February 1994, 109(1): 55-81. (Reprinted with permission of the *Quarterly Journal of Economics*.)

Health Care Delivery

How Hospital Ownership Affects Access to Care for the Uninsured, by Edward C. Norton (Research Triangle Institute) and Douglas O. Staiger (Harvard University)

This article addresses the effect of hospital ownership on the delivery of service to uninsured patients. It compares the volume of uninsured patients treated in for-profit and nonprofit hospitals by regarding hospital ownership and service as endogenous. Instrumental variable estimates are used to predict the percentage of patients who are uninsured, controlling for hospital ownership and service. The study shows that when for-profit and nonprofit hospitals are located in the same area, they serve an equivalent number of uninsured patients, but for-profit hospitals indirectly avoid the uninsured by locating more often in better-insured areas. *RAND Journal of Economics,* Spring 1994, 25(1): 171-185. (Reprinted with permission of the *RAND Journal of Economics*.)

Agency in Health Care: Getting Beyond First Principles, by G. Mooney and M. Ryan

This paper is concerned with the application of the theory of agency to health care. It is argued that the basic theory of agency raises more questions than it provides answers when it is applied to the doctor-patient relationship. More research is needed into the nature of both the patient's and the doctor's utility functions. Only then can we begin to devise optimal incentive structures to encourage doctors to take adequate account of patient preferences. *Journal of Health Economics,* July 1993, 12(2): 125-135. (Reprinted with permission of the *Journal of Economic Literature*.)

Health Care and Insurance

Elasticity Estimates from a Dynamic Model of Interrelated Demands for Private and Public Acute Health Care, by I. D. McAvinchey and A. Yannopoulos

This paper investigates the private/public mix in acute health care provision in the United Kingdom. It uses an interrelated shares model derived from a translog function combined with dynamic adjustment. Using prices for public care constructed from National Health Service waiting lists, the insurance cost of private care, and the retail price index, impact, intermediate, and long-run elasticities of demand for private and public care are obtained. The role of

hospital consultants and of an aging population are also considered. *Journal of Health Economics,* July 1993, 12(2): 171-186. (Reprinted with permission of the *Journal of Economic Literature.*)

The Effect of the Medicaid Home Care Benefit on Long-Term Care Choices of the Elderly, by Susan L. Ettner (Harvard Medical School)

This paper analyses the impact of Medicaid home care benefits on the probability of nursing home entry and the use of formal and informal home care by disabled elderly remaining in the community. Using data from the National Long-Term Care Survey, I find evidence that Medicaid home care subsidies reduced the probability of nursing home entry among at-risk elderly using formal home care. Among non-institutionalized persons, the subsidy increased the use of formal home care but led to substitution of informal with formal care for services that were non-medical in nature. *Economic Inquiry,* January 1994, 32(1): 103-127. (Reprinted with permission of *Economic Inquiry.*)

Employee Benefit Programs

The Effect of Employee Benefits on the Demand for Part-Time Workers, by M. Montgomery and J. Cosgrove

This paper uses the results of a unique survey of child-care centers in 1989 to examine the effect of fringe benefits on the demand for part-time teachers and teacher aides. An analysis that controls for wages and other establishment characteristics shows that, as the level of fringe benefit payments at the establishment rises, hours of work by part-time workers fall significantly relative to the hours worked by full-time teachers and teacher aides. Particularly influential are insurance payments (such as health and dental), which have an effect more than twice that of fringe benefits in general. *Industrial and Labor Relations Review,* October 1993, 47(1): 87-98. (Reprinted with permission of the *Journal of Economic Literature.*)

Employment-Based Health Insurance and Job Mobility: Is There Evidence of Job-Lock? by Brigitte C. Madrian (Harvard University)

This paper assesses the impact of employer-provided health insurance on job mobility by exploring the extent to which workers are "locked" into their jobs because preexisting conditions exclusions make it expensive for individuals with medical problems to relinquish their current health insurance. I estimate the degree of job-lock by comparing the difference in the turnover rates of those with high and low medical expenses for those with and without employer-provided health insurance. Using data from the 1987 National Medical Expenditure Survey, I estimate that job-lock reduces the voluntary turnover rate of those with employer-provided health insurance by 25 percent, from 16 percent to 12 percent per year. *Quarterly Journal of Economics,* February