



Schroeder Center for Health Policy

The Thomas Jefferson Program in Public Policy

Spring 2015 Newsletter

The Schroeder Center for Health Policy is made possible by a generous gift from Cliff and Lois Schroeder and was established to inform and educate decision makers on a wide array of health policy issues. The Schroeder Center is part of the Thomas Jefferson Program in Public Policy at the College of William & Mary.

Greetings from the Schroeder Center for Health Policy!

The Schroeder Center for Health Policy continues its support of timely health policy analysis by William & Mary faculty, staff, and students.

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Professors He and Mellor Publish Research on Physician Responses to Rising Unemployment Rates

Daifeng He, Melissa McInerney, and **Jennifer Mellor** published an article in the March 2015 issue of the *Journal of Health Economics* entitled "Physician Responses to Rising Local Unemployment Rates: Healthcare Provision to Medicare and Privately Insured Patients." Both He and Mellor are faculty members of William & Mary's Department of Economics and faculty affiliates of the Schroeder Center. McInerney is an economics faculty member at Tufts University.

The authors' study is the first physician-level analysis of changes in the provision of healthcare to Medicare and privately insured patients across the business cycle. Using Florida discharge data from hospitals and ambulatory surgery centers between 1998-2010, the authors find that, on average, as county unemployment rates increase, physicians treat fewer privately insured patients in both inpatient and outpatient settings. This procyclical response is explained by higher unemployment rates reducing private health insurance coverage and income among patients, thereby reducing demand for healthcare. However, the average physician does not provide any less inpatient care to Medicare fee-for-service patients as unemployment rates rise. Instead, He, McInerney, and Mellor find that physicians who have a greater proportion of patients with private insurance provide *more* care to Medicare patients as the unemployment rate rises. This response is a form of physician-induced demand in which physicians induce utilization among their continuously insured patients to offset income losses.

Professor Sanders Publishes Research on Measuring Fetal Death Rates



In the May 2015 issue of the *Journal of Health Economics*, **Nicholas Sanders** will publish an article with co-author Charles Stoecker of Tulane University entitled "Where Have All the Young Men Gone? Using Sex Ratios to Measure Fetal Death Rates." Sanders is an Assistant Professor of Economics at William & Mary and a Schroeder Center faculty affiliate.

Sanders and Stoecker studied fetal health effects resulting from improvements in air quality by accounting for fetal selection in utero. They note that males in utero are on average more sensitive than females to negative health shocks, and they theorize that the Clean Air Act Amendments of 1970 (CAAA), which changed ambient pollution levels, would improve fetal health as evidenced by shifting the ratio of live births that are male. The CAAA required states to set emissions caps, plant level controls, and install abatement technologies. Sanders and Stoecker found that the CAAA resulted in significant improvements in fetal health, increasing the proportion of live births being male by .9% and preventing 9,900 fetal losses.

Professor Sanders also has two other forthcoming publications : 1) "Success is Something to Sneeze At: Influenza Mortality in Cities That Participate in the Super Bowl" in the *American Journal of Health Economics* (with Charles Stoecker and Alan I. Barreca) and 2) "Caution Drivers! Children Present: Traffic, Pollution, and Infant Health" in the *Review of Economics & Statistics* (with Christopher R. Knittel and Douglas L. Miller).

Michael O'Donnell Speaks about "What Works Best in Workplace Health Promotion"

Michael O'Donnell (Ph.D., M.B.A., M.P.H.) addressed William & Mary faculty, staff, and students as well as representatives from Williamsburg area nonprofits on April 16, 2015 about the impact of health promotion in the workplace and on national health policy. Dr. O'Donnell is President/Editor-in-Chief of the *American Journal of Health Promotion* as well as Director of the Health Management Research Center and Clinical Professor of Kinesiology at the University of Michigan. He has helped over 50 employers develop workplace health promotion programs, and his publications include a study of the 80 best workplace health promotion programs in the U.S.

With the inclusion of "wellness incentives" in the Affordable Care Act, the number of health promotion programs across the country is increasing. Dr. O'Donnell's talk focused on, among other things, the characteristics of successful health promotion programs. In designing an effective program, Dr. O'Donnell discussed the need to set goals, tailor programs to individuals' specific health needs, and use learning styles appropriate to employees. He estimates that employers will spend about \$250/person for a successful health promotion program, and he cited the Cleveland Clinic and Johnson & Johnson as having among the best employer-based programs.

The Williamsburg Health Foundation sponsored this presentation along with the College's Schroeder Center, the Thomas Jefferson Program in Public Policy, Mason School of Business, Department of Kinesiology, and the Office of Human Resources.

Professor Mellor Speaks at William & Mary Panel Discussion on Vaccines

On April 8, 2015, **Jennifer Mellor**, Professor of Economics and Director of the Schroeder Center, spoke with other William & Mary faculty at a panel discussion on vaccination. Professor Mellor's talk focused on the role of economic research in studying the benefits of vaccines. She discussed how vaccines have important non-health benefits, such as allowing youth to attend school longer and cited the results from cost-benefit analyses, which find that vaccines have

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Professor Mellor Speaks at William & Mary Panel Discussion on Vaccines (continued)

financial benefits about ten times larger than their cost. She noted that economic theory suggests an important welfare-improving role for public policy around vaccines.

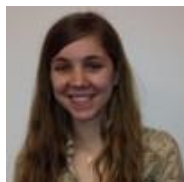
Other William & Mary speakers included Stacy Kern-Scheerer (Law School), who spoke about the history of compulsory vaccination in the U.S.; Tyler Meldrum (Chemistry), who discussed how the public's view on vaccine safety is shaped by misperceptions of the risks posed by thimerosal and the discredited claim that vaccines are tied to autism; and Camilla Buchanan (Kinesiology/Health Sciences), who presented an overview of the recommended immunization schedule for infants and children and statistics showing declines in infectious diseases.

Schroeder Center Awards Health Policy Fellowships

The Schroeder Center is pleased to announce awards to three new research fellows for summer 2015. As part of the Schroeder Center's mission to increase health policy research at William & Mary, these new fellowships support intensive student research experiences involving data analysis, writing, and presentation. All three William & Mary research fellows will also interact with students and faculty from both William & Mary and Eastern Virginia Medical School (EVMS) as part of an initiative to bridge the activities of the Schroeder Center and EVMS's Brock Institute for Community and Global Health. This summer's fellows will all use hospital discharge data available from Virginia Health Information (VHI) in their projects. The VHI databases contain information on every patient discharge that occurs in licensed Virginia hospitals, allowing researchers to study issues of healthcare utilization in the state. Based on their exceptional academic records and research proposals, this year's fellowship awardees are Jimmy Cao, Molly Smith, and John Snouffer.



Jimmy Cao (B.A., Economics, 2016), from Hillsborough, New Jersey, received a fellowship to investigate racial disparities in alcohol consumption in Virginia. In particular, he will examine whether Virginia's Hispanic and African-American populations suffer more health problems — alcoholic liver disease (ALD) and chronic pancreatitis — due to alcohol use than do whites. In addition, he will analyze the impact of residents' income on the frequency of alcohol-related diseases across Virginia's counties. Jimmy looks forward to applying his academic knowledge to a current health policy issue, which may have implications for the distribution of alcohol-related prevention programs around the state.

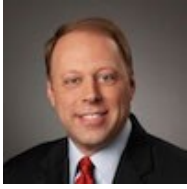


Molly Smith (B.A., Economics, 2016), from Chicago, Illinois, received a fellowship to examine readmission rates among Virginia hospitals in the wake of the Affordable Care Act (ACA). The ACA implemented the Hospital Readmissions Reduction Program (HRRP), the purpose of which is to improve quality of care and lower costs for treating Medicare patients. The program imposes penalties on hospitals that have high rates of Medicare patients who are readmitted within 30 days of their initial discharge for, among other things, a heart attack, heart failure, or pneumonia. Molly will study the types of Virginia hospitals affected by the HRRP and examine how hospitals might respond to the new incentives triggered by the program. Through this research, Molly hopes to become familiar with the field of healthcare economics, as well as methods of data evaluation and analysis, and how current health policies impact individuals and communities.



John Snouffer (B.A., Public Policy, 2015; M.P.P., 2016), from Baltimore, Maryland, received a fellowship to examine the need for substance abuse treatment services among uninsured Virginians. Through his research, John will identify the share of patients with substance abuse and mental health diagnoses and comorbidities among different hospitals and by type of insurance, including Medicaid. He will then estimate the effect that patient age, hospital location, and type of insurance coverage has on substance abuse and mental health procedures and treatments received. John believes his research is particularly relevant given current drug use in the state, the expansion of dependent coverage under the ACA, and the decision to not expand Medicaid coverage in Virginia.

John Littel Speaks about Healthcare Provided to “Dual Eligibles”



In early April, the Schroeder Center was pleased to have **John Littel** speak to a graduate class on healthcare policy about efforts to control costs and improve quality in the “dual-eligible population,” the group of individuals who are eligible for both Medicare and Medicaid. Within the Medicare and Medicaid programs, “duals” have disproportionately higher costs. Littel, a consultant for health care startups and a current member of William & Mary’s Board of Visitors, has extensive experience with health care policy. His former positions include Virginia Deputy Secretary of Health and Human Resources; Wellpoint’s (now Anthem) Senior Vice President of Government Relations; and Amerigroup’s Executive Vice President of External Relations.

In his discussion, Littel described the dual eligible population, who they are and where they fit into the healthcare system, as well as quantified their impact on the healthcare system, focusing on strategies to manage them and overcome hurdles to treat them. Littel noted that “understanding the duals as individuals is critical to the formulation of workable policies.” Obstacles to coordinating care for dual eligibles, Littel noted, include the separate administration of the Medicare and Medicaid programs, concern about transferring costs to the states, lack of adequate long-term care services, limited experience among providers, and the characteristics of the beneficiaries themselves. Strategies to improve coordination include expanding access to long-term services so individuals can remain in their own communities and employing technology and alternate service models.

Littel concluded by encouraging students to consider jobs in the healthcare sector, noting a *U.S. News and World* report that seven of the 10 “Best Jobs of 2014” are in health care. He said, “If there is any place calling out for smart, thoughtful public policy grads, it is health care!”

Schroeder Center Undergraduate Research Assistant Program Facilitates Student Success

Every semester, the Schroeder Center offers William & Mary undergraduates the opportunity to gain valuable research experience in paid assistantships supervised by faculty members. During the fall 2014, the Schroeder Center supported **Nickole Medel** (B.A., Psychology, 2016) who worked with Associate Professor of Psychology **Danielle Dallaire** on a project related to Healthy Beginnings, a prenatal care program for women at local correctional facilities, and standards of care for pregnant incarcerated women. As a result of their work, Nickole and Professor Dallaire had a poster accepted at a peer-reviewed conference in March 2015 at the Society for Research in Child Development Biennial Meeting in Philadelphia, Pennsylvania. The poster was entitled “National Standards of Care for Pregnant Incarcerated Women,” and it was shared with Minnesota legislators.

During her senior year at William & Mary, Nickole will complete an honors thesis with Professor Dallaire. The topic will be children's contact with incarcerated parents, jail policies regarding contact, and children's emotional reaction to that contact. The Schroeder Center is pleased that its support of the Undergraduate Research Assistant Program has helped facilitate the professional and academic accomplishments of William & Mary students.

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