



OPINION PIECE: Medicaid cuts as envisaged in the Obamacare repeal bill could have had severe consequences for America's youth

After the Republican's failure last month to pass a bill in the Senate that would have repealed Obamacare, Trump could still go ahead and cut Medicaid for some. A new IZA World of Labor opinion piece publishing next Monday (21 August) looks at the much overlooked effects Medicaid cuts as envisaged in the Obamacare repeal bill could have had on America's youth.

Medicaid cuts could have had severe consequences for America's youth

by Michael Leeds, Temple University, USA

There are many reasons to feel relieved by the recent failure to overturn the Patient Protection and Affordable Care Act, better known as the ACA or "Obamacare." While attention was rightly focused on the impact that repealing the ACA would have had on the poor, the sick, and the elderly, the repeal could have had severe consequences for another group that was not directly targeted by opponents of the ACA. The cognitive and non-cognitive development of America's youth, even of boys and girls whose health coverage was not threatened by repeal of the ACA, could have been deeply harmed.

This risk was largely overlooked because it was an unintended consequence of the repeal-and-replace movement. Lost in the debate over Medicaid cuts was the impact such cuts would have had on public schools. Public schools are legally required to provide special education programs for the physically and mentally disabled, for which they rely heavily on Medicaid funding. If Medicaid appropriation levels fell significantly, schools would be forced either to increase their revenues through taxation – never a popular idea – or to cut spending elsewhere. School superintendents have stated that such cuts would likely have forced them to reduce such extracurricular activities as art, music, and athletics.

If extracurricular activities lead to greater educational attainment and better labor market outcomes later in life, such cuts might be short-sighted. Some claim, for example, that participation in sports (as well as other extracurriculars) generates greater cognitive skills – the ability to process information and reason, frequently measured by standardized tests. Others claim that athletic participation fosters greater non-cognitive skills. These are the "softer" abilities, such as self-confidence or self-discipline.

[...] Studies provide clear evidence that participation in athletics increases cognitive and non-cognitive skills. Moreover, the impact of sport on skill development appears to be greatest among the very young. Elementary school-age children who participate in sports earn higher grades later on, suggesting that they have developed stronger cognitive skills. They also encounter fewer emotional problems, enjoy better physical health, and have a stronger sense of personal well-being, all of which indicate that sports inculcate stronger non-cognitive skills.

The attempts to replace the ACA could thus have consequences that go well beyond insurance markets and health care. If schools were forced to limit extracurricular activities to fulfill their mandates to provide services to children with special needs, they probably would have to cut back on activities that benefit children's development. The defeat of the attempt to "repeal and replace" thus prevented even more harm than the ACA's defenders had imagined.



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Media Contact:

Please contact Anna von Hahn for more information or for author interviews:
anna.vonhahn@bloomsbury.com or +44 7852 882 770

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