BEN BERGER

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Education

Harvard University

Ph.D. Public Policy (Economics Track), 2018 to 2024 (expected)

University of Miami

B.A. in Economics and Mathematics, magna cum laude, 2016

Fields

Health Economics, Innovation, Public Economics, Industrial Organization

References

Professor Amitabh Chandra 79 John F. Kennedy St. Cambridge, MA 02138

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Professor Mark Shepard 79 John F. Kennedy St. Cambridge, MA 02138

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Professor David M. Cutler 1805 Cambridge Street Cambridge, MA 02138

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Teaching Reference: Professor Theodore Svoronos Harvard Kennedy School, 79 John F. Kennedy St.

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Fellowships & **Awards**

Teaching

National Science Foundation Graduate Research Fellowship, awarded, 2019 National Science Foundation Graduate Research Fellowship, honorable mention, 2018

Empirical Methods II, Harvard Kennedy School,

Teaching fellow for Professors Theodore Svoronos and Timothy Layton, 2021–2023

Empirical Methods I, Harvard Kennedy School,

Teaching fellow for Professor Theodore Svoronos, 2022

Research **Employment** Harvard Medical School, Graduate Research Assistant for Nicole Maestas, 2019

National Bureau of Economic Research, Research Assistant for Amitabh Chandra, 2016–2018

Research Intern, International Council of Shopping Centers, 2015

Job Market Paper

How do health systems capitalize on public programs? Side effects of the 340B Drug Pricing **Program**

Many government programs are designed to transfer resources to disadvantaged people and organizations that provide public services, but these programs often inadvertently create incentives for agents to exploit their provisions. Assessing how agents differentially game programs is essential to understand their incidence and correct market distortions. In this paper, I study how hospitals heterogeneously gamed the 340B Drug Pricing Program — a federal program intended to aid providers that treat low-income patients by requiring drug makers to sell drugs to participants at steep discounts. I focus on the role of health systems, which coordinate the business functions of numerous providers and may thereby facilitate passing 340B discounts on to drugs administered outside hospital walls. Using a staggered adoption design, I find that 340B increased hospitals' Medicare spending on cancer drugs by an average of \$200,000 per year. Remarkably, this increase was entirely driven by health system-affiliated hospitals, which increased infusions by 72 percent. System hospitals increased medical oncologist employment only modestly, indicating that 340B

did not lead hospitals to forge many new relationships with physicians through practice acquisitions. System hospitals also did not increase cancer screening or adopt new non-medical cancer treatments, indicating little effort to attract new patients. Instead, my analysis suggests that health systems necessarily have advantages in gaming programs like 340B, but resulting distortions may be substantially mitigated by regulation of billing practices.

Working Papers

Regulatory approval and expanded market size, with Amitabh Chandra and Craig Garthwaite

Regulatory review of new medicines is often viewed as a hindrance to innovation by increasing the hurdle to bring products to market. However, a more complete accounting of regulation must also account for its potential market expanding effects through quality certification. We combine data on FDA approvals for follow-on indications and patient-level data on utilization, and examine whether FDA approval of a follow-on indication increases the use of a drug for that indication. We find 5 facts for the market-expanding role of regulation: (1) follow-on approvals increase the share of patients taking a drug with that indication by 4.1 percentage points, or 40% increase over baseline use, at the time of approval; (2) there is little market learning prior to or following the approval of the follow-on indication, suggesting that such approvals fully certify the new use; (3) the effect of these approvals is larger for uses in a different disease area than previous indications, an increase equivalent to over 4 ½ years of market-learning; (4) it is FDA approval, not the initiation of clinical trials that generate the expansion in market size; (5) the market expansion is consistent with physicians prescribing the medicines more because of higher perceived benefits, not reduced administrative costs.

Papers in Progress

Targeted tax credits for pharmaceutical R&D: the incidence and effects of the Orphan Drug Credit

One in ten Americans have a rare disease, but it is often unprofitable for firms to develop treatments for these diseases, earning them the name orphan drugs. How effective are tax credits at incentivizing orphan drug research and development? In this paper, I consider the role of the Orphan Drug Credit (ODC), a non-refundable federal income tax credit on R&D for clinical research on orphan drugs. I show that due to FDA regulation of market entry, the benefits of the credit primarily accrue to established drug makers rather than new entrants, who face serious risk of never having tax liability to offset. Then, using a large reduction in the statutory ODC rate as a natural experiment, I show that orphan trials did not decrease any more than non-orphan trials in the 4 years after the reduction. Neither start-ups nor established firms responded to the change, indicating that even firms that could predictably benefit from ODC did not change their investment behavior. These results demonstrate limitations to leading scholars' consensus that R&D tax credits are highly effective at increasing the rate of innovation.

Book Chapters

Berger, Ben, Italo Lopez-Garcia, Nicole Maestas, and Kathleen Mullen. "The link between health and working longer: disparities in work capacity." Overtime: America's Aging Workforce and the Future of "Working Longer". Eds. Lisa Berkman and Beth C. Truesdale (2022).

Bagley, Nicholas, Ben Berger, Amitabh Chandra, Craig Garthwaite, and Ariel D. Stern. "The Orphan Drug Act at 35: observations and an outlook for the twenty-first century." Innovation Policy and the Economy 19, no. 1 (2019): 97-137.

Seminars & Conferences

Harvard Kennedy School Economics and Social Policy Seminar, 2023 Harvard Kennedy School Economics and Social Policy Workshop, 2020–2023 Harvard Kennedy School Economics and Social Policy Workshop, 2020–2023 Harvard Health Care Policy Ph.D. Seminar, 2023

Global Conference on Regulatory Science, 2022 (poster presentation)

NBER Innovation Research Boot Camp, 2022; Re-invited as teaching fellow, 2023 Overtime: America's Aging Workforce and the Future of "Working Longer", 2019

Academic Service

Referee for Journal of Health Economics Referee for International Journal of Health Economics and Management **Software skills** R, Stata, SQL, GitHub, Unix command line, LaTeX

Personal Information U.S. Citizen