

PROPOSAL: PRICING POLICIES IN THE PHARMACEUTICAL INDUSTRY

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The summer research project will be in the area of pharmaceutical policy. There are two options for this research and which one the student carries out depends on which is most urgently needed by me and which is most interesting to the student in May or June. The first is on the topic of competition among biologic products. These are typically expensive injectable products that often treat the same disease but are differentiated from each other. In Europe it is possible to enter as a generic biologic, but not in the US. I need help with a project studying the effects of the generic entrants on prices and quantities of competing brands and generics. The project also may include gathering data on prices of biologics in Europe and on the cost structure of biologic manufacturing, which is complex. The second project concerns the prices of pharmaceuticals paid by enrollees in the Medicare Part D prescription drug program. There is controversy over whether these prices are “high” or “low” and whether seniors can search across different plans offered by different insurers and pick one that will be low cost for them. I have data collected on these prices. The research job will be to assemble the datasets from different months into one dataset and analyze the prices to look for particular patterns across drugs and time to see if firms adjust prices in response to the searching (or lack thereof) of consumers.

The skills needed for the position are familiarity with Stata, particularly for the second project, a willingness to pursue different kinds of leads in search of information, and an ability to document work and work carefully.