: The Added Cost of Care for the Uninsured*. Publication No. 05-101. Washington, DC: Families USA Foundation.

<sup>4</sup>David 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.