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Master File for "The Long-Run Effects of Childhood
Insurance Coverage:
Medicaid Implementation, Adult Health and Labor Market
Outcomes," American
Economic Review

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1/17/2021

*****/

*1. Define pathnames. See folder structure in README.pdf

global datacen "C:
\Users\irajg03\Documents\medicaid_long_run\dofile\aer\condi
tional_accept\published\data\cen"
global dataextra "C:
\Users\irajg03\Documents\medicaid_long_run\dofile\aer\condi
tional_accept\published\data\extra"
global datatemp "C:
\Users\irajg03\Documents\medicaid_long_run\dofile\aer\condi
tional_accept\published\data\datatemp"
global dataafdc "C:
\Users\irajg03\Documents\medicaid_long_run\dofile\aer\condi
tional_accept\published\data\afdc"
global datavs "C:
\Users\irajg03\Documents\medicaid_long_run\dofile\aer\condi
tional_accept\published\data\vs"
global datax "C:
\Users\irajg03\Documents\medicaid_long_run\dofile\aer\condi
tional_accept\published\data\x"
global dofile "C:
\Users\irajg03\Documents\medicaid_long_run\dofile\aer\condi
tional_accept\published\dofile"

```

global output "C:
\Users\irajg03\Documents\medicaid_long_run\dofile\aer\condi
tional_accept\published\output"

do "$dofile/config_stata"                                /*install
cpigen, grc1leg, gtools, outreg2, taxsim27, and ranktest*/

*****
*****
*2. Data cleaning
*****
*****
*Census Data
do "$dofile/cr/cen/cr_tran"                                /
*calculate state-of-residence distribution by birth-state/
birth-year at 5-year intervals*/
do "$dofile/cr/cen/cr_tran2"                                /
*interpolate the 5-year probabilities to annual frequency--
>state of birth, year of birth, race, state of residence,
year level*/

*have to clean this up here because it is merged onto the
data by follow-up year in cr_cohorts.do
do "$dofile/cr/x/cr_urate"                                /
*Unemployment rates from BLS*/

**Commented out taxsim cleaning because of potential FTP
issues from a different institution
*do "$dofile/cr/cen/cr_census_taxsim"                      /*prepare
taxsim extracts, do taxsim, calculate household taxable
income shares by person. Calls: clean_for_taxsim.do,
taxsim27.ado, and clean_taxsim_shares.do.*//
/

*saves tid`y'.dta, census_taxsim`y'.dta, and
taxsim_shares`y'.dta*/
*do "$dofile/cr/cen/combine_taxsim_census"                /*merge
tax bills (taxsim output) with household inc shares,
allocate tax bill, collapse to cohorst. Calls:
combine_taxsim_census.do*/

```

```
do "$dofile/cr/cen/cr_cohorts" /*calls
$dofile/clean_census. collapses Census/ACS data to cohort/
birth state/race averages, */
do "$dofile/cr/cen/cr_cohorts_fb" /
*collapses foreign-born Census/ACS sample to cohort
averages*/
```

*Mortality Data

*this reads in and cleans multiple cause of death files. It is commented out because data after 2005 are restricted.

```
*do "$vs_dofile/cr_deaths_stb" /*calls
$vs_dofile/clean_mort_stbirth, $vs_dofile/
clean_mort_stbirth_2003_2004*/
```

*Population Data

```
do "$dofile/cr/pop/cr_pop_stb" /*get
population by birth state as denominators for mortality
rates (Census)*/
do "$dofile/cr/pop/cr_poptemp" /*get
population by state/year/race (Haines file [Census] and
SEER)*/
```

*AFDC Data

*CREATE RACE SHARES

```
do "$dofile/cr/afdc/cr_race_shares_1948_1979" /*create
a state by year panel of the white share of AFDC kids
(sometimes cases), 1948, 1953, 1958, 1961, biennially
1967-1979*/
do "$dofile/cr/afdc/cr_race_shares_1983_1996" /*create
a state by year panel of the white share of AFDC kids
(sometimes cases), annual 1983-1997*/
do "$dofile/cr/afdc/cr_race_shares" /
*create a state by year panel of the white share of AFDC
kids, interpolated sometimes to be annual, 1948-1996*/
```

*CREATE CASELOADS

```
do "$dofile/cr/afdc/cr_afdc_caseloads_1960_1996" /
*create a state by month panel of AFDC children from
CY1960-CY1996*/
do "$dofile/cr/afdc/cr_afdc_caseloads_1948_1996" /
```

```
*combine with hand-entered data on monthly AFDC children,  
collapse to state/year level*/
```

```
do "$dofile/cr/afdc/cr_cat_elig_1958_1996"          /*create  
each cohort's categorical eligibilty rate in their birth  
staet at ages 0-18*/
```

```
do "$dofile/cr/afdc/cr_z_elig_1958_1996"          /*create each  
cohort's initial categorical eligibilty rate in their birth  
staet at ages 0-18 [using AFDC* only]*/
```

```
do "$dofile/cr/afdc/cr_adj_elig"                  /*create each  
cohort's migration-adjusted categorical eligibility by  
age*/
```

```
do "$dofile/cr/afdc/cr_cumulafdc"                  /*create  
each cohort's cumulative migration adjusted AFDC exposure  
(ie. not categorical elig, but AFDC itself)*/
```

```
*x
```

```
do "$dofile/cr/x/cr_gfr_1928_1988"                /*create  
GFR dataset from ICPSR 36603 and Douglas North data on  
NBER: https://www.nber.org/research/data/vital-statistics-  
births-and-infant-mortality-1920-1945*/
```

```
do "$dofile/cr/x/cr_pcinc_1929_2014"              /*Per-capita  
personal income from Bureau of Economic Analysis*/
```

```
do "$dofile/cr/x/cr_x"                            /*combine  
gfr, pcinc, cumulative exposure to other prorams, and  
categorical elig variables*/
```

```
*Analysis Data
```

```
do "$dofile/cr/cr_cohorts_medicaid.do"           /  
*merge census outcomes with cohort-level covariates, calls  
label_cen.do*/
```

```
do "$dofile/cr/cr_cohorts_medicaid_rich.do"       /*merge  
census outcomes by adult income with cohort-level  
covariates label_cen.do*/
```

```
/
```

```
*note: I do not create a "cohorts_medicaid_fb.dta" file for  
the foreign-born sample because I just merge the FB  
outcomes directly to x.dta in the analysis files*/
```

```
*this combines death counts with covariates and Medicaid  
variables. It is commented out because data after 2005 are
```

```

restricted
*and dissemination of cells with fewer than 10 deaths is
prohibited.
*do "$dofile/cr_mort_medicaid"                                /**merge
deaths, population with cohort-level covariates, make long-
run mortality rates*/

*Extra Data
do "$dofile/cr/cen/cr_balance_indices"                        /*make
indices of infant/child health and SES used in balance
tests*/
do "$dofile/cr/cen/cr_faminc_balance_indices" /*same as the
ses index but includes percentiles of family income and
child poverty, only 1950-1970*/
do "$dofile/cr/x/cr_state_budgets_1942_1980" /*state
budget data (for appendix figure A3.4)*/

*****
*****
*3. Main Text Figures and Tables
*****
*****
*define programs that implement the wild-cluster bootstrap
reported in the tables
run "$dofile/an/wcbs"
run "$dofile/an/wcbs2"

*Figure 1. Health Care Use Increased for the Poorest
Children After Medicaid: Family
*           Income and the Probability that Children Saw a
Doctor in the Previous Year
do "$dofile/an/cr_figure1"

*Figure 2. Cumulative Childhood Medicaid Eligibility by
State of Birth,
*           Event Cohort, and Race
do "$dofile/an/cr_figure2"

*Figure 3. Initial Categorical Eligibility Predicts

```

Cumulative Eligibility: First-Stage

* Relationship Between AFDC* and Expected Years
of Medicaid Eligibility by Race

do "\$dofile/an/an_figure3"

do "\$dofile/an/cr_figure3"

*Figure 4. Early Childhood Eligibility Lowers Adult
Mortality: Event-Study Estimates of

* Medicaid's Effect on log 37-Year Non-AIDS
Mortality Rates (coefficients $\times 100$)

*Commented out because data cannot be distributed
(restricted individual-level files and cell count limits on
aggregates)

*do "\$dofile/an/an_figure4"

*do "\$fig_dofile/cr_figure4"

*Figure 5. Early Childhood Eligibility Lowers Adult
Disability: Event-Study Estimates

* of Medicaid's Effect on Rates of Ambulatory
Difficulty by Race (coefficients $\times 100$)

do "\$dofile/an/an_figure5"

do "\$dofile/an/cr_figure5"

*Figure 6. Early Childhood Eligibility Lowers Disability
Transfer Receipt and Increases

* Employment: Event-Study Estimates of
Medicaid's Effect on Rates of Employment

* and Disability Benefit Receipt
(coefficients $\times 100$)

do "\$dofile/an/an_figure6"

do "\$dofile/an/cr_figure6"

*Figure 7. Early Childhood Medicaid Eligibility Shifts
Income from Benefits to

* Earnings: Instrumental Variables Estimates on
the Distribution of Income by Source

do "\$dofile/an/an_figure7"

do "\$dofile/an/cr_figure7"

*Figure 8. Effects for White Cohorts on Health and Labor
Market Outcomes are Robust to

```

*           Alternative Specifications, Samples, and to
Falsification Tests on Older Cohorts
*Figure 9.   Effects for Nonwhite Cohorts on Health and
Labor Market Outcomes are Robust
*           to Alternative Specifications, Samples, and to
Falsification Tests on Older Cohorts
**Mortality analysis is commented out because mortality
data not shareable.
do "$dofile/an/an_figure8_9"
do "$dofile/an/cr_figure8"
do "$dofile/an/cr_figure9"

*Figure 10. Early Childhood Eligibility is Not Correlated
with Cumulative Exposure to
*           Other Safety Net Programs
do "$dofile/an/an_figure10"

*Table 1.    First-Stage Relationship between Predicted
Eligibility and Migration-Adjusted
*           Cumulative Medicaid Eligibility
do "$dofile/an/an_table1"

*Table 2.    Instrumental Variables Estimates of the Effect
of Cumulative Medicaid Eligibility
*           on Adult Health and Labor Market Outcomes
do "$dofile/an/an_table2"
do "$dofile/an/an_table2B"

*Table 3.    Instrumental Variables Estimates of Medicaid's
Effect on log 37-Year Mortality
*           Rates by Cause (coefficients×100)
*Commented out because data cannot be distributed
(restricted individual-level files and cell count limits on
aggregates)
*do "$dofile/an/an_table3"

*Table 4.    Instrumental Variables Estimates of Medicaid's
Effect on Adult
*           Disability Measures (coefficients×100)
do "$dofile/an/an_table4"

```

*Table 5. Instrumental Variables Estimates of Medicaid's
Effect on Transfer Program

* Participation and Insurance Coverage

(coefficients×100)

do "\$dofile/an/an_table5"

*Table 6. Instrumental Variables Estimates of Medicaid's
Effect on Labor Supply

* (coefficients×100)

do "\$dofile/an/an_table6"

*Table 7. Instrumental Variables Estimates of Medicaid's
Effect on

* Educational Attainment (coefficients×100)

do "\$dofile/an/an_table7"

*Table 8. Instrumental Variables Estimates of Medicaid's
Effect on

* Income by Source, Wages, and Poverty

do "\$dofile/an/an_table8"

*Table 9. Medicaid's Direct Costs, Fiscal Externalities,
and Health Benefits

*commented out because the baseline mortality rates by
birth cohort are required

*to calculate counterfactual mortality, and those rates
cannot be disseminated

*do "\$dofile/an/an_table9"

*4. Appendix Figures and Tables

*Appendix 1

do "\$dofile/an/an_tableA1_1"

*Appendix 2


```
*balance test, 1940-1970
do "$dofile/an/an_figureA2_1"
do "$dofile/an/cr_figureA2_1"
```

```
*family income balance test, 1950-1970
do "$dofile/an/an_figureA2_2"
do "$dofile/an/cr_figureA2_2"
```

```
*scatter plots of polio incidence and vaccinations against
AFDC*
do "$dofile/an/cr_figureA2_3"
```

```
*false event-studies on earlier untreated cohorts
do "$dofile/an/an_figureA2_4"
do "$dofile/an/cr_figureA2_4"
```

```
*event-studies by adult income
do "$dofile/an/an_figureA2_5"
do "$dofile/an/cr_figureA2_5"
```

```
*false event-studies for foreign-born adults
do "$dofile/an/an_figureA2_6"
do "$dofile/an/cr_figureA2_6"
```

```
*Appendix Table 2.1
```

```
*IV results by adult income
do "$dofile/an/an_tableA2_2"
```

```
*IV results for foreign born sample
do "$dofile/an/an_tableA2_3"
```

```
*Appendix 3
*mobility by income from PSID
do "$dofile/an/cr_figureA3_1"
```

```
*event-study estimates for hospital admissions by ownership
```

```

type
do "$dofile/an/an_figureA3_2"
do "$dofile/an/cr_figureA3_2"

*scatter plots of utilization by AFDC rates, poor vs non-
poor children from the SHSUE
do "$dofile/an/cr_figureA3_3"

*event-study estimates for state budget outcomes
do "$dofile/an/an_figureA3_4"
do "$dofile/an/cr_figureA3_4"

*Table A3.1

*first stage estimates without migration adjustment
do "$dofile/an/an_tableA3_2"


*Appendix 4
*Trend-break F-stat plots
**MORTALITY CODE COMMENTED OUT BECAUSE DATA CANNOT BE
DISSEMINATED
do "$dofile/an/cr_figureA4_1"

*nonwhite event-study estimates with and without detrending
**MORTALITY CODE COMMENTED OUT BECAUSE DATA CANNOT BE
DISSEMINATED
do "$dofile/an/an_figureA4_2"
do "$dofile/an/cr_figureA4_2"

*nonwhite IV estimates for different detrending windows
**MORTALITY CODE COMMENTED OUT BECAUSE DATA CANNOT BE
DISSEMINATED
do "$dofile/an/an_figureA4_3"
do "$dofile/an/cr_figureA4_3"

*scatterplot of nonwhite pre-trends against cohort
migration rates
**MORTALITY CODE COMMENTED OUT BECAUSE DATA CANNOT BE
DISSEMINATED

```

do "\$dofile/an/cr_figureA4_4"

*ratio of reduced-form to first-stage event-study estimates

do "\$dofile/an/cr_figureA4_5"

*sensitivity of disability results to selective survival

**COMMENTED OUT BECAUSE IT RELIES ON MORTALITY RATES THAT
CANNOT BE DISSEMINATED

*do "\$dofile/an/cr_tableA4_1"

*IV estimates without Medicaid-year-by-cohort FE

**MORTALITY CODE COMMENTED OUT BECAUSE DATA CANNOT BE
DISSEMINATED

do "\$dofile/an/cr_tableA4_2"

*Appendix 5

*event-study results for cause-specific mortality

*Commented out because data cannot be distributed
(restricted individual-level files and cell count limits on
aggregates)

*do "\$dofile/an/an_figureA5_1"

*do "\$dofile/an/cr_figureA5_1"

*event-study results for cause-specific mortality

*Commented out because data cannot be distributed
(restricted individual-level files and cell count limits on
aggregates)

*do "\$dofile/an/an_figureA5_2"

*do "\$dofile/an/cr_figureA5_2"

*event-study results for all disability questions

do "\$dofile/an/an_figureA5_3"

do "\$dofile/an/cr_figureA5_3"

*event-study results for all public income sources

do "\$dofile/an/an_figureA5_4"

do "\$dofile/an/cr_figureA5_4"

*event-study results for all employment outcomes

```
do "$dofile/an/an_figureA5_5"
do "$dofile/an/cr_figureA5_5"
```

*event-study results for all education (HS and BA)

```
do "$dofile/an/an_figureA5_6"
do "$dofile/an/cr_figureA5_6"
```

*event-study results for points in the income distribution

```
do "$dofile/an/an_figureA5_7"
do "$dofile/an/cr_figureA5_7"
```

*event-study results for wages (ie. negative selection,
mainly for white cohorts)

```
do "$dofile/an/an_figureA5_8"
do "$dofile/an/cr_figureA5_8"
```

*distribution regression results for taxes

```
do "$dofile/an/an_figureA5_9"
do "$dofile/an/cr_figureA5_9"
```

*Appendix 6

*event-study for ambulatory difficulty, 2008-2017

```
do "$dofile/an/an_figureA6_1"
do "$dofile/an/cr_figureA6_1"
```

*event-study with extended pre-period (1980 and 1990
Census)

```
do "$dofile/an/an_figureA6_2"
do "$dofile/an/cr_figureA6_2"
```

*event-study for 30-year mortality

*Commented out because data cannot be distributed
(restricted individual-level files and cell count limits on
aggregates)

```
*do "$dofile/an/an_figureA6_3"
*do "$dofile/an/cr_figureA6_3"
```

*event-study for 25-year mortality

*Commented out because data cannot be distributed

(restricted individual-level files and cell count limits on aggregates)

*do "\$dofile/an/an_figureA6_4"

*do "\$dofile/an/cr_figureA6_4"