



An Update on the Prevalence and Qualifying Diagnoses of Vermonters Receiving Social Security Disability Insurance Benefits in 2022

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Background

In 2015 and 2017, the Vermont Joint Legislative Council wrote two issue briefs about long-term work disability in Vermont entitled “*Why is the Prevalence of Young People on the Social Security Disability Program in Northern New England So High, And Why Has It Risen So Rapidly Since 2000?*” and “*The Social Security Disability Insurance Program in Vermont: Mental Health Disorders and Musculoskeletal Conditions Account for More than Two-Thirds of Beneficiaries*”.^{1,2} These briefs showed that Vermont experiences a higher prevalence of long-term work disability than the U.S., particularly among younger people and those with mental health conditions, as measured by the number of Social Security Disability Insurance (SSDI) beneficiaries. The Social Security Disability Insurance program pays cash benefits to adults younger than 66 years of age who are deemed no longer able to perform “substantial” work because of a disability but who have worked in the past¹

In 2019, the Vermont Department of Labor, along with four other states (Kansas, Kentucky, Ohio, and Minnesota) was awarded a RETAIN (Retaining Employment and Talent After Injury/Illness Network) grant from the U.S. Department of Labor and the Social Security Administration to create a statewide early intervention work disability prevention program to keep individuals with work-limiting health conditions in the labor force and to reduce SSDI claims. The national RETAIN initiative was motivated by a successful program in Washington State, Centers for Occupational Health and Education (COHE), which resulted in a relative reduction of SSDI beneficiaries by 20 percent among workers’ compensation claimants.³ RETAIN states adapted the seven core stay-at-work/return-to-work strategies used by COHE: (1) return-to-work care coordination, (2) training clinicians in occupational health best practices, (3) incentivizing clinicians to use the best practices, (4) early communication among all constituents in the return-to-work process, (5) workplace-based interventions, (6) job retraining and rehabilitation, and (7) tracking and monitoring workers’ medical and employment progress.³ Retaining workers also increases productivity, reduces rehiring costs, decreases work injuries, and lowers health costs for employers.

While unemployment is widely recognized as an economic issue, appropriate employment is also a key contributor to health; unemployment is independently associated with higher rates of many adverse physical and mental health outcomes, such as depression, suicide, chronic disease, infant mortality, high-risk coping behaviors, substance use, stress-related illnesses, and health care utilization, for the unemployed individual and their family compared to those who are employed.^{4,5} In addition,

appropriate work can improve many social determinants of health, such as food, housing, utilities, and transportation through financial stabilization, and can provide access to health insurance, social connections, and wellness and Employee Assistance Programs.⁴ The launch of the VT RETAIN project coincided with the start of the SARS-CoV pandemic in 2020, which drastically changed the employment landscape and brought into focus the relationship between work and health. In addition, in 2023, the National Institutes of Health recognized people with disabilities as a population with health disparities (preventable differences in burden of disease and health outcomes) compared to the general population to ensure representation in research. This designation is an important first step toward advancing health equity for people with disabilities.⁶ Meanwhile, throughout this period, Vermont Blueprint for Health and other state health initiatives were expanding access to general care coordination services in Vermont through patient-centered medical homes, embedded community health teams, mental health integration, social determinants of health screening, and other programs to improve the health of Vermonters.

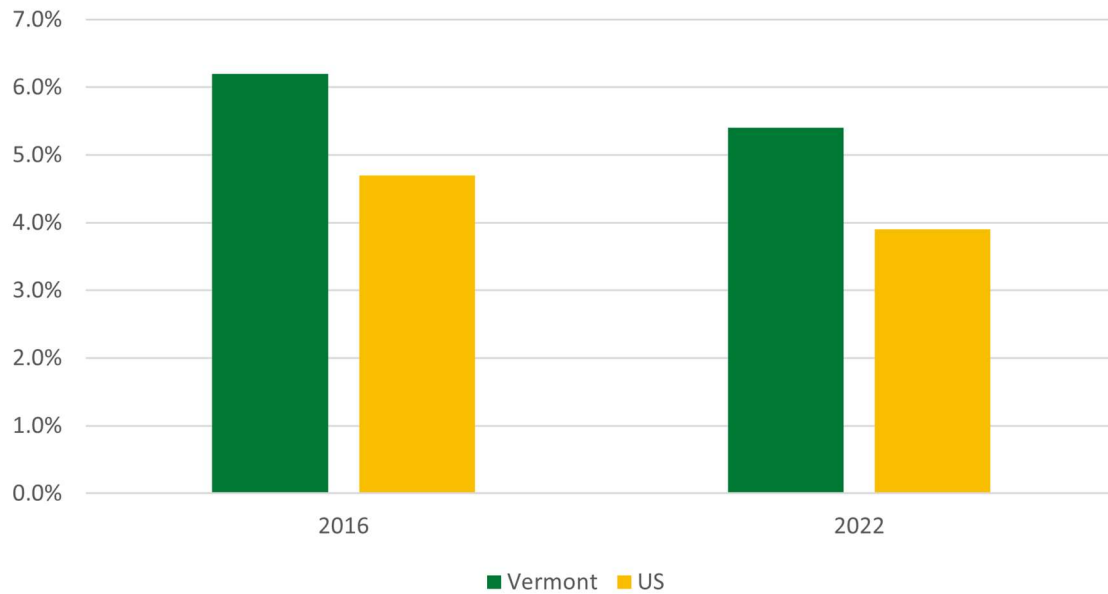
The VT RETAIN team started the project by conducting a gap analysis to understand both the existing work disability prevention resources and services in Vermont and the unmet needs of individuals involved in the return-to-work process. This needs assessment involved updating the original Joint Legislative Council issue briefs to understand the current state of work disability in Vermont.

Here we present updated statistics on SSDI beneficiaries in Vermont based on the most recent data from the Social Security Administration⁷ to promote awareness about work disability in Vermont and to encourage cross-disciplinary solutions to strengthen Vermont's workforce and support healthy communities.

Change in Percent of the Vermont Population Receiving SSDI Benefits

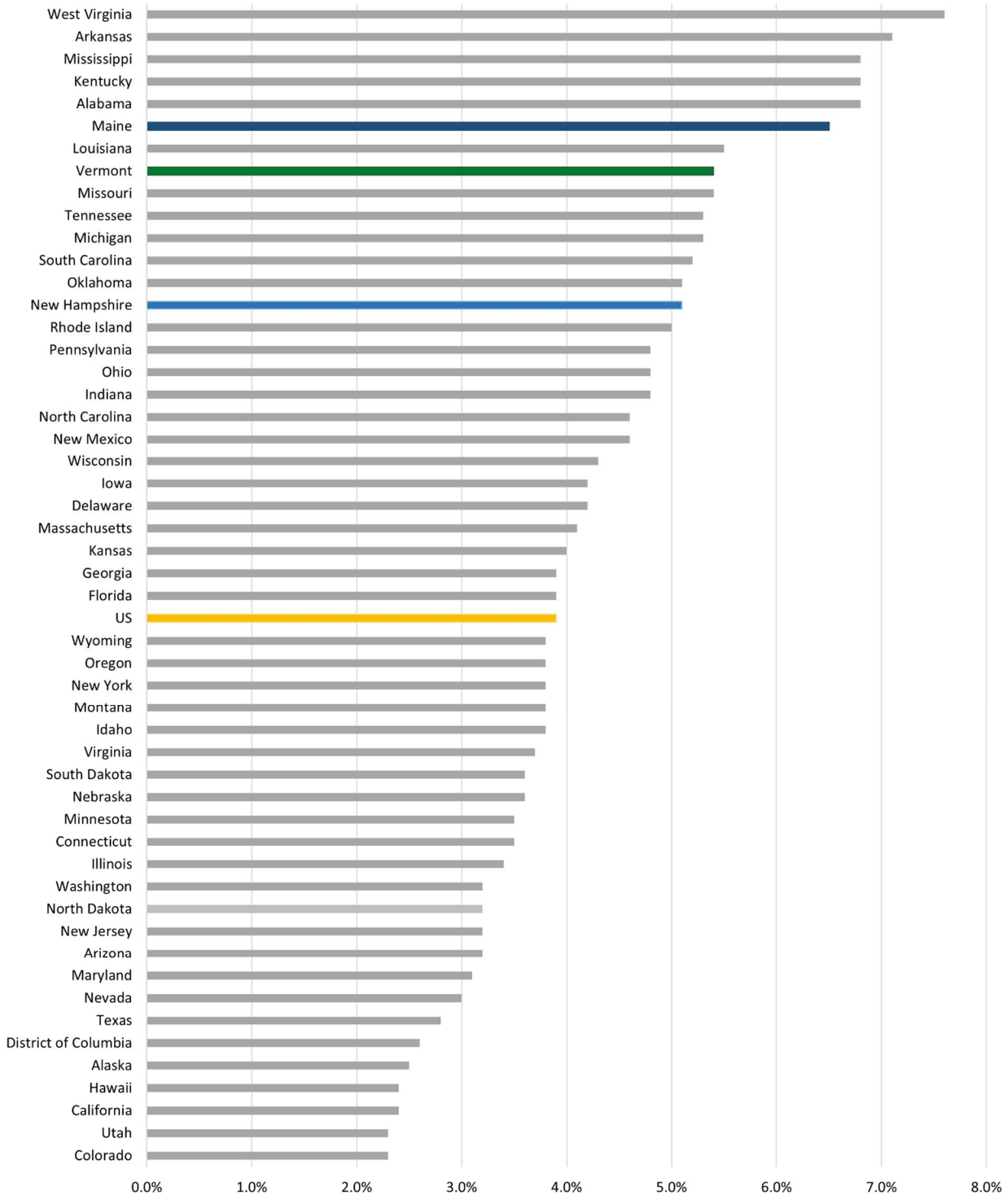
Nationally and in Vermont, the percentage of the population between the ages of 18 to 65 years that receives SSDI benefits has declined since 2016. However, Vermont continues to have a higher percentage of the population receiving SSDI benefits and a slower decline in that percentage when compared to the United States as a whole. Specifically, 24,324 individuals (6.2%) of the total state population received SSDI benefits in 2016. This number declined to 21,215 Vermonters (5.4%) by 2022. In comparison, 4.7% of the U.S. population received SSDI benefits in 2016, which declined to 3.9% in 2022 (Figure 1). This represents a 12.9% decrease between 2016 and 2022 in Vermont compared to a 17.0% decline in the U.S.

Figure 1: Percent of population receiving SSDI benefits in 2016 and 2022 Vermont vs. US



Overall, Vermont has the 8th highest percentage of the resident population receiving SSDI benefits in the country.⁷ Figure 2 compares the percent of the resident population receiving SSDI benefits by state compared to the U.S. (3.9%, yellow bar) with Northern New England states highlighted: Vermont (5.4%, green bar), Maine (6.5%, dark blue bar), and New Hampshire (5.1%, light blue bar). If the percentage of Vermont residents receiving SSDI benefits was reduced from 5.4% to the national average of 3.9%, the Vermont workforce would increase by 3,000 workers.

Figure 2: Percent of resident population receiving SSDI benefits by state in 2022



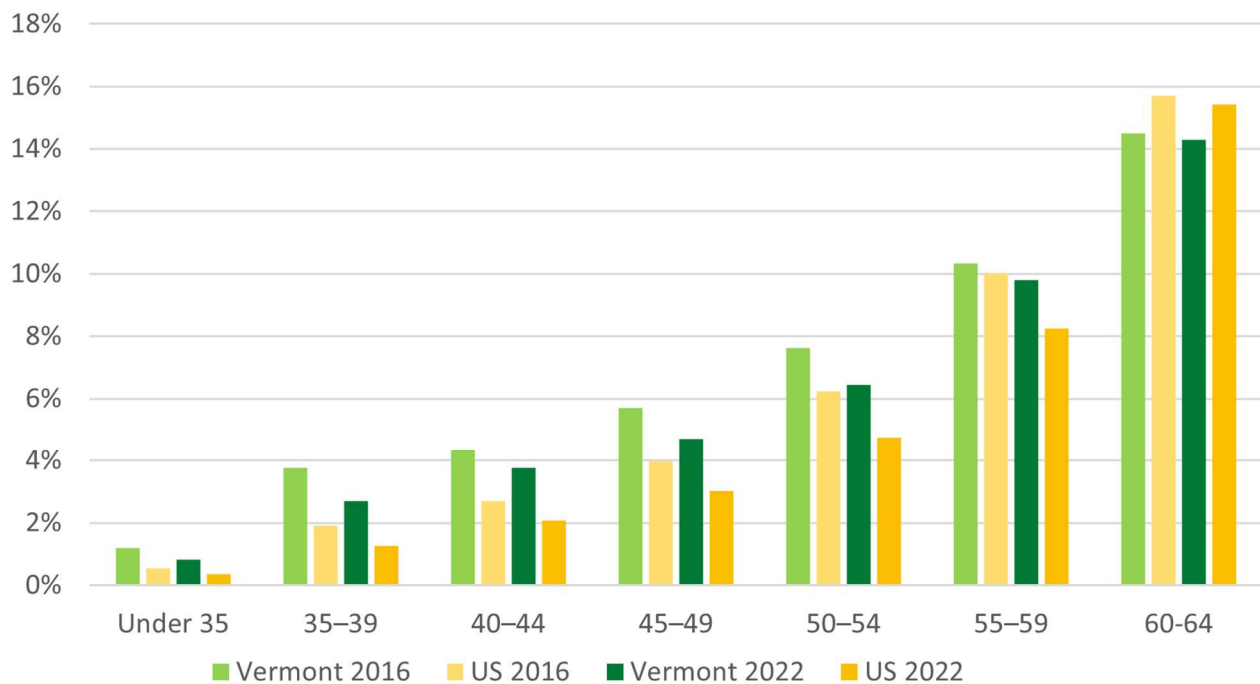
The High Prevalence of Young People in Vermont Receiving SSDI Benefits

Among SSDI beneficiaries, Vermont had the second highest percentage in the country of working-age beneficiaries aged 18-54 (40.9%) after Utah (41.2%) and compared to 34% in the U.S. in 2022. This age range was selected to be consistent with the age categories used in the 2015 Vermont legislative brief. This represents a decline from the 2016 rate of beneficiaries aged 18-54 in Vermont of 46.3%.

Within this age group, Vermont had the highest percentage in the country of SSDI recipients aged 35-39 (5.7% versus 3.7% nationally) in 2022. This is a change from 5.8% in Vermont and 4.5% nationally in 2016. This represents a 2% decrease in percent of SSDI beneficiaries aged 35 to 39 between 2016 and 2022 in Vermont versus a 18% decrease in the U.S.

Vermont had the second highest percentage in the country of SSDI recipients aged 18-34 (6.0% versus 3.5% nationally) in 2022. This is a change from 7.4% in Vermont in 2016 and 3.9% nationally in 2016. This represents a 18% decrease in percent of SSDI beneficiaries aged 18 to 34 between 2016 and 2022 in Vermont compared to a 9% decrease in the U.S.

Figure 3: Percent of SSDI beneficiaries by resident population in age group 2016 vs 2022



SSA Annual Report of SSDI date 2016 & 2023, US Census Bureau 2016 & 2022

Primary Diagnosis Groups for Eligibility Among all SSDI Beneficiaries: Vermont and the US

Mental health and musculoskeletal conditions are the most common reasons for receiving SSDI benefits in Vermont and the U.S. In 2022, over two-thirds (73%) of the primary diagnoses for eligibility for SSDI benefits in Vermont were either a mental health diagnosis (49.4%) or a musculoskeletal diagnosis (23.6%). This number has increased from 71.1% (46% with a mental health diagnosis and 25.1% with a musculoskeletal diagnosis) in 2016 and has been steadily increasing in Vermont since 2001 (60.8%) while decreasing nationally (Figure 4).

Figure 4: SSDI Beneficiaries who became eligible on the basis of mental health disorders or musculoskeletal conditions VT and the US; 2001, 2006, 2010, 2016, 2022

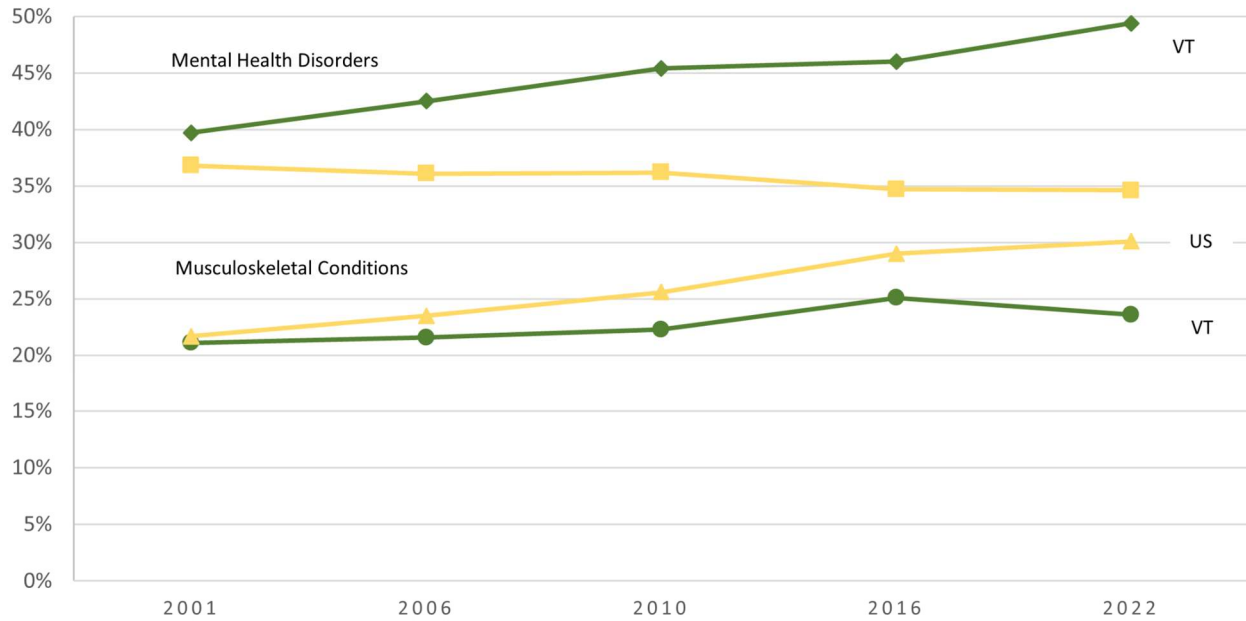
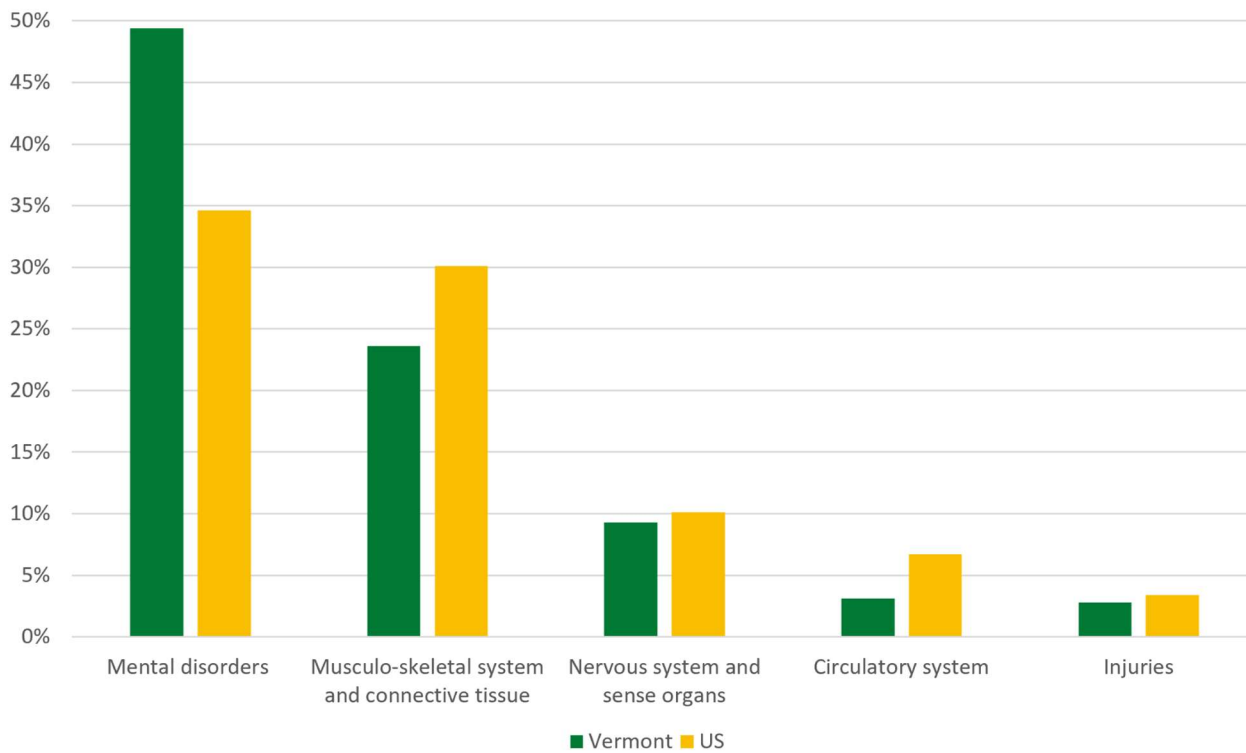


Figure 5: Top 5 Diagnosis of SSDI beneficiaries at the time of eligibility in 2022, VT vs. US



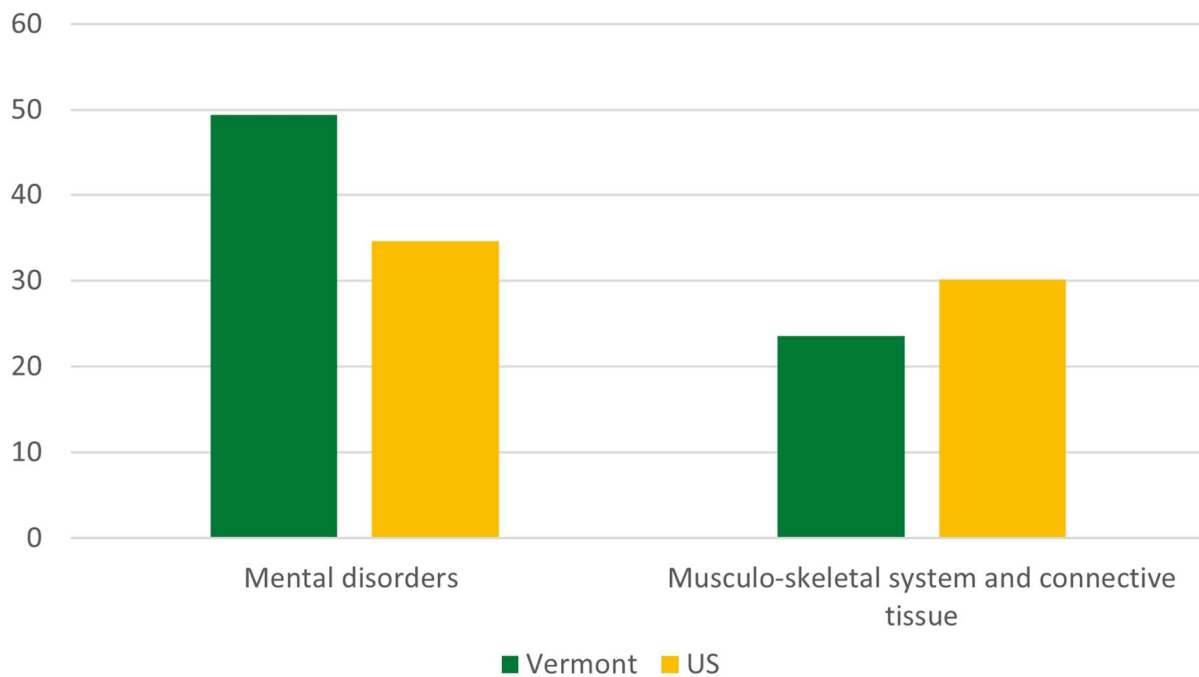
SSS, Annual Report on the Social Security Disability Insurance Program, 2023

The remaining 27% of beneficiaries in Vermont had primary diagnoses that included diseases of the nervous system and sense organs (9.3%); diseases of the circulatory system (3.1%); injuries (2.8%); respiratory system conditions (2.4%); neoplasms (2.3%); and endocrine, nutritional, and metabolic diseases (1.4%). The smallest category of beneficiaries qualified based on skin and subcutaneous tissue (0.2%), infectious and parasitic diseases (0.1%), and diseases of the blood and blood forming organs (0.1%). The five most common diagnoses for receiving SSDI benefits in Vermont versus in the US is shown in Figure 5.⁷

The High Prevalence of Individuals with Mental Disorders in Vermont Receiving SSDI Benefits:

While mental health conditions are the most common diagnosis for qualifying for SSDI benefits in the US as a whole, Vermont has the third highest percentage of individuals receiving SSDI benefits for a mental health diagnosis in the country. In 2022, 49.4% of SSDI recipients in Vermont qualified with a mental health diagnosis, an increase from 46.0% in 2016, compared to 34.6% in 2022 and 34.7% in 2016 in the U.S. The percent of SSDI beneficiaries with mental health diagnoses in Vermont in 2022 was 42.8% higher than in the U.S. (49.4% in Vermont versus 34.6% in the US) (Figure 6). Over the past 20 years, the percent of people receiving SSDI benefits for a mental health diagnosis has *increased* in Vermont by 9.7 percentage points (39.7% in 2001 versus 49.4% in 2022) while *decreasing* by 2.2% percentage points nationwide (36.8% in 2001 versus 34.6% in 2022) (Figure 4).

Figure 6: Percent of disabled workers who became eligible on the basis of mental health conditions or musculoskeletal conditions in 2022

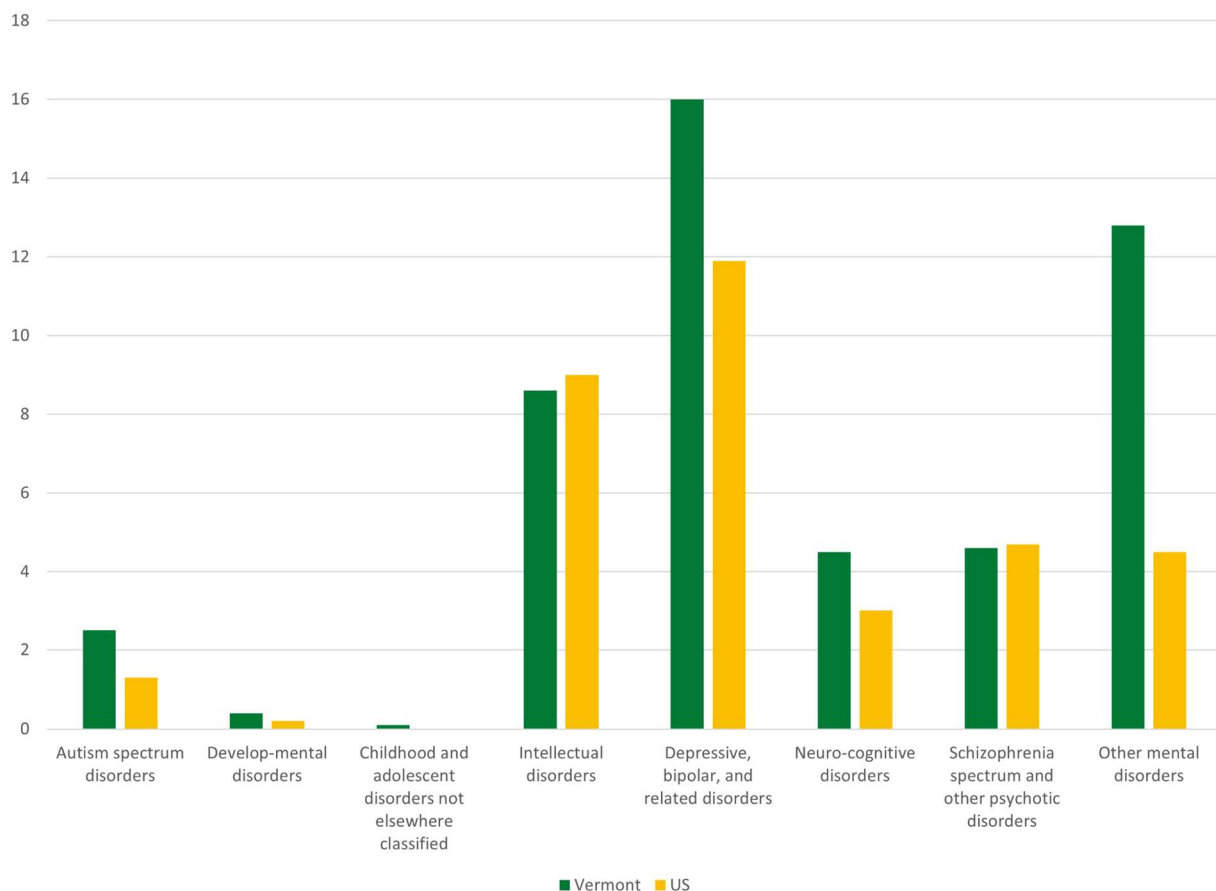


The high rate of Vermonters receiving SSDI benefits based on a mental health diagnosis is consistent with the data presented in the 2023 Mental Health in America Report from Mental Health America. The report has assigned Vermont a prevalence of mental health diagnosis ranking of 45 out of 51, meaning Vermont has the sixth highest prevalence of mental health conditions in the 50 states and District of Columbia. The prevalence ranking measure includes adults with any mental health condition, adults with

substance use disorder within the past year, adults with serious thoughts of suicide, youth with at least one major depressive episode in the past year, youth with substance use disorder in the past year, and youth with severe major depressive order. When looking solely at adult prevalence of mental health conditions, Vermont had a prevalence of mental health conditions ranking of 40, meaning that Vermont had the 11th highest prevalence of adults with mental health conditions in the US and District of Columbia. The prevalence of mental health conditions in Vermont was 23.7% or 120,000 individuals.¹¹ Recently, the United Way found that while Vermont has the fifth best access to mental health services compared to all other states, Vermont residents ranked first in being the least likely to seek mental health care.⁸

In Vermont, depressive, bipolar, and related disorders make up the largest category of mental health diagnosis for primary diagnosis for receiving SSDI benefits. This is followed by other mental health disorders. The SSA Bulletin does not specify the diagnoses included in the other mental health disorders category. However, the SSA medical listings include eleven categories of mental impairments. The categories not included within the defined categories in the SSA Bulletin are the categories of anxiety and obsessive-compulsive disorders, somatic symptoms and related disorders, personality and impulse control disorders, neurodevelopmental disorders, eating disorders, and trauma and stressor-related disorders¹². In 2022, 76.4% of the mental health diagnoses in Vermont fell into the categories of depressive, bipolar, and related disorders; neuro-cognitive disorders; schizophrenia spectrum and other psychotic disorders; and other mental health disorders (Figure 7). The remainder of the mental health diagnoses (23.6%) fell into the categories of autism spectrum disorders, developmental disorders, childhood and adolescent disorders not classified elsewhere, and intellectual disorders.

Figure 7: Percentage of Mental Diagnosis Type in 2022 Vermont and the US



Diseases of the Musculoskeletal system and Connective Tissue

The second most common diagnostic category for SSDI eligibility in Vermont is diseases of the musculoskeletal system and connective tissue. Until 2016, musculoskeletal diagnoses were increasing as a primary diagnosis in Vermont. Since 2016, the percent of SSDI beneficiaries eligible because of musculoskeletal diagnoses has *decreased* in Vermont from 25.1% in 2016 to 23.6% in 2022. In the U.S., the percent of SSDI beneficiaries eligible because of musculoskeletal diagnoses has *increased* since 2016 from 29.0% in 2016 to 30.1% in 2022 (Figure 4).

Discussion

These data show that Vermont has one of the highest SSDI rates among working age individuals in the country and that the most common reason for SSDI eligibility in Vermont is mental health conditions. Work disability is a key contributor to health inequity and workforce shortages in Vermont. Because most people who receive SSDI benefits do not work, the size of Vermont's workforce is affected by the number of people receiving these benefits. Young people who qualify for SSDI based on mental health disorders may be out of the workforce for many years.

Although most work disability is preventable with appropriate and early intervention, current health services do not consistently integrate work rehabilitation into care plans. VT RETAIN fills this important gap and connects siloed work and health services. Over 10,000 Vermonters requested VT RETAIN services during the RETAIN grant recruitment period (between 2022 and 2024), confirming the need for coordinated work-health services in the state.

It is important to understand that individuals with work-limiting disabilities face barriers to participating in the workforce. In Vermont, the employment rate in 2022 for residents with disabilities aged 18-64 was 55.1% compared to 82.1% for those without disabilities.⁹ In 2022, 22.6% of the disabled population aged 18-64 in Vermont was living in poverty compared to 8.3% of those without disabilities.⁹ The earning gap between Vermonters with and without disabilities is -\$15,635 versus -\$9,381 in the U.S., and Vermont spent \$1,828 per participant for career and vocational training programs reported under the Workforce Innovation and Opportunity Act (WIOA) in 2022 versus \$1,769 and \$2,537, respectively, in the U.S. These statistics include anyone who answered "yes" to one of six questions indicating that they had a vision, hearing, cognitive, ambulatory, self-care, or independent living disability on the U.S. Census Bureau's American Community Survey. The definition of disability used in the data above from the Social Security Administration defined a disabled worker as a worker who is not yet 65 years old who is receiving insurance payments due to a disability.⁹

This update of the 2015 and 2017 Vermont Joint Legislative Council issue briefs did not explore reasons for the change in SSDI prevalence since 2016 or the reasons for higher SSDI prevalence among working age people and those with mental health disorders in Vermont than the U.S. Caution must be used when comparing SSDI prevalence across states. While all states use the federal criteria for determining eligibility for SSDI benefits, many factors determine whether and how an individual with a work-limiting health condition is diagnosed and able to access benefits.

In summary, these data show that there is a critical need in Vermont for early interventions to ensure that people at risk for work disability can remain in the workforce to improve economic, health, and equity outcomes in the state. Resources also are needed to help those with work disability return to the workforce.

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