Table 1: Structurally Estimated Parameters

Parameter Estimate Std Err Description ρ 1.112 (0.049) Coefficient of relative risk aversion β 0.957 (4.78e-3) Intertemporal discount factor (biennial) ν 9.570 (1.530) Curvature of returns to mitigative care λ 1.803 (0.011) Utility level shifter: $u(\lambda) = 0$ C 0.213 (0.021) Effective consumption floor (\$10,000) ω1 4.284 (0.237) Bequest motive scaler μ0 -1.282 (0.083) Constant, mean of log medical need shock μs -0.326 (0.071) Sex coefficient, mean of log medical need shock μa1 0.314 (8.72e-3) Age coefficient, mean of log medical need shock μa2 -7.82e-3 (6.79e-4) Age sq coefficient, mean of log medical need shock μb1 -7.022 (0.199) Health coefficient, mean of log medical need shock σ0 1.913 (0.032) Constant, stdev of log medical need shock σ0 1.913 (0.032) Constant, stdev of log medical need shock	Donomosta	Fatimat-		Description
$β$ 0.957 (4.78e-3) Intertemporal discount factor (biennial) $ν$ 9.570 (1.530) Curvature of returns to mitigative care $λ$ 1.803 (0.101) Utility level shifter: $u(λ) = 0$ C 0.213 (0.021) Effective consumption floor (\$10,000) $ω_0$ 11.469 (0.917) Bequest motive shifter (\$10,000) $ω_1$ 4.284 (0.237) Bequest motive scaler $μ_0$ -1.282 (0.083) Constant, mean of log medical need shock $μ_s$ -0.326 (0.071) Sex coefficient, mean of log medical need shock $μ_s$ -0.326 (0.071) Sex coefficient, mean of log medical need shock $μ_{a1}$ 0.314 (8.72e-3) Age coefficient, mean of log medical need shock $μ_{a2}$ -7.82e-3 (6.79e-4) Age sq coefficient, mean of log medical need shock $μ_{h1}$ -7.022 (0.199) Health coefficient, mean of log medical need shock $σ_0$ 1.913 (0.032) Constant, stdev of log medical need shock $σ_0$ 1.913 (0.032) Constant, stdev of log medical need shock $σ_0$ 1.913 (0.032) Constant, stdev of log medical need shock $σ_0$ -2.01e-3 (1.16e-3) Constant, expected next period health $γ_s$ -7.06e-3 (1.67e-3) Sex coefficient, expected next period health $γ_{a2}$ -3.16e-4 (3.24e-5) Age sq coefficient, expected next period health $γ_{h1}$ 0.864 (8.15e-3) Health coefficient, expected next period health $γ_{h2}$ 0.097 (9.53e-3) Health sq coefficient, expected next period health $γ_{h2}$ 0.097 (9.53e-3) Health sq coefficient, expected next period health $γ_{h2}$ 0.097 (9.53e-3) Health sq coefficient, expected next period health $γ_{h2}$ 0.0172 (3.71e-3) Constant, stdev of health shock $γ_0$ -1.4.961 (137.487) Transformed third derivative of health production at $i = 0$ $γ_0$ -2.112 (0.077) Transformed first derivative of health production at $i = 0$ $γ_0$ -0.557 (0.029) Constant, mortality probit $γ_0$ -0.557 (0.029) Constant, mortality probit $γ_0$ -0.557 (0.029) Sex coefficient, mortality probit $γ_0$ -1.516e-4 (2.04e-3) Age coefficient, mortality probit $γ_0$ -1.517 (0.113) Health coefficient, mortality probit	rarameter	Estimate	Stu Eff	Description
$β$ 0.957 (4.78e-3) Intertemporal discount factor (biennial) $ν$ 9.570 (1.530) Curvature of returns to mitigative care $λ$ 1.803 (0.101) Utility level shifter: $u(λ) = 0$ C 0.213 (0.021) Effective consumption floor (\$10,000) $ω_0$ 11.469 (0.917) Bequest motive shifter (\$10,000) $ω_1$ 4.284 (0.237) Bequest motive scaler $μ_0$ -1.282 (0.083) Constant, mean of log medical need shock $μ_s$ -0.326 (0.071) Sex coefficient, mean of log medical need shock $μ_s$ -0.326 (0.071) Sex coefficient, mean of log medical need shock $μ_{a1}$ 0.314 (8.72e-3) Age coefficient, mean of log medical need shock $μ_{a2}$ -7.82e-3 (6.79e-4) Age sq coefficient, mean of log medical need shock $μ_{h1}$ -7.022 (0.199) Health coefficient, mean of log medical need shock $σ_0$ 1.913 (0.032) Constant, stdev of log medical need shock $σ_0$ 1.913 (0.032) Constant, stdev of log medical need shock $σ_0$ 1.913 (0.032) Constant, stdev of log medical need shock $σ_0$ -2.01e-3 (1.16e-3) Constant, expected next period health $γ_s$ -7.06e-3 (1.67e-3) Sex coefficient, expected next period health $γ_{a2}$ -3.16e-4 (3.24e-5) Age sq coefficient, expected next period health $γ_{h1}$ 0.864 (8.15e-3) Health coefficient, expected next period health $γ_{h2}$ 0.097 (9.53e-3) Health sq coefficient, expected next period health $γ_{h2}$ 0.097 (9.53e-3) Health sq coefficient, expected next period health $γ_{h2}$ 0.097 (9.53e-3) Health sq coefficient, expected next period health $γ_{h2}$ 0.0172 (3.71e-3) Constant, stdev of health shock $γ_0$ -1.4.961 (137.487) Transformed third derivative of health production at $i = 0$ $γ_0$ -2.112 (0.077) Transformed first derivative of health production at $i = 0$ $γ_0$ -0.557 (0.029) Constant, mortality probit $γ_0$ -0.557 (0.029) Constant, mortality probit $γ_0$ -0.557 (0.029) Sex coefficient, mortality probit $γ_0$ -1.516e-4 (2.04e-3) Age coefficient, mortality probit $γ_0$ -1.517 (0.113) Health coefficient, mortality probit	0	1 119	(0.040)	Coefficient of relative risk eversion
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$\begin{array}{llllllllllllllllllllllllllllllllllll$,		,	-
$\begin{array}{c} C \\ \omega_0 \\ 11.469 \\ 0.917 \\ 0.917 \\ 0.911 \\ 0.917 \\ 0.917 \\ 0.911 \\ 0.917 \\ 0.911 \\ 0.917 \\ 0.91$,	<u> </u>
$\begin{array}{cccccccccccccccccccccccccccccccccccc$, ,	- , ,
$\begin{array}{llllllllllllllllllllllllllllllllllll$,	_ , , ,
$\begin{array}{lllll} \mu_0 & -1.282 & (0.083) & \text{Constant, mean of log medical need shock} \\ \mu_s & -0.326 & (0.071) & \text{Sex coefficient, mean of log medical need shock} \\ \mu_{a1} & 0.314 & (8.72e-3) & \text{Age coefficient, mean of log medical need shock} \\ \mu_{a2} & -7.82e-3 & (6.79e-4) & \text{Age sq coefficient, mean of log medical need shock} \\ \mu_{h1} & -7.022 & (0.199) & \text{Health coefficient, mean of log medical need shock} \\ \sigma_0 & 1.913 & (0.025) & \text{Health sq coefficient, mean of log medical need shock} \\ \sigma_0 & 1.913 & (0.032) & \text{Constant, stdev of log medical need shock} \\ \sigma_0 & -2.01e-3 & (1.16e-3) & \text{Constant, expected next period health} \\ \gamma_s & -7.06e-3 & (1.67e-3) & \text{Sex coefficient, expected next period health} \\ \gamma_{a1} & -4.50e-4 & (4.01e-4) & \text{Age coefficient, expected next period health} \\ \gamma_{h2} & -3.16e-4 & (3.24e-5) & \text{Age sq coefficient, expected next period health} \\ \gamma_{h1} & 0.864 & (8.15e-3) & \text{Health coefficient, expected next period health} \\ \gamma_{h2} & 0.097 & (9.53e-3) & \text{Health sq coefficient, expected next period health} \\ \varsigma_0 & 0.172 & (3.71e-3) & \text{Constant, stdev of health shock} \\ \varsigma_h & -0.081 & (7.10e-3) & \text{Health coefficient, expected next period health} \\ \varepsilon_0 & -14.961 & (137.487) & \text{Transformed third derivative of health production at } i=0 \\ \varepsilon_2 & 2.112 & (0.077) & \text{Transformed first derivative of health production at } i=0 \\ \varepsilon_0 & -0.557 & (0.029) & \text{Constant, mortality probit} \\ \theta_{s} & 0.357 & (0.025) & \text{Sex coefficient, mortality probit} \\ \theta_{a1} & -5.16e-4 & (2.04e-3) & \text{Age coefficient, mortality probit} \\ \theta_{a2} & 6.14e-3 & (1.97e-4) & \text{Age sq coefficient, mortality probit} \\ \theta_{h1} & -2.347 & (0.113) & \text{Health coefficient, mortality probit} \\ \end{array}$, ,	- ,
$\begin{array}{lllll} \mu_s & -0.326 & (0.071) & \mathrm{Sex} \ \mathrm{coefficient}, \ \mathrm{mean} \ \mathrm{of} \ \mathrm{log} \ \mathrm{medical} \ \mathrm{need} \ \mathrm{shock} \\ \mu_{a1} & 0.314 & (8.72e-3) & \mathrm{Age} \ \mathrm{coefficient}, \ \mathrm{mean} \ \mathrm{of} \ \mathrm{log} \ \mathrm{medical} \ \mathrm{need} \ \mathrm{shock} \\ \mu_{a2} & -7.82e-3 & (6.79e-4) & \mathrm{Age} \ \mathrm{sq} \ \mathrm{coefficient}, \ \mathrm{mean} \ \mathrm{of} \ \mathrm{log} \ \mathrm{medical} \ \mathrm{need} \ \mathrm{shock} \\ \mu_{h1} & -7.022 & (0.199) & \mathrm{Health} \ \mathrm{coefficient}, \ \mathrm{mean} \ \mathrm{of} \ \mathrm{log} \ \mathrm{medical} \ \mathrm{need} \ \mathrm{shock} \\ \sigma_0 & 1.913 & (0.032) & \mathrm{Constant}, \ \mathrm{stdev} \ \mathrm{of} \ \mathrm{log} \ \mathrm{medical} \ \mathrm{need} \ \mathrm{shock} \\ \sigma_0 & 1.913 & (0.032) & \mathrm{Constant}, \ \mathrm{stdev} \ \mathrm{of} \ \mathrm{log} \ \mathrm{medical} \ \mathrm{need} \ \mathrm{shock} \\ \sigma_0 & 0.356 & (0.027) & \mathrm{Health} \ \mathrm{coefficient}, \ \mathrm{stdev} \ \mathrm{of} \ \mathrm{log} \ \mathrm{medical} \ \mathrm{need} \ \mathrm{shock} \\ \sigma_0 & -2.01e-3 & (1.16e-3) & \mathrm{Constant}, \ \mathrm{expected} \ \mathrm{next} \ \mathrm{period} \ \mathrm{health} \\ \sigma_0 & -2.01e-3 & (1.67e-3) & \mathrm{Sex} \ \mathrm{coefficient}, \ \mathrm{expected} \ \mathrm{next} \ \mathrm{period} \ \mathrm{health} \\ \sigma_{a1} & -4.50e-4 & (4.01e-4) & \mathrm{Age} \ \mathrm{coefficient}, \ \mathrm{expected} \ \mathrm{next} \ \mathrm{period} \ \mathrm{health} \\ \sigma_{a2} & -3.16e-4 & (3.24e-5) & \mathrm{Age} \ \mathrm{sq} \ \mathrm{coefficient}, \ \mathrm{expected} \ \mathrm{next} \ \mathrm{period} \ \mathrm{health} \\ \sigma_{h1} & 0.864 & (8.15e-3) & \mathrm{Health} \ \mathrm{coefficient}, \ \mathrm{expected} \ \mathrm{next} \ \mathrm{period} \ \mathrm{health} \\ \sigma_0 & 0.172 & (3.71e-3) & \mathrm{Constant}, \ \mathrm{stdev} \ \mathrm{of} \ \mathrm{health} \ \mathrm{shock} \\ \sigma_0 & 0.172 & (3.71e-3) & \mathrm{Constant}, \ \mathrm{stdev} \ \mathrm{of} \ \mathrm{health} \ \mathrm{shock} \\ \sigma_0 & -14.961 & (137.487) & \mathrm{Transformed} \ \mathrm{third} \ \mathrm{derivative} \ \mathrm{of} \ \mathrm{health} \ \mathrm{production} \ \mathrm{at} \ i=0 \\ \sigma_0 & -0.557 & (0.029) & \mathrm{Constant}, \ \mathrm{mortality} \ \mathrm{probit} \\ \theta_{a1} & -5.16e-4 & (2.04e-3) & \mathrm{Age} \ \mathrm{coefficient}, \ \mathrm{mortality} \ \mathrm{probit} \\ \theta_{a2} & 6.14e-3 & (1.97e-4) & \mathrm{Age} \ \mathrm{sq} \ \mathrm{coefficient}, \ \mathrm{mortality} \ \mathrm{probit} \\ \theta_{b1} & -2.347 & (0.113) & \mathrm{Health} \ \mathrm{coefficient}, \ \mathrm{mortality} \ \mathrm{probit} \\ \end{array}$, ,	-
$\begin{array}{llllllllllllllllllllllllllllllllllll$	μ_0		,	
$\begin{array}{lll} \mu_{a2} & -7.82 e-3 & (6.79 e-4) & \text{Age sq coefficient, mean of log medical need shock} \\ \mu_{h1} & -7.022 & (0.199) & \text{Health coefficient, mean of log medical need shock} \\ \mu_{h2} & 0.024 & (0.205) & \text{Health sq coefficient, mean of log medical need shock} \\ \sigma_{0} & 1.913 & (0.032) & \text{Constant, stdev of log medical need shock} \\ \sigma_{h} & 0.356 & (0.027) & \text{Health coefficient, stdev of log medical need shock} \\ \gamma_{0} & -2.01 e-3 & (1.16 e-3) & \text{Constant, expected next period health} \\ \gamma_{s} & -7.06 e-3 & (1.67 e-3) & \text{Sex coefficient, expected next period health} \\ \gamma_{a1} & -4.50 e-4 & (4.01 e-4) & \text{Age coefficient, expected next period health} \\ \gamma_{a2} & -3.16 e-4 & (3.24 e-5) & \text{Age sq coefficient, expected next period health} \\ \gamma_{h1} & 0.864 & (8.15 e-3) & \text{Health coefficient, expected next period health} \\ \gamma_{h2} & 0.097 & (9.53 e-3) & \text{Health sq coefficient, expected next period health} \\ \gamma_{0} & 0.172 & (3.71 e-3) & \text{Constant, stdev of health shock} \\ \gamma_{0} & -0.081 & (7.10 e-3) & \text{Health coefficient, stdev of health shock} \\ \gamma_{0} & -14.961 & (137.487) & \text{Transformed third derivative of health production at } i = 0 \\ \gamma_{1} & -1.579 & (0.121) & \text{Transformed first derivative of health production at } i = 0 \\ \gamma_{0} & -0.557 & (0.029) & \text{Constant, mortality probit} \\ \gamma_{s} & 0.357 & (0.025) & \text{Sex coefficient, mortality probit} \\ \gamma_{s} & 0.357 & (0.025) & \text{Sex coefficient, mortality probit} \\ \gamma_{s} & 0.357 & (0.025) & \text{Sex coefficient, mortality probit} \\ \gamma_{s} & 0.357 & (0.025) & \text{Age coefficient, mortality probit} \\ \gamma_{s} & 0.357 & (0.025) & \text{Age coefficient, mortality probit} \\ \gamma_{s} & 0.347 & (0.113) & \text{Health coefficient, mortality probit} \\ \gamma_{s} & 0.347 & (0.113) & \text{Health coefficient, mortality probit} \\ \gamma_{s} & 0.347 & (0.113) & \text{Health coefficient, mortality probit} \\ \gamma_{s} & 0.347 & (0.113) & \text{Health coefficient, mortality probit} \\ \gamma_{s} & 0.347 & (0.113) & \text{Health coefficient, mortality probit} \\ \gamma_{s} & 0.347 & (0.113) & \text{Health coefficient, mortality probit} \\ $	μ_s		,	
$\begin{array}{lllll} \mu_{h1} & -7.022 & (0.199) & \text{Health coefficient, mean of log medical need shock} \\ \mu_{h2} & 0.024 & (0.205) & \text{Health sq coefficient, mean of log medical need shock} \\ \sigma_{0} & 1.913 & (0.032) & \text{Constant, stdev of log medical need shock} \\ \sigma_{h} & 0.356 & (0.027) & \text{Health coefficient, stdev of log medical need shock} \\ \gamma_{0} & -2.01\text{e-3} & (1.16\text{e-3}) & \text{Constant, expected next period health} \\ \gamma_{s} & -7.06\text{e-3} & (1.67\text{e-3}) & \text{Sex coefficient, expected next period health} \\ \gamma_{a1} & -4.50\text{e-4} & (4.01\text{e-4}) & \text{Age coefficient, expected next period health} \\ \gamma_{a2} & -3.16\text{e-4} & (3.24\text{e-5}) & \text{Age sq coefficient, expected next period health} \\ \gamma_{h1} & 0.864 & (8.15\text{e-3}) & \text{Health coefficient, expected next period health} \\ \gamma_{h2} & 0.097 & (9.53\text{e-3}) & \text{Health sq coefficient, expected next period health} \\ \gamma_{0} & 0.172 & (3.71\text{e-3}) & \text{Constant, stdev of health shock} \\ \gamma_{0} & -0.081 & (7.10\text{e-3}) & \text{Health coefficient, expected next period health} \\ \gamma_{0} & -14.961 & (137.487) & \text{Transformed third derivative of health production at } i = 0 \\ \gamma_{1} & -1.579 & (0.121) & \text{Transformed first derivative of health production at } i = 0 \\ \gamma_{2} & 2.112 & (0.077) & \text{Transformed second derivative of health production at } i = 0 \\ \gamma_{0} & -0.557 & (0.029) & \text{Constant, mortality probit} \\ \gamma_{a1} & -5.16\text{e-4} & (2.04\text{e-3}) & \text{Age coefficient, mortality probit} \\ \gamma_{a2} & 6.14\text{e-3} & (1.97\text{e-4}) & \text{Age sq coefficient, mortality probit} \\ \gamma_{b1} & -2.347 & (0.113) & \text{Health coefficient, mortality probit} \\ \gamma_{0} & -0.547 & (0.113) & \text{Health coefficient, mortality probit} \\ \gamma_{0} & -0.547 & (0.113) & \text{Health coefficient, mortality probit} \\ \gamma_{0} & -0.547 & (0.113) & \text{Health coefficient, mortality probit} \\ \gamma_{0} & -0.547 & (0.113) & \text{Health coefficient, mortality probit} \\ \gamma_{0} & -0.547 & (0.113) & \text{Health coefficient, mortality probit} \\ \gamma_{0} & -0.547 & (0.013) & \text{Health coefficient, mortality probit} \\ \gamma_{0} & -0.547 & (0.013) & Health coefficient, mortality $	μ_{a1}		,	, ,
$\begin{array}{lllll} \mu_{h2} & 0.024 & (0.205) & \text{Health sq coefficient, mean of log medical need shock} \\ \sigma_0 & 1.913 & (0.032) & \text{Constant, stdev of log medical need shock} \\ \sigma_h & 0.356 & (0.027) & \text{Health coefficient, stdev of log medical need shock} \\ \gamma_0 & -2.01\text{e-3} & (1.16\text{e-3}) & \text{Constant, expected next period health} \\ \gamma_s & -7.06\text{e-3} & (1.67\text{e-3}) & \text{Sex coefficient, expected next period health} \\ \gamma_{a1} & -4.50\text{e-4} & (4.01\text{e-4}) & \text{Age coefficient, expected next period health} \\ \gamma_{a2} & -3.16\text{e-4} & (3.24\text{e-5}) & \text{Age sq coefficient, expected next period health} \\ \gamma_{h1} & 0.864 & (8.15\text{e-3}) & \text{Health coefficient, expected next period health} \\ \gamma_{h2} & 0.097 & (9.53\text{e-3}) & \text{Health sq coefficient, expected next period health} \\ \varsigma_0 & 0.172 & (3.71\text{e-3}) & \text{Constant, stdev of health shock} \\ \varsigma_h & -0.081 & (7.10\text{e-3}) & \text{Health coefficient, expected next period health} \\ \hat{\kappa}_0 & -14.961 & (137.487) & \text{Transformed third derivative of health production at } i=0 \\ \hat{\kappa}_1 & -1.579 & (0.121) & \text{Transformed first derivative of health production at } i=0 \\ \hat{\kappa}_2 & 2.112 & (0.077) & \text{Transformed second derivative of health production at } i=0 \\ \theta_0 & -0.557 & (0.029) & \text{Constant, mortality probit} \\ \theta_{s} & 0.357 & (0.025) & \text{Sex coefficient, mortality probit} \\ \theta_{a1} & -5.16\text{e-4} & (2.04\text{e-3}) & \text{Age coefficient, mortality probit} \\ \theta_{a2} & 6.14\text{e-3} & (1.97\text{e-4}) & \text{Age sq coefficient, mortality probit} \\ \theta_{h1} & -2.347 & (0.113) & \text{Health coefficient, mortality probit} \\ \end{array}$	μ_{a2}		(6.79e-4)	Age sq coefficient, mean of log medical need shock
$\begin{array}{llllllllllllllllllllllllllllllllllll$	μ_{h1}	-7.022	(0.199)	Health coefficient, mean of log medical need shock
$\begin{array}{llll} \sigma_h & 0.356 & (0.027) & \text{Health coefficient, stdev of log medical need shock} \\ \gamma_0 & -2.01\text{e-3} & (1.16\text{e-3}) & \text{Constant, expected next period health} \\ \gamma_s & -7.06\text{e-3} & (1.67\text{e-3}) & \text{Sex coefficient, expected next period health} \\ \gamma_{a1} & -4.50\text{e-4} & (4.01\text{e-4}) & \text{Age coefficient, expected next period health} \\ \gamma_{a2} & -3.16\text{e-4} & (3.24\text{e-5}) & \text{Age sq coefficient, expected next period health} \\ \gamma_{h1} & 0.864 & (8.15\text{e-3}) & \text{Health coefficient, expected next period health} \\ \gamma_{h2} & 0.097 & (9.53\text{e-3}) & \text{Health sq coefficient, expected next period health} \\ \varsigma_0 & 0.172 & (3.71\text{e-3}) & \text{Constant, stdev of health shock} \\ \varsigma_h & -0.081 & (7.10\text{e-3}) & \text{Health coefficient, stdev of health shock} \\ \hat{\kappa}_0 & -14.961 & (137.487) & \text{Transformed third derivative of health production at } i = 0 \\ \hat{\kappa}_1 & -1.579 & (0.121) & \text{Transformed first derivative of health production at } i = 0 \\ \hat{\kappa}_2 & 2.112 & (0.077) & \text{Transformed second derivative of health production at } i = 0 \\ \theta_0 & -0.557 & (0.029) & \text{Constant, mortality probit} \\ \theta_s & 0.357 & (0.025) & \text{Sex coefficient, mortality probit} \\ \theta_{a1} & -5.16\text{e-4} & (2.04\text{e-3}) & \text{Age coefficient, mortality probit} \\ \theta_{a2} & 6.14\text{e-3} & (1.97\text{e-4}) & \text{Age sq coefficient, mortality probit} \\ \theta_{h1} & -2.347 & (0.113) & \text{Health coefficient, mortality probit} \\ \end{array}$	μ_{h2}	0.024	(0.205)	Health sq coefficient, mean of log medical need shock
$\begin{array}{lllll} \gamma_0 & -2.01\mathrm{e}\text{-}3 & (1.16\mathrm{e}\text{-}3) & \mathrm{Constant}, \mathrm{expected} \mathrm{next} \mathrm{period} \mathrm{health} \\ \gamma_s & -7.06\mathrm{e}\text{-}3 & (1.67\mathrm{e}\text{-}3) & \mathrm{Sex} \mathrm{coefficient}, \mathrm{expected} \mathrm{next} \mathrm{period} \mathrm{health} \\ \gamma_{a1} & -4.50\mathrm{e}\text{-}4 & (4.01\mathrm{e}\text{-}4) & \mathrm{Age} \mathrm{coefficient}, \mathrm{expected} \mathrm{next} \mathrm{period} \mathrm{health} \\ \gamma_{a2} & -3.16\mathrm{e}\text{-}4 & (3.24\mathrm{e}\text{-}5) & \mathrm{Age} \mathrm{sq} \mathrm{coefficient}, \mathrm{expected} \mathrm{next} \mathrm{period} \mathrm{health} \\ \gamma_{h1} & 0.864 & (8.15\mathrm{e}\text{-}3) & \mathrm{Health} \mathrm{coefficient}, \mathrm{expected} \mathrm{next} \mathrm{period} \mathrm{health} \\ \gamma_{h2} & 0.097 & (9.53\mathrm{e}\text{-}3) & \mathrm{Health} \mathrm{sq} \mathrm{coefficient}, \mathrm{expected} \mathrm{next} \mathrm{period} \mathrm{health} \\ \gamma_0 & 0.172 & (3.71\mathrm{e}\text{-}3) & \mathrm{Constant}, \mathrm{stdev} \mathrm{of} \mathrm{health} \mathrm{shock} \\ \gamma_h & -0.081 & (7.10\mathrm{e}\text{-}3) & \mathrm{Health} \mathrm{coefficient}, \mathrm{stdev} \mathrm{of} \mathrm{health} \mathrm{shock} \\ \gamma_0 & -14.961 & (137.487) & \mathrm{Transformed} \mathrm{third} \mathrm{derivative} \mathrm{of} \mathrm{health} \mathrm{production} \mathrm{at} i = 0 \\ \gamma_1 & -1.579 & (0.121) & \mathrm{Transformed} \mathrm{first} \mathrm{derivative} \mathrm{of} \mathrm{health} \mathrm{production} \mathrm{at} i = 0 \\ \gamma_0 & -0.557 & (0.029) & \mathrm{Constant}, \mathrm{mortality} \mathrm{probit} \\ \gamma_0 & -0.557 & (0.029) & \mathrm{Constant}, \mathrm{mortality} \mathrm{probit} \\ \gamma_0 & -0.56\mathrm{e}\mathrm{of}\mathrm{of}\mathrm{of}\mathrm{of}\mathrm{of}\mathrm{of}\mathrm{of}of$	σ_0	1.913	(0.032)	Constant, stdev of log medical need shock
$\begin{array}{lllll} \gamma_s & -7.06 \text{e-}3 & (1.67 \text{e-}3) & \text{Sex coefficient, expected next period health} \\ \gamma_{a1} & -4.50 \text{e-}4 & (4.01 \text{e-}4) & \text{Age coefficient, expected next period health} \\ \gamma_{a2} & -3.16 \text{e-}4 & (3.24 \text{e-}5) & \text{Age sq coefficient, expected next period health} \\ \gamma_{h1} & 0.864 & (8.15 \text{e-}3) & \text{Health coefficient, expected next period health} \\ \gamma_{h2} & 0.097 & (9.53 \text{e-}3) & \text{Health sq coefficient, expected next period health} \\ \varsigma_0 & 0.172 & (3.71 \text{e-}3) & \text{Constant, stdev of health shock} \\ \varsigma_h & -0.081 & (7.10 \text{e-}3) & \text{Health coefficient, stdev of health shock} \\ \hat{\kappa}_0 & -14.961 & (137.487) & \text{Transformed third derivative of health production at } i=0 \\ \hat{\kappa}_1 & -1.579 & (0.121) & \text{Transformed first derivative of health production at } i=0 \\ \hat{\kappa}_2 & 2.112 & (0.077) & \text{Transformed second derivative of health production at } i=0 \\ \theta_0 & -0.557 & (0.029) & \text{Constant, mortality probit} \\ \theta_s & 0.357 & (0.025) & \text{Sex coefficient, mortality probit} \\ \theta_{a1} & -5.16 \text{e-}4 & (2.04 \text{e-}3) & \text{Age coefficient, mortality probit} \\ \theta_{a2} & 6.14 \text{e-}3 & (1.97 \text{e-}4) & \text{Age sq coefficient, mortality probit} \\ \theta_{h1} & -2.347 & (0.113) & \text{Health coefficient, mortality probit} \\ \end{array}$	σ_h	0.356	(0.027)	Health coefficient, stdev of log medical need shock
$\begin{array}{llll} \gamma_{a1} & -4.50 \mathrm{e-4} & (4.01 \mathrm{e-4}) & \mathrm{Age\ coefficient},\ \mathrm{expected\ next\ period\ health} \\ \gamma_{a2} & -3.16 \mathrm{e-4} & (3.24 \mathrm{e-5}) & \mathrm{Age\ sq\ coefficient},\ \mathrm{expected\ next\ period\ health} \\ \gamma_{h1} & 0.864 & (8.15 \mathrm{e-3}) & \mathrm{Health\ coefficient},\ \mathrm{expected\ next\ period\ health} \\ \gamma_{h2} & 0.097 & (9.53 \mathrm{e-3}) & \mathrm{Health\ sq\ coefficient},\ \mathrm{expected\ next\ period\ health} \\ \varsigma_{0} & 0.172 & (3.71 \mathrm{e-3}) & \mathrm{Constant},\ \mathrm{stdev\ of\ health\ shock} \\ \varsigma_{h} & -0.081 & (7.10 \mathrm{e-3}) & \mathrm{Health\ coefficient},\ \mathrm{stdev\ of\ health\ shock} \\ \hat{\kappa}_{0} & -14.961 & (137.487) & \mathrm{Transformed\ third\ derivative\ of\ health\ production\ at\ } i=0 \\ \hat{\kappa}_{1} & -1.579 & (0.121) & \mathrm{Transformed\ first\ derivative\ of\ health\ production\ at\ } i=0 \\ \hat{\kappa}_{2} & 2.112 & (0.077) & \mathrm{Transformed\ second\ derivative\ of\ health\ production\ at\ } i=0 \\ \theta_{0} & -0.557 & (0.029) & \mathrm{Constant},\ \mathrm{mortality\ probit} \\ \theta_{s} & 0.357 & (0.025) & \mathrm{Sex\ coefficient},\ \mathrm{mortality\ probit} \\ \theta_{a1} & -5.16 \mathrm{e-4} & (2.04 \mathrm{e-3}) & \mathrm{Age\ coefficient},\ \mathrm{mortality\ probit} \\ \theta_{a2} & 6.14 \mathrm{e-3} & (1.97 \mathrm{e-4}) & \mathrm{Age\ sq\ coefficient},\ \mathrm{mortality\ probit} \\ \theta_{h1} & -2.347 & (0.113) & \mathrm{Health\ coefficient},\ \mathrm{mortality\ probit} \\ \end{array}$	γ_0	-2.01e-3	(1.16e-3)	Constant, expected next period health
γ_{a2} -3.16e-4 (3.24e-5) Age sq coefficient, expected next period health γ_{h1} 0.864 (8.15e-3) Health coefficient, expected next period health γ_{h2} 0.097 (9.53e-3) Health sq coefficient, expected next period health ς_0 0.172 (3.71e-3) Constant, stdev of health shock ς_h -0.081 (7.10e-3) Health coefficient, stdev of health shock $\hat{\kappa}_0$ -14.961 (137.487) Transformed third derivative of health production at $i=0$ $\hat{\kappa}_1$ -1.579 (0.121) Transformed first derivative of health production at $i=0$ θ_0 -0.557 (0.029) Constant, mortality probit θ_s 0.357 (0.025) Sex coefficient, mortality probit θ_{a1} -5.16e-4 (2.04e-3) Age coefficient, mortality probit θ_{a2} 6.14e-3 (1.97e-4) Age sq coefficient, mortality probit θ_{h1} -2.347 (0.113) Health coefficient, mortality probit	γ_s	-7.06e-3	(1.67e-3)	Sex coefficient, expected next period health
γ_{h1} 0.864 (8.15e-3) Health coefficient, expected next period health γ_{h2} 0.097 (9.53e-3) Health sq coefficient, expected next period health ς_0 0.172 (3.71e-3) Constant, stdev of health shock ς_h -0.081 (7.10e-3) Health coefficient, stdev of health shock $\hat{\kappa}_0$ -14.961 (137.487) Transformed third derivative of health production at $i=0$ $\hat{\kappa}_1$ -1.579 (0.121) Transformed first derivative of health production at $i=0$ $\hat{\kappa}_2$ 2.112 (0.077) Transformed second derivative of health production at $i=0$ θ_0 -0.557 (0.029) Constant, mortality probit θ_s 0.357 (0.025) Sex coefficient, mortality probit θ_{a1} -5.16e-4 (2.04e-3) Age coefficient, mortality probit θ_{a2} 6.14e-3 (1.97e-4) Age sq coefficient, mortality probit θ_{h1} -2.347 (0.113) Health coefficient, mortality probit	γ_{a1}	-4.50e-4	(4.01e-4)	Age coefficient, expected next period health
γ_{h2} 0.097 (9.53e-3) Health sq coefficient, expected next period health ς_0 0.172 (3.71e-3) Constant, stdev of health shock ς_h -0.081 (7.10e-3) Health coefficient, stdev of health shock $\hat{\kappa}_0$ -14.961 (137.487) Transformed third derivative of health production at $i=0$ $\hat{\kappa}_1$ -1.579 (0.121) Transformed first derivative of health production at $i=0$ $\hat{\kappa}_2$ 2.112 (0.077) Transformed second derivative of health production at $i=0$ θ_0 -0.557 (0.029) Constant, mortality probit θ_s 0.357 (0.025) Sex coefficient, mortality probit θ_{a1} -5.16e-4 (2.04e-3) Age coefficient, mortality probit θ_{a2} 6.14e-3 (1.97e-4) Age sq coefficient, mortality probit θ_{h1} -2.347 (0.113) Health coefficient, mortality probit	γ_{a2}	-3.16e-4	(3.24e-5)	Age sq coefficient, expected next period health
$ \varsigma_0 $ 0.172 (3.71e-3) Constant, stdev of health shock $ \varsigma_h $ -0.081 (7.10e-3) Health coefficient, stdev of health shock $ \hat{\kappa}_0 $ -14.961 (137.487) Transformed third derivative of health production at $i=0$ $ \hat{\kappa}_1 $ -1.579 (0.121) Transformed first derivative of health production at $i=0$ $ \hat{\kappa}_2 $ 2.112 (0.077) Transformed second derivative of health production at $i=0$ $ \theta_0 $ -0.557 (0.029) Constant, mortality probit $ \theta_s $ 0.357 (0.025) Sex coefficient, mortality probit $ \theta_{a1} $ -5.16e-4 (2.04e-3) Age coefficient, mortality probit $ \theta_{a2} $ 6.14e-3 (1.97e-4) Age sq coefficient, mortality probit $ \theta_{h1} $ -2.347 (0.113) Health coefficient, mortality probit	γ_{h1}	0.864	(8.15e-3)	Health coefficient, expected next period health
$ \varsigma_h $ -0.081 (7.10e-3) Health coefficient, stdev of health shock $ \hat{\kappa}_0 $ -14.961 (137.487) Transformed third derivative of health production at $i=0$ $ \hat{\kappa}_1 $ -1.579 (0.121) Transformed first derivative of health production at $i=0$ $ \hat{\kappa}_2 $ 2.112 (0.077) Transformed second derivative of health production at $i=0$ $ \theta_0 $ -0.557 (0.029) Constant, mortality probit $ \theta_s $ 0.357 (0.025) Sex coefficient, mortality probit $ \theta_{a1} $ -5.16e-4 (2.04e-3) Age coefficient, mortality probit $ \theta_{a2} $ 6.14e-3 (1.97e-4) Age sq coefficient, mortality probit $ \theta_{h1} $ -2.347 (0.113) Health coefficient, mortality probit	γ_{h2}	0.097	(9.53e-3)	Health sq coefficient, expected next period health
$\hat{\kappa}_0$ -14.961 (137.487) Transformed third derivative of health production at $i=0$ $\hat{\kappa}_1$ -1.579 (0.121) Transformed first derivative of health production at $i=0$ $\hat{\kappa}_2$ 2.112 (0.077) Transformed second derivative of health production at $i=0$ θ_0 -0.557 (0.029) Constant, mortality probit θ_s 0.357 (0.025) Sex coefficient, mortality probit θ_{a1} -5.16e-4 (2.04e-3) Age coefficient, mortality probit θ_{a2} 6.14e-3 (1.97e-4) Age sq coefficient, mortality probit θ_{h1} -2.347 (0.113) Health coefficient, mortality probit	ς_0	0.172	(3.71e-3)	Constant, stdev of health shock
$\begin{array}{lll} \hat{\kappa}_1 & -1.579 & (0.121) & \text{Transformed first derivative of health production at } i=0 \\ \hat{\kappa}_2 & 2.112 & (0.077) & \text{Transformed second derivative of health production at } i=0 \\ \theta_0 & -0.557 & (0.029) & \text{Constant, mortality probit} \\ \theta_s & 0.357 & (0.025) & \text{Sex coefficient, mortality probit} \\ \theta_{a1} & -5.16\text{e-4} & (2.04\text{e-3}) & \text{Age coefficient, mortality probit} \\ \theta_{a2} & 6.14\text{e-3} & (1.97\text{e-4}) & \text{Age sq coefficient, mortality probit} \\ \theta_{h1} & -2.347 & (0.113) & \text{Health coefficient, mortality probit} \\ \end{array}$	ς_h	-0.081	(7.10e-3)	Health coefficient, stdev of health shock
$\hat{\kappa}_2$ 2.112 (0.077) Transformed second derivative of health production at $i=0$ θ_0 -0.557 (0.029) Constant, mortality probit θ_s 0.357 (0.025) Sex coefficient, mortality probit θ_{a1} -5.16e-4 (2.04e-3) Age coefficient, mortality probit θ_{a2} 6.14e-3 (1.97e-4) Age sq coefficient, mortality probit θ_{h1} -2.347 (0.113) Health coefficient, mortality probit	$\hat{\kappa}_0$	-14.961	(137.487)	Transformed third derivative of health production at $i = 0$
θ_0 -0.557 (0.029) Constant, mortality probit θ_s 0.357 (0.025) Sex coefficient, mortality probit θ_{a1} -5.16e-4 (2.04e-3) Age coefficient, mortality probit θ_{a2} 6.14e-3 (1.97e-4) Age sq coefficient, mortality probit θ_{h1} -2.347 (0.113) Health coefficient, mortality probit	$\hat{\kappa}_1$	-1.579	(0.121)	Transformed first derivative of health production at $i=0$
θ_s 0.357 (0.025) Sex coefficient, mortality probit θ_{a1} -5.16e-4 (2.04e-3) Age coefficient, mortality probit θ_{a2} 6.14e-3 (1.97e-4) Age sq coefficient, mortality probit θ_{h1} -2.347 (0.113) Health coefficient, mortality probit	$\hat{\kappa}_2$	2.112	(0.077)	Transformed second derivative of health production at $i = 0$
θ_{a1} -5.16e-4 (2.04e-3) Age coefficient, mortality probit θ_{a2} 6.14e-3 (1.97e-4) Age sq coefficient, mortality probit θ_{h1} -2.347 (0.113) Health coefficient, mortality probit	$ heta_0$	-0.557	(0.029)	Constant, mortality probit
θ_{a2} 6.14e-3 (1.97e-4) Age sq coefficient, mortality probit θ_{h1} -2.347 (0.113) Health coefficient, mortality probit	$ heta_s$	0.357	(0.025)	Sex coefficient, mortality probit
θ_{h1} -2.347 (0.113) Health coefficient, mortality probit	θ_{a1}	-5.16e-4	(2.04e-3)	Age coefficient, mortality probit
θ_{h1} -2.347 (0.113) Health coefficient, mortality probit	θ_{a2}	6.14e-3	(1.97e-4)	Age sq coefficient, mortality probit
	$ heta_{h1}$	-2.347	(0.113)	
		0.362	(0.125)	

Table 2: Change in PDV of Total Medical Expenses by Income and Wealth, Test Policy

Income	Range of Health h					
Quintile	All	(0, 0.25]	(0.25, 0.5]	(0.5, 0.75]	(0.75, 1.0]	
Bottom	\$129	\$80	\$75	\$112	\$195	
Second	\$1374	\$907	\$1327	\$1168	\$1297	
Third	\$951	\$911	\$939	\$951	\$968	
Fourth	\$564	\$492	\$575	\$543	\$558	
Top	\$277	\$183	\$218	\$284	\$302	
All	\$664	\$485	\$642	\$636	\$650	

Table 3: Change in PDV of Total Medical Expenses by Income and Wealth, Test Policy

Income	Wealth Quintile						
Quintile	Bottom	Second	Third	Fourth	Top		
Bottom	\$0	\$0	\$0	\$68	\$478		
Second	\$1407	\$1317	\$1520	\$1575	\$1021		
Third	\$1349	\$1027	\$953	\$802	\$618		
Fourth	\$646	\$636	\$589	\$528	\$440		
Top	\$373	\$282	\$314	\$255	\$179		

Table 4: Change in PDV of Out of Pocket Medical Expenses by Income and Wealth, Test Policy

Income	Range of Health h						
Quintile	All	(0, 0.25]	(0.25, 0.5]	(0.5, 0.75]	(0.75, 1.0]		
Bottom	\$727	\$218	\$275	\$673	\$1606		
Second	\$4340	\$1955	\$3528	\$4937	\$6090		
Third	\$5839	\$3357	\$4574	\$5843	\$7091		
Fourth	\$6348	\$3758	\$4925	\$6214	\$7418		
Top	\$6762	\$3750	\$4930	\$6494	\$7627		
All	\$4902	\$1933	\$3415	\$5120	\$6777		

Table 5: Change in PDV of Out of Pocket Medical Expenses by Income and Wealth, Test Policy

Income	Wealth Quintile						
Quintile	Bottom	Second	Third	Fourth	Top		
Bottom	\$0	\$0	\$0	\$361	\$2700		
Second	\$3856	\$3726	\$3740	\$4702	\$5818		
Third	\$5091	\$5830	\$5804	\$6080	\$6402		
Fourth	\$5693	\$5791	\$6459	\$6749	\$6956		
Top	\$6546	\$6287	\$7133	\$7005	\$6840		

Table 6: Change in Remaining Life Expectancy (Years) by Income and Wealth, Test Policy

Income	Range of Health h					
Quintile	All	(0, 0.25]	(0.25, 0.5]	(0.5, 0.75]	(0.75, 1.0]	
Bottom	0.05	0.01	0.02	0.03	0.02	
Second	0.44	0.16	0.42	0.44	0.41	
Third	0.05	0.04	0.04	0.05	0.05	
Fourth	0.01	0.01	0.01	0.01	0.01	
Top	0.00	0.00	0.00	0.00	0.00	
All	0.10	0.05	0.11	0.10	0.07	

Table 7: Change in Remaining Life Expectancy (Years) by Income and Wealth, Test Policy

Income	Wealth Quintile					
Quintile	Bottom	Second	Third	Fourth	Top	
Bottom	-0.00	0.00	0.00	0.02	0.19	
Second	0.60	0.50	0.53	0.44	0.12	
Third	0.09	0.06	0.04	0.02	0.01	
Fourth	0.01	0.01	0.01	0.01	0.00	
Top	0.00	0.00	0.00	0.00	0.00	

Table 8: Change in PDV of Medicare Costs by Income and Wealth, Test Policy

Income	Range of Health h					
Quintile	All	(0, 0.25]	(0.25, 0.5]	(0.5, 0.75]	(0.75, 1.0]	
Bottom	\$-651	\$-153	\$-218	\$-587	\$-1479	
Second	\$-3321	\$-1124	\$-2369	\$-3942	\$-5223	
Third	\$-5087	\$-2531	\$-3738	\$-5066	\$-6406	
Fourth	\$-5966	\$-3320	\$-4455	\$-5843	\$-7093	
Top	\$-6621	\$-3629	\$-4800	\$-6342	\$-7484	
All	\$-4424	\$-1499	\$-2867	\$-4627	\$-6364	

Table 9: Change in PDV of Medicare Costs by Income and Wealth, Test Policy

Income	Wealth Quintile						
Quintile	Bottom	Second	Third	Fourth	Top		
Bottom	\$0	\$0	\$0	\$-290	\$-2443		
Second	\$-2737	\$-2668	\$-2649	\$-3610	\$-5095		
Third	\$-3901	\$-5015	\$-5061	\$-5496	\$-5981		
Fourth	\$-5205	\$-5322	\$-6071	\$-6421	\$-6700		
Top	\$-6337	\$-6141	\$-6976	\$-6883	\$-6758		

Table 10: PDV of Direct Subsidy Expenses by Income and Wealth, Test Policy

Income	Range of Health h					
Quintile	All	(0, 0.25]	(0.25, 0.5]	(0.5, 0.75]	(0.75, 1.0]	
Bottom	\$810	\$245	\$308	\$726	\$1686	
Second	\$5102	\$2290	\$4274	\$5739	\$6925	
Third	\$6163	\$3603	\$4878	\$6188	\$7470	
Fourth	\$6533	\$3911	\$5115	\$6392	\$7605	
Top	\$6854	\$3811	\$5003	\$6590	\$7730	
All	\$5189	\$2091	\$3692	\$5417	\$7060	

Table 11: PDV of Direct Subsidy Expenses by Income and Wealth, Test Policy

Income	Wealth Quintile						
Quintile	Bottom	Second	Third	Fourth	Top		
Bottom	\$0	\$0	\$0	\$396	\$3011		
Second	\$4796	\$4535	\$4588	\$5503	\$6218		
Third	\$5565	\$6193	\$6131	\$6337	\$6595		
Fourth	\$5912	\$6004	\$6652	\$6918	\$7094		
Top	\$6677	\$6381	\$7238	\$7088	\$6896		

Table 12: <u>Change in PDV of Welfare Payments by Income and Wealth, Test Policy</u>

Income	Range of Health h						
Quintile	All	(0, 0.25]	(0.25, 0.5]	(0.5, 0.75]	(0.75, 1.0]		
Bottom	\$-112	\$-40	\$-48	\$-80	\$-93		
Second	\$-1169	\$-593	\$-1323	\$-1431	\$-1241		
Third	\$-449	\$-408	\$-504	\$-517	\$-475		
Fourth	\$-188	\$-252	\$-275	\$-185	\$-142		
Top	\$-49	\$-59	\$-58	\$-60	\$-47		
All	\$-389	\$-265	\$-460	\$-451	\$-330		

Table 13: Change in PDV of Welfare Payments by Income and Wealth, Test Policy

Income	Wealth Quintile					
Quintile	Bottom	Second	Third	Fourth	Top	
Bottom	\$0	\$0	\$0	\$-74	\$-401	
Second	\$-1592	\$-1358	\$-1266	\$-1119	\$-502	
Third	\$-790	\$-513	\$-443	\$-297	\$-190	
Fourth	\$-281	\$-258	\$-186	\$-138	\$-93	
Тор	\$-98	\$-52	\$-53	\$-33	\$-17	

Table 14: Change in PDV of Total Government Expenses by Income and Wealth, Test Policy

Income	Range of Health h				
Quintile	All	(0, 0.25]	(0.25, 0.5]	(0.5, 0.75]	(0.75, 1.0]
Bottom	\$47	\$53	\$43	\$59	\$115
Second	\$612	\$572	\$581	\$366	\$462
Third	\$627	\$665	\$636	\$606	\$589
Fourth	\$379	\$339	\$385	\$364	\$371
Top	\$184	\$122	\$145	\$188	\$199
All	\$377	\$327	\$365	\$339	\$367

Table 15: Change in PDV of Total Government Expenses by Income and Wealth, Test Policy

Income	Wealth Quintile					
Quintile	Bottom	Second Third		Fourth	Top	
Bottom	\$0	\$0	\$0	\$33	\$167	
Second	\$467	\$509	\$673	\$774	\$621	
Third	\$875	\$664	\$627	\$544	\$424	
Fourth	\$427	\$424	\$396	\$359	\$301	
Top	\$242	\$188	\$209	\$172	\$122	

Table 16: Willingness to Pay for Policy by Income and Wealth, Test Policy

Income	Range of Health h				
Quintile	All	(0, 0.25]	(0.25, 0.5]	(0.5, 0.75]	(0.75, 1.0]
Bottom	\$802	\$227	\$282	\$754	\$1850
Second	\$4726	\$2053	\$3766	\$5404	\$6749
Third	\$6276	\$3568	\$4887	\$6214	\$7520
Fourth	\$6720	\$3896	\$5065	\$6570	\$7870
Top	\$7232	\$3954	\$5330	\$6943	\$8118
All	\$5255	\$2031	\$3616	\$5477	\$7245

Table 17: Willingness to Pay for Policy by Income and Wealth, Test Policy

Income	Wealth Quintile					
Quintile	Bottom	Second	Third	Fourth	Top	
Bottom	\$0	\$0	\$0	\$417	\$2961	
Second	\$4092	\$3922	\$3969	\$5166	\$6663	
Third	\$5177	\$6064	\$6180	\$6656	\$7307	
Fourth	\$5664	\$5929	\$6714	\$7333	\$7798	
Top	\$6374	\$6409	\$7599	\$7779	\$7890	