

Summary of ‘Health Professional Shortage Areas’ by Khoury et. al

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Broad Question

What is the effect of Health Professional Shortage Areas on physician location decisions?

Specific Question

How do HPSA’s, along with attached incentives, influence location decisions of providers? To answer this, they look at how this designation affects the stock of medicare-billing doctors in the counties which comply.

Policy care

Policy makers should care since this designation brings more young physicians to underserved areas, and thus provides care that would otherwise not be there. Further, they can augment the incentives to make the prospect more enticing to already established doctors.

Econ care

Economists should care as it shows differences in intertemporal preferences, and thus grants information into the drivers of career location choice for the youngest groups, outside of wages.

What we learn

We learn that there is an increase in early career PCP’s in designated counties, though there is no change for those later in career. However, this feels very surface level, and they are unable to nail down the true mechanism motivating this behavior.

Methodology

Match diff-in-diff is used, which matches treated counties to the closest control county by type.

Weakness and overcome

A major issue is the lack of randomness and some larger level issues which may motivate the closeness. Perhaps some factors are simply endogenous to counties just above and just below the line for HSPA designation, then this could lead to weird matching. They overcome this by controlling for regionality and using placebos for years of designation for the controls. The results they find are robust, but I am skeptical.