

# The 6<sup>th</sup> Annual Health Econometrics Workshop

September 25–27, 2014

University of St. Michael's College  
In the University of Toronto,  
Toronto, Canada



## ***The Annual Health Econometrics Workshop***

**The Annual Health Econometrics Workshop (AHEW) provides a forum to discuss the use of econometric and other quantitative methods to address issues in health economics and policy, health services research, and outcomes research. It is the first series of meetings of its kind in North America and facilitates the exchange of ideas among the growing health econometrics community.**

**The format of the workshop will follow the traditional structure of the American Health Economics Conference (AHEC), National Bureau of Economic Research (NBER) Conferences, and the European Workshops on Econometrics and Health Economics (i) a nominated discussant presents and appraises the paper, (ii) the author(s) responds, and (iii) open discussion follows. Each paper will be allotted one hour.**

**The workshop has limited capacity but is open to all. If interested, please register at [www.healtheconometrics.org](http://www.healtheconometrics.org)**

**W**elcome to the 2014 (6<sup>th</sup>) Annual Health Econometrics Workshop. The workshop will be held at the University of St. Michael's College in the University of Toronto, Toronto, Canada from Sep 25-27, 2014. We received thirty four highly qualified papers this year. Due to time constraints, we were able to include only 9 papers in the program. We would like to thank our discussants for taking the time to present these papers at the workshop. Their insights into the econometric issues are the highlight of the program. We also thank Professor Jeffery Racine of McMaster University for agreeing to deliver the key-note speech of the conference.

We gratefully acknowledge the support of our sponsors, Agency for Healthcare Research and Quality (AHRQ), Pfizer Inc, Canadian Centre for Health Economics and the Institute of Health Policy Management and Evaluation at the University of Toronto and the University of Washington, School of Public Health, without whom this conference would not be possible.

We hope you will find the workshop stimulating. See you all in September!

Organizing Committee

**Anirban Basu**, University of Washington, Seattle

**Andrew Ching**, University of Toronto (Local Co-chair)

**Partha Deb**, Hunter College , CUNY

**Donna Gilleskie**, UNC– Chapel Hill

**Paul Grootendorst**, University of Toronto (Local Co-chair)

**Audrey Laporte**, University of Toronto (Local Co-chair)

**Willard Manning**, University of Chicago

**John Mullahy**, University of Wisconsin-Madison

**Edward Norton**, University of Michigan



Institute of Health Policy, Management & Evaluation  
**UNIVERSITY OF TORONTO**



## Thursday, September 25, 2014

6:30–9:00 PM : Pre-conference Welcome Session at **Ciao Wine Bar**

## Friday, September 26, 2014

7:30 – 8:30 AM : Breakfast and Welcome

8:30 – 9:30 AM : Paper # 1, *Frank Windmeijer* discusses *Powell & Goldman*

9:30 – 10:30 AM : Paper # 2, *Salvador Navarro* discusses *Adams*

10:30 – 11:00 AM : Coffee Break

11:00 – 12:00 PM : Paper # 3, *Bill Greene* discusses *Lomas et al.*

12:00 – 1:00 PM : LUNCH

1:00 – 2:00 PM : Paper # 4, *Victor Aguirregabiria* discusses *Hai & Heckman*

2:00 – 3:00 PM : Paper # 5, *Gabriela Conti* discusses *Savelyev & Tan*

3:00 – 3:30 PM : Coffee Break

3:30 – 5:00 PM : Keynote Speech by *Prof. Jeffrey Racine*

6:30 – 10:00 PM : Evening Social Event & Dinner at **Pangaea Restaurant**

## Saturday, September 27, 2014

7:30 – 8:30 AM : Breakfast

8:30 – 9:30 AM : Paper # 6, *Richard Lindrooth* discusses *Timmins*

9:30 – 10:30 AM : Paper # 7, *Brian Ferguson* discusses *Pelgrin & St-Amour*

10:30 – 11:00 AM : Coffee Break

11:00 – 12:00 PM : Paper # 8, *Andrew Ching* discusses *Harris & Kohn*

12:00 – 1:00 PM : Paper # 9, *Bob Town* discusses *Wilson*

1:00 PM : BOX LUNCH

2:00 PM : Adjourn

(All papers will be available for download at the conference website:  
[www.healtheconometrics.org](http://www.healtheconometrics.org))



Friday, October 4, 2013

3:30 – 5:00 PM

**Jeffrey S. Racine, PhD**

*McMaster University*

*Ontario, Canada*

## **Recent advances in nonparametric instrumental regression**

Instrumental regression techniques have played a key role in both the theory and practice of econometrics. There is a growing literature on the nonparametric treatment of this topic. The basic framework involves a response variable denoted  $Y$  and a vector of explanatory variables denoted  $Z$ . The variables in  $Z$  can be endogenous or exogenous and the relationship of interest is given by  $Y = \varphi(Z) + U$  where  $\varphi(\cdot)$  is the function of interest but will not, in the present setting, coincide with the conditional expectation function  $E(Y|Z)$  hence requires special treatment (the exception being when all variables contained in  $Z$  are in fact exogenous). This talk will outline recent advances in nonparametric instrumental regression methods and discuss potential application in the health arena.

## Prof. Jeffrey S. Racine

Senator William McMaster Chair in Econometrics;

Professor, Department of Economics;

Professor, Graduate Program in Statistics, Department of Mathematics and Statistics

McMaster University, Ontario, Canada

Jeffrey S. Racine's (Ph.D., Economics, University of Western Ontario, 1989) research interests include nonparametric estimation and inference, cross-validatory model selection, nonparametric instrumental methods, and entropy-based measures of dependence and their statistical underpinnings. He is also interested in parallel distributed computing paradigms and their application to computationally intensive nonparametric estimators.

He is currently serving as the Associate Editor for *Econometric Reviews*, the *Journal of Econometric Methods* (Berkeley Electronic Press), and is a co-editor for the *Oxford Handbook of Semiparametric and Nonparametric Econometric Methods*.

He is the co-author of *Nonparametric Econometrics: Theory and Practice* (Princeton University Press, 2007, 768 Pages, with Qi Li), and has published 75 peer reviewed journal articles and book chapters.

He also has written three R ([www.r-project.org](http://www.r-project.org)) packages, the np package ([cran.r-project.org/web/packages/np](http://cran.r-project.org/web/packages/np)), the npRmpi package ([cran.r-project.org/web/packages/npRmpi](http://cran.r-project.org/web/packages/npRmpi)), and the crs package ([cran.r-project.org/web/packages/crs](http://cran.r-project.org/web/packages/crs)), available on the Comprehensive R Archive Network.

Friday, September 26, 2014

8:25 – 8:30 AM : Welcome

*SESSION # 1 Chair—Anirban Basu, University of Washington*

8:30 – 9:30 AM : **MORAL HAZARD AND ADVERSE SELECTION IN PRIVATE HEALTH INSURANCE**

Discussant: Frank Windmeijer, University of Bristol, UK

Primary Author: David Powell, RAND Corp

9:30 – 10:30 AM : **ESTIMATING HETEROGENEOUS TREATMENT EFFECTS IN RANDOMIZED CONTROL TRIALS**

Discussant: Salvador Navarro, University of Western Ontario, Canada

Primary Author: Christopher P. Adams, Federal Trade Commission

10:30 – 11:00 AM : Coffee Break

*SESSION # 2 Chair— Tim Halliday, University of Hawaii*

11:00 – 12:00 PM : **REGRESSIONS: A COMPARISON OF METHODS FOR ESTIMATING THE FULL CONDITIONAL DISTRIBUTION**

Discussant: William Greene, New York University

Primary Author: James Lomas, University of York, UK

12:00 – 1:00 PM : LUNCH

*SESSION # 3 Chair— Paul Contoyannis, McMaster University, Canada*

1:00 – 2:00 PM : **A DYNAMIC MODEL OF HEALTH, EDUCATION AND WEALTH WITH CREDIT CONSTRAINTS AND RATIONAL ADDICTION**

Discussant: Victor Aguirregabiria, University of Toronto, Canada

Primary author: Rong Hai , University of Chicago

2:00 – 3:00 PM : **PERSONALITY, EDUCATION, AND HEALTH-RELATED OUTCOMES OF HIGH ABILITY INDIVIDUALS**

Discussant: Gabriella Conti, University College of London, UK

Primary Author: Peter Savelyev, Vanderbilt University

3:00 – 3:30 PM : Coffee Break

## Friday, September 26, 2014 (Contd.)

### *SESSION # 5 Chair—Paul Grootendorst, University of Toronto*

3:30 – 5:00 PM : **KEY-NOTE SPEECH**

Speaker: **JEFFREY S. RACINE, MCMASTER UNIVERSITY**

Topic: RECENT ADVANCES IN NONPARAMETRIC INSTRUMENTAL REGRESSIONS

**6:30 – 10:00 PM : Social Event & Dinner at PANGAEA RESTAURANT**

## Saturday, September 27, 2014

### *SESSION # 6 Chair— Donna Gilleskie, UNC Chapel Hill*

8:30 – 9:30 AM : **HOW DO HOSPITALS RESPOND TO FINANCIAL PAIN?**

**EVIDENCE FROM HOSPITAL MARKETS IN TEXAS**

Discussant: Richard Lindrooth, University of Colorado, Denver

Primary Author: Lori Timmins, University of British Columbia, Canada

9:30 – 10:30 AM : **LIFE CYCLE RESPONSES TO HEALTH INSURANCE STATUS**

Discussant: Brian Ferguson, University of Guelph, Canada

Primary Author: Florian Pelgrin, University of Lausanne, Switzerland

10:30 – 11:00 AM : Coffee Break

### *SESSION # 7 Chair—Audrey Laporte, University of Toronto*

11:00 – 12:00 PM : **MODELING THE TOP TAIL OF THE MEDICAL CARE SPENDING DISTRIBUTION**

Discussant: Andrew Ching, University of Toronto, Canada

Primary Author: Matthew C. Harris, University of Tennessee

12:00 – 1:00 PM : **MARKET STRUCTURE AS A DETERMINANT OF PATIENT CARE QUALITY**

Discussant: Robert Town, University of Pennsylvania

Primary Author: Nathan E. Wilson, Federal Trade Commission

1:00 PM : BOX LUNCH

2:00 PM : ADJOURN



**Lodging** All registered participants will be provided up to two nights (Sep 25 & 26) of accommodations at:

## **Park Hyatt Toronto**

4 Avenue Road,  
Toronto, Ontario

<http://www.parktoronto.hyatt.com/en/hotel/home.html>



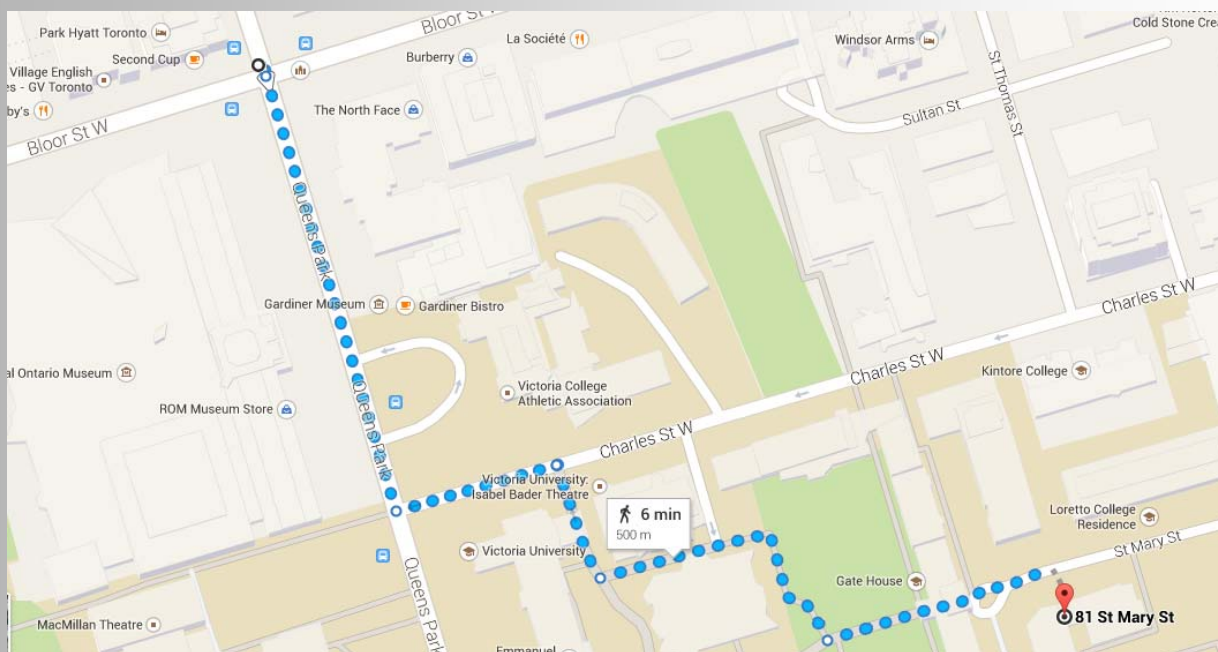
NEAREST AIRPORT FROM HOTEL: Lester. B. Pearson International Airport, Toronto (<http://www.torontopearson.com>)

GROUND TRANSPORTATION OPTIONS AT PEARSON AIRPORT:

<http://www.torontopearson.com/en/toandfrom/ground/#>

## **Conference Venue**

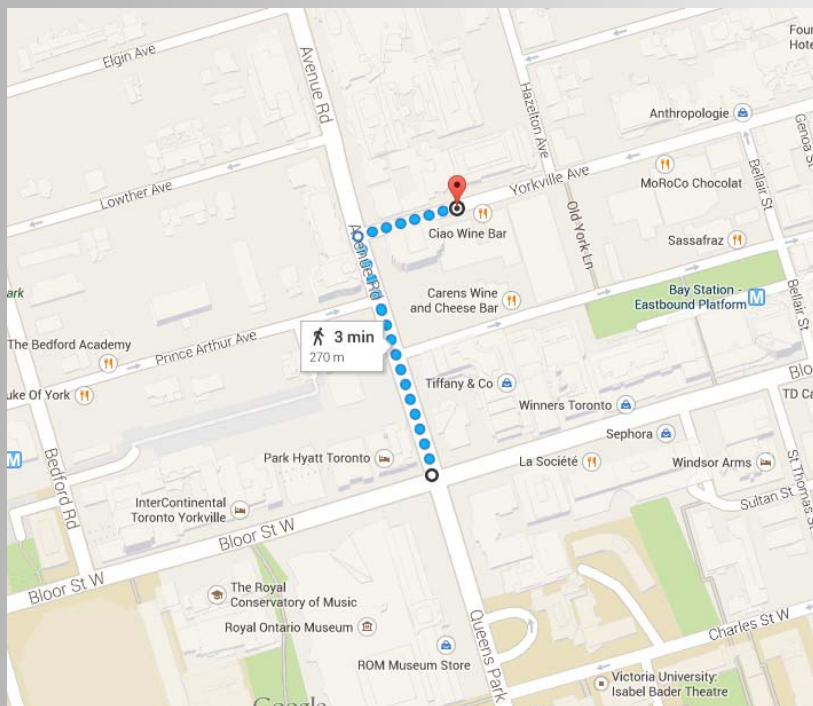
The Coop, Brennan Hall,  
University of St Michael's College,  
81 Saint Mary Street,  
Toronto, Ontario



## **Pre-conference Welcome Session (September 25<sup>th</sup>, 2014)**

Ciao Wine Bar  
133 Yorkville Ave.  
Toronto, Ontario

<http://www.ciaowinebar.com/index.html>



## **Conference Dinner (September 26<sup>th</sup>, 2014)**

Pangaea Restaurant  
1221 Bay Street  
Toronto, Ontario

