

# The Past and Future of Research in Health Economics

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Professor, Harvard University  
Editor, Review of Economics and Statistics

Economics is what economists do.

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Discipline has Grown and Changed:  
Outlets have not

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- Explosive Demand for Health Economists
  - Hiring by Law, Policy, A&S, Medical, Public Health and B-Schools
  - Even non-economists are starting to call themselves ‘behavioral economists!’
  - Ground-zero for collaboration
  - Unparalleled influence in Policy (‘the new macro-economists’)
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- Parallel Research Outlets
  - Economics journals
    - AER, JPE, QJE, ReSTUD, AEJ, ReSTAT, JHR, JPubEc, JHE
  - Health Services Research
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- Different audience, impact, and production functions

# Inside the black-box

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- **Health-Services Journals**
  - 1 month-1 year to write.
  - 2 week review at NEJM. Up-or-out decisions.
  - Journals want press.
  - Referees want simplicity, accessibility, focus, policy-relevance.
  - Reward facts. Huge premium on novel data

# Special Article

## Malpractice Risk According to Physician Specialty

Anupam B. Jena, M.D., Ph.D., Seth Seabury, Ph.D., Darius Lakdawalla, Ph.D., and Amitabh Chandra, Ph.D.

N Engl J Med  
Volume 365(7):629-636  
August 18, 2011



The NEW ENGLAND  
JOURNAL of MEDICINE

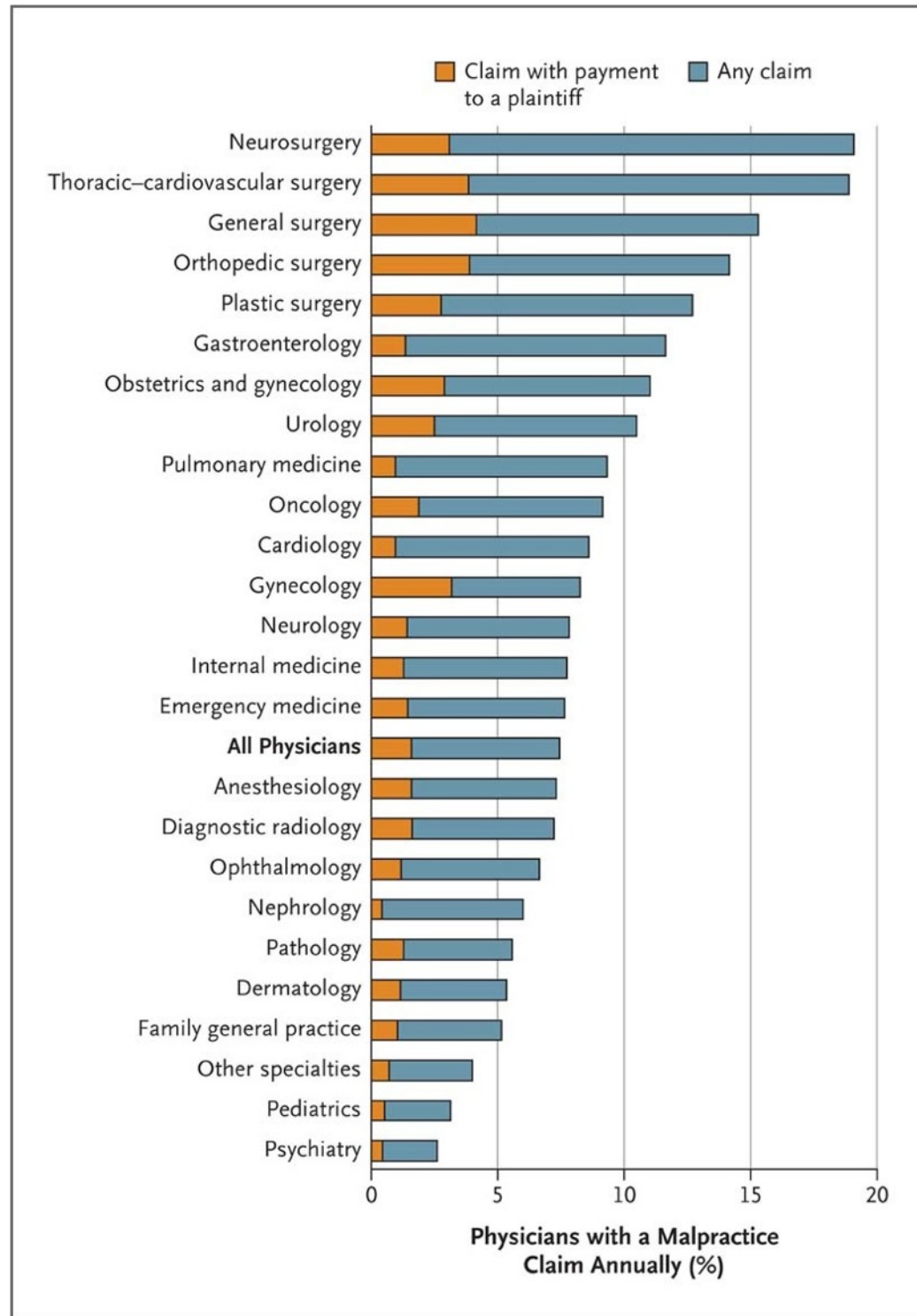
# Study Overview

In this analysis of data from a national liability insurer, 7.4% of physicians faced a malpractice claim each year, although 78% of claims did not result in payments to claimants.

Estimate that 75 to 99% of physicians will face a malpractice claim by the age of 65.

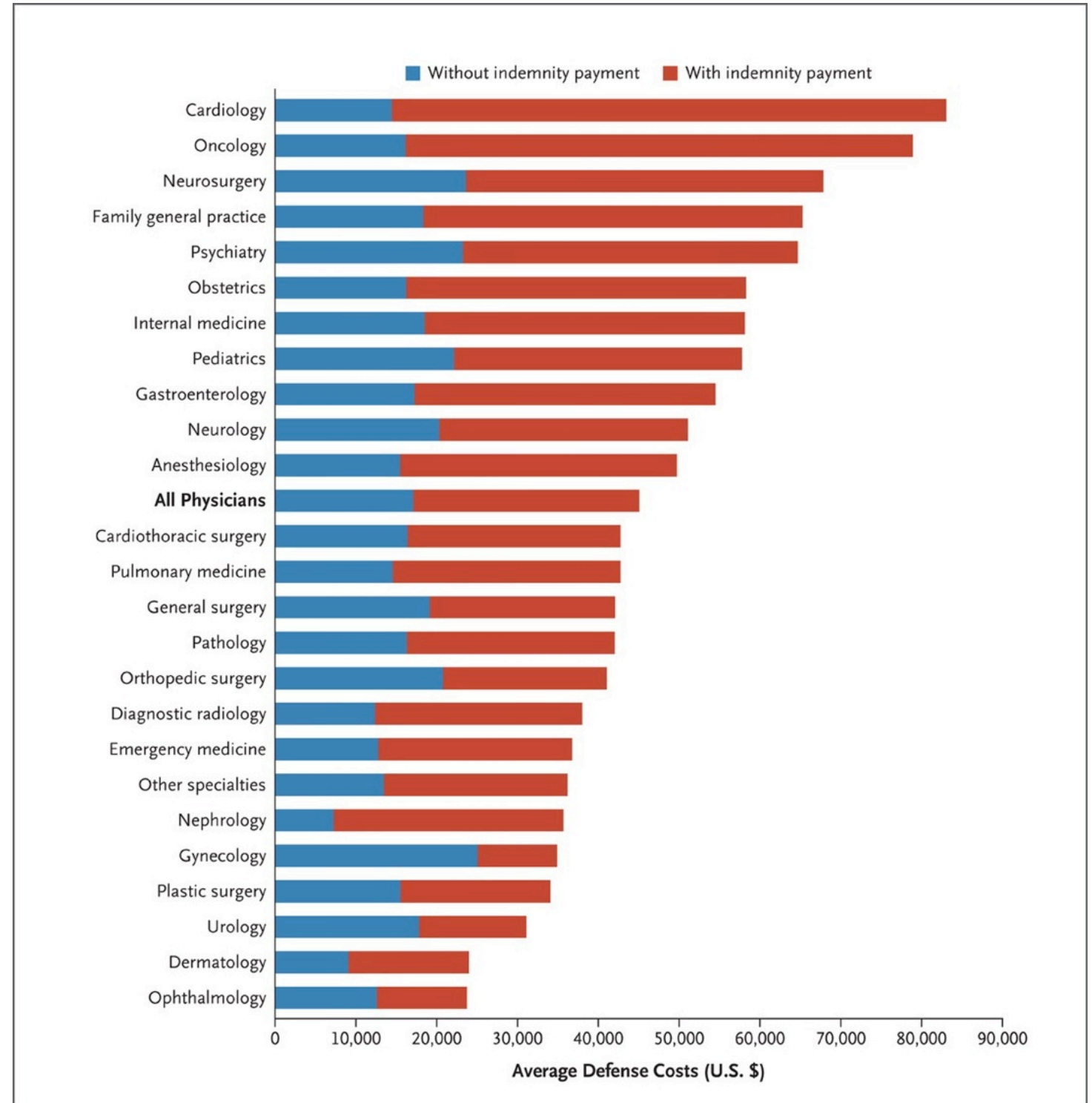
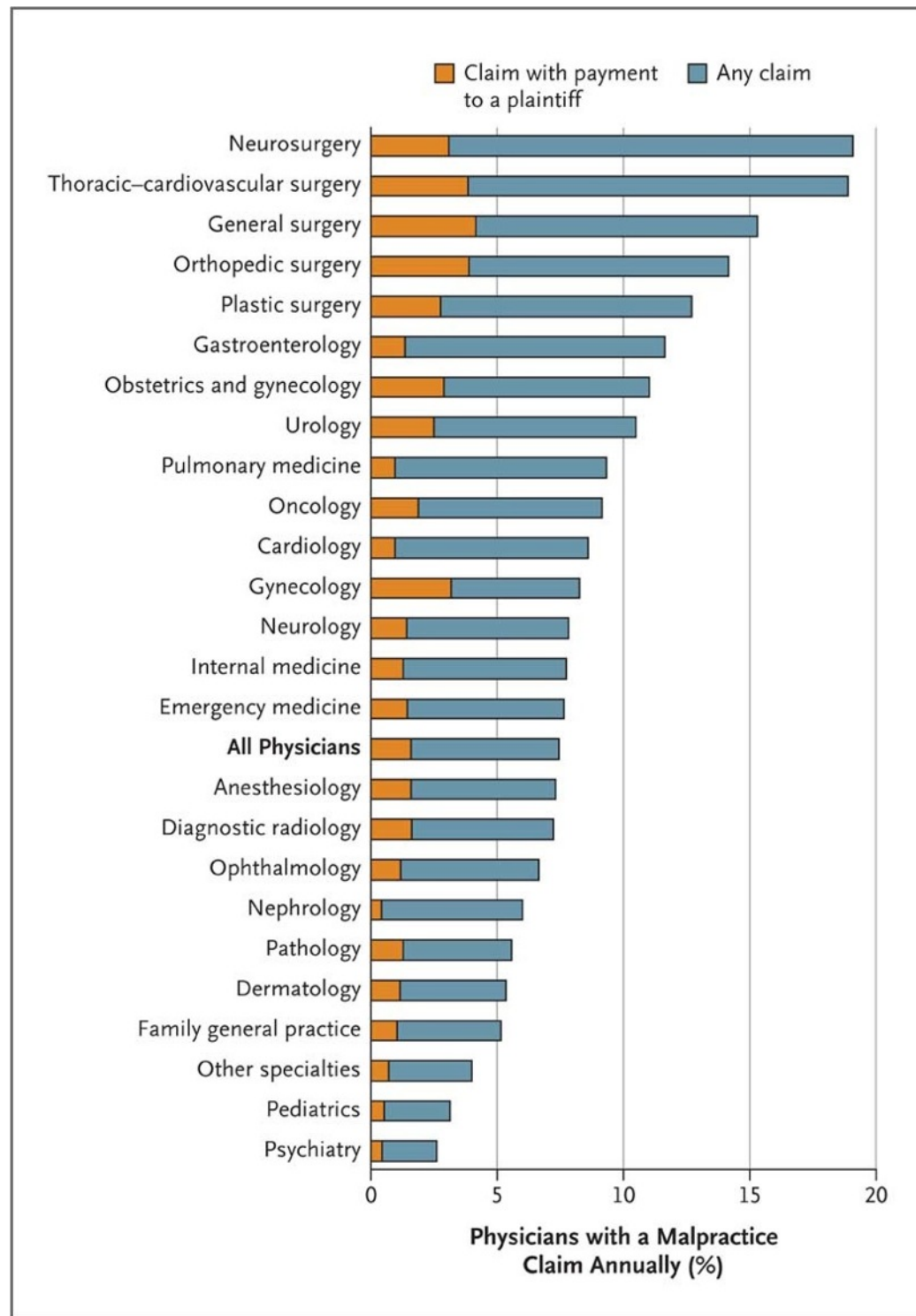


## Proportion of Physicians Facing a Malpractice Claim Annually, According to Specialty.



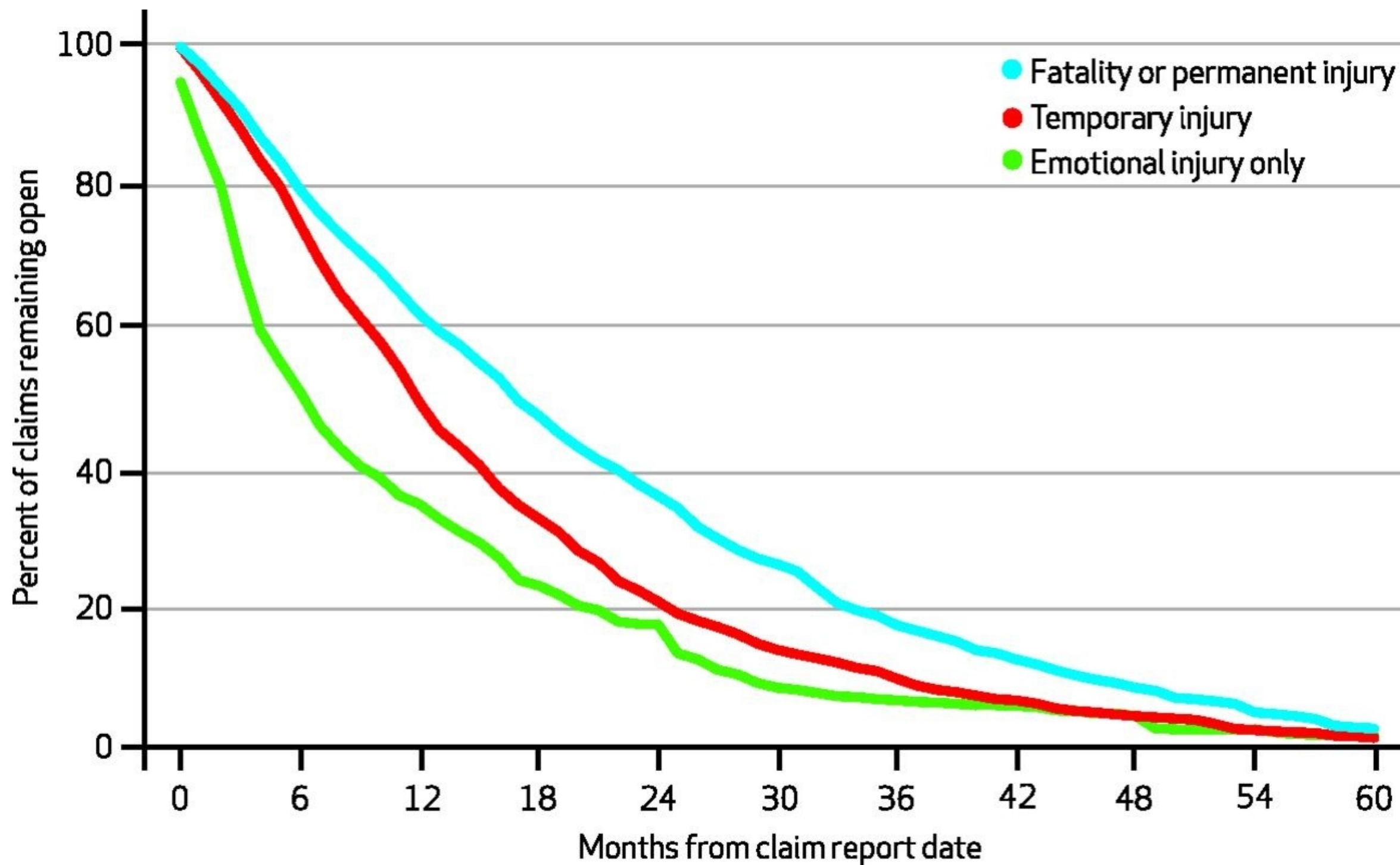
Jena AB et al. N Engl J Med 2011;365:629-636

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## Time To Resolution Of Malpractice Claims, By Severity Of Alleged Patient Injury.



Seabury S A et al. Health Aff 2013;32:111-119

HealthAffairs

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    - Odds-Ratios/Hazards vs. percentage point changes

# The Future

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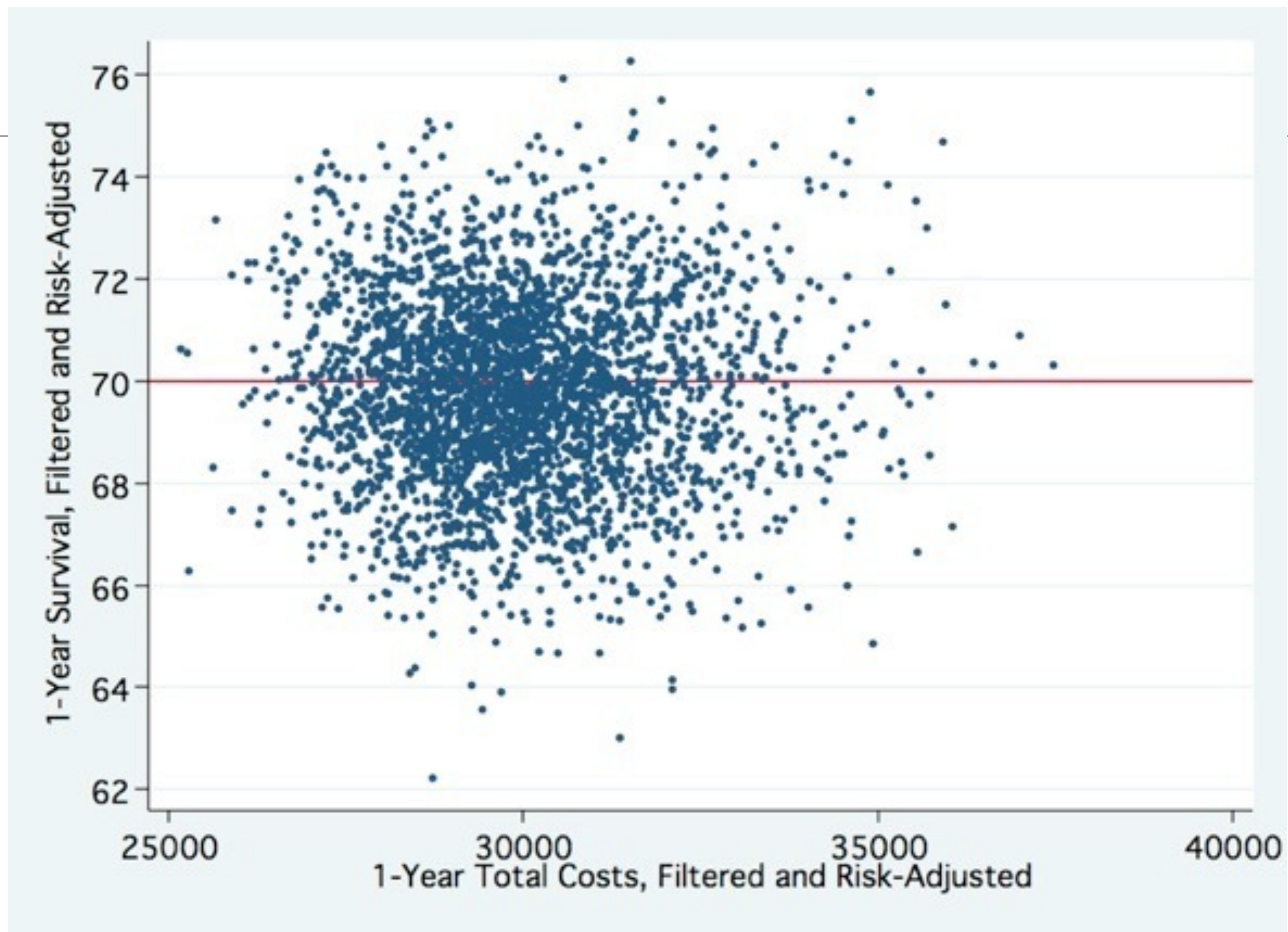
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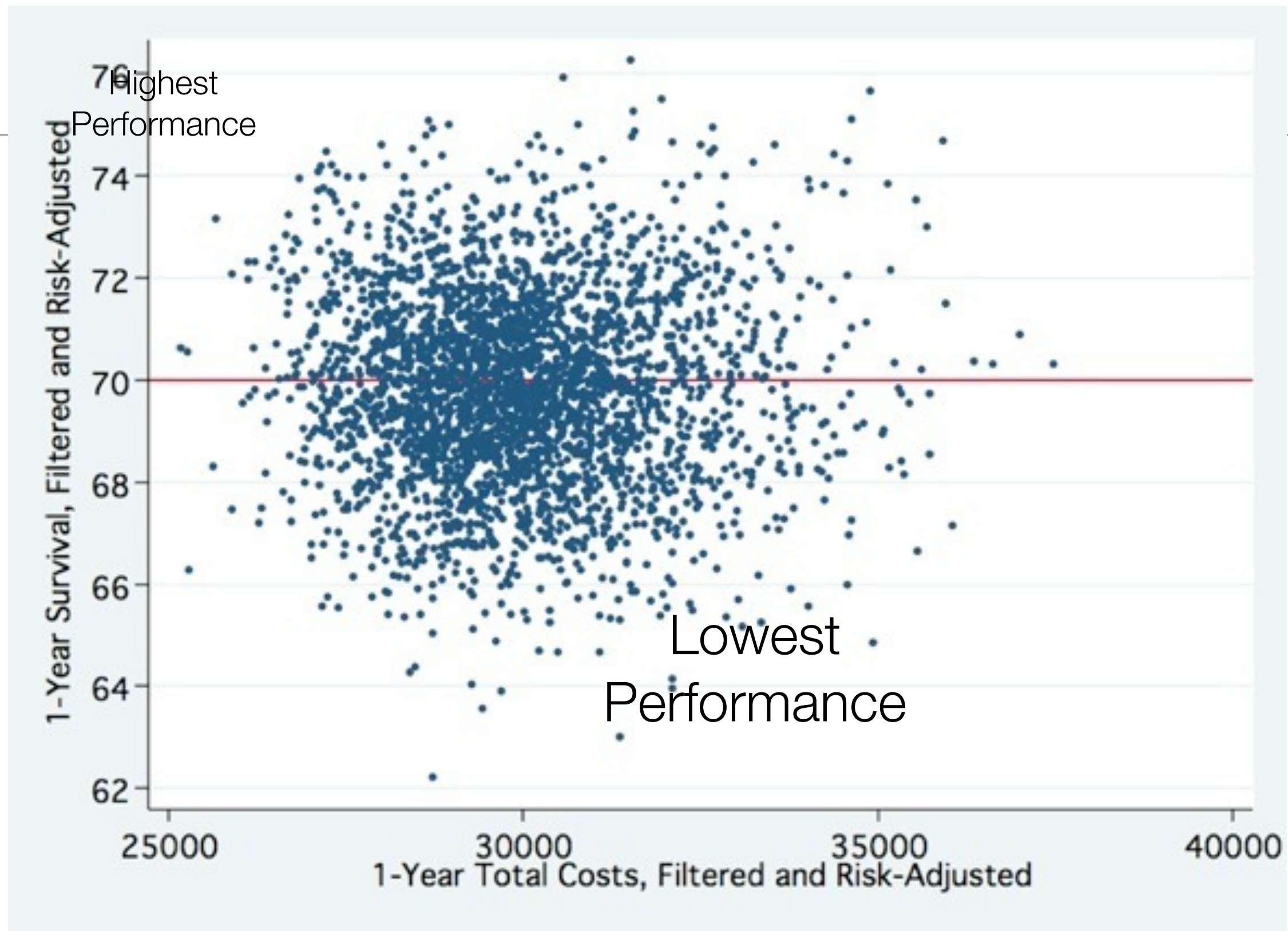
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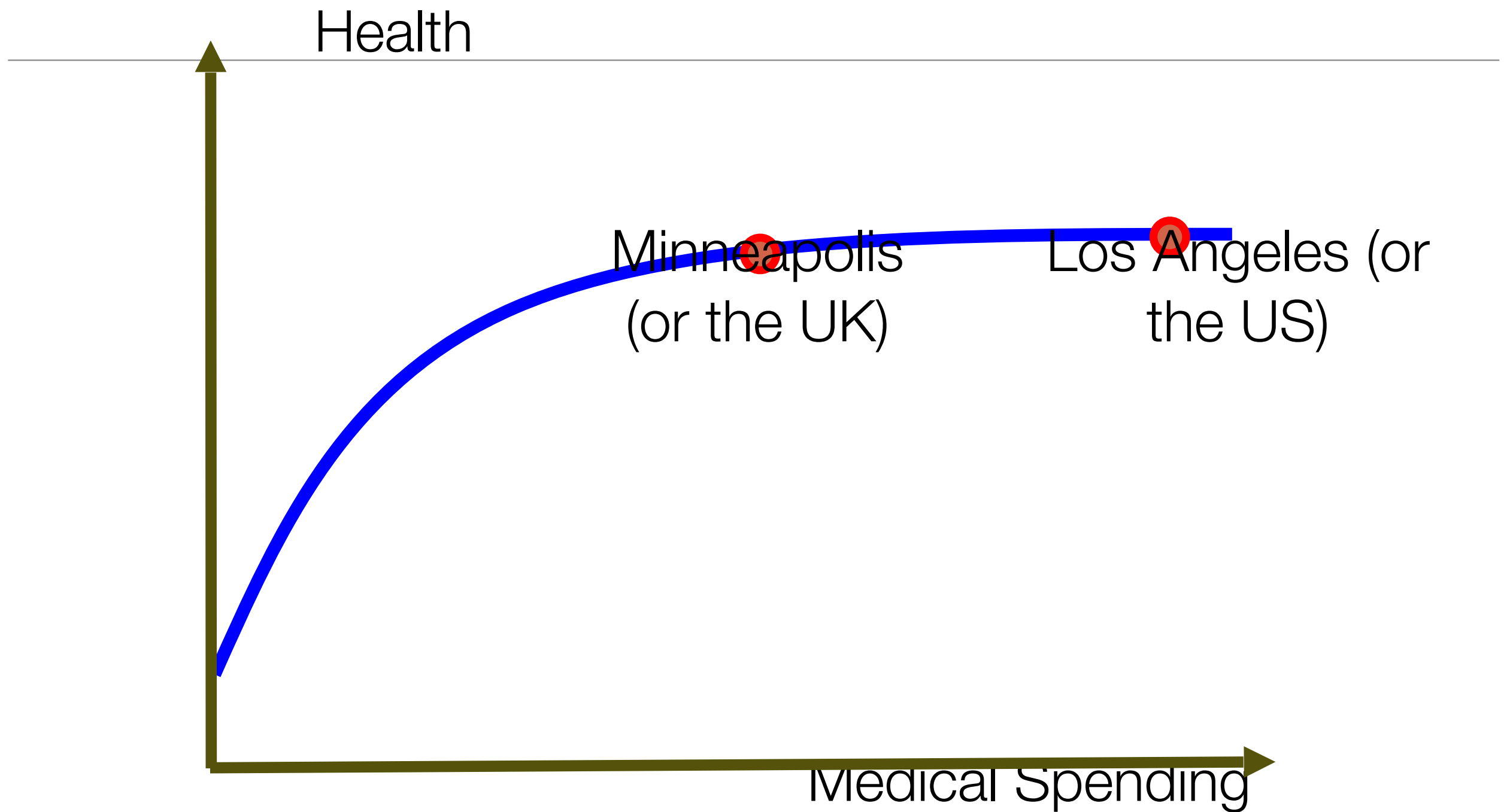
- Some topics are hot: productivity dispersion, competition on exchanges, demand-elasticities for quality; delivery-system reform, optimal plan design
- Policy relevance is not the only motivation. Great data, simple economic intuition and crisp identification make for great papers in economics...and can TRANSFORM policy.



Source: Chandra, Skinner and Staiger (2010). IOM.



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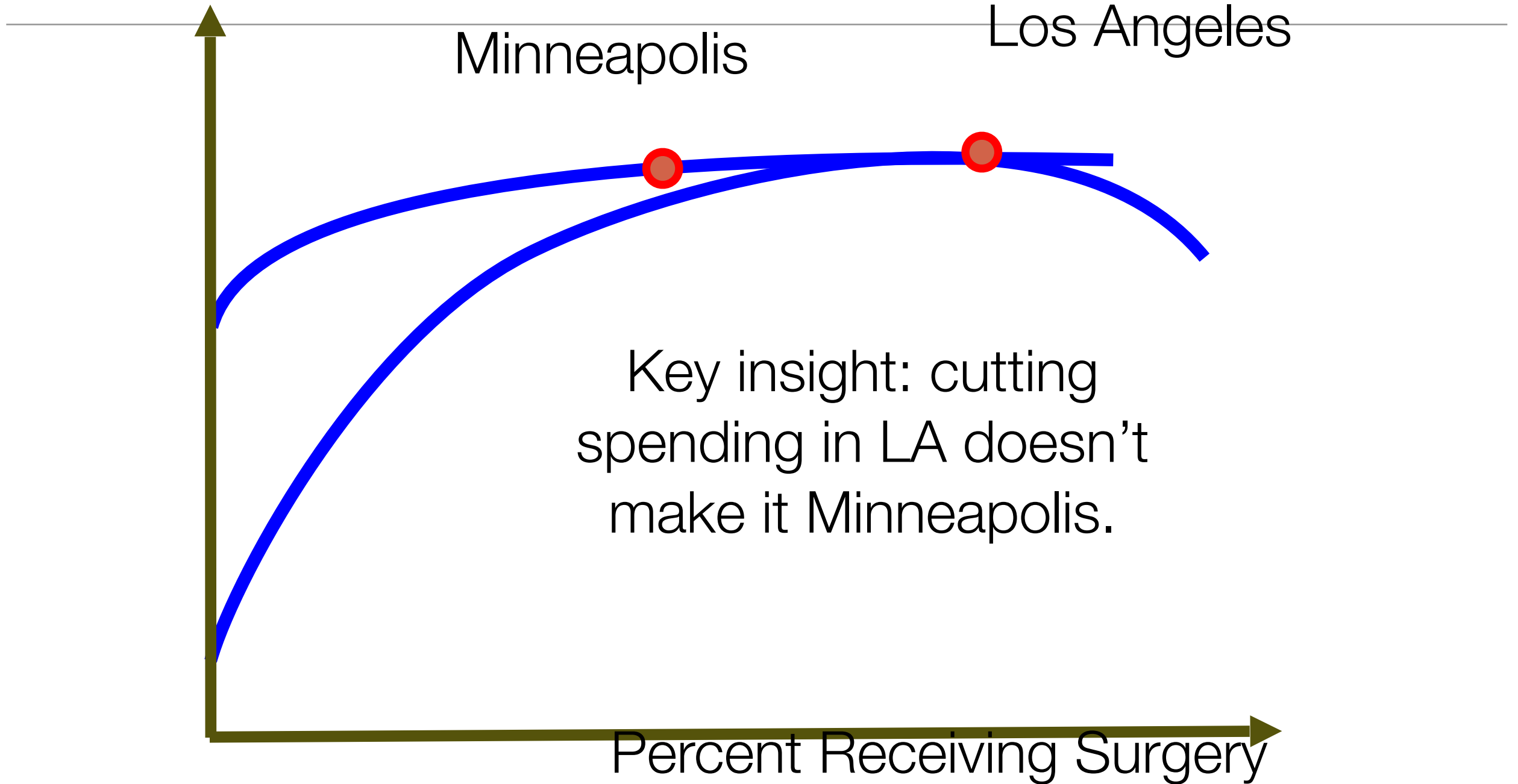
Health

Minneapolis

Los Angeles

Key insight: cutting  
spending in LA doesn't  
make it Minneapolis.

Percent Receiving Surgery





# Understudied Topics (relative to importance)

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- Legions of health-economists have noted that ‘technology’ drives spending.
  - We know little about innovation and discovery of new medical technologies.
  - Speed safety tradeoffs not well measured.
  - Linkage between marginal innovation and profitability
- Very little is known on the relationship between supply-side incentives, care delivery and outcomes
- Even less on the role of training, specialization and focus on outcomes

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- Will get fame...but distracts from serious work
- Real cost is that it undermines principle role of economists...as purveyors of tradeoffs and as intellectual janitors.

# Closing

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- Key to professional success— be scarce! Write papers that others can't.
- Requires deep investments in data and human-capital
- Economics has always been about measuring tradeoffs
- There has never been a better time to be a health-economist.