NBER Health Workshop Application

Applicant:	Yaying Zhou
Recommender:	Prof. Daniel Sacks
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Education

Ph.D. third year in Business Economics and Public Policy, Indiana University.

M.A. Economics, Shanghai Jiao Tong University, 2018.

B.A. Economics, Tongji University, 2014.

Research Interests

Health Economics, Industrial Organization, Applied Econometrics

Working paper

Vertical Integration and Market Foreclosure in Media Markets: Evidence from the Chinese Motion Picture Industry, with Ricard Gil, Chun-Yu Ho, and Li Xu.

Work in progress

"The Role of Brokers in Employer Health Insurance Switching" with Haizhen Lin

"Incidence of Health Care Market Power" with Daniel Sacks and Haizhen Lin

Conference Presentations

"Vertical Integration in Motion Picture Industry: Quality, Competition and Ownership", presented at 2018 *Asian Meeting of the Econometric Society*.

Honors and Awards

Doctoral Student Research Productivity Award, Indiana University, 2019

Doctoral Student Research Productivity Award, Indiana University, 2018

Doctoral Research Travel Award, Indiana University, 2018

Courses

Econometrics	Advanced Econometrics I - III, Microeconometrics
Health	Health Policy
Data Science	Applied Machine Learning, Exploratory Data Analysis, Bayesian Data Analysis
Theory	Microeconomics I & II, Economic Modeling, Game Theory, Information Economics, Optimization Theory

Personal Essay

Yaying Zhou

I am Yaying Zhou, a third-year Ph.D. student from Department of Business Economics and Public Policy, Kelley School of Business at Indiana University. I have just completed coursework and have been conducting research on the US health insurance market for about two years.

I am currently working a project with Prof. Haizhen Lin that studies the role of brokers in switching in employer-sponsored health insurance. We specifically examine whether health insurance brokers help firms save on premiums through insurer switching. We find evidence that switching indeed offers a way to stop the trend of rising premiums during a plan's life, which could be explained by a lo t of factors including inertia to switch. To explain the channel of switching, we find the incentive design of the broker market can serve as a way for brokers to nudge on firms' switching. This project is greatly inspired by Prof. Dafny's papers on the competitiveness of the group insurance market, as well as Prof. Handel and Prof. Kolstad's papers on search frictions, nudged switching and adverse selection.

In another project with Prof. Daniel Sacks and Prof. Haizhen Lin, we are investigating how employers react to growing market power in the health industry and the implications for employees' welfare. Rather than looking at general impact, this project focuses on the distributional effect of premium growth among firms and workers, and is very much aligned with Prof. Gruber's works on employer health insurance and labor market outcomes.

The future direction of my research is to explore further brokers' role in the US health insurance market. I am curious whether there is conflict of interests for brokers in the sense that they might steer firms' health insurance choices from their first-best options to plans that best fit brokers' self-interests. Moreover, what are the sources

of this distortion and how would that interact with competitiveness in the insurance market in general. As there are three stakeholders in the game, insurer, firm and broker, I plan to build a structural model to approximate the interactions in the insurance market and can hopefully answer welfare distributions in various counterfactual cases. My future research would benefit significantly from the workshop since it would offer a great opportunity for me to learn from the best economists in my field, such as Prof. Ho and Prof. Finkelstein.

NBER is a sacred web source where I have often visited for decent research. It would be a dream come true to actually go to this place and see how health economists there do research and answer important questions. I hope you could consider me for this chance. Thank you!

October 10, 2019
1309 E. 10th St.
Bloomington, IN 47405

Dear Dr. Handel, Dr. Ho, and Dr. Kolstad,

I am writing to recommend Yaying Zhou for the NBER Health Economics Research Boot Camp. Yaying is a third-year Ph.D. student in our Business Economics Program. I think she would be an excellent fit for the program. I say this for two reasons.

First, Yaying has demonstrated a consistent interest in health economics. We have a good sized group of health economists here at Indiana University (myself and Haizhen Lin in Business Economics, plus several others in the policy school: Kosali Simon, Seth Freedman, Coady Wing, Vicky Perez, and Alex Hollingsworth). Yaying has regularly attended our health economics workshop. She has been working on health economics topics since the end of her first year, with a focus on employer sponsored health insurance. She has one project well under way with Haizhen Lin which focuses on brokers and employer-sponsored insurance premiums, and an early stage project with me and Haizhen on the incidence of health care market power. All this is to say that Yaying would take full advantage of the area-specific knowledge and skills she would learn from the Boot Camp.

Beyond her specific interests in health economics, Yaying would benefit from the opportunity to see frontier health economics research and meet a broader network of graduate students and health economics researchers. Although we have a good sized health economics group here, our work is fairly focused on the ACA and, more recently, opioids, so Yaying would from hearing from other faculty.

Second, I believe Yaying would capitalize on what she learns at the boot camp. Yaying has demonstrated strong research skills so far in her time here, so I expect her to be able to apply what she learns in an ambitious dissertation. Much of her research has been with Haizhen, working on a project that uses corporate tax filings with information on benefits offered, insurer choice, premiums paid, enrollment, some plan information, and insurance brokers, among other things. This is a rich data set and Yaying has done a lot of work exploring it. One of the more difficult aspects of working with these data is the network structure of brokers—brokers can work with a

range of insurers and employers. Measuring these structures is not straightforward but Yaying has done excellent work on it. In her work with me, Yaying has consistently exceeded my expectations in her ability to put quickly, cleanly, and accurately put together multiple data sets and conduct preliminary analyses.

So I think Yaying would be a good fit for the program, as it aligns well with her interest and she is in a position to take advantage of what she would learn there. On top of that, I think Yaying would contribute well to the atmosphere of the program. I have not had Yaying as a student in a class, so I can't comment on her classroom participation. But I have reason to be optimistic. We have a very small Ph.D. program—currently 4 students—that has actually grown recently. Yaying came to IU as the only student in her cohort, and the cohorts after her have two and one student. Our grad students seem to be very close and I think Yaying has done a lot to help the new students get acclimated. All this is to say that I have every reason to think Yaying would also help contribute to an environment of learning and enthusiasm at the boot camp.

I hope you will give Yaying full consideration for a spot in the boot camp.

Sincerely,

Dan

Daniel W. Sacks
Assistant Professor of Business Economics and Public Policy
Kelley School of Business
Indiana University