

The Long-Run Effects of Medicaid on Disability Applications

TANYA BYKER, ANDREW GOODMAN-BACON

Key Findings and Policy Implications

This paper examines the long-run effects of childhood Medicaid eligibility on DI applications as adults, based on Medicaid's varying implementation date across states between 1966 and 1970. It uses state-of-birth by year-of-birth panel data, drawn from the 1996-2008 Surveys of Income and Program Participation. The study finds that:

- Medicaid coverage in early childhood reduces later life DI applications and DI enrollment by the same magnitudes: about 2.85 percentage points per year of early childhood Medicaid eligibility.
- One year of early childhood Medicaid eligibility is associated with reductions of between 3 and 5 percentage points in ambulatory difficulty, or difficulty with lifting ten pounds, reaching over one's own head, standing for an hour, or walking up ten stairs.

The improved health trajectories that appear to be associated with Medicaid eligibility in childhood lead to lower rates of disability and DI enrollment than would occur without those benefits.

TANYA BYKER is an Assistant Professor of Economics at Middlebury College.

ANDREW GOODMAN-BACON is an Assistant Professor of Economics at Vanderbilt University and a Faculty Research Fellow at the National Bureau of Economic Research.

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