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Department of Economics  
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ECON 372: Health Policy and Economics  
Emory University Piedmont Project

I was interested in participating in the Piedmont Project to learn more about federal and local environmental policies and their influence on health so that I could incorporate this knowledge and perspective into my course “Health Policy and Economics.” This is a course that I designed and taught for the first time in Spring 2010 and will teach again in Fall 2010.

The course currently focuses on the influence of government policies on health behaviors and the role of government in the health insurance market. In the beginning part of the course, we discuss how the actions of an individual can impose costs on others and the influence of government policies such as taxes and regulation on these actions and costs. For example, we discuss the influence of smoking on the health and welfare of others and the impact of cigarette taxes and smoking bans. Through the Piedmont Project, I wanted to broaden the focus of this section of the course to incorporate a discussion of the influence of pollution on health outcomes, the impact of government policies to reduce pollution on health outcomes, and the potential impact of alternative policies. While preparing for this course and revising the syllabus, I have added readings about acid rain, air pollution, and global warming. We will discuss the Clean Air Act and the Kyoto Treaty. Students will engage in a formal debate on the pros and cons of a cap-and-trade policy compared to a carbon tax on global warming and health outcomes. Because this is a writing requirement course, students will prepare a paper for the course that analyzes any government policy of their choice that is related to health. By including a section of the course about the relationships between environmental policy and health outcomes, I hope to encourage students to consider writing about this topic. From the Piedmont Project, I have also learned about many interesting local policies in the Atlanta/Emory area that can influence both the environment and health and will continue to reflect on how to

introduce these topics into the course and to further engage students in this material.

## **Economics 372SWR: Health Policy & Economics**

Emory University

Spring 2010

Professor David Frisvold    Classes: T, Th 2:30-3:45

Rich Building 322    Room: Rich 108

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### **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.

Prerequisites: Economics 101 (Principles Microeconomics)

### **Text**

*Public Finance and Public Policy*, by Jonathan Gruber, Worth Publishers, Third Edition, 2010.

Textbook Website (Student Center): [http://bcs.worthpublishers.com/gruber3e/default.asp#t\\_544924](http://bcs.worthpublishers.com/gruber3e/default.asp#t_544924)

The cost of this text through various retailers online is about \$150. An electronic version of this text is available through CourseSmart (<http://www.coursesmart.com/9781429250009?instructor=2487140>) for \$75. Two copies will be available for your access in the reserve room of Woodruff library. Selected chapters from this text will form the basis for each topic in the course, but the entire book will not be covered.

### **Course Outline**

Chapter numbers for the readings refer to the chapters in your text. Journal articles are available online through the Emory library (search for the journal name in discoverE and then find the article within the

journal database) or directly through an online search engine. The dates listed below are tentative and the schedule may change. 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.

Week 1: 8/26 Course Overview

Week 2: 8/31 & 9/2 Review of Micro, Externalities: Overview  
Ch. 2; Ch. 5

Week 3: 9/7 & 9/9 Externalities: Overview, Acid Rain/Air Pollution  
Ch. 5; Ch. 6 (acid rain); Chay and Greenstone (2003)

Week 4: 9/14 Externalities: Air Pollution, Global Warming  
Moretti and Neidell (2009); Ch. 6

(Global warming)

Week 5: 9/21 & 9/23 Externalities: Smoking  
Carpenter and Cook (2008); Adda

and Cornaglia (2006)

Week 6: 9/28 & 9/30 Externalities: Alcohol  
Carpenter and Dobkin (2009); Dee  
(2001)

*Debate 1 on 9/30*

Week 7: 10/5 & 10/7 Externalities: Obesity  
Finkelstein, Ruhm, and Kosa  
(2005)

*Debate 2 on 10/7*

Week 8: 10/14 (NC: 10/12) Externalities: Obesity  
Fletcher, Frisvold, and Tefft (2009)  
Cawley, Meyerhoefer, and  
Newhouse (2007)

*Paper topic due on 10/14*

Week 9: 10/19 & 10/21 Overview of Insurance  
Ch. 12

Week 10: 10/26 & 10/28 Health Insurance: Overview  
Ch. 15

Week 11: 11/2 (NC: 11/4) Health Insurance: Overview  
Manning et al. (1987)

Week 12: 11/9 & 11/11 Health Insurance: Public Coverage  
Ch. 16

*Paper draft due on 11/9*

Week 13: 11/16 & 11/18 Health Insurance: Expansions of Coverage  
Lo Sasso and Buchmueller (2004)  
Finkelstein and McKnight (2008)

Week 14: 11/23 (NC: 11/25) work on your paper

Week 15: 11/30 & 12/2 Health Reform Debates

*Debate 3 on 11/30*

*Debate 4 on 12/2*

### **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.
- Dee, Thomas S. "Does Setting Limits Save Lives? The Case of 0.08 BAC Laws," *Journal of Policy Analysis and Management* 2001 20(1): 113-130.
- Finkelstein, Ruhm, and Kosa (2005) "Economic Causes and Consequences of Obesity," *Annual Review of Public Health*, 26, 239-257.

- 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.
- Fletcher, Frisvold, and Tefft (2009) “The Effects of Soft Drink Taxes on Child and Adolescent Consumption and Weight Outcomes,” Emory WP 09-08.
- 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 20 %

*Paper:* The paper will be due during the final exam period for the class no later than 11:00am on December 9. 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. 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 October 14. Late proposals will decrease your participation grade. A draft of your paper will be due by the beginning of class on November 9. The draft will not be graded but it will be edited and 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:* 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. Teams will research and prepare the arguments together and all team members 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; thus, it must be clear and concise. This paper will be due at the beginning of the debate.

*Class Participation:* All students are expected to attend each class and participate in the discussion.

### **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. The lecture material from the text will be posted in the “Course Documents” section of the course. Additional details about the assignments and grades will also be posted on Blackboard. The use of cell phones and laptops are not permitted in class.

### **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](http://www.college.emory.edu/current/standards/honor_code.html)