SAMUEL V. VALDEZ

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Last updated: September 2018

RESEARCH FIELDS

Health Economics, Industrial Organization, Applied Econometrics

EDUCATION

University of California, Irvine
Ph.D. in Economics, Expected: June 2020
Entering the Job Market: Fall 2019
Advisers: Jiawei Chen, Mireille Jacobson, David Brownstone, Jan Brueckner

California State University, Long Beach
M.A. in Economics, December 2013

University of California, Los Angeles
B.S. in Mathematics/Economics, June 2012

LIST OF ALL CURRENT AND COMPLETED PH.D. COURSES (Quarter System)

Graduate Course Descriptions: https://www.economics.uci.edu/grad/courses/descriptions.php

Core Courses
Microeconomics
ECON 210A - Microeconomic Theory I
ECON 210B - Microeconomic Theory II
ECON 210C - Microeconomic Theory III
Macroeconomics
ECON 210D - Macroeconomics Theory I
ECON 210E - Macroeconomics Theory II
ECON 210F - Macroeconomics Theory III
ECON 211L - Macroeconomics Theory Lab
Econometrics
ECON 203A - Mathematics for Social Scientists
ECON 220A - Statistics and Econometrics I
ECON 220B - Statistics and Econometrics II
ECON 220C - Statistics and Econometrics III
ECON 221A - Statistics and Econometrics Lab I
ECON 221B - Statistics and Econometrics Lab II
ECON 221C - Statistics and Econometrics Lab III

Field Courses
Industrial Organization
ECON 271A - Industrial Organization (Taken at UCLA)
ECON 271B - Industrial Organization (Taken at UCLA)
ECON 241A - Industrial Organization I
Applied Econometrics
ECON 222 - Replication and Applied Economics Writing
ECON 223A - Discrete Choice Econometrics
ECON 229 - Topics in Econometrics
ECON 245 - Empirical Methods for Applied Microeconomics
STATS 230 - Computational Statistics
Miscellaneous
ECON 243A - Game Theory
ECON 279A - Topics in Political Economy I
ECON 282B - Economics of the Airline Industry
Independent Study and Dissertation Research
ECON 290 - Dissertation Research (3 Quarters - Under the Direction of Professor Mireille Jacobson)
ECON 299 - Individual Study (1 Quarter - Under the Direction of Professor Mireille Jacobson)
Teaching and Colloquiums
ECON 200A-C - Economic Colloquium (3 Quarters)
SOC SCI 399 - University Teaching (6 Quarters)

EMPLOYMENT

Health Policy Research Institute, University of California, Irvine
Research Assistant to Mireille Jacobson, 2016-present

Los Angeles County Economic Development Corporation
Contracted Employee working under Senior Vice President Dr. Christine Cooper at the Institute for Applied Economics, 2012-15

Department of Economics, California State University, Long Beach
Head Teaching Associate, 2013

TEACHING

University of California, Irvine
Teaching Assistant: Intermediate Macroeconomics (Summer II 2016), Probability and Statistics for the Social Sciences (Summer I 2016), Intermediate Microeconomics (Summer II 2015), Basic Economics I (Spring 2015, Fall 2015), Computer Research in Social Science (Winter 2015), Basic Economics II (Fall 2014)

California State University, Long Beach
Instructor: Introduction to Econometrics and Statistical Economics, Lab (Spring 2013)
Tutor: Managerial Economics, 2012-13

WORKING PAPERS

"Do Medicare's Facility Fees Incentivize the Vertical Integration of Hospitals and Physicians?" (Under Review at the *Journal of Health Economics*)

Abstract: This paper examines whether hospitals strategically choose to vertically integrate with physicians in order to capture facility fees. To address this question, I match data on hospitals' ownership of clinical oncologist practices with Medicare payment data disaggregated to the physician and specific service level. I leverage a 2014 policy change that drastically altered the payment structure of Medicare's facility fees for evaluation and management services. Contrary to popular belief, I find no evidence that the financial incentives of facility fees have an effect on the probability that a hospital and clinical oncologist vertically integrate.

WORKS IN PROGRESS

"Hospital-Physician Integration: The Role of Academic Medical Centers"

HONORS AND AWARDS

Economics Summer Research Fellowship, UCI, 2017-18
Social Science Tuition Fellowship, UCI, 2014-18
Microeconomics Qualifying Exam, Distinctions, UCI, 2015
Merit Fellowship in Economics, UCI, 2014
Graduate Dean's List, CSULB, 2013
Ray and Marge Lancaster Graduate Scholarship Award Recipient, CSULB, 2013
National Science and Mathematics Access to Retain Talent (SMART) Grant Recipient, UCLA, 2009-11
Blue and Gold Scholarship Recipient, UCLA, 2009-11
Phi Theta Kappa International Honor Society, 2008-09
ALPFA Scholarship Award Recipient, 2007

PRESENTATIONS AND WORKSHOPS

Transportation, Urban, and IO Seminar, UCI, May 2018
California State University, Chico, Guest Speaker, April 2018
Workshop in Industrial Organization/Corporate Welfare, UCI, November 2018
Annual Economics Poster Session, UCI, October 2018

COMPUTER SKILLS

Experienced in Stata, MATLAB, R, SAS, C++, EViews, LaTeX

PERSONAL

Languages: English (Native)
United States Citizen

REFERENCES

Prof. Jiawei Chen
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University of California, Irvine
(949) 824-3189
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Prof. David Brownstone
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Prof. Jan Brueckner
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Prof. Mireille Jacobson
School of Gerontology
University of Southern California
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USC Davis
School of Gerontology

September 20, 2018

Dear Selection Committee:

I am extremely pleased to write in strong support of Sam Valdez's application for the NBER's **Health Economics Research Boot Camp for Graduate Students.**

Sam is an economics PhD student at the University of California, Irvine (UCI). I chaired Sam's advancement committee when I was a faculty member in the Merage School of Business at UC-Irvine and will co-chair his dissertation committee. In addition, he has been an RA for me since 2015. I continue to employ him, despite moving my appointment to USC in July 2018, because he is easy to work with and has great data skills.

Sam is technically a fifth year student. Because of some serious health problems, which are now well managed, he is really at an earlier point in his graduate career. I have worked with many economics PhD students at UCI, several of whom have/had good tenure track academic appointments. Sam is head and shoulders above all of them in terms of both technical skill and dedication. In short, I believe Sam has the potential to be an outstanding scholar. He is also partly of Mexican decent and is from a very poor, rural part of California, So, an investment in Sam, which to my mind is worth it on its own, also serves a broader social purpose.

Sam's interests lie at the intersection of industrial organization, applied econometrics and health economics. He is interested in empirically estimating the effects of competition, vertical integration and the like on health care markets. His second year paper, which was the focus of his advancement exam, is a replication of a 2001 *RAND Journal of Economics* paper testing for asymmetric information and adverse selection in health insurance. Sam picked this paper to replicate in order to learn the methods used in the paper as well as to apply more updated techniques. His committee, which included David Brownstone and Matthew Harding, were very impressed with his technical work. I was impressed at his attention to the underlying theory as well as to testing the sensitivity of the model to various assumptions. This work will be submitted as a comment to the *RAND Journal of Economics.*

Since that time, Sam has independently developed and submitted for publication a paper of his own crafting. That paper, entitled, "Do Medicare's Facility Fees Incentivize the Vertical Integration of Hospitals and Physicians?," tests the received wisdom that vertical integration between hospitals/health systems and physicians is driven by the capture of rents. Specifically, many health policy experts believe that additional facility fees that can be garnered when services are provided at a hospital (or by a provider owned by a

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hospital) are incentivizing mergers. Sam takes this argument seriously and, on his own, identified a policy change that effectively allows him to test the role of facility fees in promoting vertical integration. Sam exploits past physician billing behavior and a change in the Medicare facility fee structure to ask whether providers who would gain more (lose more) in terms of facility fees as a result of policy change are more (less) likely to integrate. He finds precisely estimated zero effect of the fee change on integration, despite showing that these changes have potentially large financial implications for some providers. While null findings can be difficult to publish, I am hopeful that the clarity of his analysis and the importance of the question will make this an easier paper to publish. It has already been sent out to reviewers at the Journal of Health Economics. As Sam describes in his essay to the committee, he has a range of other projects he is working on that stem from this paper.

Given the dearth of health economists at UCI and the amazing caliber of the NBER team, I think this program will be invaluable for Sam. I also believe he will **have a return for the program as Sam is a smart, driven, graduate student from an under-represented minority population.** He is adept with data and has committed himself to learning cutting edge techniques used in health care IO. As evidence of this, he took several classes up at UCLA during the 2016-17AY – including an IO course taught by John Asker – to fill in for more limited course options at UCI. With the opportunity afforded him by the NBER's health economics boot camp, I believe Sam has the potential for a strong career in health economics.

If you have any questions about Sam or my assessment of him generally or for this program, please do not hesitate to contact me via email or phone.

Sincerely,



Mireille Jacobson

Associate Professor
Leonard Davis School of Gerontology and Schaeffer Center
University of Southern California
e-mail: mireillj@usc.edu
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DEPARTMENT OF ECONOMICS
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PROFESSOR JOHN ASKER
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john.asker@econ.ucla.edu

18 September 2018

RE: Recommendation for **Samuel Valdez** for NBER Health Econ. Research Boot Camp

Dear Selection Committee,

It is my pleasure to recommend Samuel Valdez for the NBER's December Health Economics Research Boot Camp for Graduate Students. I came to know Samuel during the winter of 2017 when he took my course in Graduate Empirical Industrial Organization. Samuel performed well; he received an A in my course. The aim of my course was to provide graduate students a solid grounding in modern empirical tools that are useful in understanding the structure of markets as well as the strategic behavior of firms and their consumers.

My courses are designed in an effort to encourage students to push their academic limits and exercise critical thinking. Samuel was an active and conscientious member of my class. When participating in discussion, he challenged the rest of the students to consider issues from new perspectives, and he often asked important questions. Samuel not only excelled in my IO course but also took initiative in an effort to complement his UCI coursework by taking this class at UCLA.

Samuel would be a wonderful addition to have at this NBER Research Boot Camp. He possesses skills that he is eager to share, and he is just as eager to learn. It is without hesitation that I recommend Samuel for this program. If accepted, Samuel will undoubtedly impress all with his intelligence and dedication to his studies. If I can be of any further assistance or provide you with any further information, please do not hesitate to contact me.

I hope this letter is helpful. Do not hesitate to contact me, by phone or email, if I can provide further assistance.

Yours sincerely,



John Asker
Professor & Armen A. Alchian Chair of Economic Theory, UCLA
Visiting Professor, Columbia University
Co-Editor, *American Economic Journals: Microeconomics*
NBER Research Associate

Application: NBER Health Economics Research Boot Camp

Dated: 23rd of September 2018
Subject: NBER Health Economics Research Boot Camp Cover Letter

To whom it may concern,

This letter is written in regards to the National Bureau of Economic Research's December 4-6, 2018 Health Economics Research Boot Camp for Graduate Students. Please find included in this application:

1. A two-page essay explaining the rationale for attending the boot camp.

2. A curriculum vitae that includes a list of all current and completed Ph.D. courses.

Additionally, you will be receiving a letter of recommendation from my advisor, Professor Mireille Jacobson, USC, as well as a brief supplementary letter of recommendation from Professor John Asker, UCLA.

Please let me know if you require anything. I look forward to hearing from you.

Sincerely,

Samuel Valdez
Ph.D. Candidate
Department of Economics
University of California, Irvine
(530) 321-1871
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Rationale for Attending the Boot Camp

For almost three years, I have been actively working in the field of industrial organization of health care—the study of health economics structured around a 5-stage model of the market as detailed in Gaynor, Ho, and Town (2015). Given the distinguished faculty running the boot camp and the opportunity to interact with peers from other institutions, I am very excited to apply to the NBER program. I believe it will be an invaluable complement to the work I've done this far.

My research interests focus on quality determination in provider markets, market structure, and the economics of physician treatment and referral decisions. The multistage model of the health-care market structure presented in Gaynor, Ho, and Town (2015) helped me produce my first sustained independent research project. This work, which is currently under review at the *Journal of Health Economics*, is entitled "Do Medicare's Facility Fees Incentivize the Vertical Integration of Hospitals and Physicians?" It examined whether hospitals strategically choose to vertically integrate with physicians in order to capture facility fees. To address this question, I match data on hospitals' ownership of clinical oncologist practices with Medicare payment data disaggregated to the physician and specific service level. I leverage a 2014 policy change that drastically altered the payment structure of Medicare's facility fees for evaluation and management services. Contrary to popular belief, I find no evidence that the financial incentives of facility fees have an effect on the probability that a hospital and clinical oncologist vertically integrate.

Upon delving heavily into the topic of hospital-physician integration, I have lately found myself asking multiple follow-up questions. What are the welfare implications of the formation of vertically integrated networks that restrict patients' choice of hospitals and physicians? Do the financial incentives of Medicare graduate medical education payments lead to increased vertical consolidation? Do peer effects result in referring physicians integrating with a hospital when the physicians they refer to integrate? To aid this investigation, I have constructed a unique data set that is customized to the features of the hospital-physician marketplace. By combining and synthesizing commercial surveys of physicians' firm structure obtained from SK&A between 2005 and 2017 with a multitude of public data sets that contain detailed utilization, payment, physician shared patient patterns, and demographic information, I will continue to implement this comprehensive data set for econometric analysis. In its nascent stage, my future doctoral research will further focus on the causes and consequences of the vertical integration of hospitals and physician practices.

I believe my previous academic experiences make me an ideal candidate for this boot camp. As an undergraduate at the University of California, Los Angeles, I obtained a bachelor's degree in mathematics through which I cultivated my theoretical and analytical skills. During my doctoral studies at the University of California, Irvine, I have gained first-hand research experience as a research assistant to Professor Mireille Jacobson through UCI's Health Policy Research Institute. By working on various projects with Professor Jacobson, I was able to further hone essential empirical skills as well as obtain a greater knowledge of the broader health-care market. During my second and third year of the doctoral program, I took intensive theory and methods courses in applied econometrics and industrial organization; these courses have afforded me the tools necessary to become a learned and involved health economist.

Additionally, I have bolstered my course work through the University of California's Intercampus Exchange Program, taking both Professor John Asker's Graduate Empirical Industrial Organization course and Professor Volker Nocke's Graduate Industrial Organization Theory course at the University of California, Los Angeles. My brief yet fruitful experience with these two professors has been invaluable to my professional development. My academic experiences have suitably armed me with a varied skill set that has laid the groundwork for my future academic study. Unfortunately, since Professor Jacobson left UCI, the opportunity to further develop my skills in health economics has diminished. Moreover, this particular program offers a unique opportunity to learn from researchers on the cutting edge of the field.

As a person of Hispanic background, I have been aware of the underrepresentation of minorities in the field of economics; critical to the maturation of my research and professional work is my active participation in this particular boot camp. I believe the NBER's Health Economics Research Boot Camp is the ideal place to take my research ideas to the next level and to develop new insights for independent projects. The exposure to the diverse selection of distinguished faculty will afford me the skills and knowledge necessary to succeed in academia. I hope to gain critical perspectives on the ways in which health economics research intersects with industrial organization. Certainly, my involvement in the boot camp will guide my research into unexpected directions. It will undoubtedly enable me to evolve into a more informed and engaged health economist. Thank you for your consideration.