

This PDF is a selection from a published volume from the National Bureau of Economic Research

Volume Title: Measuring Economic Sustainability and Progress

Volume Author/Editor: Dale W. Jorgenson, J. Steven Landefeld, and Paul Schreyer, editors

Volume Publisher: University of Chicago Press

Volume ISBN: 0-226-12133-X (cloth); 978-0-226-12133-8 (cloth); 978-0-226-12147-5 (eISBN)

Volume URL: <http://www.nber.org/books/jorg12-1>

Conference Date: August 6–8, 2012

Publication Date: September 2014

Chapter Title: Panel Remarks

Chapter Author(s): John W. Ruser

Chapter URL: <http://www.nber.org/chapters/c12846>

Chapter pages in book: (p. 633 - 636)

data, which is also referred to as data for multilocation establishments. This data is typically free from the IRS, or Title 26 data, which has been one of our challenges with data sharing among the BEA, BLS, and Census Bureau agencies.

This is the first time the Census Bureau will be sharing business micro-data with the BLS. Since the early 1990s the Census Bureau has received industry classification codes from BLS for new business births, which has improved our business register. The sharing of these new data will provide many advantages to both agencies to improve and to make more consistent their business registers, and corresponding statistical products. This will benefit the BEA, which has the challenging work of integrating data from both agencies in the production of the national accounts. Additionally in this world of global activity, we are working on an MOU with BEA to receive their data about multinational enterprises to improve the overall coverage of the business register at the US Census Bureau. Currently our business register covers enterprise activities within the United States.

#### Statistical Priorities and Infrastructure Improvements

Finally, let me make a couple of comments about statistical priorities and infrastructure improvements. Over the years, the BEA and Census Bureau have worked closely together and, as we look to the future, we see the need to strategize more given the current budget climate and the need to continue to improve our respective programs to keep pace with the changing economy. Senior staffs at both agencies started meeting this year to understand strategic priorities and to meet high-level operational needs for both agencies. From these meetings, we have cross-agency teams reviewing seasonal adjustment practices and another group evaluating ways to meet new content/data needs on more of a flow basis rather than at revision or census periods. Lastly, we created a team to bring together the Census Bureau, the BEA, and the Producer Price Index Program at the BLS to reach agreement on an approach for collecting and reporting data for industry product outputs that are more consistent, comparable, and usable for the BEA, BLS, and Census Bureau. Thank you.

#### **John W. Ruser**

It is a pleasure for me to describe some of the initiatives of the Bureau of Labor Statistics (BLS) related to the themes of this conference. I would like to start by talking about some of the important ongoing work to improve and redesign the Consumer Expenditure Surveys (CE). As you know, the CE

John W. Ruser is associate commissioner for productivity and technology at the US Bureau of Labor Statistics, US Department of Labor.

For acknowledgments, sources of research support, and disclosure of the author's material financial relationships, if any, please see <http://www.nber.org/chapters/c12846.ack>.

is a key input into the Consumer Price Index, but it is also a valuable tool for studying household consumption patterns. This venerable survey has not undergone substantial redesign since the early 1980s and has come under some criticism for measurement error and respondent burden. Recently, CE staff worked with staff from the Survey of Consumer Finance and from the American Community Survey to make improvements to the income, assets, and liabilities sections of the CE questionnaires. These changes will be implemented in 2013. The CE staff is also developing a process to impute federal and state income tax estimates using the NBER TAXSIM model. This will also be implemented for the 2013 data.

Beyond these short-run enhancements, the CE program has a major redesign initiative underway called the Gemini project. This project is examining ways to redesign the CE surveys from scratch to improve the estimates, reduce burden, and improve data quality. As part of the Gemini project, the BLS has held several workshops and symposia to reach out to stakeholders and to explore a variety of topics, including data capture technology, data users' needs, and survey methods. A data users forum collected input from a broad range of users about how they use CE data and the extent to which their data needs are being met. Information collected during the forum will assist the CE program in evaluating alternative redesign options. The objectives of the CE methods workshop were to identify: (a) existing knowledge and experience that can inform redesign decisions on key topics, and (b) specific research projects, both small and large, to address outstanding issues. The key methodological topics covered in the workshop included global questions, interview structure, proxy reporting, recall period, and split questionnaire methods. The workshop featured practical, solution-based discussions that will allow the BLS to move forward with the redesign process in an informed manner.

As part of the Gemini project, the CE program contracted with the National Research Council, through its Committee on National Statistics (CNSTAT), to convene an expert panel to contribute to the planned redesign. The panel held several meetings and hosted both a Household Survey producers workshop and a redesign options workshop. In late August 2012, CNSTAT will deliver a draft copy of its report regarding redesign recommendations to the BLS entitled "Measuring What We Spend: Toward a New Consumer Expenditure Survey." A public meeting to discuss the report will be hosted by CNSTAT in October 2012. The purpose of the meeting will be to discuss panel activities, recommendations for changing the CE, CE research and plans for the future, as well as specific recommendation topics, such as the use of respondent incentives.

The health-care sector, a subject of this conference, is receiving considerable BLS research attention, including research to improve health-care price measurement and the measurement of output and productivity in hospitals.

At the recommendation of prominent health economists and the CNSTAT report *At What Price*, both the Consumer Price Index and Producer Price Index programs have computed medical price indexes by disease. The initial CPI disease-based indexes were published in the February 2010 edition of the *Monthly Labor Review*. PPI indexes have just been computed and are under review. Disease-based price indexes are a part of an interagency effort (with the BEA) to publish medical data by disease. The BLS constructed the PPI indexes to assist the BEA in deflating nominal disease expenditures. Unlike medical service price indexes, disease-based indexes estimate, through weight adjustment, the savings that occur from substituting more expensive medical services to less expensive ones and thus yielding a more accurate measure of health-care inflation.

Another health-care-related project deals with new challenges for BLS's medical price data collection brought by changes in the medical industry and in medical privacy laws (HIPAA). These changes have increased the proprietary nature of medical prices and medical data in general. This could be impeding the goal of collecting representative price samples, as BLS price collectors report a rise in medical outlet refusals to disclose prices. The BLS is purchasing a proprietary private medical insurance claims database and will compare it to collected prices to determine if this increasing refusal incidence is generating sample selection bias.

The BLS has heard from informal sources that, over time, physicians are conducting more procedures per patient visit. Using the purchased claims database, the BLS plans to investigate if physicians are actually providing more procedures per visit over time. If this is true, we plan to determine if this improves healing by significantly reducing the time length of illness episodes. If there are no significant reductions to healing time or other evidence of better healing, the payments for these additional procedures might be considered inflationary.

The BLS is also undertaking research similar to the Canadian study presented in this conference on measuring output and productivity in hospitals. The research compares results based on three possible measures of output:

1. a "treatment" approach, based on a weighted aggregation of annual inpatient stays and outpatient visits (weighted by associated charges by disease-related group, DRGs);
2. a "procedures" approach, based on a weighted aggregation of the number of procedures undertaken for each DRG (weighted with the associated DRG charge/cost data); and
3. a deflated revenues approach.

The first two approaches utilize data from the Nationwide Inpatient Sample (NIS), sponsored by the Agency for Healthcare Research and Quality (AHRQ) in HHS. The NIS provides a wealth of information on health

care utilization and charge data, including patient discharge data, with annual data available starting in 1988. The 2010 database contains information on approximately 8 million hospital stays from over one thousand hospitals in forty-five states.

Preliminary results suggest that the “treatment” approach is the most viable because of data limitations with the other two approaches. The research also attempts to “quality-adjust” the treatment-based output measure using data on survival rates by DRG but finds that this adjustment has no real effect on the output measure. The BLS will continue to explore ways that these data may be used to measure hospital output in BLS measures of productivity.

The BLS has been collaborating with the BEA on a set of industry-level production accounts. These accounts incorporate BEA industry measures of gross output and intermediate inputs—including energy, materials, and purchased services—and labor and capital input measures by industry from the BLS. The accounts present contributions of KLEMS inputs and multifactor productivity to gross output growth at roughly the three-digit NAICS level of industry detail based on a gross-output production accounting framework. A joint BEA-BLS working paper describing the prototype accounts is being presented in August 2012 at the Second World KLEMS conference at Harvard. A research spotlight will be published in the BEA’s Survey of Current Business and the final working paper will be posted on both the BEA and BLS websites.

Finally, related to the conference agenda topics of household production, leisure, and living standards, 2012 respondents to the American Time Use Survey currently are being asked a module of questions about well-being. This module, sponsored by the National Institute on Aging, asks respondents to rate how they felt (sad, stressed, happy, tired, in pain) during three activities they engaged in “yesterday” (the core of the ATUS is a time diary about how people spent their time on the day before the interview). A similar module ran in 2010. More information about the ATUS well-being module is available on the BLS website ([www.bls.gov](http://www.bls.gov)).

### **Adelheid Burgi-Schmelz**

To begin with, I would like to thank the organizers of this panel for having invited me. I will start by repeating the Sherlock Holmes/Sir Arthur

Adelheid Burgi-Schmelz is a special advisor to the Swiss Federal Department of Home Affairs. She is the former director of the Statistics Department at the International Monetary Fund.

The views expressed herein are those of the author and should not be attributed to the IMF, its executive board, or its management. For acknowledgments, sources of research support, and disclosure of the author’s material financial relationships, if any, please see <http://www.nber.org/chapters/c12844.ack>.