

NICHOLAS TILIPMAN

404 Uris Hall, Cornell University ◊ Ithaca, NY 14853
(973) · 943 · 1110 ◊ nt252@cornell.edu

EDUCATION

Cornell University Ithaca, NY
PhD Candidate in Economics 2010–Present
Fields: Health Economics, Industrial Organization, Applied Microeconomics

Rutgers University New Brunswick, NJ
BA in Political Science and History, *Highest Honors* 2007
Minor in Economics

References

Professor Sean Nicholson (chair)
Cornell University
Department of Policy Analysis & Management
607-254-6498
sn243@cornell.edu

Professor Panle Jia Barwick
Cornell University
Department of Economics
607-255-4867
panle.barwick@cornell.edu

Professor Samuel Kleiner
Cornell University
Department of Policy Analysis & Management
607-255-1027
sak272@cornell.edu

RESEARCH EXPERIENCE AND OTHER EMPLOYMENT

Cornell University, Department of Policy Analysis & Management Ithaca, NY
Research Assistant to Prof. Sean Nicholson 2013–Present
Research Assistant to Prof. Samuel Kleiner 2011–2012

Council of Economic Advisers Washington, DC
Staff Economist 2012–2013
Fellow Summer 2011

Columbia University, Department of Health Policy & Management New York, NY
Research Assistant to Prof. Bhaven Sampat 2010–2012
Research Assistant to Prof. Sherry Glied 2007–2010

TEACHING EXPERIENCE

Cornell University, Department of Policy Analysis & Management Ithaca, NY
Economics of Health Policy, Prof. Samuel Kleiner Spring 2012
Introduction to Statistics, Prof. Jeffrey Lewis Fall 2011

CONFERENCES AND PRESENTATIONS

AcademyHealth Annual Research Meeting 2010 Boston, MA
The Affordability of Health Insurance (Poster)
We All Want It, But We Don't Know What It Is (Poster)

AcademyHealth Annual Research Meeting 2009 Chicago, IL
Analysis of Five Health Insurance Options for NYS (Poster)

AWARDS, HONORS, AND GRANTS

Human Ecology Alumni Association Student Grant (\$1,000)	2014
Institute for Social Sciences Small Grant Award (\$15,000)	2014
Highest Honors (Summa Cum Laude)	2007
Henry Rutgers Scholar	2006-2007
Omicron Delta Epsilon (Economics Honors Society)	2006-2007
National Society of Collegiate Scholars	2004-2007
Rutgers College Academic Excellence Award	2005-2006; 2006-2007

SKILLS

Programming:	Stata; SAS; MATLAB; VBA; LaTeX; HTML
Clearance:	Single-Scope Background Investigation completed February 2013; Eligible for "Top-Secret" clearance through February 2018

WORKING PAPERS

Cadillac Tax, Narrow Networks, and Consumer Welfare (JMP)

Recent years have seen an increasing turn towards using narrow-network-health-plans that offer premium reductions to enrollees in exchange for a more limited selection of doctors and hospitals to choose from as a means of controlling health care cost growth. In this paper, I study employer incentives to offer narrow network products to their enrollees, and the welfare effects of switching to these plans. To do so, I estimate a model of supply and demand for health insurance offered by a large benefits administrator in Massachusetts, where I endogenize the product menu offered to consumers with respect to hospital and physician networks. I then use these estimates to study how the employer's number of products, networks, prices, and consumer welfare would respond to a hypothetical tax on expensive health plans, in the style of the ACA "Cadillac Tax." I find that consumers' plan choices are driven primarily by inertia rather than by the value of the plan's network, and that this inertia causes the employer to continue offering plans that add little value in a strict price-versus-provider-choice tradeoff. A large tax on health plans in excess of \$6,000 annually would cause the employer to drop each of its broad plans in favor of more narrow network products, resulting in an approximately 21% reduction in health spending, or \$76 per-member-per-month (pmpm). Consumer welfare from being moved to this new menu of products would decrease an average of \$58 pmpm. I conclude that incentivizing employers to eliminate broad network products through a tax has the potential to increase social welfare.

A Quality Adjusted Price Index for Colorectal Cancer Treatments: A Pure Characteristics Approach (with Claudio Lucarelli and Sean Nicholson)

The average price of treating a colorectal cancer patient with chemotherapy increased from about \$100 in 1993 to \$36,000 in 2005, due largely to the approval and widespread use of five new drugs between 1996 and 2004. We examine whether the substantial increase in spending has been worth it. Using discrete choice methods, we construct a series of quality-adjusted price indices that take into account the quality of each drug and the value that oncologists place on drug quality. Further, we implement a pure characteristics model of demand, which produces more realistic substitution patterns than traditional logit demand models. We find that the naive price index for these treatments greatly overstates the true price increase, whereas indices that control for welfare gains show much more modest price increases. We also find that the magnitude of the price increase varies with modeling assumptions. Traditional logit models tend to overstate the value of product innovation, whereas the pure characteristics model implies a more substantial increase.

Mental Health Mandates and Job Transitions

This paper examines the effects of state mandated health benefits on job transitions and job separations. Specifically, it looks at variation in state mental health parity legislation throughout the 1990s and 2000s

to assess whether the addition of a high-cost benefit mandate has led to any significant displacement effect or treatment effect for employees with previously held mental health diagnoses. I exploit state variation in mandate passage by using restricted-access data from the Medical Expenditures Panel Survey (MEPS). Finally, I provide initial estimates of the effect of the Mental Health Parity and Addiction Equity Act of 2008 on these labor market outcomes. I find that mental health parity has had little effect on employment levels, consistent with prior literature, but has caused a decrease in job separations, primarily employment to employment transitions. I present evidence that at least a third of this decline comes from a reduction in involuntary transitions, implying that mental health parity has a positive effect for individuals with untreated illnesses. In addition, I find that mandates led to increased expenditures for mental health services, further suggesting that the involuntary decline was likely due to a treatment effect of the mandates.

RESEARCH PUBLICATIONS

We All Want It, But We Don't Know What It Is: Toward a Standard of Affordability for Health Insurance Premiums (with Peter Muennig, Bhaven Sampat, Lawrence Brown, and Sherry Glied)

Journal of Health Politics, Policy and Law, 2011, 36(5): 829-853

The 2010 Patient Protection and Affordable Care Act, or ACA, requires that U.S. citizens either purchase health insurance or pay a fine. To offset the financial burden for lower-income households, it also provides subsidies to ensure that health insurance premiums are affordable. However, relatively little work has been done on how such affordability standards should be set. The existing literature on affordability is not grounded in social norms and has methodological and theoretical flaws. To address these issues, we developed a series of hypothetical vignettes in which individual and household sociodemographic characteristics were varied. We then convened a panel of eighteen experts with extensive experience in affordability standards to evaluate the extent to which each vignette character could afford to pay for one of two health insurance plans. The panel varied with respect to political ideology and discipline. We find that there was considerable disagreement about how affordability is defined. There was also disagreement about what might be included in an affordability standard, with substantive debate surrounding whether savings, debt, education, or single parenthood is relevant. There was also substantial variation in experts' assessed affordability scores. Nevertheless, median expert affordability assessments were not far from those of ACA.

Simulation Modeling of Health Care Policy (with Sherry Glied)

Annual Review of Public Health, 2010. 31: 439-455

Simulation modeling of health reform is a standard part of policy development and, in the United States, a required element in enacting health reform legislation. Modelers use three types of basic structures to build models of the health system: microsimulation, individual choice, and cell-based. These frameworks are filled in with data on baseline characteristics of the system and parameters describing individual behavior. Available data on baseline characteristics are imprecise, and estimates of key empirical parameters vary widely. A comparison of estimated and realized consequences of several health reform proposals suggests that models provided reasonably accurate estimates, with confidence bounds of approximately 30%.

WORKS IN PROGRESS

Physician Referral Networks and Insurer-Physician Negotiated Prices

Do Employers Restructure Fringe Benefits In Response to Insurance Mandates?

The Demand and Pricing Effects of Banning Menthol Cigarettes: A Discrete Choice Approach (with Don Kenkel and Kyle Rozema)

NON-PEER-REVIEWED PUBLICATIONS

Analysis of Five Health Insurance Expansion Options for New York State (with Olveen Carrasquillo and Sherry Glied)

New York State Health Foundation, 2009.

Health Reform in New York State: A Qualitative Analysis of Testimony Provided at Public Hearings (with Olveen Carrasquillo and Sherry Glied)

New York State Health Foundation, 2008.