
BIOGRAPHICAL SKETCH

NAME: Robert Town

eRA COMMONS USER NAME: RJTOWN

POSITION TITLE: Professor, Department of Economics

EDUCATION/TRAINING

INSTITUTION AND LOCATION	DEGREE	Completion Date MM/YYYY	FIELD OF STUDY
University of Washington, Seattle, WA	BA	06/1984	Economics (Honors)
University of Wisconsin, Madison, WI	MS	05/1986	Economics
University of Wisconsin, Madison, WI	PhD	05/1990	Economics

A. Personal Statement

I am a health economist with nearly 25 years of experience in applied research, focusing on health care industrial organization and applied econometrics. My work concentrates on the intersection of government policy and provider competition in the health care marketplace which falls under the PRC's primary research area of Population Health. I currently teach two PhD courses and have advised dozens of PhD students over my career and currently actively advise several students in the economics department. I am also an Associate Editor at the *American Economic Journal – Applied Economics*. I am currently working on a project examining the role of competition in Medicare Part D and its impact on pharmaceutical consumption and its subsequent impact on Medicare enrollee health. The PRC is providing the computer infrastructure for this project. I am currently working on several projects that I anticipate to complete over the next 5 years on the role of competition, market forces and health outcomes and the PRC will provide valuable infrastructure support for those projects. For example, I am also developing several grant proposals around geographic variation in the delivery of health care and anticipate the PRC to play an important role in providing computer infrastructure for those projects.

B. Positions and Honors**Positions and Employment**

1990-1996 Staff Economist, U.S. Department of Justice, Antitrust Division
1996-2001 Assistant Professor, Graduate School of Management, University of California, Irvine
1997-2001 Assistant Professor, Department of Economics, University of California, Irvine
2001 Visiting Scholar, Department of Economics, University of Washington,
2001 Visiting Scholar, Department of Economics, Boston University,
2001-2005 Assistant Professor, Division of Health Services Research and Policy, University of Minnesota
2006-present Research Associate, National Bureau of Economic Research, Cambridge, MA
2005-2011 Associate Professor, Division of Health Policy and Management, University of Minnesota
2007-2011 James A. Hamilton Professor of Health Economics, Division of Health Policy and Management, University of Minnesota
2009 Visiting Scholar, HEC Montreal, Montreal, Canada
2011-2014 Associate Professor, Department of Health Care Management, The Wharton School, University of Pennsylvania
2013 Co-Founder, Picwell, Inc.
2015 Visiting Professor, Einaudi Institute for Economics and Finance, Rome, Italy
2015-2016 Gilbert and Shelley Harrison Professor of Health Care Management, Health Care Management Department, Wharton School at the University of Pennsylvania
2016-present James L and Nancy Powell Centennial Professor of American Economic Principles, Department of Economics, The University of Texas at Austin

Other Experience and Professional Memberships

1993-1994 Victor Kramer Fellow, Yale University
2004-2006 Faculty Research Fellow, National Bureau of Economic Research, Cambridge, MA
2007-present Member, Scientific Committee, American Society of Health Economists
2011-present Co-Editor, *International Journal of Health Economics and Management*

2011-present	Senior Fellow, Leonard Davis Institute for Health Economics, University of Pennsylvania, Philadelphia, PA
2016-present	Member, Board of Directors, Health Care Cost Institute, Washington DC
Present	Member: American Economics Association, Econometric Society, International Health Economics Association, AcademyHealth, American Society for Health Economists

C. Contributions to Science

The Impact of Hospital Competition on Cost of Care

The US health care sector is large and growing – health care spending in 2011 amounted to \$2.7 trillion and 18% of GDP. This makes the US health sector the sixth largest ‘economy’ in the world, just slightly behind France and ahead of Brazil, the UK, Italy and Russia. However, the significance of the health care sector is not merely due to its size. The functioning of this sector has tremendous implications for the well being of the population. A reduction in competitive vigor in health care markets can result in substantially higher prices and higher medical expenditures. This research stream rigorously examines the impact of hospital competition on the cost of care.

- Gowrisankaran, G., Nevo, A. and Town, R. (2015) “Estimating the Price Impact of Hospital Mergers: An Analysis of Inova's Proposed Acquisition of Prince William Hospital,” *American Economics Review*, 105(1): 172 -203.
- Gaynor, M, Ho, K. and Town, R. (2015) “The Industrial Organization of Health Care Markets,” *Journal of Economic Literature*, 53(2): 235-84.
- Park, M. and Town, R. (2014) “Industry Shock Expectations, Interindustry Linkages, and Merger Waves: Evidence from the Hospital Industry,” *Journal of Economics and Management Strategy*, 23(3):548-567.
- Town, R. and Vistnes, G. (2001) “Hospital Competition in HMO Networks,” *Journal of Health Economics*, 20(4), 733-53.

Measuring Provider Quality and Estimating Its Determents

Mortality rates are a widely used measure of hospital quality. A central problem with this measure is selection bias: simply put, severely ill patients may choose high quality hospitals. Without accurate measures of hospital quality it is difficult if not impossible to design government policies to incentivize hospitals to deliver the efficient level of quality. Once we have an understanding of the true level of hospital quality, a central question is what factors influence that level. This research stream looks to rigorously address these interrelated questions.

- Bajari, P., Hong, H., Park, M. and Town, R. (2017) “Regression Discontinuity Designs with an Endogenous Forcing Variable and an Application to Contracting in Health Care.” Forthcoming *Quantitative Economics*.
- Ho, V., Town, R. and Heslin, M. (2006) “Regionalization versus Competition in Complex Cancer Surgery” *Health Economics, Policy and Law*, 2(1): 51-71.
- Geweke, J, Gowrisankaran, G., and Town, R. (2003) “Inferring Hospital Quality from Patient Discharge Records Using a Bayesian Selection Model,” *Econometrica*, 71(4):1215-1238.
- Gowrisankaran, G., and Town, R. (2003) “Competition, Payers and Hospital Quality,” *Health Services Research*, 38(6): 1403-1421.

Measuring the Impact of Insurer Competition

In the US, the vast majority of the population acquires health insurance through private insurers. This is true for employer sponsored insurance, individuals on the Affordable Care Act Marketplaces, Medicaid enrollees and is increasingly the case for Medicare enrollees. The performance of insurance plans in these settings depends on the incentives they face and, in particular, the role of market forces in determining premiums and plan quality. This research agenda examines the impact of insurer competition on enrollee welfare.

- Town, R. and Liu, S. (2003) “The Welfare Impact of Medicare HMOs,” *The RAND Journal of Economics*, 34(4): 719-736.
- Town, R., Feldman, R. and Wholey, D. (2004) “The Impact of Ownership Conversions on HMO Performance,” *International Journal of Health Finance and Economics*, 4(4): 327-342.
- Town, R., Wholey, D., Feldman, R. and Burns, L.R. (2007) “Revisiting the Relationship between Managed Care and Hospital Consolidation,” *Health Services Research*, 42(1): 219-238.
- Town, R. (2001) “The Welfare Effects of HMO Mergers,” *Journal of Health Economics*, 20(6), 2001, 967-90.

The Causes and Consequences of the Diffusion of Medical Technology

Much of the recent improvements in health in the developed world are attributable to the development and diffusion of medical technology. However, there are many reasons to believe that providers do not adopt these technologies at the appropriate rates either because they lack the necessary information on the effectiveness or have the right incentives to adopt these technologies. This research program seeks to understand the causes and consequences of medical technology adoption.

McCullough, J., Parente, S. and Town, R. (2016) "Health Information Technology and Patient Outcomes: The Role of Organizational and Information Complementarities," *RAND Journal of Economics*, 47(1):207-236.

Karaca-Mandic, P., Wilcock, A., Town, R. (2016) "The Effect of Physician and Hospital Market Structure on Medical Technology Diffusion," *Health Services Research*, forthcoming.

Grennan, M. and Town, R. (2015) "Regulating Innovation with Uncertain Quality: Information, Risk, and Access in Medical Devices," NBER Working Paper # w20981. Revision requested at *American Economic Review*.

Lee, J., McCullough, J., and Town, R. (2013) "The Impact of Health Information Technology on Hospital Productivity." *RAND Journal of Economics*, 44(3): 545-568.

D. Research Support

Ongoing Research Support

R01HS023615 (P. Groeneveld, PI)

09/30/14-09/29/18

Agency for Healthcare Research and Quality

Market and Organization Impact on Medical Technology Diffusion: Outcomes and Value

The purpose of this project is to study to understand the role of local market factors such as competition and peer behavior/social learning on physicians' decisions to adopt new technology, and the subsequent effects on technology-relevant clinical outcomes and costs.

Role: Co-Investigator

Responsibilities: Participate in empirical design and estimation, write manuscripts

Completed Research Support

72194 (T. Baker and R. Town, PIs)

11/01/14-11/30/15

Robert Wood Johnson Foundation

Monitoring the Affordable Care Act by Creating Publicly Available Datasets to Document Variation in Characteristics of State Marketplaces

This project will provide data and analysis on variation in health insurance exchanges (HIXs).

Role: Principal Investigator

Responsibilities: Oversee project, participate in empirical design and estimation, write manuscripts

Research Award (T. Baker and R. Town, PIs)

10/01/12-09/30/14

Alfred P. Sloan Foundation

Toward HIX 2.0: Laying the Groundwork to Improve Choice Architecture on the New Health Insurance Exchanges

This project has three aims: (1) to document and code HIX variation among states; (2) to understand the political and economic forces driving that variation; and (3) to analyze the impact of that variation on health and insurance outcomes, with the goal of improving the next generation of exchanges: HIX 2.0.

Role: Principal Investigator

Responsibilities: Participate in empirical design and estimation, write manuscripts

Research Award (R. Town and T. Baker, PIs)

10/01/13-09/30/14

Robert Wood Johnson Foundation

Health Insurance Exchanges: Towards HIX 2.0

The overarching purpose of this project is collect data on the state policies and design of health insurance exchanges, to hold conferences with state health insurance exchange executives and to study the impact of different design decisions on enrollment and other outcomes.

Role: Principal Investigator

Responsibilities: Participate in empirical design and estimation, write manuscripts

P01AG032952 (J. Newhouse, PI)

04/15/09-03/31/15

National Institute on Aging

The Role of Private Plans in Medicare

The overarching purpose of this project is to improve the design of the Medicare Advantage program and to advance the economic, clinical, and policy literatures relating to the regulation, payment, and performance of health plans.

Role: Contractor

Responsibilities: Participate in empirical design and estimation, write manuscripts

R01HS018424 (G. Gowrisankaran, PI)

07/01/10-06/30/13

Agency for Healthcare Research and Quality

Hospital Choice, Hospital Quality and Patient Welfare for Rural Residents

To measure the impact of the Rural Hospital Flexibility Grant Program

Role: Investigator

Responsibilities: Participate in empirical design and estimation, write manuscripts