

My research uses microtheoretic and microeconomic methods to study the following issues in health economics: (1) the effect of payment methods on provider behavior; (2) liberalization of the healthcare markets in transitional economies; (3) the impact of health insurance on patient behavior and health outcomes; (4) health sector reforms in low- and middle-income countries.

In my dissertation, I examine these issues against the backdrop of the Chinese health care system. My ultimate goal is to use the framework of comparative policy analysis in order to explore different health systems' strengths and weaknesses in addressing the above concerns. In addition, I am interested in policy/program evaluations whose results can inform future policy-making.

My job-market paper, "Medical Charges and Provider Ownership", investigates the price gap between public and private hospitals. My analysis shows that such a price gap exists and, moreover, is much larger for certain disadvantaged social groups. I also find that the bigger the share of physicians working in the private sector, the smaller the price gap as well as the overall average price of hospital care. These results indicate that the combination of state market control and insufficient information on health care quality has hindered price competition in China's hospital sector. As a potential remedy, increasing competition in the market for physicians will lower the price of medical care by enabling private providers to enhance their reputation through attracting well-trained physicians.

In another paper, "How Do High-Cost Patients Fare under the Global Budget Policy?", I use insurance claims and hospital data from a Chinese city to study the discriminatory effects of global budgeting. In particular, I examine whether the use of global budgets as a provider payment method induces hospitals to select against costly patients and skimp on their treatment. Furthermore, I study whether competition in the health care market aggravates such discrimination. The third paper in my dissertation, "Health Care Utilization and Governance in Urban China," paints a comprehensive picture of the performance of China's health care system. It uses 2005 World Bank survey data to discuss some of the major difficulties besetting China's urban health sector, including over-reliance on out-of-pocket payments, lack of effective competition in the hospital market and distorted provider incentives.

Beyond my dissertation, I have conducted research that directly contributes to the design of health reforms in China. In particular, I participated in government-funded projects, including a draft chapter of the World Bank's country report on China (2006), World Bank background study on migration and health issues (2007), the use of medical savings accounts in China's social insurance program (commissioned by China Natural Science Foundation, ongoing) and the design of a basic health service system (with Shanghai Academy of Social Sciences and the Health Bureau of Jiangxi Province, ongoing).

In addition to the research on China, I have studied issues of more general interest. One of my working papers examines the provider incentive to cost shift to uninsured patients when the insurer changes its payment method from fee-for-service to global budgeting. In another paper, I develop a model of risk-averse agents to analyze the role of medical risk in the standardization of treatment procedures. The aim is to evaluate the impact of health care policies that alter the perception of risk in clinical practice.

In the future, I plan to extend my research in three directions. First, I will expand my study of provider payment incentives in China to include: (1) the mix of global budgeting with other payment methods; (2) the combined effects of payment methods and organizational structure on provider behavior. Second, I wish to enrich the literature on competition in health care by generating direct evidence of its outcomes in China, both a developing and transitional economy. Finally, I intend to conduct an empirical analysis of my model of medical standardization and to analyze its policy implications. Since China's health care reform has drawn distinct elements from various countries, comparative studies of China with the world's major health systems will be the center of my exploration. In summary, my research interests focus on understanding the interplay between individual incentives and health policies in the framework of comparative policy analysis.