**BUDGET SHIFTING (total of 3 regressions)**

OOP\_Expi,t = LOG\_Voluntary schemes/household out-of-pocket payments, constant PPP, US Dollar, Millions, 2010

FRi,t = FR, ER, BBR (separate regressions)

Xi,t = LOG\_GDP, LOG\_DEBT, LOG\_POP, IMF\_BAILOUT

**BUDGET SETTING (total of 12 regressions)**

HSector\_Exp = Curative care (Cure), Long-term care (Care), Prevention, Pharmaceutical spending (separate regressions), Constant prices, constant PPPs, OECD base year 2010

FRi,t = FR, ER, BBR (separate regressions)

Xi,t = LOG\_GDP, LOG\_DEBT, LOG\_POP, IMF\_BAILOUT + LOG\_pop\_80+ (strictly for the Cure/Care regression) + Gov\_left (strictly for the prevention regression)

**DIRECT / INDIRECT CONTROLS OF SUPPLY (total of 9 regressions)**

Volume\_control = Hospital beds, Hospital beds in long-term care facility, Capital investment (separate regressions)

FRi,t = FR, ER, BBR (separate regressions)

Xi,t = LOG\_GDP, LOG\_DEBT, LOG\_POP, IMF\_BAILOUT + LOG\_pop\_80+ (strictly for the Hospital beds regressions and Hospital beds in long-term care facility regression)

**Outstanding questions:**

1. Niek suggested introducing a ‘financial crisis variable’ in the robustness check. This way we are able to measure if FRs really are causing cutbacks, or rather the crisis itself. Good idea, however so far I’ve been only able to find a ‘banking crisis’ dummy’, which obviously is something else. I’ll continue searching. For now: do you have thoughts on what robustness checks to run?
2. Ideally we additionally run regressions with time lags for FR, ER and BBR
3. Capital investment is in local currency (not USD), is that an issue?
4. Can we include both pop and pop\_80+ in the same regression?
5. Should we introduce a time lag for GOV\_LEFT, since most policies will take a while before having an effect?
6. Niek suggested introducing a time trend, to mitigate the possible effect of a spurious regression. What is your take on this?