Charlie Kennedy Please come see me. Would love to help.

Health Econ Exam 1

Professor Shrestha

**Section 2: Lectures**

1a) If its estimated at B>0, then yes having insurance increases number of doctor visits then if not insured. If it was less than or negative then their would be less chance of having more doctor visits.

1b) No, insurance does not have a causal effect through the regression. There is a possibility for frequent visitors who are often sick to buy more insurance. So, it is not insurance that effects the regression, it is how often that the patients get sick that will effect the regression.

1c) No, we do not have evidence to say demand for doctor visits is downward sloping. People with insurance have more income and education than those without insurance. So, no matter what, those that have the money for it will buy it no matter how low the price is causing the slope of demand to stay the same throughout.

2a) This is a case of causal effect due to insurance on those treated when visiting the doctor. Those with insurance are more likely to get better treatment than those without insurance due to the amount paid through insurance.

2b) Those individuals who have health insurance are more likely to report to doctor visits than those without coverage. Those who aren’t covered are 3 times more likely to not report that they’ve had a doctor visit to check their health status than those who are covered due to the likelihood of paying out of pocket costs without insurance. This can cause those without coverage to be more likely to have health issues because they’re not checking up on their status of health from the doctor.

2c) Yes, we can say that insurance leads to more doctor visits due to the randomization done in the lottery and there is a causal relationship between insurance and treatment. Those who can afford insurance are much more likely to visit the doctor because they want to get their bang for their buck from insurance costs. And those who are not covered are 3 times more likely to not report to doctor visits because they are paying out of pocket costs to get treatment.

2d) The Oregon Health Insurance Experiment is a study of the effect of inflating the public health insurance to the popular demand on health care utilization. Looking at the results of health from the public health insurance. Prior to the implement of ACA (Affordable Care Act) eligibility was limited to those low-income children, pregnant women, and disabled individuals. States couldn’t get Medicaid for those individuals that don’t fall within those categories. The Oregon Health Plan covered benefits are based on a list of health services, with the patient’s treatments ranked with their clinical effectiveness, cost-effectiveness, and value to society. The state draws a line using state budgets and estimated costs of the benefits. The Oregon state economy went into a downward spiral causing the Oregon Health Program to be rebuilt into the OHP Standard. The OHP Standard imposed premiums, required higher copayments, and had more limited benefits on dental, vision, and mental health which was not inflicted in the first Oregon Health Program. The number of persons enrolled was split in half from 102,000 t 51,000. Researcher Bill J. Wright found that those who left the OHP were disproportionately poor and likely to stay uninsured and have superficial health care needs. The OHP experience gave insights for policy makers with strategies to expand health coverage for lower income persons.

**Section 3: Readings**

3a) For the Card Experiment, they used a quasi-natural experiment to randomly assign people health treatment and a control group for those who are at the shift of people turning 65. The control group is those who have more admissions on the weekdays and weekends.

3b) Those who were age 64 who played the waiting game had a systematically different health stock to those aged 65 from the discontinuities. Patients at 65 get more services causing there to be a 1 point drop in 7-day mortality rates. This was significantly proven that those aged 65 were better off than those at age 64 playing the waiting game. Those who are going from age 64 for 65 who have private insurance get better treatment with Medicaid also which leads to better likelihood of survival.

3ci) Based on the criteria found from Cards experiment, those who turned 65 had statistically increased insurance coverage than those who were 64. This

3cii) This increase in coverage provided better quality care especially for those with private incusrance previous to Medicare.

3cii) After the shift of turning 65, there was a 20 percent decrease in mortalities within the first 7 days of Medicare and it continues to persist for 9 months after hospital admission. This gives statistical significance that those with Medicare got much better treatment and will continue to receive this treatment with the coverage that they have.

3d) Some potential drawbacks could be that those with less illnesses get less medical treatment and those with only Medicare receive less treatment than those with the money for private insurance as well. This causes statistical discontinuity between the two groups.