

# Correction to Section S5 of the Online Appendix for “Nonparametric Estimates of Demand in the California Health Insurance Exchange”

Pietro Tebaldi\*      Alexander Torgovitsky†      Hanbin Yang‡

November 7, 2023

Section S5 of the supplemental appendix [Tebaldi, Torgovitsky, and Yang \(2023\)](#) contains an error in the expression given for the lower bound on the change in consumer surplus. The error is introduced in the first inset after equation (S11), which read:

$$CS^{p^*}(m, x; f) = \sum_{\mathcal{V} \in \mathbf{V}} -p_{Y(\mathcal{V}, p^*)}^* + \int_{\mathcal{V}} v_{Y(\mathcal{V}, p^*)} f(v|m, x) dv,$$

but which should have been

$$CS^{p^*}(m, x; f) = \sum_{\mathcal{V} \in \mathbf{V}} -p_{Y(\mathcal{V}, p^*)}^* \underbrace{\int_{\mathcal{V}} f(v|m, x) dv}_{\text{omitted term}} + \int_{\mathcal{V}} v_{Y(\mathcal{V}, p^*)} f(v|m, x) dv.$$

The omitted term was left out of subsequent steps of the derivation of the lower bound. Including it does not change the steps of the derivation in any substantive way. The corrected expressions for the lower and upper bounds are

$$\Delta CS_{\text{lb}}^{p \rightarrow p^*}(m, x; f) \equiv \sum_{\mathcal{V} \in \mathbf{V}} \left( p_{Y(\mathcal{V}, p)} - p_{Y(\mathcal{V}, p^*)}^* + v_{\text{lb}}^{p \rightarrow p^*}(\mathcal{V}) \right) [\bar{\phi}(f)(\mathcal{V}|m, x)] \quad (1)$$

$$\text{and } \Delta CS_{\text{ub}}^{p \rightarrow p^*}(m, x; f) \equiv \sum_{\mathcal{V} \in \mathbf{V}} \left( p_{Y(\mathcal{V}, p)} - p_{Y(\mathcal{V}, p^*)}^* + v_{\text{ub}}^{p \rightarrow p^*}(\mathcal{V}) \right) [\bar{\phi}(f)(\mathcal{V}|m, x)]. \quad (2)$$

The correct expressions were used in all of the empirical work.

---

\*Department of Economics, Columbia University, and NBER.

†Kenneth C. Griffin Department of Economics, University of Chicago.

‡Harvard Business School.

## References

TEBALDI, P., A. TORGOVITSKY, AND H. YANG (2023): “Nonparametric Estimates of Demand in the California Health Insurance Exchange,” *Econometrica*, 91, 107–146. 1