Yan Song

Department of Economics,McGill University – Montreal – Canada
+1 (514) 549 6070 • yan.song@mail.mcgill.ca • yansong.org

Education

McGill University — **Montreal,Canada**
PhD, — *2011–2016(Expected)*

University of Toronto — **Toronto,Canada**
M.A, — *2010–2011*

Sun Yat-sen University — **Guangzhou, China**
B.A, — *2006–2010*

Field of Interests

Health Economics,Applied Microeconomics

Research

Working Papers

- How Do The State Drug Substitution Laws Affect The Use of Generic Drugs
- How Does the New Cooperative Medical Scheme Vary Cross Counties and Over Time
- Mortality Belief, Individual Health Shocks and Smoking Decision

Presentations

- CPS Graduate Research Development Conference Participants, June 2015
- CAHSPR Conference May 2015
- CIREQ Seminar, McGill University, April 2015

Awards and Scholarships

2014-2015: Heller Family Fellowship

2011-2015: Grad Excellence Award

2011-2012: WYNG Trust Fellowship

Teaching Experience

Microeconomic, Macroeconomic,Development Economics.

Past Positions

2013-2015: Research Assistant for Prof.Fabian Lange

Language

Chinese(Native), English(Fluent), French(Working Proficiency).

Programming Skills

Python(Scientific Computing), Matlab, Stata, SQL, LaTex.

References

Prof.Fabian Lange

Leacock Room 511
855 Sherbrooke
Tel: 514-653-0020
Email:fabian.lange@mcgill.ca

Prof.Erin Strumpf

Leacock Room 418
855 Sherbrooke
Tel: 514- 398-2880
Email: erin.strumpf@mcgill.ca

Abstracts

- How Do The State Drug Substitution Laws Affect The Use of Generic Drugs

Abstract: Generic drugs offer substantial savings over brand name alternatives. With the spending on prescription drug expenditure as high as 374 billion dollars, states in the United States have adopted different policies to promote generic substitution of brand name drugs. Two popular type of these policies are mandatory switching laws and presumed patient consent laws. To identify the effect of these policies, I use the variation from states who changed the drug substitution polices between 2006 and 2012. Using the aggregate Medicaid State Drug Utilization data, I find that mandatory switching law has little effect while the presumed patient consent increases the generic substitution ratio. The effect of the presumed patient consent law depends on the disease type and how many years the generic drug has been available. To overcome the limits of aggregate data, I analyze the policies using difference in difference method with Medical Expenditure Panel Survey data. I find that individuals living in states with presumed consent are 1.56 percentage points less likely to buy brand name drugs compared to those living in states with explicit patient consent. To understand the mechanism of the presumed consent, I build a model of patient's choice of prescription drugs. By modeling the presumed patient consent law as an extra cost for patients living in states with such policy to buy brand name drugs, I find the effect of presumed patient law on patient's decision to buy prescription drugs is equivalent to 28 dollar increase in the brand name drugs. The average marginal effect of the policy is that the average probability of purchasing brand name drugs decrease by 11 percent.

- How Does the New Cooperative Medical Scheme Vary Cross Counties and Over Time

Abstract: China initiated the New Cooperative Medical Scheme (NCMS) for rural residents in 2003. There is literature that evaluates various aspects of NCMS' s impacts, including utilization, expenditure and health status. However, the current literature has paid limited attention to the heterogeneity of the NCMS's crucial characteristics. Ignoring these variations prevent researchers from providing a complete and convincing statement of NCMS's impacts. I collect policy documents released by county governments and create a novel NCMS policy dataset. The dataset covers eight provinces in China that vary substantially in geography and economic development. It spans over ten years and includes about 1800 unique county year observations. Using this dataset, I present evidence of the heterogeneity in NCMS. I find the plans differ greatly in several dimensions, the number of splines, deductible , reimbursement rate and maximum reimbursement amount. To deal with the non-linear feature of most NCMS plans, I simulate 100 draws from a distribution fitted to the actual medical expenditure in China. I calculate the average reimbursement rate by applying the NCMS plans to the simulation draws. I find the average reimbursement rates vary greatly over different types of

hospitals and cross counties. These findings imply that future research evaluating the NCMS should caution against treating NCMS as a homogeneous insurance and incorporate its heterogeneities.
- Mortality Belief, Individual Health Shocks and Smoking Decision

Abstract:This paper tries to understand the relationship between individuals' subjective estimate of their susceptibility to smoking and their decisions to smoke. It investigates how individual's smoking related health shocks affect their subject belief of susceptibility to smoking and promote cessation behaviour. I develop a three period decision model of smoking. From the model, I derive two testable hypothesis about private health shocks and individual's belief of susceptibility to smoking. They are: (1) Smokers update their subjective estimate of own suscepbility of smoking when receiving smoking related disease diagnosis. (2) An increase in awareness of own susceptibility will promote quitting. I use data from the Health and Retirement Study (HRS) to test these hypotheses. I implement an approach similar to difference in difference (DID) to test the first hypothesis. The dependent variable is the change in survival belief to age 75 in two adjacent waves of HRS survey. I find that the difference in this variable between smokers who received smoking related health shocks or not is significantly larger than that of non-smokers. The joint F test for smoking related shocks is significant at 5 percent level. This provide supportive evidence for hypothesis one. For the second hypothesis, I implement a probit regression. The dependent variable whether a smoker quits smoking in the next wave of survey. The regression finds that the onset of smoking related diseases promotes cessation. This supports hypothesis two since these shocks increases the awareness of own susceptiblity. Combining the two results together, I find individual's health shocks promote smoke cessation and the mechanism is that smokers could get a more precise understanding of their own susceptibility to smoking. Policy makers can mandate preventative health check-ups for smoking related health shocks to promote cessation behaviors.