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Dear Ben, Katherine, and Jonathan,

I am excited to apply to the Health Economics Research Boot Camp for Graduate Students. I have appended my CV and application essay to this letter. I am excited about the possibility to attend this boot camp, learn from the presentations, and meet other health economists.

Amy Finkelstein is writing my letter of recommendation.

I look forward to your decision.

Best,

Aileen

Health Economics Research Boot Camp for Graduate Students

Application Essay: Motivations for attendance and research directions

Aileen Devlin

I am excited to attend the health economics research boot camp for several reasons. The research presentations will introduce me to cutting edge topics in health economics, which will give me inspiration for new research projects and help me to ascertain how my current projects fit into the literature. I also hope to get a better understanding of the open topics in health economics that people are excited about.

The boot camp will also be a great opportunity to network with the other attendees. Talking other health economists about my work is a fruitful way to learn its strengths and weakness so I can improve my projects. And hearing about my peers projects will have the same benefits as the formal presentations. It will be a great opportunity to meet potential future colleagues and coauthors.

My general research interests are market failures and innovations in the health care and insurance markets. I am currently working on two projects looking at innovations in health care delivery (retail/urgent care clinics and telemedicine)—these both relax constraints in the provider market and increase the choice set for the consumers.

My project on retail and urgent care clinics looks at the impacts of these clinics on health care provision, welfare, and efficiency. Little is known about how they affect costs and utilization, except for several papers looking at impacts on emergency room care. My goal is to identify how they affect substitution among providers of care and the decision to seek care.

A complete understanding of the behavioral changes retail clinic cause, will serve as a baseline to consider welfare impacts. The welfare benefits come from improved access, expanded choice set, and increased competition, but there are potential welfare costs of decreased quality of care, fragmentation of care, and exacerbated moral hazard (since cost sharing and time costs may be decreased). I also intend to evaluate how retail clinics impact efficiency, for example, affecting treatment compliance (which is very important for conditions like diabetes and mental illness) or the degree to which providers can focus on providing care requiring their level of training. I have been exploring these questions in the Medicare data, but I am now trying to get access to commercial or all-payer claims to study the broader population.

My project on telemedicine looks at how it affects access and quality of care as well as provider markets and use of expertise. Telemedicine is currently growing quickly—in recent years the

growth rate in Medicare has approached 45% annually. Telemedicine breaks the geographic link between patients and provider, which could have large effects on provider markets and patient outcomes since providers tend to be more geographically concentrated than patients, and patients prefer not to travel far for their care. Breaking the geographic link has the potential to let physicians specialize more and let patients go to providers who see a higher volume of their type of issue.

Thus, the research questions that I hope to answer are (1) the extent to which telemedicine crowds out in-person care versus increases total care, (2) the extent to which telemedicine improves care by improving match quality rather than just increasing care on the extensive margin, and (3) whether there are any effects on the provider market in how expertise is used.

I am currently investigating this in Medicare. The variation in telemedicine that I use comes from states differentially passing commercial payment parity laws which require commercial insurers to cover telemedicine similarly to how they cover in-person care. These laws increase Medicare use of telemedicine by building up the infrastructure for telemedicine so that providers are more likely to refer their Medicare patients, but plausibly do not have direct effects on Medicare beneficiaries so can instrument for telemedicine.

One of the future directions I hope to go with my research it to study the information asymmetry between the patient and the provider and how beliefs are formed and treatment decisions are made. I hope to investigate this by looking at how common procedures respond to studies showing they are not as good as was thought (for example, an RCT in 2002 found that arthroscopic lavage and debridement procedures for osteoarthritis in the knee was no better than a placebo procedure). A big challenge in work on innovation and diffusion is that it is hard to see new procedures because they do not yet have procedure codes, but this can be overcome by looking at the phase-out of a common procedure.

Another area that I think would be super cool for future work is investigating the trade-off in insurance between diversifying risk and distorting people's incentives to avoid the bad state. This is especially applicable to health insurance since long run risk (in the United States) is absorbed by Medicare, which should lead to distortions in investments in health capital. More generally, since insurance contracts are usually annual (or for employer sponsored insurance implicitly as long as an employee works for that employer)—the insurer has a shorter than life-long interest in minimizing costs. The key challenge here is figuring out an exogenous source of variation in the share of health spending risk that the current insurer faces. I'm hoping to put more time into this as I finish other projects.

Curriculum Vitae
Aileen Devlin

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Education:

Massachusetts Institute of Technology

- Economics PhD program: started fall 2016
- Fields: Public, Health, Labor

University of California, Davis,

- B.A. Economics, 2014, Highest Honors
- Minor: Biology

Fellowships/Awards/Honors:

NBER Fellowship in Aging and Health Economics	2018 to 2020
National Science Foundation Graduate Research Fellowship	2016 to 2021
UCD Economics Distinguished Undergraduate Student (top graduating senior)	2014
UCD Economics Departmental Citation	2014
Phi Beta Kappa	2013
UCD Regent's Scholarship	2010 to 2014
National Merit Scholarship	2010

Research Work:

Research Assistant to Professor Amy Finkelstein, MIT	2017 to 2019
Stanford Law School Research Fellow	2014 to 2016
• Research Assistant to Professor Daniel Kessler	
Research Assistant to Professor Stefano DellaVigna, UC Berkeley,	Summer 2013
Research Assistant to Professor Ann Stevens, UC Davis	2012-2013

Teaching:

TA for Graduate Public Finance (14.472)	Spring 2018
TA for Undergraduate Public Economics (14.41)	Fall 2019

Publications:

Medicare Advantage plans pay hospitals less than traditional Medicare pays. 2016. *Health Affairs*, *35*(8), 1444-1451. With Laurence Baker, M. Kate Bundorf, and Daniel Kessler

Hospital ownership of physicians: hospital versus physician perspectives. 2016. *Medical Care Research and Review*, 1077558716676018. With Laurence Baker, M. Kate Bundorf, and Daniel Kessler

Working Papers:

Why Don't Commercial Health Plans Use Prospective Payment? 2016. (No. w22709). National Bureau of Economic Research. With Laurence Baker, M. Kate Bundorf, and Daniel Kessler

Completed Coursework at MIT:

- PhD core classes in micro and macro theory and econometrics (14.121, 14.122, 14.123, 14.124, 14.451, 14.452, 14.453, 14.454, 14.381, 14.382)
- Field Courses: Public Finance (14.471 and 14.472), Labor Economics (14.661 and 14.662), Behavioral Economics (14.160), Development Economics (14.771), Health Economics (14.473), Political Economy: Institutions and Development (14.773), Nonlinear Econometrics (14.385)

Massachusetts Institute of Technology

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October 16, 2019

To Whom It May Concern

I am writing with the greatest enthusiasm in support of **Aileen Devlin** for the health economics boot camp. Aileen is an extremely promising fourth year PhD student in the MIT Economics department, and a pre-doctoral fellow in health and aging at the NBER.

Aileen has a strong interest and prior track record in health economics. Aileen RAed for two years prior to graduate school for Dan Kessler, working exclusively on health topics and co-authoring several papers with him, including one on Medicare Advantage which I know quite well.

I have gotten to know Aileen quite well over the last 3.5 years – she RAed for me, I advised her second year econometrics paper (she wrote a terrific second year econometrics paper re-examining the impact of Medicaid expansions on mortality for low income adults), she took my graduate public finance class (and did very well) and I am now advising her dissertation.

Aileen is currently working on three promising research projects on health and aging. One is a promising RCT she is designing on the impact of "goals of care" conversations between high-mortality patients and their physician on outcomes such as patient health, and health care utilization. A second is an exciting project on the role of retail health clinics in improving the healthcare utilization and health outcomes of the elderly (e.g. by increasing probability of flu shots). A third is a project at the intersection of health economics and trade, analyzing the impact of telemedicine in Medicare on patient health care utilization and outcomes.

I give her my absolute strongest recommendation. Please do not hesitate to contact me if I can be of further assistance.

Sincerely,



Amy Finkelstein