

Yen Tran

Address: Department of Economics
Yale University
New Haven, CT 06520-8268

Telephone: +1 475 209 0340

E-mail: yen.tran@yale.edu

Web page: yentran.net

Citizenship: Vietnam, F-1 Visa

Fields of Concentration:

Industrial Organization
Health Economics

Desired Teaching:

Health Economics
Industrial Organization
Econometrics

Comprehensive Examinations Completed:

2017 (Oral): Industrial Organization and Public Finance
2016 (Written): Microeconomics and Macroeconomics

Dissertation Title: Essays in The Economics of Healthcare Payment Systems

Committee:

Professor Steve Berry
Professor Jason Abaluck
Professor Phillip Haile

Expected Completion Date: May 2021

Degrees:

Ph.D., Economics, Yale University, 2021 (expected)
M.Phil., Economics, Yale University, 2017
M.A., Economics, Yale University, 2017

B.A., Economics, (with Honors), The University of Queensland, 2015

Fellowships, Honors and Awards:

Graduate School Scholarship, 2015-2021

Valedictorian, Class of 2015

Economic Prize, Australia Economic Society, 2014

Yale Institute of Social and Political Science Policy Graduate Fellowship, 2019

Teaching Experience:

Fall 2017, Teaching Assistant to Prof. Steve Berry, Introductory Microeconomics (Undergraduate)

Spring 2018, Teaching Assistant to Prof. Penelope Goldberg, Introductory Microeconomics (Undergraduate)

Fall 2018, Teaching Assistant to Prof. Micheal Boozer, Introductory Microeconomics (Master)

Spring 2019, Teaching Assistant to Prof. Eva Chalioti, Intermediate Microeconomics (Undergraduate)

Research and Work Experience:

Research Assistant, to Professor Amanda Kowalski, Yale University, 2016-2017

Research Assistant, to Professor Pravin Trivedi, University of Queensland, 2015

Research Assistant, to Professor Renuka Mahadevan, University of Queensland, 2013

Publications:

Yen Tran (co-authored with Amanda Kowalski & Ljubica Ristovska) 2016. "MTEBINARY: Stata module to compute Marginal Treatment Effects (MTE) With a Binary Instrument," Statistical Software Components, S458285, Boston College Department of Economics, revised 19 Jul 2018.

Working Papers:

"Public Price Setting with Insurance: The case of Medicare reimbursement and insurance policy for the outpatient care market", (November 2020), *Job Market Paper*

Work in Progress:

"Impacts of Medicare's Hospital Value Based Purchasing Program on hospital quality", 2017

"Impacts of CalPERS' reference pricing program on patients' choice and providers' pricing strategies", 2019

Seminar and Conference Presentations:

"Impacts of Medicare's Hospital Value Based Purchasing program on hospital quality", Australian Early Career Economists Conference, Monash University, 2017.

Languages:

Vietnamese (native), English, Chinese (beginner)

References:

Prof. Jason Abaluck
Yale University
Department of Economics
New Haven, CT 06520
PO Box
Phone:
jason.abaluck@yale.edu

Prof. Steven Berry
Yale University
Department of Economics
New Haven, CT 06520
PO Box
Phone:
steven.berry@yale.edu

Prof. Phil Haile
Yale University
Department of Economics
New Haven, CT 06520
PO Box
Phone:
philip.haile@yale.edu

Dissertation Abstract

This dissertation examines the impact and the efficiency of recent payment policies in the US health care system. The first paper studies the optimal reimbursement and insurance structure that Medicare should implement for outpatient care providers. The second paper investigates the heterogeneous impacts of reference pricing for outpatient procedures on patient demand and care providers' pricing strategies.

Public Price Setting with Insurance: The case of Medicare reimbursement and coinsurance policies for the outpatient care market. [[Job Market Paper](#)]

Governments in the US and in many other countries set reimbursement rates for health care services covered by public insurance. In this paper, I study how reimbursement rates for health providers should be set in the presence of the insurance. I do so in the context of Medicare sets reimbursement rates for outpatient procedures at hospital outpatient departments (HOPDs) and ambulatory surgery centers (ASCs), and coinsurance rates that determine patients' cost-sharing when they receive care at these settings. The Medicare outpatient care market is especially relevant because of the growth in both volume of and spending on outpatient procedures covered by Medicare, as well as the controversial large Medicare payment differentials to HOPDs and

ASCs. I examine how reimbursement and welfare would change if these payment differentials were closed, or if Medicare optimally set reimbursement rates and copays.

Using financial data and cost reports of HOPDs and ASCs in Pennsylvania, I estimate cost functions and find that the marginal costs of HOPDs are almost double those at ASCs. In both cases, marginal costs are significantly below current Medicare reimbursement rates. Using the Medicare outpatient claim datasets, I also estimate a nested logit model of patient demand for outpatient facilities. The results suggest that ASCs offer significantly higher net value than HOPDs for the standard procedures, and similar net value for the more complex procedures.

I develop a theoretical model to characterize the optimal reimbursement rates and coinsurance rates that maximize consumer surplus subject to Medicare's budget constraint and providers' participation constraints. I show that reimbursement rates should be set at the providers' marginal costs and coinsurance rates should be higher for HOPDs than ASCs. However, when the coinsurance rates are constrained to be the same for HOPDs and ASCs, the reimbursement rates should instead be above marginal costs.

Empirically, I show that Medicare's "site-neutral" payment policy, which decreases the HOPDs' reimbursement rate to ASC's rate, steers patients away from high net value ASCs. Consequently, it reduces the social surplus. I also show that if coinsurance rates are constrained to be 20% for all procedures at all providers, Medicare should make the HOPDs - ASCs payment differential even larger than the existing payment schemes to incentivize better sorting into ASCs. In doing so, Medicare can increase social surplus by 3% to 6%. In contrast, if Medicare can set coinsurance rates flexibly, Medicare should optimally decrease reimbursement rates to the providers' marginal cost levels, increase HOPDs coinsurance rate and lower ASCs coinsurance rate. Moving from current practice to the proposed optimal policy would increase the social surplus by 3% to 6% while simultaneously reducing Medicare spending by 15% to 20%.

Payment policies and market structure: Evidence from CalPERS' reference pricing program.

This paper examines the impact of Reference Pricing (RP) on patients' demand for outpatient care providers and on care providers' pricing strategies. The RP program is a payment initiative by the California Public Employees' Retirement System that increases patients' cost-sharing when they receive care from high-cost providers. Applying difference-in-differences and synthetic control analyses to medical claim data, I find that the program led to a 30% increase in the demand for low-cost ambulatory surgery centers (ASCs) among patients who need procedures. The program also led to a 10% increase in the demand for low-cost ASCs among patients who need procedures in the same procedure group as the RP procedures but not covered by RP. On the supply side, the price responses to the program vary across facility types and market structures. Most of the price reductions come from high-priced hospitals. The price reduction at high priced providers in the northern, more consolidated markets is larger than in the southern, less consolidated markets.