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## HARVARD UNIVERSITY

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### **Contact Information**

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### **Personal Information:**

Citizenship: Hungary

### **Undergraduate Studies:**

A.B., Mathematical Economics, Brown University, 2009-2012

### **Graduate Studies:**

Harvard University, 2015 to present

Ph.D. Candidate in Health Policy and Economics

Thesis Title: "Employers and Disability Insurance"

Expected Completion Date: May 2021

### References:

Professor Nicole Maestas

Harvard University

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Professor David M. Cutler

Harvard University

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Professor Timothy J. Layton

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### **Research and Teaching Fields:**

Health Economics, Public Economics, Labor Economics

### **Job Market Paper:**

["Employer Responsibility in Disability Insurance: Evidence from the Netherlands"](#)

(with Bastian Ravesteijn)

We develop a framework to study optimal disability insurance when employers exhibit moral hazard and show that the optimal system takes into account employer-side moral hazard and selective hiring. We illustrate these insights using a reform in the Netherlands that extended experience rating to temporary workers. Using this reform, we document a 24% decrease in disability inflow. We also find an increase in worker selection, accounting for 14% of the overall decrease. Using our model, we evaluate the normative implications of the experience rating policy. We conclude that, given reasonable assumptions, the policy improved welfare and additional employer responsibility would further add to social welfare.

**Publications:**

**“Screening in Contract Design: Evidence from the ACA Health Insurance Exchanges”**

(with Michael Geruso and Timothy Layton)

*American Economic Journal: Economic Policy* 11(2):64-107. 2019.

We study insurers' use of prescription drug formularies to screen consumers in the ACA Health Insurance exchanges. We begin by showing that exchange risk adjustment and reinsurance succeed in neutralizing selection incentives for most, but not all, consumer types. A minority of consumers, identifiable by demand for particular classes of prescription drugs, are predictably unprofitable. We then show that contract features relating to these drugs are distorted in a manner consistent with multidimensional screening. The empirical findings support a long theoretical literature examining how insurance contracts offered in equilibrium can fail to optimally trade off risk protection and moral hazard.

**“Disentangling Policy Effects Using Proxy Data: Which Shutdown Policies Affected Unemployment During the COVID-19 Pandemic?”**

(with Edward Kong)

*Journal of Public Economics* 189(1). 2020.

We use high-frequency Google search data, combined with data on the announcement dates of non-pharmaceutical interventions (NPIs) during the COVID-19 pandemic in U.S. states, to disentangle the short-run direct impacts of multiple different state-level NPIs in an event study framework. Exploiting differential timing in the announcements of restaurant and bar limitations, non-essential business closures, stay-at-home orders, large-gatherings bans, school closures, and emergency declarations, we leverage the high-frequency search data to separately identify the effects of multiple NPIs that were introduced around the same time. We then describe a set of assumptions under which proxy outcomes can be used to estimate a causal parameter of interest when data on the outcome of interest are limited. Using this method, we quantify the share of overall growth in unemployment during the COVID-19 pandemic that was directly due to each of these state-level NPIs.

**“Healthcare Spending Inequality: Evidence from Hungarian Administrative Data”**

(with Anikó Bíró)

*Health Policy* 124(3):282-290. 2020.

Using administrative data on a random 50% of the Hungarian population, including individual-level information on incomes, healthcare spending, and mortality for the 2003–2011 period, we develop new evidence on the distribution of healthcare spending and mortality in Hungary by income and geography. By linking detailed administrative data on employment, income, and geographic location with measures of healthcare spending and mortality we are able to provide a more complete picture than the existing literature which has relied on survey data. We compute mean spending and 5-year and 8-year mortality measures by geography and income quantiles, and also present gender and age adjusted results.

**“The Role of Place and Income in Life Expectancy Inequality: Evidence from Hungary”**

(with Anikó Bíró, Tamás Hajdu, and Gábor Kertesi)

*Population Studies* Forthcoming.

Using mortality registers and administrative data on incomes and population, we develop new evidence on the magnitudes and sources of life expectancy inequality in Hungary. We document considerable inequality across geographies and income groups, and show that inequality has increased between 1991-2016. We show that avoidable deaths play a large role in life expectancy inequality. Income-related geographic inequalities in health behaviors, access to care, and healthcare use are all strongly correlated with the inequality in life expectancy.

**Working Papers:**

**“Private vs. Public Provision of Social Insurance: Evidence from Medicaid”**

(with Timothy Layton, Nicole Maestas, and Boris Vabson)

Revise and Resubmit, *American Economic Journal: Economic Policy*

*NBER Working Paper 26042*

Public health insurance benefits in the U.S. are increasingly provided by private firms. We assess the consequences of private provision by exploiting the staggered introduction of enrollment mandates across counties in Texas and New York, which required disabled Medicaid beneficiaries to shift to private health plans. In Texas, where the public program uses strict rationing to control costs, privatization led to higher Medicaid spending but also improvements in healthcare. In New York, where the public program is more generous, privatization did not affect Medicaid spending but resulted in a large decrease in inpatient admissions. We conclude that the consequences of private provision depend critically on the design of the public and private programs.

**“The Liquidity Sensitivity of Healthcare Consumption: Evidence from Social Security Payments”**

(with Tal Gross and Timothy Layton)

*NBER Working Paper 27977*

Some consumers lack the cash needed to pay for medical care. As a result, they either delay care until they can pay for it or they forgo the care altogether. To test for such a possibility, we study the distribution of monthly Social Security checks among Medicare Part D recipients. When Social Security checks are distributed, prescription fills increase by 6-12 percent. In that sense, drug consumption of low-income Medicare recipients is "liquidity sensitive." We then study recipients who transition onto a program that eliminates copayments. When those recipients do not face copayments, their drug consumption becomes less liquidity sensitive. That finding implies that, beyond risk protection, generous insurance also provides beneficiaries with the ability to consume healthcare when they need it rather than when they have cash. Further, we find that recipients whose drug consumption is most liquidity sensitive exhibit price elasticities of demand that are twice the size of the average elasticity, suggesting that the liquidity sensitive do not solely delay filling prescriptions until they have enough cash but also forgo prescriptions when they are illiquid. We present a stylized model that uses this finding to call into question the conventional interpretation of demand-response to price as solely moral hazard.

**“Tax Evasion and the Minimum Wage: Evidence from Hungary”**

(with Anikó Bíró and László Sándor)

Exploiting a change in reporting defaults and the implied audit threat in Hungary, we demonstrate that a substantial portion of employees and the self-employed reporting to earn the minimum wage have much higher earnings in reality. This can be seen from their sharp but temporary jump to the new reporting default, a twofold increase in reported earnings, which quickly dissipates as enforcement does not follow. Misreporting is also consistent with the response concentrated both spatially and by employer, as well as with the anomalous covariate distributions around the threshold. Requiring these individuals to pay higher taxes or ask for explicit exceptions increases reported earnings for some and decreases formal employment for others, suggesting a trade-off for taxation. We formalize the empirical findings in a model of minimum wage taxation where earnings underreporting around the minimum wage would justify a move towards higher taxation of those earnings, more aligned with a prevalent international practice.

**“Employers and Disability Insurance: Evidence from Individual Tax Returns”**

(with Ithai Z. Lurie, Nicole Maestas, and Corbin L. Miller)

We merge the universe of 2000-2018 W-2 earnings records to the universe of 2000-2018 SSA-1099 forms to estimate the Social Security Disability Insurance (SSDI) claiming rate of each employer's employees. We document large variation across industries in claiming rates. We also show that SSDI claiming rates correlate with characteristics of firms that signal firm quality. There

is a positive association between firm size and employee SSDI claiming, except for the largest firms, which have lower employee claiming rates. In addition, we document a negative association between employee wages and SSDI claiming.

[“Predicting Disability Enrollment Using Machine Learning”](#)

(with Timothy Layton, Helge Liebert, Nicole Maestas, and Boris Vabson)

*NBER Disability Research Center Paper NB 18-Q4*

We use data on enrollment in the Supplemental Security Income (SSI) and Social Security Disability Insurance (SSDI) program and data on health care spending by Medicaid beneficiaries to analyze the extent to which Medicaid spending is predictive of future disability insurance receipt among non-disabled teenagers and future disability insurance disenrollment among disabled teenagers. In our first set of analyses, we find that we currently do not have enough data to predict future SSI and SSDI enrollment among non-disabled teenagers. In our second set of analyses, we find that observed Medicaid spending among disabled teenagers can be used to predict SSI disenrollment. Our results indicate that machine learning models using information on healthcare spending may be useful for identifying current teenage SSI recipients who are more or less likely to be removed from SSI.

[“Health and Economic Activity Over the Lifecycle: Literature Review”](#)

(with Michael Chernew, David Cutler, and Austin Frakt)

*NBER Working Paper 24865*

We systematically review the literature linking health to economic activity, particularly education and labor market outcomes, over the lifecycle. In the first part, we review studies that link childhood health to later-life outcomes. The main themes we focus on are in-utero exposures, birthweight, physical health and nutrition, mental health, and the environment. In the second part, we review studies of the impact of health on labor market success for adults. The main themes we focus on are the environment, disability, physical health shocks, within-household spillovers, cancer, and mental health.

**Research Papers in Progress:**

“Formulary Value-Added: Evidence from Random Assignment in Medicare Part D”

(with Timothy J. Layton, Boris Vabson, and Anna Zink)

As the private provision of public health insurance benefits becomes more common, policy makers need accurate measures of quality. We use the random assignment of low-income beneficiaries to plans in Medicare Part D to evaluate bias in traditional measures of plan quality. We show that simple plan spending and quality measures do not accurately capture causal differences between plans: beneficiary selection and noise are both important. We assess how well bias-corrected spending and quality measures predict health outcomes.

“Grading Medicaid: Fiscal Federalism and Social Insurance in the United States”

(with Timothy J. Layton, Nicole Maeastas, Mark Shepard, and Boris Vabson)

In this paper, we seek to unpack the variation in Medicaid spending across states using a novel empirical strategy. We leverage data describing demographics, fiscal spending, and mortality for the universe of Medicaid enrollees linked to similar data for the universe of Medicare enrollees. We use this data to allow us to compare fiscal spending and health effects of each state’s Medicaid program relative to a single, homogeneous alternative program: Medicare. By comparing each state’s Medicaid program to Medicare, we can effectively compare each state’s Medicaid program to each other state’s Medicaid program, allowing us to assess the extent to which program factors influence the variation in observed Medicaid spending across states.

**Research Experience and Other Employment:**

2020- World Bank, Jobs Group, Consultant (JobsWatch COVID-19)  
2017-2020 National Bureau of Economic Research, Pre-Doctoral Fellow in Retirement and Disability Policy Research  
2013-2017 National Bureau of Economic Research, Research Assistant  
2010-2012 Brown University, Department of Economics, Research Assistant  
2010 Ministry of Finance of Hungary, Department of Budget and Financial Policy, Intern

**Teaching Experience:**

*Teaching Assistant/Teaching Fellow*

Spring 2019 USW 11 U.S. Health Care Policy, Harvard University  
Fall 2018 ECON 1010A Intermediate Microeconomics, Harvard University  
Fall 2012 ECON 1620 Introduction to Econometrics, Brown University  
Spring 2012 ECON 1620 Introduction to Econometrics, Brown University  
Fall 2011 ECON 1620 Introduction to Econometrics, Brown University

**Conferences and Invited Presentations:**

2020: University of Groningen, Georgia State University Virtual Seminar on Consumer Finance, Association for Public Policy Analysis and Management 42nd Annual Fall Research Conference, Hungarian Academy of Sciences Institute of Economics Research Seminar, Hungarian Academy of Sciences Institute of Economics Summer Workshop

2019: American Society of Health Economists 8th Annual Conference (Washington, D.C.), 17th Annual Southeastern Health Economics Study Group (University of Tennessee), Hungarian Economic Association 13th Annual Conference, Federal Reserve Bank of Boston Research Department New England Study Group

2018: American–European Health Economics Study Group III (Harvard University), Hungarian Academy of Sciences Institute of Economics Summer Workshop, Hungarian Economic Association 12th Annual Conference

2017: American–European Health Economics Study Group II (University of Oxford), 2nd Empirics and Methods in Economics Conference (University of Chicago)

**Professional Activities:**

Referee: *Health Economics, Journal of Health Economics, Journal of Public Economics, Journal of Risk and Insurance, Quarterly Journal of Economics, Review of Economics and Statistics*

Reviewer: American Society of Health Economists 8th Annual Conference, American Society of Health Economists 9th Annual Conference

Discussions: Association for Public Policy Analysis and Management 42nd Annual Fall Research Conference, 2nd Empirics and Methods in Economics Conference (Bennett, Vielma, and Zubizarreta; 2017 University of Chicago), Association for Public Policy Analysis and Management 41st Annual Fall Research Conference (Goldsmith-Pinkham, Pinkovskiy, and Wallace; 2019 Denver, CO), Hungarian Economic Association 13th Annual Conference (Kreif et al.; 2019), Georgia State University Virtual Seminar on Consumer Finance (Mahmoudi; 2020)

**Research Grants:**

2020-2021	NB21-12/Social Security Administration/NBER Retirement and Disability Research Center Measuring Geographic Variation in Utilization of Long-term Services and Supports Among SSI Recipients (\$50,000, Tim Layton, Nicole Maestas, Mark Shepard, and Boris Vabson)
2020-2023	FK-134573/National Research, Development, and Innovation Office of Hungary Health Care Use and Health Outcomes: The Role of Socioeconomic and Geographic Variables (\$52,000, with Péter Elek (PI), Anikó Bíró, András Kiss, Norbert Kiss, and Balázs Váradi)
2020-2022	K-135962/National Research, Development, and Innovation Office of Hungary Impact of Insurance Benefit Cuts on Health and Labor Market Outcomes (\$44,000, with Ágota Scharle (PI), Márton Csillag, Borbála Greskovic, Cecília Hornok, and Judit Krekó)
2019-2022	FK-131422/National Research, Development, and Innovation Office of Hungary Childhood Origins of Human Capital (\$79,000, with Ágnes Szabó-Morvai (PI), Anna Adamecz-Völgyi, Anna Bárdits, Anikó Bíró, Katalin Bördös, Bálint Herczeg, and János Kiss Hubert)
2019-2020	P30AG012810/National Institutes of Health/NBER Center for Aging and Health Research Liquidity and Healthcare Consumption (\$60,000, with Tal Gross and Tim Layton)
2018-2019	NB18-Q10/Social Security Administration/NBER Disability Research Center Employer Incentives in Disability Insurance: Evidence from Social Security Administration Data (\$50,000, with Nicole Maestas)

**Honors, Scholarships, and Fellowships:**

2020-2021	Harvard Graduate School of Arts and Sciences Dissertation Completion Fellowship
2017-2021	James M. and Cathleen D. Stone Ph.D. Scholarship in Inequality and Wealth Concentration
2017-2020	National Bureau of Economic Research Pre-Doctoral Fellowship in Retirement and Disability Policy Research
2020	Horowitz Foundation for Social Policy Research Grant and Robert K. Merton Award
2019, 2020	Harvard Center for Population and Development Studies Travel Grant
2017	Mark A. Satterthwaite Award for Outstanding Research in Healthcare Markets
2017	Boston College Center for Retirement Research Dissertation Fellowship (Declined)
2017	Harvard Graduate School of Arts and Sciences Summer Predissertation Fellowship
2017	Harvard Institute for Quantitative Social Science Travel Grant
2015-2017	Harvard Graduate School of Arts and Sciences Graduate Fellowship