

The Past and Future of Research in Health Economics

Amitabh Chandra

Professor, Harvard University
Editor, Review of Economics and Statistics

Economics is what economists do.

Discipline has Grown and Changed:
Outlets have not

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- Explosive Demand for Health Economists
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 - 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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 - Economics journals
 - AER, JPE, QJE, ReSTUD, AEJ, ReSTAT, JHR, JPubEc, JHE
 - Health Services Research
 - JAMA, NEJM, HSR, Medical Care, Health Affairs

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- Different audience, impact, and production functions

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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

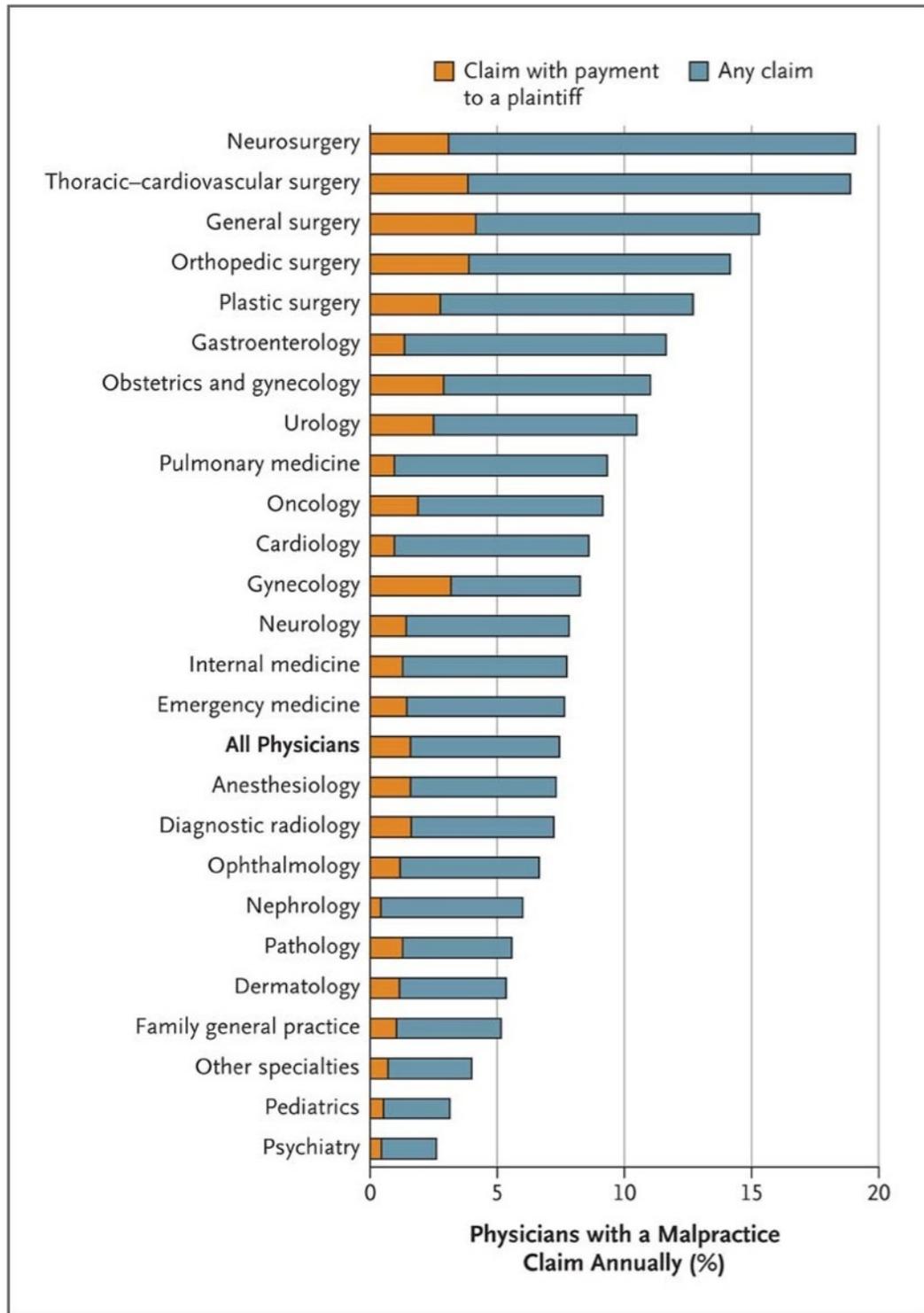
Study Overview

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.

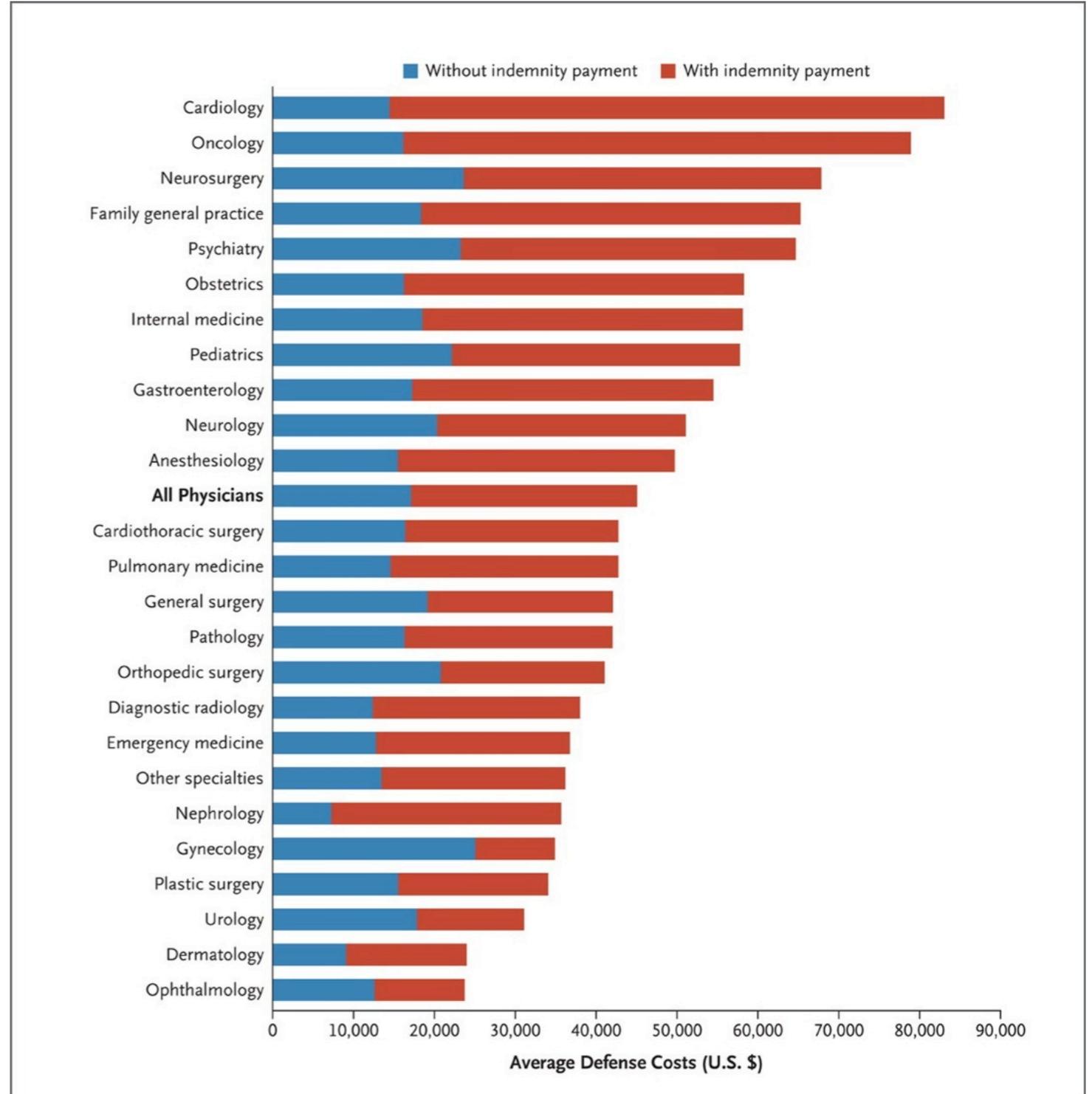
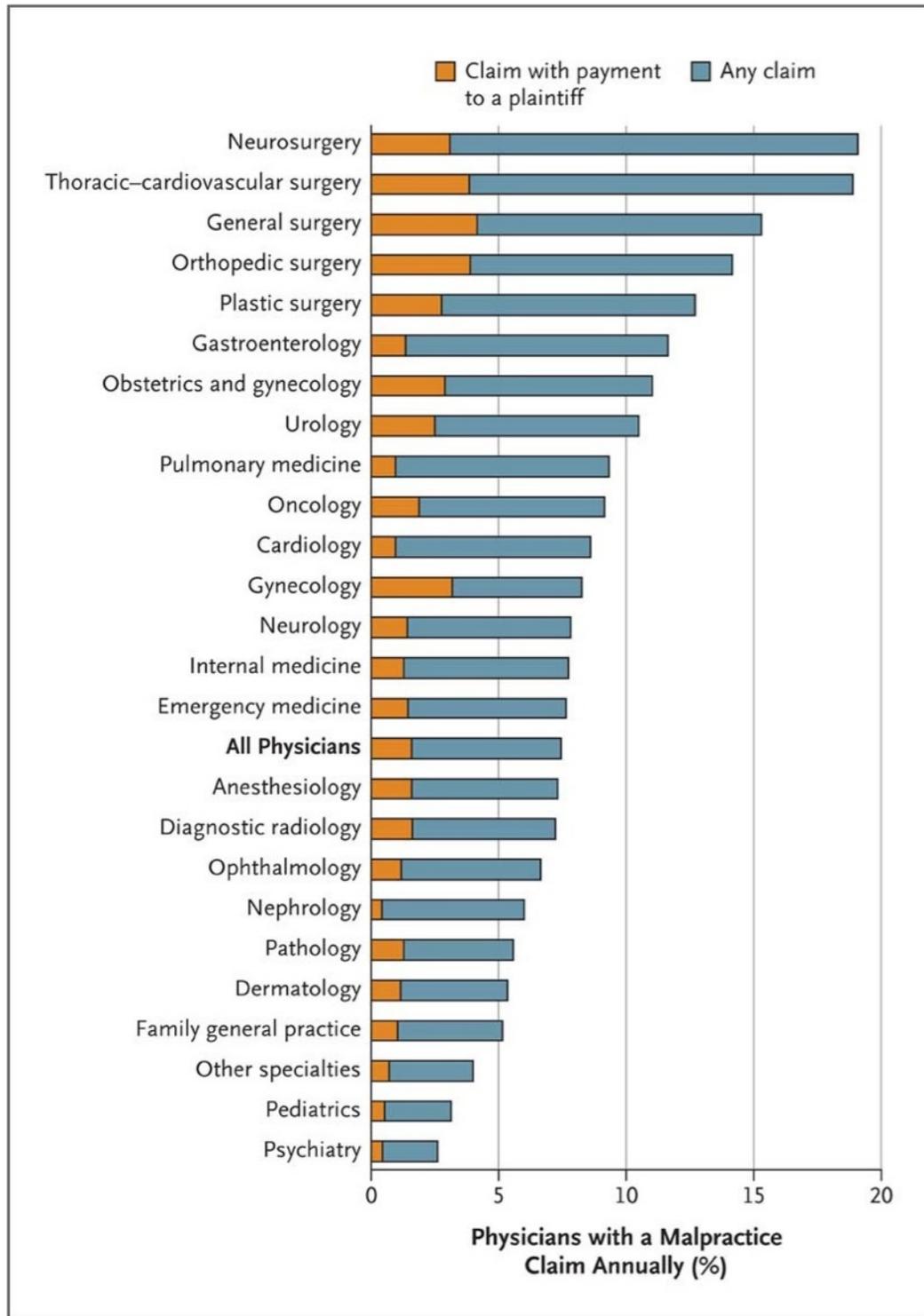


Proportion of Physicians Facing a Malpractice Claim Annually, According to Specialty.



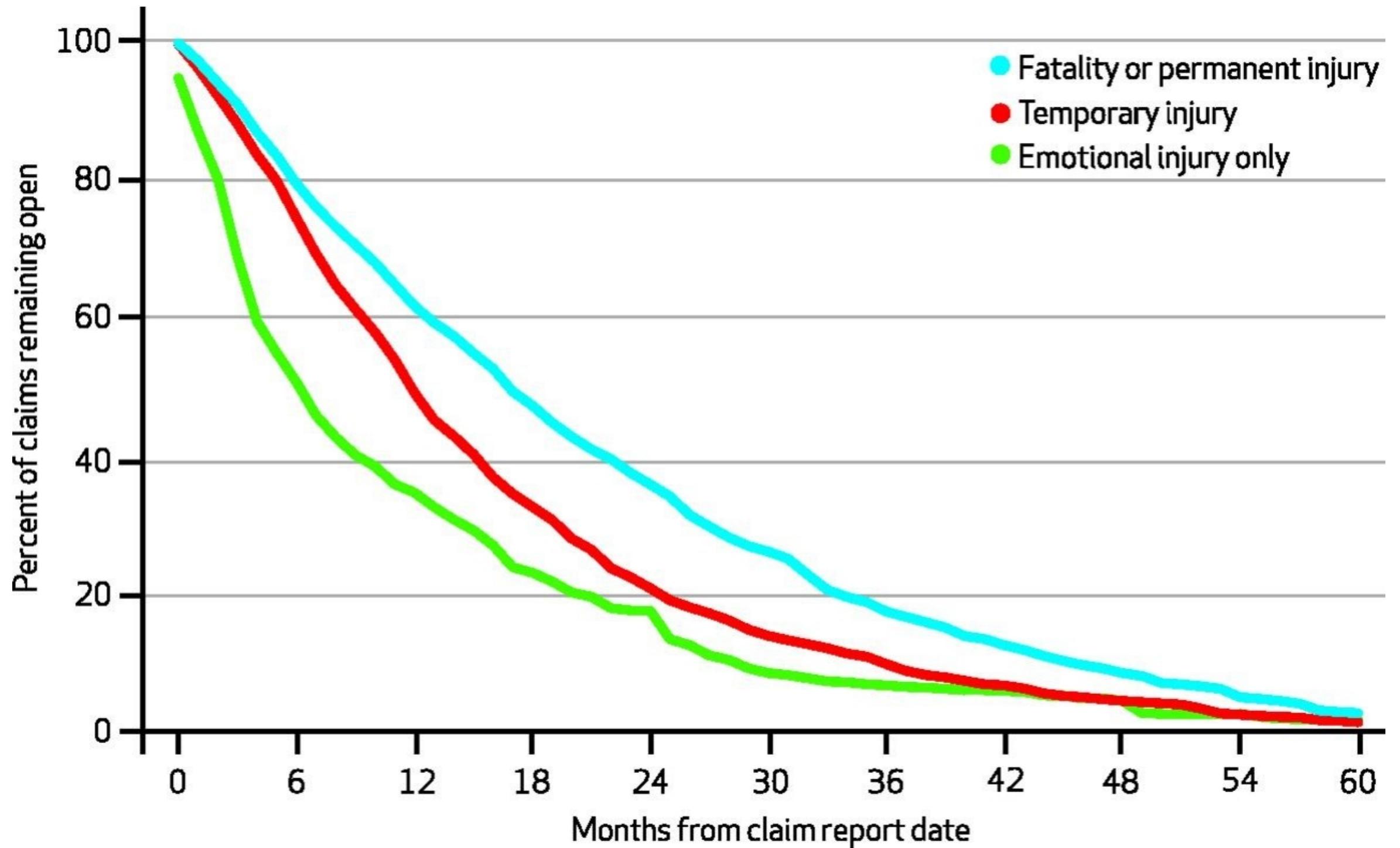
Jena AB et al. N Engl J Med 2011;365:629-636

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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

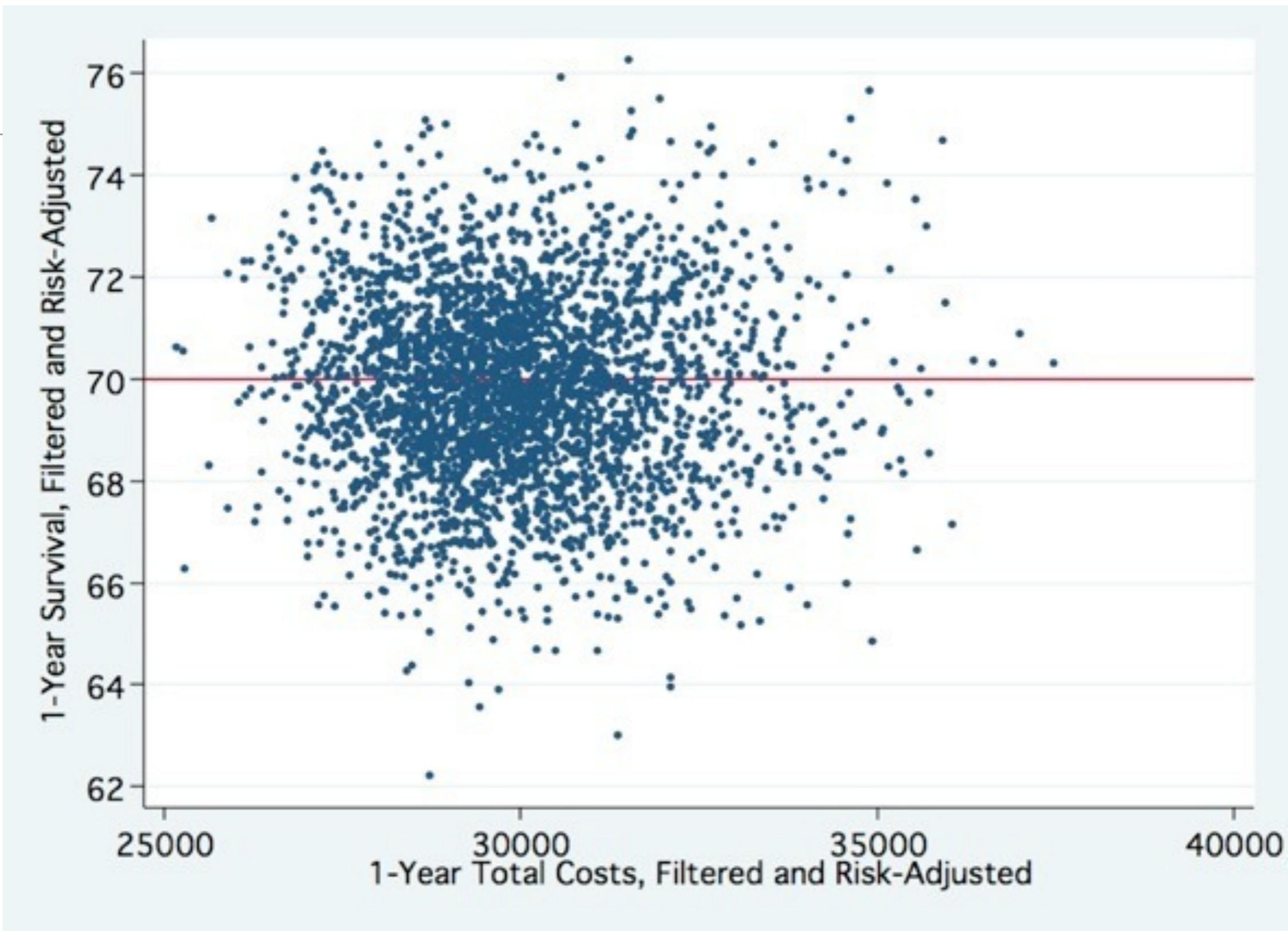
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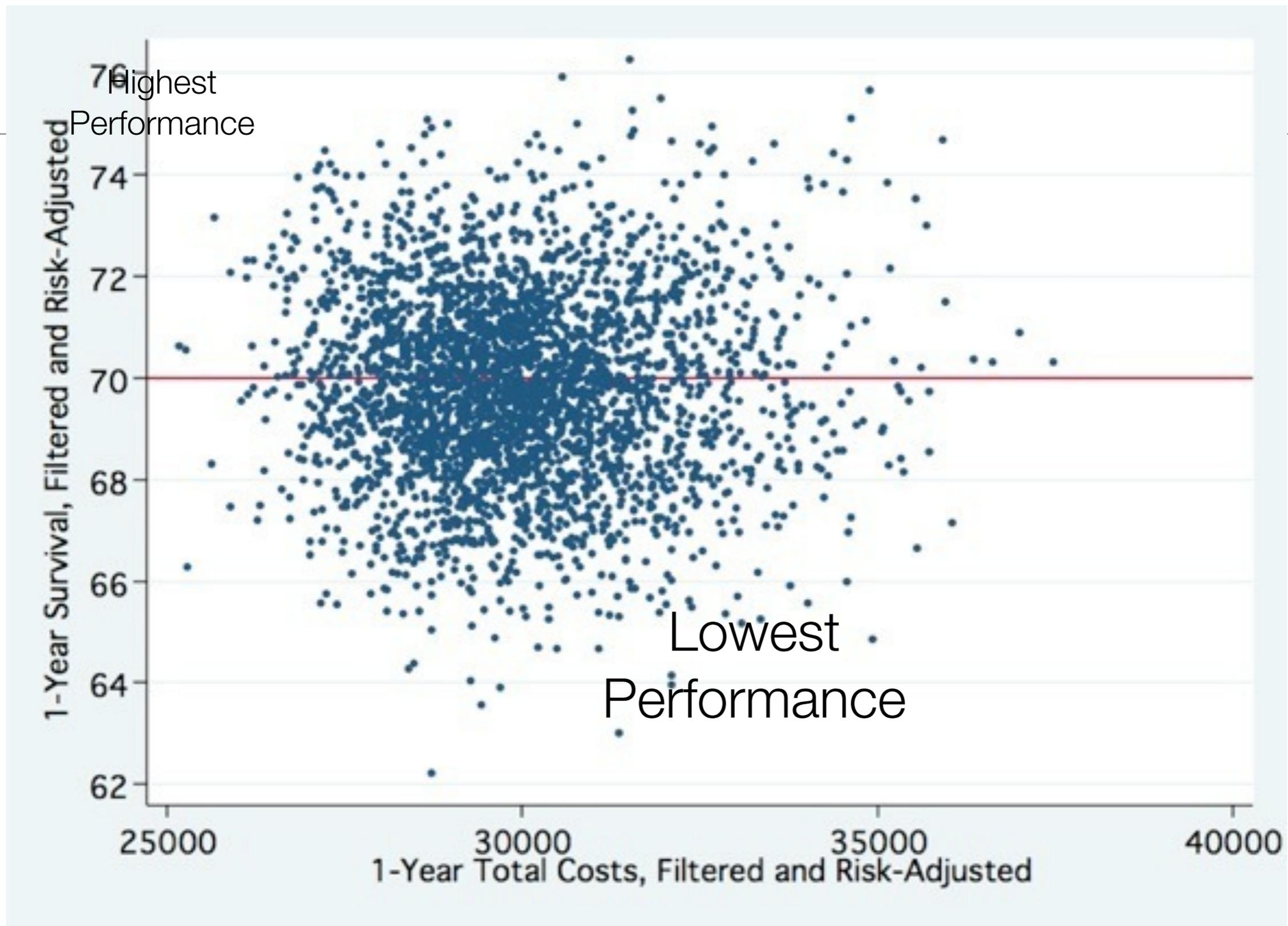
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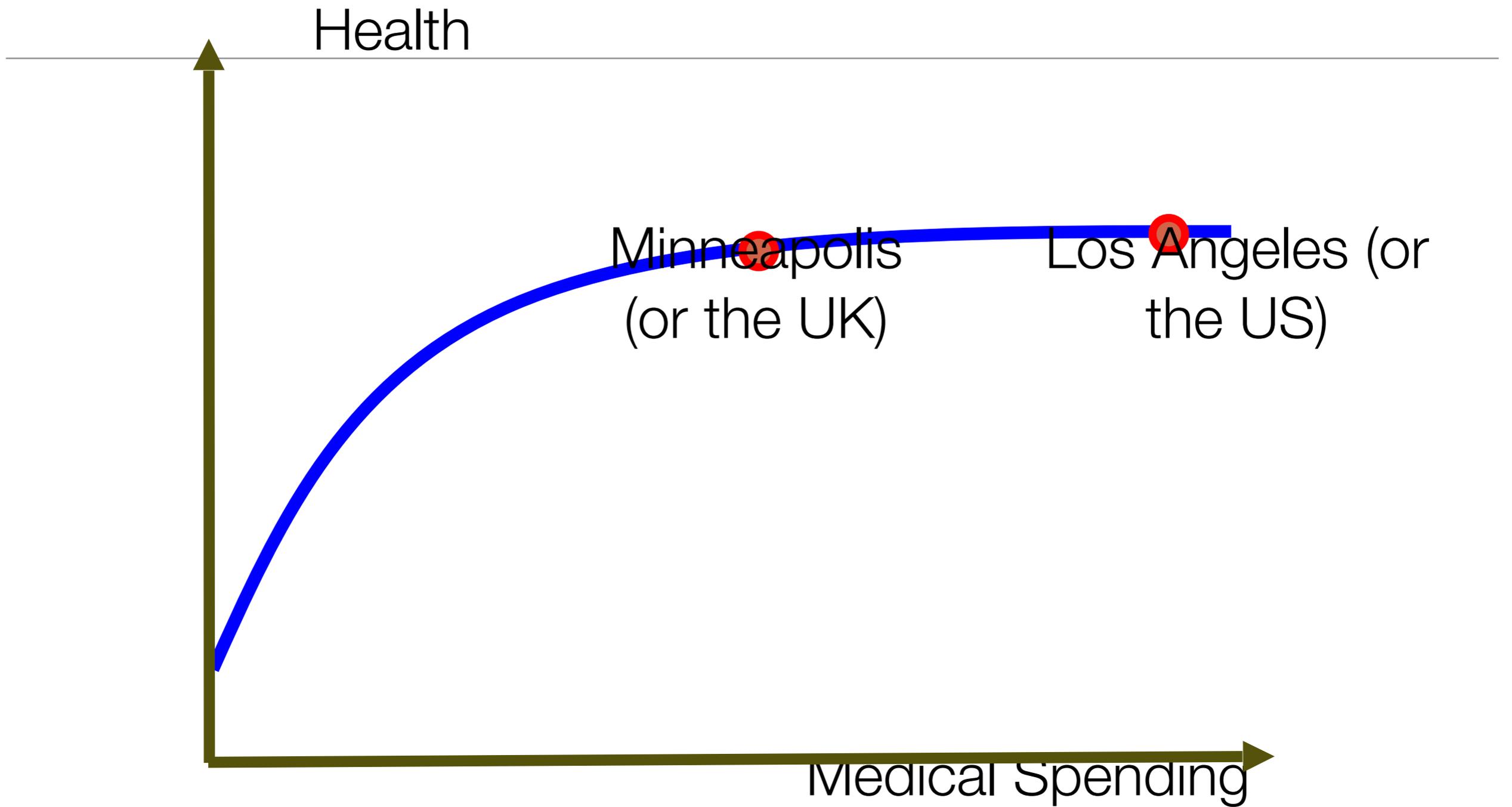
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- Policy relevance is not the only motivation. Great data, simple economic intuition and crisp identification make for great papers in economics...and can TRANSFORM policy.



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



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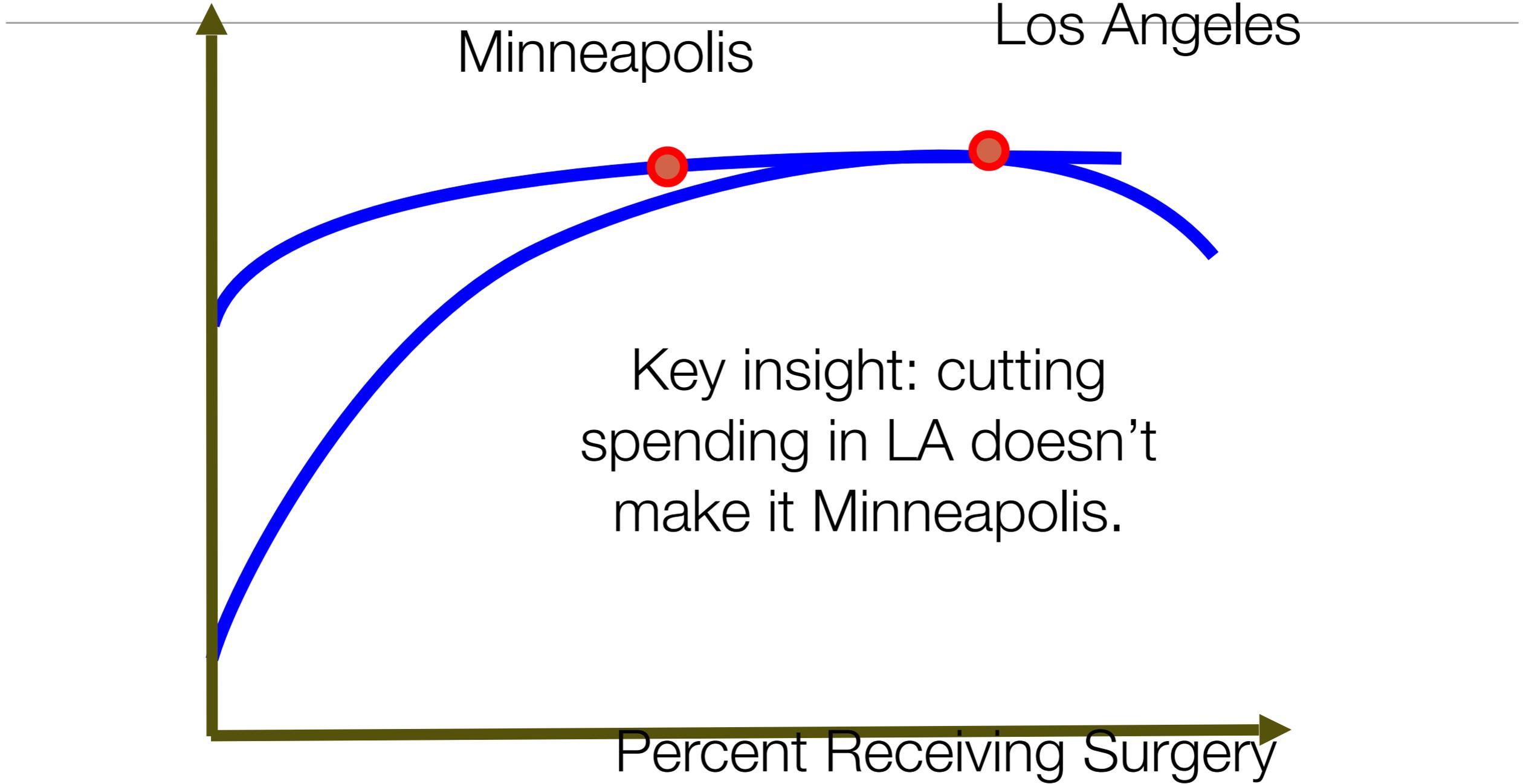
Health

Minneapolis

Los Angeles

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

Percent Receiving Surgery



Understudied Topics (relative to importance)

- 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

- 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.