

Preface

This book grew out of our experience giving presentations about applied health econometrics at the International Health Economics Association and the American Society of Health Economists biennial conferences. In those preconference seminars, we tried to expose graduate students and early career academics to topics not generally covered in traditional econometrics courses but nonetheless are salient to most applied research on healthcare expenditures and use. Participants began to encourage us to turn our slides into a book.

In this book, we aim to provide a clear understanding of the most commonly used (and abused) econometric models for healthcare expenditure and use and of approaches to choose the most appropriate model. If you want intuition, meaningful examples, inspiration to improve your best practice, and enough math for rigor but not enough to cause rigor mortis, then keep reading. If you want a general econometrics textbook, then put down this book and go buy a general econometrics textbook. Get ready to try new methods and statistical tests in Stata as you read. Be prepared to think.

Despite years of training and practice in applied econometrics, we still learned a tremendous amount while working on this book from reading recent literature, comparing and testing models in Stata, and debating with each other. We particularly learned from our coauthor Will Manning, who unfortunately died in 2014 before seeing our collective effort come to fruition. Will was a fountain of knowledge. We think that his overarching approach to econometrics of repeated testing to find the best model for the particular research question and dataset is the best guide. The journey matters, not just the final parameter estimate.

In closing, we want to thank some of the many people who have helped us complete this book. David Drukker, editor and econometrician, had numerous suggestions, large and small, that dramatically improved the book. We are grateful to Stephanie White, Adam Crawley, and David Culwell at StataCorp for help with L^AT_EX, editorial assistance, and production of the book. We thank Betsy Querna Cliff, Morris Hamilton, Jun Li, and Eden Volkov for reading early drafts and providing critical feedback. We thank the many conference participants who were the early guinea pigs for our efforts at clarity and instruction and especially those who gave us the initial motivation to undertake this book. Our wives, Erika Bach and Carolyn Norton, provided support and encouragement, especially during periods of low marginal productivity. Erika Manning cared for Will during his illness and tolerated lengthy phone calls at odd hours, and Will's bad puns at all hours.

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