

ONLINE APPENDIX FOR “AN INDIVIDUAL HEALTHPLAN EXCHANGE: WHICH EMPLOYEES WOULD BENEFIT AND WHY?”

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Table 1: Median Utility Gains by Original Choice Set

Choice Set	Share of Employer Groups	Median Gain
1 PPO	0.26	532
1 POS	0.08	375
1 HMO	0.06	490
1 IND	0.04	928
HMO+PPO	0.12	536
HMO+POS	0.04	452
POS+PPO	0.03	334
2 PPO	0.02	445
2 HMO	0.01	331
Others	0.33	507

Notes: Distribution of utility gains from expanded choice, estimated using model developed in Dafny, Ho and Varela (2010). Column 1 notes the percent of employee groups offering a particular menu of plans and column 2 displays the median utility gain in year 2000 dollars. Values are per effective enrollee, and expressed in year 2000 dollars.

Table 2: Median Utility Gains, by Various Characteristics of Employee Groups

	By Family Size	By Firm Size	By Original Premium Level
Bottom quartile	581	577	419
2nd quartile	639	529	479
3rd quartile	506	486	508
Top quartile	367	448	654

Notes: Column 1 summarizes median utility gains by effective family size (which captures not only the average family size of enrollees but also differences in gender and age profiles). Column 2 summarizes utility gains by firm size and Column 3 by original premium level. Values are per effective enrollee, and expressed in year 2000 dollars.

Table 3: Correlates of Welfare Gains, Regression Analysis

	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6
Premium quartiles						
2nd	0.38	0.19	0.32	0.17	0.33	0.17
3rd	0.67	0.34	0.57	0.31	0.58	0.31
4th	1.08	0.54	0.96	0.52	0.94	0.50
Family Size quartiles						
2nd	[0.03]	-0.14	0.05	-0.11	0.05	-0.11
3rd	-0.24	-0.36	-0.23	-0.30	-0.22	-0.30
4th	-0.62	-0.60	-0.56	-0.50	-0.56	-0.50
Firm Size (at market level)						
2nd	-0.31	-0.23	-0.33	-0.28	-0.33	-0.27
3rd	-0.46	-0.26	-0.53	-0.38	-0.53	-0.38
4th	-0.54	-0.30	-0.68	-0.51	-0.69	-0.51
Initial Choice Set						
1 POS	-0.62	-0.68	-0.78	-0.88	-0.77	-0.85
1 HMO	-0.37	-0.59	-0.44	-0.67	-0.44	-0.67
1 IND	0.53	0.56	0.82	0.88	0.80	0.86
HMO+PPO	0.90	0.78	0.78	0.67	0.79	0.68
HMO+POS	0.61	0.38	0.43	0.21	0.44	0.23
POS+PPO	0.52	0.59	0.42	0.43	0.42	0.44
2 PPO	0.61	0.90	0.58	0.81	0.57	0.79
2 HMO	[0.04]	-0.16	[0.00]	-0.22	[0.01]	-0.21
Others	1.01	0.86	0.95	0.78	0.95	0.79
Year dummies						
1999	[0.02]	0.13	[0.04]	0.13		
2000	-0.17	-0.10	-0.13	-0.08		
2001	-0.18	[0.00]	-0.12	[0.03]		
2002	-0.33	-0.09	-0.24	[-0.06]		
2003	-0.46	-0.13	-0.36	-0.09		
2004	-0.68	-0.30	-0.55	-0.26		
2005	-0.75	-0.34	-0.62	-0.30		
2006	-1.07	-0.59	-0.91	-0.52		
Employer FEs		X		X		X
Market FEs			X	X		
Market-year FEs					X	X

Notes: Coefficient estimates from OLS regression of logged utility gains at the employer-market-year level on covariates. Utility gains are censored before taking logs. Omitted category for initial choice set is “1 PPO”; for year dummies is 1998. All coefficients are significant at p=0.05 except those in parentheses.