

Peer Participation in the Medicare Shared Savings Program

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Physician networks and voluntary participation

- Lots of work measuring static physician networks
- Very little work studying the effects of such networks
 - Even less work on the formation and evolution of those networks (more on this later)
- Similarly very little work on voluntary program participation in health care
 - Look into "Selection and Causal Effects under Voluntary Programs" by Gupta et al.

This paper

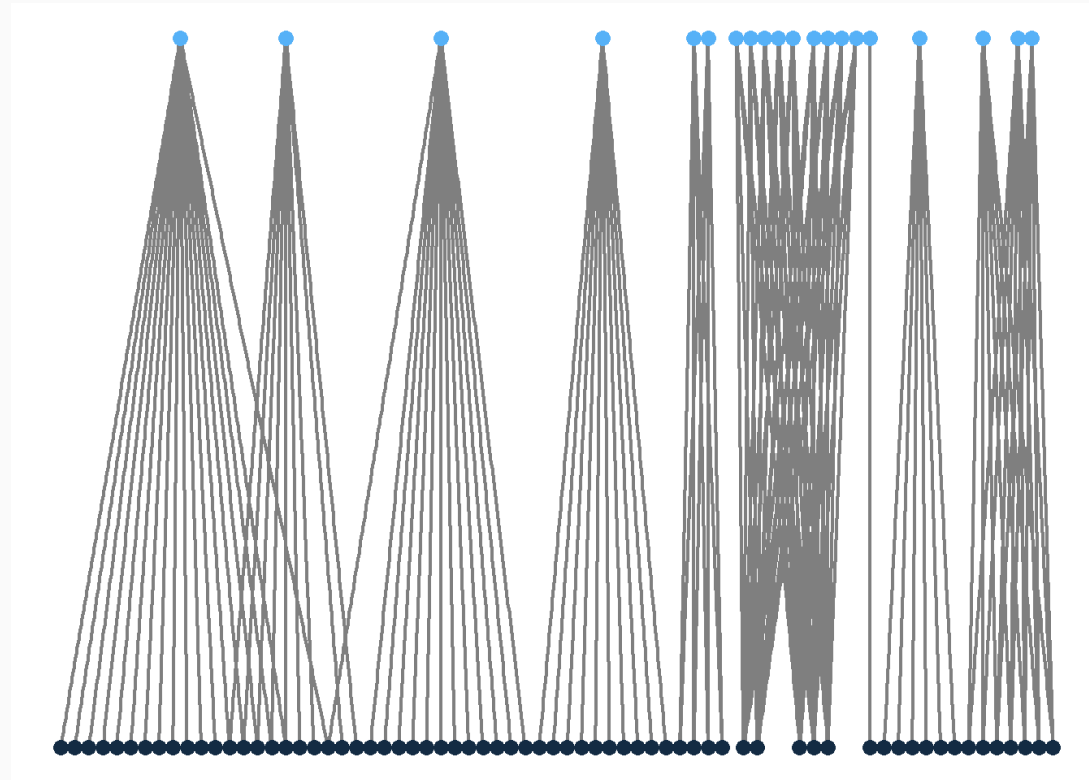
Main Question: Does my peers' participation in a shared savings program affect my own participation?

Approach: LPM regression of my participation against a weighted average of my lagged peers' participation, instrumented using lagged peers-of-peers

A ton of impressive data work!

Some descriptive work

- Would love to see some graphs describing the networks, especially the instrument (peer-of-peers)
- Specifically showing extent of peers-of-peers that are not my own peers



Some thoughts and questions

Reflection

- Are lagged values necessary?
- Already using leave-one-out peer average
- Ahn and Trogdon (2017) use contemporaneous (leave-one-out) peer average with lagged peer-of-peer average as instrument

Weighting

- Results much larger when not weighting peer averages by patient counts
- Could instead be a reflection of measurement error in the peer group (Angrist, 2014)

Mechanisms

- HHI highly correlated with peer group structure
- Is recruitment effect identified separately from "social learning"?
- Recruitment is a two-way street...more likely to recruit if program is running successfully
- Suggests that, as I learn about my peers' performance, recruitment may be harder or easier
 - Is there some way to exploit "successful" versus "unsuccessful" ACOs here?

Network formation

- Is my peer-of-peer exogenous?
 - If the existence of an edge is endogenous, then the absence of an edge should be endogenous too
- Analysis allows for time varying peer groups, but what assumptions are needed on the evolution of the network
- Given the need for sufficiently large ACOs, practices must be forward-thinking
 - Could you exploit system-level information here? Plausibly exogenous shock to ACO participation