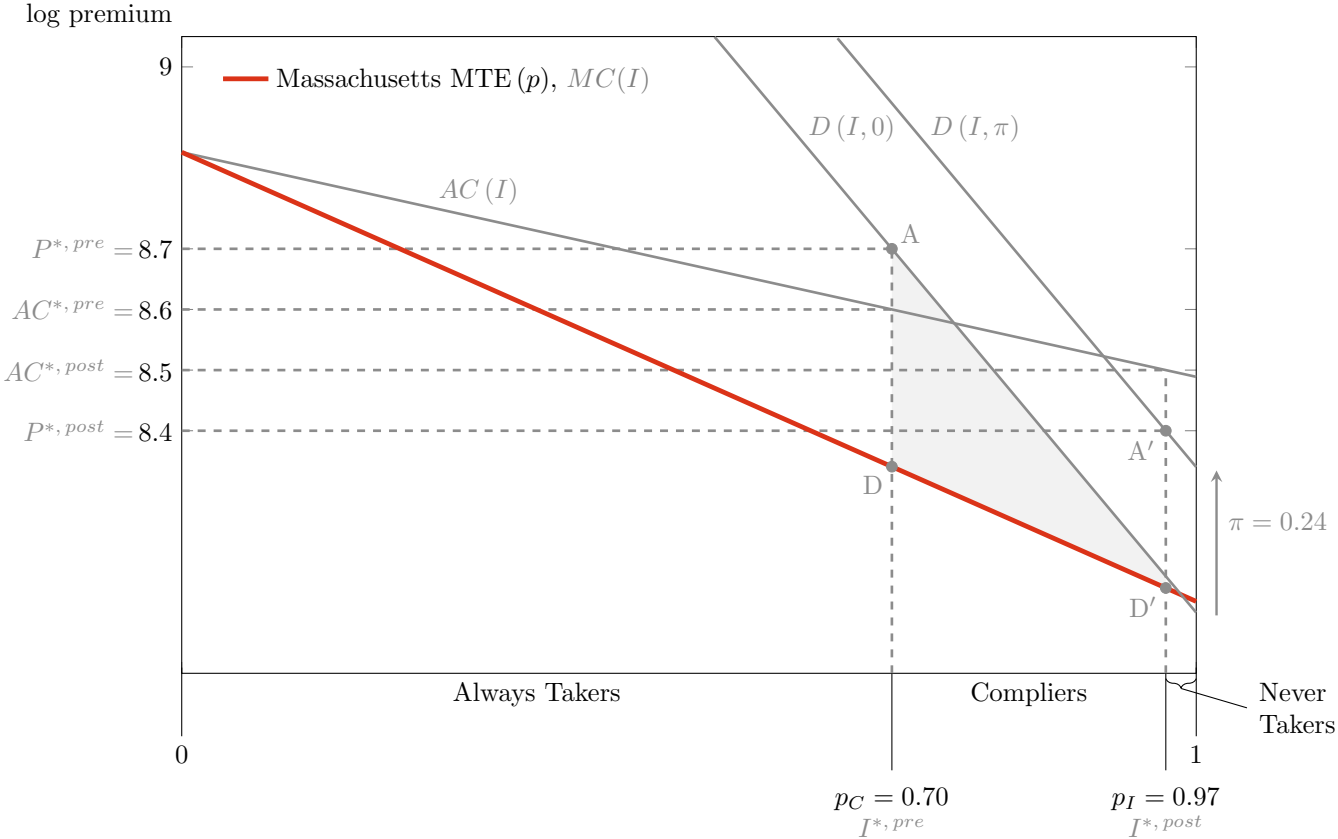
log premium
9
Massachusetts MTE (p), $MC(I)$
$D(I,0)$
$D(I,\pi)$
$AC(I)$
$P^{*,pre} = 8.7$
$AC^{*,pre} = 8.6$
$AC^{*,post} = 8.5$
$P^{*,post} = 8.4$
A
A′
D
D′
$\pi = 0.24$
Always Takers
Compliers
Never Takers
0
1
$p_C = 0.70$
$I^{*,pre}$
$p_I = 0.97$
$I^{*,post}$
U_D: unobserved net cost of treatment
I: fraction insured