

## Quentin Palfrey



### **Executive Director, J-PAL North America**

Quentin Palfrey is the Executive Director of J-PAL North America, which works to improve the effectiveness of social programs in North America through research, policy outreach, and capacity building. Based at MIT, J-PAL North America seeks to help decision-makers use research evidence in policy decisions and program design and to provide training courses on the value of impact evaluation.

Quentin brings a wealth of policy experience at both the federal and state level to J-PAL North America. From 2011 to 2013, he was Senior Advisor for Jobs & Competitiveness in the White House Office of Science & Technology Policy. While there, he served as lead White House policy staffer on a successful patent reform effort that led to the signing of the America Invents Act. He also coordinated White House input into a report to Congress on the national strategy for innovation and competitiveness, and was involved in a wide range of other initiatives including the launch of Patents for Humanity and the re-launch of the Privacy & Civil Liberties Oversight Board. Prior to joining the White House, Quentin was the Deputy General Counsel for Strategic Initiatives at the US Department of Commerce where he helped oversee the work of more than 325 lawyers; advised the Secretary of Commerce on legal issues; co-led an intellectual property and innovation policy group; and served on the leadership team overseeing rapid response during the 2010 decennial Census. Additionally, he served as lead lawyer on developing Department views on many cases in litigation at the US Supreme Court and US Courts of Appeals.

From 2007 to 2009, Quentin was Chief of the Health Care Division in the Office of the Massachusetts Attorney General. As Chief, he oversaw multi-million dollar consumer protection litigation and investigations relating to health insurance, pharmaceuticals, medical devices, healthcare providers and nursing homes. He also oversaw a hotline and mediation program addressing consumer complaints and questions. Quentin also served on various boards on behalf of the Attorney General, including the Council on Racial Disparities; the Board of Directors of the Betsy Lehman Center for the Prevention of Medical Errors; and the Governor's Council on Alcoholism and Drug Rehabilitation. Prior to his Chief position, he was an Assistant Attorney General in the Insurance Division, where he focused on consumer protection investigations relating to insurance companies and healthcare policy efforts to expand access, contain costs and increase quality.

Quentin holds a J.D. from Harvard Law School and has worked as an attorney in private practice at the law firms WilmerHale and Cravath, Swaine & Moore.



Submitted December 6<sup>th</sup> 2016

Written Statement for the Commission on Evidence-Based Policymaking  
Public Hearing in Chicago, January 5<sup>th</sup>, 2016

**Introduction**

The Abdul Latif Jameel Poverty Action Lab North America (J-PAL NA), based in the Department of Economics at the Massachusetts Institute of Technology, leverages scholarship from 143 affiliated professors to generate and disseminate rigorous evidence about anti-poverty policies. J-PAL NA provides pro-bono technical support, capacity building, and matchmaking with researchers to government agencies and nonprofits seeking to design and implement randomized evaluations, many of which rely extensively on administrative data. Affiliates in our network have conducted 154 ongoing or completed randomized evaluations in North America across sectors such as health care, housing, criminal justice, education, and labor markets. J-PAL NA also creates training materials to build research capacity, including a comprehensive, practical guide to obtaining and using administrative data for randomized evaluations.<sup>1</sup> We appreciate the opportunity to submit a statement to the Commission on Evidence-Based Policymaking.

J-PAL affiliated researchers have relied heavily on administrative data to conduct policy-relevant research. Data from IRS tax records enabled an almost 20-year follow-up of families involved in the Moving to Opportunity Experiment. The follow-up study demonstrated that young children who moved to low-poverty neighborhoods increased their college attendance and expected lifetime earnings.<sup>2</sup> Data from the U.S. Department of Education, the Ohio Board of Regents, and the National Student Clearinghouse collectively enabled a randomized controlled trial showing that simplifying the financial aid application process increased college attendance and persistence.<sup>3</sup> Data from hospitals in the Portland area revealed that Medicaid insurance, for which opportunities to apply were allocated through a lottery in Oregon, increased emergency room usage by 40 percent.<sup>4</sup> Access to administrative data was critical to generating these insights.

**Executive Summary**

This statement reflects J-PAL's expertise concerning randomized evaluations, administrative data access, and collaboration between government agencies and external researchers. It

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<sup>1</sup> Feeney, Laura, Jason Bauman, Julia Chabrier, Geethi Mehra, and Michelle Woodford. "Using Administrative Data for Randomized Evaluations." J-PAL North America. December 2015.

<https://www.povertyactionlab.org/sites/default/files/documents/AdminDataGuide.pdf>

<sup>2</sup> Chetty, Raj, Nathaniel Hendren, and Lawrence F. Katz. "The Effects of Exposure to Better Neighborhoods on Children: New Evidence from the Moving to Opportunity Experiment." NBER Working Paper #21156, May 2015.

<sup>3</sup> Bettinger, Eric P., Bridget Terry Long, Philip Oreopoulos, and Lisa Sanbonmatsu. 2012. "The Role of Application Assistance and Information in College Decisions: Results from the H&R Block Fafsa Experiment." *The Quarterly Journal of Economics* 127(3):1205-42.

<sup>4</sup> Taubman, Sarah, Heidi Allen, Bill Wright, Katherine Baicker, Amy Finkelstein, and the Oregon Health Study Group. 2014. "Medicaid Increases Emergency Department Use: Evidence from Oregon's Health Insurance Experiment." *Science* 343(6188):263-8.

incorporates recommendations from an open letter penned by several leading economists, including multiple J-PAL affiliates<sup>5</sup>, and a short paper published by a subset of the same authors.<sup>6</sup> This comment elaborates on these key recommendations:

- Establish clear data documentation and standard data request forms, building on the example set by the Centers for Medicare and Medicaid Services.
- Expand secure access to real microdata to qualified researchers, prioritizing secure remote connections while also increasing capacity at Census Research Data Centers.
- Develop a data clearinghouse within the Census Bureau for currently hard-to-access data, particularly microdata on earnings and income, and link the data across agencies.
- Avoid flat per-user fees for data access to encourage validation and double-checking of data analysis.
- Clearly articulate program objectives and build ongoing process evaluation into every program to lay the foundation for impact evaluation.
- Institutionalize a process for identifying questions for program evaluation and appropriate conditions for randomized evaluations, focusing on three cases:
  - Demand for a program exceeds capacity to supply the program.
  - Gradual roll out of a program to different individuals or locations over time.
  - Refinement or reconsideration of eligibility criteria for a program.

### **Responses to Specific Questions Posed in the CEP Request for Comments**

#### **3. Based on identified best practices and existing examples, how should existing government data infrastructure be modified to best facilitate use of and access to administrative and survey data?**

##### **Build on the example of the Centers for Medicare and Medicaid Services to establish clear data documentation and standard data requests.**

Existing government data infrastructure should incorporate standard data request forms with clear data dictionaries, using the Centers for Medicare and Medicaid Services (CMS) Research Data Assistance Center (ResDAC) data documentation as a model of best practices. The ResDAC system allows researchers to understand specifically what variables are available and to submit requests with data protection plans. Because the ResDAC system allows CMS to review those requests systematically as opposed to on an ad hoc basis, ResDAC facilitates routine, secure access to administrative data that culminates in several hundreds of medical studies each year.<sup>7</sup>

Applying the ResDAC model to an administrative data clearinghouse or other data repositories would allow researchers to see exactly what variables they are permitted to request, along with a

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<sup>5</sup> Card, David, Raj Chetty, David Cutler, Steven Davis, Martin Feldstein, William Gale, Jonathan Gruber, Michael Greenstone, Caroline Hoxby, Lawrence Katz, and Emmanuel Saez. 2010. "An Open Letter on Expanding Access to Administrative Data for Research in the United States." [https://eml.berkeley.edu/~saez/dataaccess\\_final.pdf](https://eml.berkeley.edu/~saez/dataaccess_final.pdf)

<sup>6</sup> Card, David, Raj Chetty, Martin S. Feldstein, and Emmanuel Saez. "Expanding access to administrative data for research in the United States." *American Economic Association, Ten Years and Beyond: Economists Answer NSF's Call for Long-Term Research Agendas* (2010). <https://eml.berkeley.edu/~saez/card-chetty-feldstein-saezNSF10dataaccess.pdf>

<sup>7</sup> Ibid.

brief description of each variable, before submitting a request. This explicit listing of available variables would enable data discovery and save program administrators and researchers hours of valuable time by avoiding long correspondences about whether the desired data exist. Publicizing exactly which variables exist and what agency houses the data increases transparency with no risk of revealing personally identifiable information. Better data documentation can thus facilitate use of and access to administrative and survey data without raising concerns for data security and privacy protection.

Moreover, sensitive variables that would trigger additional levels of review or security could be clearly labeled as sensitive as part of this clearer data documentation. Currently, researchers may request a variable that is not central to their analysis, without realizing that it captures sensitive information. This could delay or jeopardize the entire request or allow access to sensitive data that, with clearer data documentation, would not have been requested from the agency.<sup>8</sup>

#### **4. What data-sharing infrastructure should be used to facilitate data merging, linking, and access for research, evaluation, and analysis purposes?**

##### **Expand secure access to microdata to qualified researchers through remote and on-site connections rather than creating synthetic data.**

An optimal infrastructure for integrating administrative, survey, and statistical data to facilitate research and evaluation while ensuring data security and privacy will provide secure environments where qualified researchers can directly access microdata. Microdata enable researchers to perform more informative analyses by controlling for individual characteristics (such as educational attainment or race) to better determine the impact of a program. Microdata also allow researchers to evaluate how a program affects specific subpopulations, such as low-income individuals. Researchers can use microdata to validate and adjust their analysis as they learn from the data in real time—a crucial step in the research process. Moreover, for analysis in rigorous randomized evaluations, researchers require microdata to link individuals to their treatment status.

There are currently twenty-four Federal Statistical Research Data Centers (RDCs), which are physical, secure environments established through partnerships between the Census Bureau and research institutions where researchers who have undergone special sworn status can access restricted microdata. However, capacity in these RDCs is limited, both physically and according to Census bandwidth, and access is artificially restricted to researchers based on geographic proximity rather than on the merit of their research proposal.<sup>9</sup> Similar constraints apply to researchers working with statutorily restricted tax data through contracts with the IRS Statistics of Income Division (SOI)—the type of arrangement that enabled the Moving to Opportunity follow-up study. The SOI is small, has a limited budget, and can accommodate few research projects at a time.<sup>10</sup> More secure, direct access to microdata should be provided in two ways: (1)

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<sup>8</sup> Feeney et al., “Using Administrative Data for Randomized Evaluations,” 2015.

<sup>9</sup> Card et al., “Expanding access to administrative data,” 2010b.

<sup>10</sup> Office of Management and Budget, *Barriers to Using Administrative Data for Evidence-Building* (white paper submitted for the Commission on Evidence-Based Policymaking, July 15, 2016). [https://www.whitehouse.gov/sites/default/files/omb/mgmt-gpra/barriers\\_to\\_using\\_administrative\\_data\\_for\\_evidence\\_building.pdf](https://www.whitehouse.gov/sites/default/files/omb/mgmt-gpra/barriers_to_using_administrative_data_for_evidence_building.pdf)

preferably through remote, secure connections such as the “flexiplace” systems used by federal employees who work with restricted data from home, but also (2) through expansion of on-site secure environments in the form of additional space and funding for Research Data Centers and similar centers at other statistical agencies.<sup>11</sup>

Synthetic data, one alternative to expanding remote and on-site secure connections to restricted data, are a far inferior option for enabling policy-relevant research and program evaluation. Synthetic data are constructed to mimic certain features and aggregate characteristics of real data without containing real individual-level information. Although this appears—on its surface—to enable research while protecting privacy, synthetic data suffer severe disadvantages relative to real microdata. Synthetic data may be incompatible with randomized evaluations and other rigorous program evaluations because researchers must be able to link individuals to their treatment status—i.e., whether a particular person received a program or not. Furthermore, synthetic data make it difficult or impossible to study subpopulations, such as low-income individuals, which may be of particular policy interest. Researchers would have to specify each subpopulation they intend to study and all necessary contents of the data in advance. This may be impossible, in part because researchers often revise their analyses to address observations they learn from the raw data.<sup>12</sup> Meanwhile, data administrators would have to create new synthetic datasets for each request to study a specified subpopulation, which would require significant infrastructure and personnel.

**7. What data should be included in a potential U.S. government data clearinghouse? What are the current legal or administrative barriers to including such data in a clearinghouse or linking the data?**

**Establish a data clearinghouse within the Census Bureau for currently hard-to-access data, particularly microdata on earnings and income.**

For reasons discussed in response to question 4, the data should be real microdata rather than aggregated, de-identified, synthetic, or perturbed data. The clearinghouse should prioritize data that do not already benefit from strong infrastructure for access. Specifically, a clearinghouse should be developed for federal income and earnings microdata and focus on enabling researchers to link these data to the extent legally possible.

Income and earnings data have less well-developed access infrastructure and face several legal barriers to use for program evaluation, meaning that the clearinghouse would not be redundant.<sup>13</sup> For example, individual states maintain their own data system for Unemployment Insurance (UI) records, with individual discretion and statutory protections on providing access to this data. The Department of Labor does not store the data in a central location. Although the Census Bureau has made a significant contribution to accessing state UI data through the Longitudinal Employer

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<sup>11</sup> Card et al., “Expanding access to administrative data,” 2010b.

<sup>12</sup> Ibid.

<sup>13</sup> Ibid.

Household Dynamics Program (LEHD), the LEHD program requires that researchers be on-site at a designated Research Data Center.<sup>14</sup>

With infrastructure secure enough for the highly restricted data from UI and tax records established, the clearinghouse should then focus on facilitating linkage of these data with other, less restricted data. Federal data on income, namely tax records or Unemployment Insurance records, are in high demand because income can serve as a key outcome variable for many government programs or policies in education, job training, criminal justice, and place-based interventions.<sup>15</sup> For example, earnings—as measured by tax records—was a key outcome variable in the follow-up study of the Moving to Opportunity Experiment.

**8. What factors or strategies should the Commission consider for how a clearinghouse(s) could be self-funded? What successful examples exist for self-financing related to similar purposes?**

**Avoid flat per-user fees for data access to encourage validation and double-checking of data analysis.**

As is customary, a clearinghouse may charge fees for accessing data, such as a fee per project, a fee for sets of users, or an initial fee for the first user followed by much smaller fees for additional users. It should not charge the same flat fee per person for accessing the data because this severely discourages the double checking crucial to correcting human errors. Despite its clear data request process, CMS charges a fixed fee of \$25,000 per person who accesses identifiable data through their Virtual Research Data Center.<sup>16</sup> This may create problems because researchers often need multiple people to work with the data to ensure accuracy—including people who effectively proofread to correct for human coding errors. With fixed per-person costs, researchers either pay a large inflexible sum of money for someone to double check the analysis or—facing tradeoffs given limited research funds—forego a set of “fresh eyes” to double check the analysis at risk of making mistakes. Therefore, by creating a high marginal cost to adding additional users, charging a fixed fee per data user effectively institutionalizes mistakes.

**18. How can or should program evaluation be incorporated into program designs? What specific examples demonstrate where evaluation has been successfully incorporated in program designs?**

**Clearly articulate program objectives and build process evaluation into every program to lay the foundation for impact evaluation.**

Process evaluation is always needed and constitutes a critical prerequisite for impact evaluation. It is not sensible to ask whether the program is succeeding or failing to deliver outcomes without first knowing whether the program itself is being delivered with fidelity. In some cases,

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<sup>14</sup> Ibid.

<sup>15</sup> Office of Management and Budget, *Barriers to Using Administrative Data*, 2016.

<sup>16</sup> Research Data Assistance Center. “Fee List for RIFs: Physical Research Data Requests.” Centers for Medicare and Medicaid Services. [https://www.resdac.org/sites/resdac.umn.edu/files/CMS%20Price%20List%20for%20Research%20Files\\_23.pdf](https://www.resdac.org/sites/resdac.umn.edu/files/CMS%20Price%20List%20for%20Research%20Files_23.pdf) Accessed October 31, 2016.

important questions about how a program can or should function may be sufficiently answered by process evaluations, needs assessments, or literature reviews. Rigorous impact evaluation, particularly randomized evaluation, should be pursued when the benefits in terms of knowledge generated would likely outweigh the costs of the evaluation, and when planning during program design can facilitate impact evaluation.<sup>17</sup>

Many components that aid process and impact evaluation should be developed during program design:

- Precisely articulated program objectives.
- A needs assessment clearly articulating the problem that the program will address.
- Standard outcome measures used in research literature about similar programs that allow potential impact evaluation results to be compared to those in other studies and used in cost-effectiveness analyses.
- A plan for data collection and flow from program practitioners to administrators. This includes planning in advance to collect identifying information, such as Medicaid ID numbers, to enable later matching of program-level records to administrative records for impact evaluation.

As an example of incorporating evaluation into program design, Benefits Data Trust (BDT) is working with J-PAL North America in an ongoing randomized evaluation of different outreach strategies to increase enrollment in the Supplemental Nutrition Assistance Program (SNAP) among eligible but unenrolled individuals in Pennsylvania. BDT had a clear grasp of the need its program addressed: despite awareness among eligible households that SNAP exists, many people could not imagine navigating the enrollment process alone. BDT had the clear program objective of increasing benefits enrollment, and change in program enrollment is a standard outcome that could be compared across different studies. BDT and researchers agreed that based on a review of the existing research, there was little rigorous evidence about what interventions can increase SNAP enrollment.

Although BDT was already providing enrollment assistance and sending outreach, BDT worked with researchers to design and test two distinct outreach activities—one high-touch intervention including a letter plus enrollment assistance and one low-touch intervention including a letter only. The researchers also worked with BDT to design a new letter for the evaluation based on marketing and psychology literature. Seeing quickly that this newly designed letter was more effective, BDT plans to incorporate this letter design in other states outside of Pennsylvania. Ultimately, the impact of the different outreach strategies will be measured using administrative data, which can be accessed according to a data use agreement with the Pennsylvania Department of Human Services.

## **19. To what extent should evaluations specifically with either experimental (sometimes referred to as “randomized control trials”) or quasi-experimental designs be**

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<sup>17</sup> Glennerster, Rachel, and Kudzai Takavarasha. *Running randomized evaluations: A practical guide*. Princeton University Press, 2013.

**institutionalized in programs? What specific examples demonstrate where such institutionalization has been successful and what best practices exist for doing so?**

**Institutionalize a process for developing specific research questions and determining the appropriate conditions for randomized control trials or other evaluation methods.**

Federal agencies should institutionalize a process of developing high-priority research questions and determining the most appropriate evaluation methodology, following the precedent set by the Social and Behavioral Sciences Team (SBST). SBST launches demonstration projects—usually in the form of randomized evaluations—to rapidly evaluate low-cost applications of behavioral science to achieve desired outcomes, such as increasing workplace savings plan enrollment among military service members or increasing the rate at which indebted graduates apply for income-based loan repayment plans.<sup>18</sup>

When properly designed and implemented, randomized evaluations rigorously demonstrate the causal impact of a program by establishing the counterfactual—what outcomes would exist for program participants if they had not received the program. Random assignment ensures that, with a large enough sample, the group that receives the program and the group that does not are similar on average before the start of the program. Therefore the impact estimate from a randomized evaluation offers confidence that any differences in outcomes between the two groups are a result of the program. The ability to isolate program impact from self-selection or other confounding factors is why randomized evaluations are widely recognized as a highly credible method for estimating program impact. Where there is little internal experience implementing randomized evaluations, agencies should seek partnerships with external or academic researchers who are vested in similar questions.

Randomized evaluations can only occur when randomization is built into the program design. However, randomization should not be incorporated indiscriminately; rather, randomization should be incorporated into programs to facilitate randomized evaluations where appropriate on three grounds:

- The current evidence for answering the well-defined research question is non-existent, insufficient, or inconclusive.
- There is a clear unit of randomization—individual program participants, schools, clinics, etc.—for which there is a large enough sample size and a clear means of tracking outcomes for both the treatment group and the control group.
- Randomization is feasible and ethical. Although not an exhaustive list, the following conditions offer opportunities where randomization may be feasible and ethical:
  - Demand for a program exceeds capacity to provide the program. A lottery may be a fairer alternative than allocating slots on a first come, first served basis—particularly when a goal of the program is equity of access—and offers an alternative to imposing increasingly narrow eligibility criteria under funding constraints.

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<sup>18</sup> Social and Behavioral Sciences Team. *2016 Annual Report*. Executive Office of the President, National Science and Technology Council. September 15, 2016. <https://sbst.gov/assets/files/2016%20SBST%20Annual%20Report.pdf>

- A program is being expanded by gradually offering it to individuals, schools, or districts until full coverage is reached. A lottery can be used to randomly assign the order in which individuals or units receive the program. The individuals or units that have not yet received the program serve as the control group until all units receive the program.
- A new intervention—such as a financial incentive or care coordination services—will be added to an existing program. Program participants can be randomized to receive different versions of the program, e.g., with or without the added intervention, to isolate the impact of the new intervention.
- Program eligibility criteria are being refined or reconsidered. People just above/below the eligibility cutoff can be randomly assigned to receive or not receive the program to determine whether it is effective for this marginal group. Meanwhile, those well within the program eligibility cutoff, automatically receive the program, and those well outside the cutoff do not qualify for the program.

As a specific example of institutionalizing a randomized evaluation, the South Carolina Department of Health and Human Services is partnering with J-PAL North America to incorporate a randomized evaluation in its expansion of a nurse home-visiting program for low-income mothers delivered by the nonprofit organization Nurse-Family Partnership (NFP). The specific, high-priority research question is whether a new, less expensive version of the NFP program that South Carolina is expanding will be as effective as the pre-existing version that has been rigorously evaluated before.

A randomized evaluation was found to be an appropriate method for answering this question given excess demand for the program. Although South Carolina is expanding this less expensive version of NFP to thousands of mothers through an innovative pay-for-success initiative, the program does not have sufficient resources to serve all of the women who are eligible. Applicants will be randomly assigned, on a rolling basis from 2016 to 2020, to either a treatment group that is offered access to the program, or to a control group that is not.<sup>19</sup> We will assess the effect of NFP on a range of short- and long-run maternal and child outcomes using administrative data that will be available for all members of both treatment and control groups. This will yield useful evidence for South Carolina and for policy makers nationally, who are interested in the broader health and financial consequences of expanding Medicaid to include similar services.

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<sup>19</sup> The Abdul Latif Jameel Poverty Action Lab. “The Impact of a Nurse Home Visiting Program on Maternal and Child Health Outcomes in the United States.” Accessed October 24, 2016. <https://www.povertyactionlab.org/evaluation/impact-nurse-home-visiting-program-maternal-and-child-health-outcomes-united-states>