

Economics 372SWR: Health Policy & Economics

Emory University
Spring 2012

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Classes: T, Th 11:30-12:45
Room: Rich 104
Office Hours: T, Th 12:45-2:15

Course Description

This course examines the role of the government in health and health insurance. We will examine the theoretical reasons for government intervention in health and health insurance, the related empirical evidence related to the theory, how government has intervened, and the effect of these interventions on health and economic outcomes. The objectives for students are to understand how and why government attempts to influence health-related behaviors and the health insurance market, and to be able to analyze the effects of these government policies on individuals' behavior and health outcomes.

Prerequisites: Economics 101 (Principles of Microeconomics)

Text

There is no required text for this course. The required readings are all journal articles, which are available on the journals' websites and are accessible for no charge through the Emory library (search for the journal name in discoverE and then find the article within the journal database), or working papers available at www.nber.org. These articles are also commonly available through an online search engine if accessed through Emory's network.

Many of the topics will be introduced using selected material from: *Public Finance and Public Policy*, by Jonathan Gruber, Worth Publishers, Third Edition, 2010. This text is not required for the course, but copies will be available for your access in the reserve room of Woodruff library if you are interested in additional background reading.

Course Outline

Students should complete these readings prior to class and come prepared to discuss the readings and ask questions about the material. This syllabus is not a fixed document and is subject to revisions.

Guide for the structure of class each week: We will commonly discuss one topic per week. On Tuesday, I will introduce the topic and then we will discuss the first assigned reading. On Thursday, we will discuss the second assigned reading and related current events. For the discussion of current events, students will find and distribute a news article related to the topic of the week and lead the class discussion emphasizing how the article relates to the economic concepts discussed that week. Keep in mind that this is a rough outline for each class and it is subject to change depending on the material and discussion.

<u>Week 1:</u>	1/19	Course Overview
<u>Week 2:</u>	1/24 & 1/26	Review of Micro, Overview of Externalities
<u>Week 3:</u>	1/31 & 2/2	Externalities: Air Quality and Health Chay and Greenstone (2003) Moretti and Neidell (2009)
<u>Week 4:</u>	2/7 & 2/9	Externalities: Smoking Carpenter and Cook (2008) Adda and Cornaglia (2006)
<u>Week 5:</u>	2/14 (NC: 2/16)	Externalities: Smoking Examine Emory's new policies
<u>Week 6:</u>	2/21 & 2/23	Externalities: Alcohol Carpenter and Dobkin (2009) Dee (2001)
<u>Week 7:</u>	2/28 & 3/1	Externalities: Obesity Fletcher, Frisvold, and Tefft (2010) Cawley, Meyerhoefer, and Newhouse (2007) <i>Paper topic due on 2/28</i>
<u>Week 8:</u>	3/6 & 3/8	<i>Debates 1 and 2</i>
<u>Week 9:</u>	NC: 3/13 & 3/15	Spring Break
<u>Week 10:</u>	3/20 & 3/22	Overview of Health Insurance Gruber (2008)
<u>Week 11:</u>	3/27 & 3/29	Overview of Health Insurance and Public Coverage Manning et al. (1987)
<u>Week 12:</u>	4/3 & 4/5	National Health Insurance Movie screening on 4/3: <i>Sicko</i> Location: Room 423 (Group viewing room) in the Music and Media Library <i>Paper draft due on 4/3</i>
<u>Week 13:</u>	4/10 & 4/12	Expansions of Public Insurance Lo Sasso and Buchmueller (2004) Finkelstein and McKnight (2008)
<u>Week 14:</u>	4/17 & 4/19	Massachusetts Health Care Reform Kolstad and Kowalski (2010)

Courtemanche and Zapata (2011)

Week 15: 4/24 & 4/26

Finkelstein et al. (2011)
Debate 3 on 4/26

Week 16: 5/1

Debate 4

Readings

- Adda, Jerome and Francesca Cornaglia. (2006). Taxes, Cigarette Consumption, and Smoking Intensity. *American Economic Review*, 96(4) 1013-1028.
- Carpenter, Christopher and Philip J. Cook (2008) "Cigarette Taxes and Youth Smoking: New Evidence from National, State, & Local Youth Risk Behavior Surveys," *Journal of Health Economics*, 27, 287-299.
- Carpenter, Christopher and Carlos Dobkin (2009) "The Effect of Alcohol Consumption on Mortality: Regression Discontinuity Evidence from the Minimum Drinking Age," *American Economic Journal: Applied Economics*, 1(1), 164-182.
- Cawley, John, Chad Meyerhoefer, and David Newhouse. (2007). The Impact of State Physical Education Requirements on Youth Physical Activity and Overweight. *Health Economics*, 16(12), 1287-1301.
- Chay, Kenneth and Michael Greenstone (2003) "Air Quality, Infant Mortality, and the Clean Air Act of 1970," NBER Working Paper #10053.
- Courtemanche, Charles and Daniela Zapata (2011) "Does Universal Coverage Improve Health? The Massachusetts Experience," working paper.
- Dee, Thomas S. "Does Setting Limits Save Lives? The Case of 0.08 BAC Laws," *Journal of Policy Analysis and Management* 20(1): 113-130.
- Finkelstein and McKnight (2008) "What Did Medicare Do? The Initial Impact of Medicare on Mortality and Out of Pocket Medical Spending," *Journal of Public Economics*, vol. 92, pp. 1644-1669.
- Finkelstein, Taubman, Wright, Bernstein, Gruber, Newhouse, Allen, Baicker, and The Oregon Health Study Group (2011) "The Oregon Health Insurance Experiment: Evidence from the First Year," NBER working paper 17190.
- Fletcher, Frisvold, and Tefft (2010) "The Effects of Soft Drink Taxes on Child and Adolescent Consumption and Weight Outcomes," *Journal of Public Economics*,
- Gruber, Jonathan (2008) "Covering the Uninsured in the United States," *Journal of Economic Literature*, 46(3), 571-606.
- Kolstad and Kowalski (2010) "The Impact of Health Care Reform on Hospital and Preventive Care: Evidence from Massachusetts," NBER WP 16012.
- Lo Sasso, Anthony T., and Thomas C. Buchmueller. 2004. "The Effect of the State Children's Health Insurance Program on Health Insurance Coverage." *Journal of Health Economics*, 23(5): 1059-82.
- Manning, W.G., J.P. Newhouse, N. Duan, E.B. Keeler, A. Leibowitz (1987) "Health Insurance and the Demand for Medical Care: Evidence from a Randomized Experiment," *American Economic Review*, 77(3), 251-277.
- Moretti, Enrico and Matthew Neidell (2009) "Pollution, Health, and Avoidance Behavior: Evidence from the Ports of Los Angeles," NBER Working Paper 14939.

Course Requirements / Grading

Determination of grades:

Final Paper	40 %
Debate Performance (team grade)	20 %
Short Policy Papers	20 %
Participation	5 %
Literature Journal	5 %
Presentation	5 %
Attendance and Reflection on Seminars	5 %

Paper: The paper will be due during the final exam period for the class no later than 11:00am on Thursday, May 3. This paper will be an analysis of a government policy of your choice that is related to health behaviors, nutrition, or health insurance. The analysis should be 20 double-spaced pages, not including references, tables, or figures. Late papers will not be accepted. A one page single-spaced proposal of your paper topic will be due by the beginning of class on February 28. Late proposals will decrease your participation grade. A draft of your paper will be due by the beginning of class on April 3. The draft will not be graded but comments will be provided to enhance the paper. Comments will not be provided on late drafts. The final version of your paper must be a revision of this draft that incorporates the feedback from your draft.

Debate and Short Policy Papers: Students will be divided into four teams. There will be four debates that occur throughout the semester. Each debate will consist of two teams participating and two teams observing. The details of the debate will be described as the semester progresses. In the debate, each team will be assigned a position on the assigned policy and will debate the pros and cons of the policy using the economic tools developed in class and additional reading from academic articles. Teams will research and prepare the arguments together and all team members in attendance will be assigned the same grade.

The two teams not participating in the debate will observe the debate. These teams will also prepare a short paper in response to the debate topic. This paper cannot exceed 2 single-spaced pages, not including the list of references; thus, it must be clear and concise. You should avoid unsubstantiated generalities and should use specific details to bolster your arguments. This paper will be due at the beginning of the debate. Late papers will not be accepted.

Participation in Class Discussion/Literature Journal: Students are expected to attend class, read the assigned articles prior to class, and come to class prepared to discuss the readings. The class discussion will focus on: why the research question of the article is important, why the question is difficult to answer, how the authors answer the question, what are the results, and what are the implications of the results.

As preparation for each class and to facilitate class discussion, students are expected to write a 500 word summary of each article before class that includes a short response to each of class discussion questions listed above, lists any questions that you have about the reading material, and lists any questions that you would like the class to discuss. The summaries for all papers should be turned in as one document on the last day of class on May 1.

Presentation: For the second half of class on most Thursdays, students will lead the class discussion based on current events related to the topic of the week. These presentations will be

scheduled during the second week of class. Before the prior class that week on Tuesday, you will be expected to circulate a news article to the class on Blackboard. The news article must be related to the topic of the week, and must have been published within the prior month in a major media outlet. Students will briefly summarize the article (less than 5 minutes) and lead the discussion emphasizing how the article relates to the economic concepts discussed that week.

Attendance and Reflection on Seminars: As a result of the wide array of opportunities to learn about a variety of related topics, to learn about leading research in the field, and to hear a variety of perspectives at Emory, in addition to the class readings and discussion, students are expected to attend health economics/health policy-related seminars and presentations around campus or the Atlanta area. Students are expected to attend a total of at least 5 hours of presentations during the semester and to write a 1-2 page single-spaced summary and reflection of each presentation attended. The summaries should be turned in as one document on the last day of class on May 1.

Course Policies

Course Management: All files for the course will be posted on Blackboard. To get to the Blackboard main page, go to <https://classes.emory.edu> and then use your e-mail ID and Password to log in and select your course. Additional details about the assignments and grades will also be posted on Blackboard.

Writing Support: You are encouraged to seek assistance with the Emory Writing Center, which can provide support on all aspects of the writing process, including organization and grammar. For more details, call the Emory Writing Center at 404-727-6451 or visit their website: <http://www.writingcenter.emory.edu/index.html>.

The use of cell phones and laptops are not permitted in class. You are expected to attend class on time. Arriving late to class and using cell phones or laptops is disruptive and creates a negative externality.

Honor Code

The Emory University Honor Code is taken seriously and governs all work in this course. Details about the Honor Code are available at: http://www.college.emory.edu/current/standards/honor_code.html