Calvin A. Ackley

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Education

Ph.D., Economics, Boston University, Boston MA, May 2020 (expected)
Dissertation Title: *Optimal Insurance Design and the Demand for Medical Care*
Main advisor: Randall P. Ellis

B.A., Economics *(Summa Cum Laude)*, Boston College,
Chestnut Hill, MA, 2014

Fields of Interest

Health Economics, Industrial Organization, Behavioral Economics

Working Papers

"Equilibrium Effects of Tiered Cost Sharing in the Market for Medical Care," (Job Market Paper), September 2019.
"Health Care Demand Elasticities on the Intensive Margin," September 2019.

Work in Progress

"The Welfare Effects of Surprise Medical Bills"

Fellowships and Awards

Outstanding Teaching Fellow Award, Boston University, 2016-2017
Teaching Fellowship, Boston University, 2015-2018
Dean's Fellowship, Boston University, 2014-2015

Work Experience

Analyst Intern, Charles River Associates, Summer 2013

Teaching Experience

Instructor, Introductory Macroeconomic Analysis, Department of Economics, Boston University, Summer 2016 and Summer 2018
Lead Teaching Fellow, Introductory Microeconomic Analysis, Department of Economics, Boston University, Fall 2018
Lead Teaching Fellow, Introductory Macroeconomic Analysis, Department of Economics, Boston University, Spring 2018
Teaching Fellow, Behavioral Economics, Department of Economics, Boston University, Fall 2017
Teaching Fellow, Introductory Microeconomic Analysis, Department of Economics, Boston University, Fall 2015-2017, Spring 2016-2017

Programming Skills:

R, STATA, SAS, SQL, Stan

CITIZENSHIP/VISA STATUS: United States Citizen

References

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CALVIN A. ACKLEY

Equilibrium Effects of Tiered Cost Sharing in the Market for Medical Care (Job Market Paper)

In the market for medical care, prices paid by consumers and those received by providers are mediated by insurance plans, giving rise to moral hazard and blunted competition. In this paper, I study the effects of tiered cost sharing, an innovative plan design that uses a steep gradient in out-of-pocket costs to steer consumers toward low-cost providers. Using detailed administrative data from the State of New Hampshire, I estimate the impact of these incentives in both the short and long run. I first examine the rollout of tiered programs by the State's two largest insurers in an event-study framework to quantify the average effects on provider choices and payments. I next address the underlying mechanisms by looking specifically at consumer responsiveness to out-of-pocket prices on the intensive margin. Finally, I estimate a structural model of supply and demand to study the general equilibrium implications of this plan feature, and to compare it with other consumer-directed mechanisms such as reference pricing and high-deductible plans. I find that the tiered programs in New Hampshire led to a 30% reduction in payments for lab services and a 5% reduction in payments for endoscopic and arthroscopic services. I show that consumers respond modestly to spot prices on the intensive margin, conditional on the expected end-of-year price. Structural estimates suggest that targeted incentives affect payments through both demand shifting and equilibrium price changes, and that this design compares favorably with other related designs.

Health Care Demand Elasticities on the Intensive Margin

The majority of prior work estimating the demand for health care focuses on the extensive margin. With the growth of consumer-directed health care, the intensive margin of demand becomes increasingly important. I develop an instrumental variable strategy to estimate demand elasticities on the intensive margin using transaction prices and average inertial plan cost sharing to instrument for individuals' experienced spot prices. Using detailed administrative claims data, I apply this method to provide new estimates of the intensive margin elasticity of demand for a variety of shoppable services such as MRIs and arthroscopic knee surgery.

The Welfare Effects of Surprise Medical Bills

The perils of surprise hospital bills have been well documented in both the popular press and as academic articles. I estimate two sources of potentially significant welfare loss due to these bills using plausibly unanticipated treatment by an out-of-network provider. Using an event-study framework, I examine the effect of surprise bills on the subsequent consumption behavior of the entire family. I find that families hit with bill shock reduce medical care expenditures relative to families who experience a similar admission but were not subject to an out-of-network physician.