

Response to Discussion

From Training to Practice: Physician Labor Market Entry, Geographic Mobility, and Reproductive Health Policy

Cecilia S. Diaz-Campo Mayra Pineda-Torres

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Thank you, Maura, for such a careful and constructive discussion.

What I took from the discussion

The central message

The paper's broad question is promising, but the circulated model asks it with a choice margin that is too coarse.

- ▶ The circulated version treats the key choice as

Clinical practice *vs.* Not clinical practice.

- ▶ But Maura's discussion highlighted that the relevant margin is more specific:

Practice now *vs.* train further *vs.* other.

- ▶ That distinction matters because delay is not exit.

The new draft (V2) is already making this margin explicit.

Three changes currently being implemented for the next version

Issue in V1	V2 change	What it fixes
Binary entry margin	Practice / Further Training / Other	Separates delay into training from true non-entry
Fellowship is a dummy	Further training has a continuation value	Treats training as human-capital investment
Compensation dominates mechanically	Add competing mechanisms and robustness checks	Tests whether wages absorb omitted disamenities or secular trends

The revision is not just adding complexity. It changes the economic object.

Change 1: Make further training an explicit choice

V1 choice:

$$D_i \in \{\text{Practice, Not practice}\}$$

V2 choice:

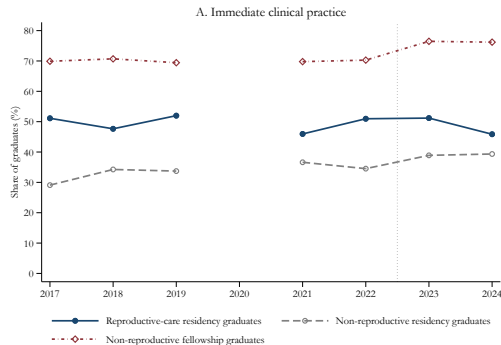
$$A_i \in \{P, F, O\}$$

P = Practice now, F = Further training, O = Other.

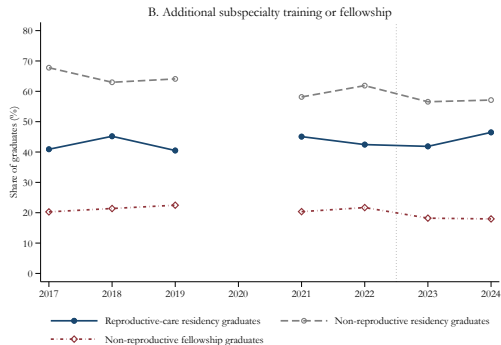
- ▶ This directly addresses the concern that the main finding may be *more subspecialization*, not a permanent workforce loss.
- ▶ The model will report counterfactual changes in all three margins:

$$\Delta P(P), \quad \Delta P(F), \quad \Delta P(O).$$

The descriptive figures already point to three choices



Choice 1: enter clinical practice now



Choice 2: pursue additional training

A decline in practice can now be decomposed into **delayed entry through training** and **movement into other activities**.

Change 2: Treat further training as an investment

V1: fellowship status shifts the utility of practice.

V2: further training has current cost and future value:

$$V_i^F = -C_i^F + \delta \sum_{s'} q(s' | s_i) CV(s') + \varepsilon_i^F.$$

- ▶ C_i^F : utility cost of delaying labor-market entry.
- ▶ $q(s' | s_i)$: transition from current specialty to future training state.
- ▶ $CV(s')$: continuation value of reaching advanced-training state s' .

Why this matters

A resident choosing further training is not simply choosing “not practice.” She is investing in access to a different future labor market.

How we discipline the continuation value

NYRES gives us two key pieces:

- ▶ Q17: current specialty being completed.
- ▶ Q18: future specialty for those pursuing additional training.

We are building a crosswalk:

future free text $\rightarrow s'$

where s' is restricted to fellowship-completion states.

Graduating fellows identify future states:

- ▶ probability of entering practice;
- ▶ probability of confirmed employment;
- ▶ location distribution;
- ▶ compensation distribution.

So fellows discipline $CV(s')$, rather than simply acting as a control group.

This is the structural bridge between residents' training choices and fellows' labor-market outcomes.

Change 3: Let alternative mechanisms compete

Maura's key model critique is right: in V1, the compensation channel may absorb mechanisms that are not literally wages.

V2 will keep the core expected-practice value:

$$EV_i^P = f(Pr(Job_i), Pr(Location_i = j), E[w_{ij}]),$$

but add robustness checks that compete with the wage channel.

- ▶ Add year effects / post effects in the activity equation.
- ▶ Estimate nominal and real compensation specifications.
- ▶ Allow destination-specific post-Dobbs disamenities, especially ban-state disamenities.
- ▶ Let compensation variance vary by $Repro \times Post$ as an uncertainty channel.
- ▶ Use offer counts / offer availability where the survey supports it.

What this means for the interpretation of the headline result

What I will no longer say too strongly

“Dobbs reduced physician supply.”

What the next version can say more precisely

The post-Dobbs differential change appears as a reallocation across margins at training completion:

Practice now → Further training / delayed entry.

- ▶ If the response is further training, the policy implication is different from permanent exit.
- ▶ The structural model should explain *which margin* adjusts and *which labor-market mechanism* makes that margin attractive.

The main object becomes investment and timing, not just participation.

Bottom Line: A Sharper Research Question and Richer Model

Setting: a regulatory shock arrives after specialized human capital is largely sunk

Medicine, medical school, core specialty, and current training are already chosen.

In the short run, adjustment must occur along the remaining margins.

V1: Old Question

How do post-Dobbs changes in employment, geography, and compensation affect immediate entry into clinical practice?

- ▶ Binary: practice vs. not practice
- ▶ Further training is part of the outside option
- ▶ Focus on immediate entry

V2: New Question

How do highly trained workers adjust in the short run when regulation changes the returns to practicing after specialized human capital is largely sunk?

Remaining margins of adjustment:

- ▶ Enter practice now
- ▶ Invest in further training and delay entry
- ▶ Reallocate geographically

V2 shifts the paper from “whether to enter” to “how workers adjust after sunk specialization.”