

**HEALTH ECONOMICS II: DEMAND FOR HEALTH AND HEALTH CARE**  
**ECONOMICS 9620-005**  
**CRN 16549**  
**SPRING 2015**

Time: Mondays and Wednesdays 1:30-2:45  
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**Course Description:**

The field of health economics can be broadly described as consisting of two parts: 1) the “demand side,” or factors influencing individuals’ demand for health and medical care, and 2) the “supply side,” or factors influencing health care providers’ supply of medical services. This course focuses on the demand side of the field, divided into eight segments: 1) an introduction that focuses on trends in health care spending, 2) the human capital model of health, 3) socioeconomic status and health, 4) health insurance and health, 5) economic models of addiction, 6) the economics of smoking, 7) the economics of alcohol, and 8) the economics of obesity.

**Course Objectives:**

By the end of the semester, you should understand:

- 1) Trends related to health care spending growth, and the welfare implications of these trends.
- 2) How health can be modeled in a human capital framework, and the limitations of such an approach.
- 3) The literature’s key conclusions regarding the link between socioeconomic status (as measured by education, income, and unemployment) and health.
- 4) The literature’s key conclusions regarding how health insurance influences the demand for health and medical care, as well as how these results help predict the effects of the health care reform law of 2010.
- 5) The strengths and weaknesses of economic models of addiction.
- 6) The economic causes and consequences of smoking.
- 7) The economic causes and consequences of alcohol consumption.
- 8) The economic causes and consequences of obesity.

**Suggested Texts:**

Culyer, Anthony and Newhouse, Joseph (eds.), 2000. *Handbook of Health Economics, Volume 1 (A and B)*. Waltham, MA: North Holland.

Pauly, Mark, Thomas McGuire, and Pedro Barros (eds.), 2012. *Handbook of Health Economics, Volume 2*. Waltham, MA: North Holland.

**Prerequisite:**

ECON 9010, B- and ECON 9030, B- or consent of instructor

**Course Format:**

Class meetings will largely consist of lectures based on the corresponding readings. We will also have several “open discussions” of academic journal articles at the end of the lectures. Additionally, each student will present one journal article, which will take the place of the open discussion of the article on the corresponding day. You will also have two exams and a literature review paper, discussed below.

**Grading:**

Presentation	20%
Paper	30%
Midterm Exam	20%
Final Exam	20%
Class Participation	10%

**Presentation:**

Each student will make one 20 minute Power Point presentation of a paper of his/her choice from the options in bold given on the reading list. Papers will be claimed on a first-come, first-served basis; if someone has already claimed your choice I will ask you to make a different selection. Each presentation will be followed by 5 minutes of audience questions, and handling of these questions will count toward the presenter's grade.

**Paper:**

Each student will write a literature review paper on a health economics topic of his/her choice, subject to my approval. There is no specific page requirement. 10 double spaced pages might be a good target, but an efficiently-written paper could be shorter, while a student wishing to use the paper as a springboard to a dissertation may choose to write more. The paper will mostly consist of discussions of prior research, but should end with discussions of three open questions in the literature plus a proposed strategy for answering at least one of these questions. The paper is due on the last day of the final exam period: May 5.

**Exams:**

You will have two exams, a midterm and final. The midterm exam will be on March 2, while the final exam will be on April 29.

**Class Attendance and Participation:**

Class attendance is and active participation is expected. Participation is worth 10% of your grade.

**Academic Honesty:**

Students are expected to abide by GSU's Policy on Academic Honesty (Section 409), available at <http://www2.gsu.edu/~wwwfhh/sec409.html>.

## **Reading List:**

The “required” readings, which consist of one “overview reading” (typically a literature review) and two journal articles for each class meeting, are in bold. The other readings are “optional,” meaning that I will touch on them in the lectures but not discuss them as extensively as the required readings. Evidence of repeatedly coming to class not prepared to discuss the required readings will count against your participation score, but this will not be the case for the optional readings. In other words, you may use the optional readings however you wish – perhaps to further investigate particular topics that you find interesting.

## **I. Health Care Spending**

### Overview Readings

**Chernew, Michael and Joseph Newhouse (2011). “Health Care Spending Growth.” Chapter 1 in *Handbook of Health Economics, Vol. 2*, 1-43.**

### Journal Articles

**Acemoglu, Daron, Amy Finkelstein, and Matthew Notowidigdo (2013). “Income and Health Spending: Evidence from Oil Price Shocks.” *Review of Economics and Statistics*, 95(4), 1079-1095.**

Arrow, Kenneth (1963). “Uncertainty and the Welfare Economics of Medical Care” *American Economic Review*, 53(5), 941-973.

**Cutler, David and Mark McClellan (2001). “Is Technological Change in Medicine Worth It?” *Health Affairs*, 20(5), 11-29.**

Getzen, Thomas (2000). “Health Care is an Individual Necessity and a National Luxury: Applying Multilevel Decision Models to the Analysis of Health Care Expenditures.” *Journal of Health Economics*, 19(2), 259-270.

Hartman, Micah, Anne Martin, Joseph Benson, Aaron Catlin, and the National Health Expenditure Accounts Team (2012). “National Health Spending in 2011: Overall Growth Remains Low, But Some Payers and Services Show Signs of Acceleration.” *Health Affairs*, 32(1), 87-99.

Pauly, Mark (2003). “Should We Be Worried About High Real Medical Spending Growth in the United States?” *Health Affairs*, 22, w3-w15.

Skinner, Jonathan, Douglas Staiger, and Elliott Fisher (2006). “Is Technological Change in Medicine Always Worth It? The Case of Acute Myocardial Infarction.” *Health Affairs*, 25, w34-w47.

White, Chapin (2007). “Health Care Spending Growth: How Different is the United

States from the Rest of the OECD?" *Health Affairs*, 26(1), 154-161.

## **II. Human Capital Model of Health**

### Overview Readings

**Grossman, Michael (2000).** "The Human Capital Model." Chapter 7 in *Handbook of Health Economics, Vol. 1*, 347-408.

Currie, Janet (2000). "Child Health in Developed Countries." Chapter 19 in *Handbook of Health Economics, Vol. 1*, 1053-1090.

Kenkel, Donald (2000). "Prevention." Chapter 31 in *Handbook of Health Economics, Vol. 1*, 1675-1720.

### Journal Articles

Ehrlich, Isaac, and Chuma, Hiroyuki (1990). "A Model of the Demand for Longevity and the Value of Life Extension." *Journal of Political Economy*, 98(4), 761-782.

**Grossman, Michael (1972).** "On the Concept of Health Capital and the Demand for Health." *Journal of Political Economy*, 80(2), 223-255.

Leibowitz, Arleen (2004). "The Demand for Health and Health Concerns After 30 Years." *Journal of Health Economics*, 23(4), 663-671.

**Muurinen, Jaana-Marja (1982).** "Demand for Health: A Generalised Grossman Model." *Journal of Health Economics*, 1(1), 5-28.

Wagstaff, Adam (1986). "The Demand for Health: Theory and Applications." *Journal of Epidemiology and Community Health*, 40(1), 1-11.

## **III. Socioeconomic Status and Health**

### **IIIA. Income**

#### Overview Readings

Cawley, John, and Christopher Ruhm (2011). "The Economics of Risky Health Behaviors." Chapter 3 in *Handbook of Health Economics, Vol. 2*, Ch. 3, 95-199.

Deaton, Angus (2002). "Policy Implications of the Gradient of Health and Wealth." *Health Affairs*, 21(2), 13-30.

Fleurbaey, Marc and Eric Schokkaert (2011). "Equity in Health and Health Care." Chapter 16 in *Handbook of Health Economics, Vol. 2*, 1003-1092.

**Smith, James (1999). "Healthy Bodies and Thick Wallets: The Dual Relationship Between Health and Economic Status." *Journal of Economic Perspectives*, 13(2), 145-166.**

Journal Articles

Impact of Income on Health

Adda, Jerome, James Banks, and Hans-Martin von Gaudecker (2009). "The Impact of Income Shocks on Health: Evidence from Cohort Data." *Journal of the European Economic Association*, 7(6), 1361-1399.

Apouey, Benedicte and Andrew Clark (2010). "Winning Big but Feeling No Better? The Effect of Lottery Prizes on Physical and Mental Health." *Health Economics*, forthcoming.

**Case, Anne, Darren Lubotsky and Chris Paxson (2002). "Economic Status and Health in Childhood: The Origins of the Gradient." *American Economic Review*, 92(5), 1308-1334.**

Cawley, John, John Moran, and Kosali Simon (2010). "The Impact of Income on the Weight of Elderly Americans." *Health Economics*, 19, 979-993.

Currie, Janet and Mark Stabile (2003). "Socioeconomic Status and Child Health: Why is the Relationship Stronger for Older Children?" *American Economic Review*, 93(5), 1813-1823.

**Evans, William and Steven Snyder (2006). "The Impact of Income on Mortality: Evidence from the Social Security Notch." *Review of Economics and Statistics*, 88(3), 482-495.**

Frijters, Paul, John Haisken-DeNew, and Michael Shields (2005). "The Causal Effect of Income on Health: Evidence from German Reunification." *Journal of Health Economics*, 24(5), 997-1017.

Lindahl, Mikael (2005). "Estimating the Effect of Income on Health and Mortality Using Lottery Prizes as an Exogenous Source of Variation in Income." *Journal of Human Resources*, 40(1), 144-168.

Schmeiser, Maximilian (2009). "Expanding Wallets and Waistlines: The Impact of Family Income on the BMI of Women and Men Eligible for the Earned Income Tax Credit." *Health Economics*, 18, 1277-1294.

### Impact of Health on Income

Auld, M. Christopher. "Smoking, Drinking, and Income." *Journal of Human Resources*, 2005, 40(2), 505-518.

Jackle, Robert and Oliver Himmler (2010). "Health and Wages: Panel Data Estimates Considering Selection and Endogeneity." *Journal of Human Resources*, 45(2), 364-406.

Halla, Martin and Martina Zweimuller (2011). "The Effect of Health on Income: Quasi-Experimental Evidence from Commuting Accidents." *Labour Economics*, 24, 23-38.

Mullahy, John and Jody Sindelar (1993). "Alcoholism, Work, and Income." *Journal of Labor Economics*, 11(3), 494-520.

Mullahy, John and Jody Sindelar (1996). "Employment, Unemployment, and Problem Drinking." *Journal of Health Economics*, 15, 409-434.

Van Ours, Jan (2004). "A Pint a Day Raises a Man's Pay; But Smoking Blows that Gain Away." *Journal of Health Economics*, 23, 863-886.

Wu, Stephen (2003). "The Effects of Health Events on the Economic Status of Married Couples." *Journal of Human Resources*, 38(1), 219-230.

### **IIIB. Education**

#### Overview Readings

**Cutler, David and Adriana Lleras-Muney (2008). "Education and Health: Evaluating Theories and Evidence." Chapter 2 in *Making Americans Healthier: Social and Economic Policy as Health Policy*. New York: Russell Sage Foundation.**

Fleurbaey, Marc and Eric Schokkaert (2011). "Equity in Health and Health Care." Chapter 16 in *Handbook of Health Economics, Vol. 2*, 1003-1092.

#### Journal Articles

Albouy, Valerie and Laurent Lequien (2009). "Does Compulsory Education Lower Mortality." *Journal of Health Economics*, 28(1), 155-168.

Arendt, Jacob (2005). "Does Education Cause Better Health? A Panel Data Analysis Using School Reforms for Identification." *Economics of Education Review*, 24(2), 149-160.

Berger, Mark and J. Paul Leigh (1989). "Schooling, Self-Selection, and Health." *Journal of Human Resources*, 24(3), 433-455.

**Chou, Shin-Yi, Jin-Tan Liu, Michael Grossman, and Theodore Joyce (2010). “Parental Education and Child Health: Evidence from a Natural Experiment in Taiwan.” *American Economic Journal: Applied Economics*, 2(1), 33-61.**

Currie, Janet and Enrico Moretti (2003). “Mother’s Education and the Intergenerational Transmission of Human Capital: Evidence from College Openings.” *Quarterly Journal of Economics*, 118(4): 1495-1532.

de Walque, Damien. (2007). “Does Education Affect Smoking Behavior? Evidence Using the Vietnam Draft as an Instrument for College Education.” *Journal of Health Economics*, 26(5), 877-895.

Fuchs, Victor (1982). “Time Preference and Health: An Exploratory Study.” In *Economic Aspects of Health*, ed. Victor Fuchs, 93-120, Chicago: University of Chicago Press.

Grimard, Franque and Daniel Parent (2007). “Education and Smoking: Were Vietnam War Draft Avoiders More Likely to Avoid Smoking?” *Journal of Health Economics*, 26(5), 896-926.

Kemptner, Daniel, Hendrik Jürges, and Steffen Reinhold (2011). “Changes in Compulsory Schooling and the Causal Effect of Education on Health: Evidence from Germany.” *Journal of Health Economics*, 30(2), 340-354.

Kenkel, Donald, Dean Lillard, and Alan Mathios (2006). “The Roles of High School Completion and GED Receipt in Smoking and Obesity.” *Journal of Labor Economics*, 24(3), 635-660.

Kenkel, Donald (1991). “Health Behavior, Health Knowledge, and Schooling.” *Journal of Political Economy*, 99(2), 287-305.

Lindeboom, Marten, Ana Llena-Nozal, and Bas van der Klaauw (2009). “Parental Education and Child Health: Evidence from a Schooling Reform.” *Journal of Health Economics*, 28(1), 109-131.

**Lleras-Muney, Adriana (2005). “The Relationship Between Education and Adult Mortality in the United States.” *Review of Economic Studies*, 72(1), 198-221.**

Nayga, Rodolfo (2000). “Schooling, Health Knowledge and Obesity.” *Applied Economics*, 32(7), 815-822.

Oreopoulos (2006). “Estimating Average and Local Average Treatment Effects of Education when Compulsory Schooling Laws Really Matter.” *American Economic Review*, 96(1), 152-175.

Sander, William (1995a). "Schooling and Quitting Smoking." *Review of Economics and Statistics*, 77(1), 191-199.

Sander, William (1995b). "Schooling and Smoking." *Economics of Education Review*, 14(1), 23-33.

Silles, Mary (2009). "The Causal Effect of Education on Health: Evidence from the United Kingdom." *Economics of Education Review*, 28(1), 122-128.

### **IIIC. Unemployment**

#### Overview Readings

**Ruhm, Christopher (2006). "Macroeconomic Conditions, Health and Mortality." Chapter 1 in *Elgar Companion to Health Economics*, Andrew Jones, ed. Northampton, MA: Edward Elgar Publishing, Inc.**

#### Journal Articles

Currie, Janet and Erdal Tekin (2011). "Is there a Link Between Foreclosure and Health?" National Bureau of Economic Research Working Paper #17310.

Evans, William and Timothy Moore (2012). "Liquidity, Activity, Mortality." *Review of Economics and Statistics*, 94(2), 400-418.

Heutel, Garth and Christopher Ruhm (2013). "Air Pollution and Procyclical Mortality." NBER Working Paper #18959.

**Ruhm, Christopher (2000). "Are Recessions Good for Your Health?" *Quarterly Journal of Economics*, 115(2), 617-650.**

Ruhm, Christopher (2005). "Healthy Living in Hard Times." *Journal of Health Economics*, 24(2), 341-363.

Ruhm, Christopher (2013). "Recessions, Healthy No More?" NBER Working Paper #19287.

Tekin, Erdal, Chandler McClellan, and Karen Minyard (2013). "Health and Health Behaviors during the Worst of Times: Evidence from the Great Recession." NBER Working Paper 19234.

## IV. Health Insurance and Health

### IVA. Health Insurance and Health: Randomized Experiments

#### Overview Readings

**Levy, Helen and David Meltzer (2004).** “What Do We Really Know about Whether Health Insurance Affects Health?” Chapter 4 in *Health Policy and the Uninsured*, pp. 179-204. Washington, D.C.: The Urban Institute Press.

McGuire, Thomas (2011). “Demand for Health Insurance.” Chapter 5 in *Handbook of Health Economics, Vol. 2*, 317-387.

#### Journal Articles

Baicker, Katherine, Sarah Taubman, Heidi Allen, Mira Bernstein, Jonathan Gruber, Joseph Newhouse, Eric Schnieder, Bill Wright, Alan Zaslavsky, Amy Finkelstein, and the Oregon Health Study Group. “The Oregon Experiment – Medicaid’s Effects on Clinical Outcomes.” *New England Journal of Medicine*, 368(18), 1713-1722.

Brook, Robert et al. (1983). “Does Free Care Improve Adults’ Health? Results from a Randomized Controlled Trial.” *New England Journal of Medicine*, 309(23), 1426-1434.

**Finkelstein Amy, Sarah Taubman, Bill Wright, Mira Bernstein, Jonathan Gruber, Joseph Newhouse, Heidi Allen, Katherine Baicker, and The Oregon Health Study Group (2012).** “The Oregon Health Insurance Experiment: Evidence from the First Year.” *Quarterly Journal of Economics*, 127(3), 1057-1106.

Lurie N, Kamberg CJ, Brook RH, Keeler EB, Newhouse JP (1989). “How Free Care Improved Vision in the Health Insurance Experiment. *American Journal of Public Health* 79, 640-642. [Erratum, *American Journal of Public Health* 1989, 79, 1677.]

Keeler EB, Brook RH, Goldberg GA, Kamberg CJ, Newhouse JP (1985). “How Free Care Reduced Hypertension in the Health Insurance Experiment.” *Journal of the American Medical Association* 254, 1926-1931.

**Manning, Willard, Joseph Newhouse, Naihua Duan, Emmett Keeler, Arleen Leibowitz, and M. Susan Marquis (1987).** “Health Insurance and the Demand for Medical Care: Evidence from a Randomized Experiment.” *American Economic Review*, 77(3), 251-77.

Taubman, Sarah, Heidi Allen, Bill Wright, Katherine Baicker, Amy Finkelstein, and the Oregon Health Study Group. “Medicaid Increases Emergency Department Use: Evidence from Oregon’s Health Insurance Experiment.” *Science*, forthcoming.

## **IVB. Health Insurance and Health: Natural Experiments**

### Overview Readings

Levy, Helen and David Meltzer (2004). “What Do We Really Know about Whether Health Insurance Affects Health?” Chapter 4 in *Health Policy and the Uninsured*, pp. 179-204. Washington, D.C.: The Urban Institute Press.

**McGuire, Thomas (2011). “Demand for Health Insurance.” Chapter 5 in *Handbook of Health Economics, Vol. 2, 317-387.***

### Journal Articles

Card, David, Carlos Dobkin, and Nicole Maestas (2008). “The Impact of Nearly Universal Insurance Coverage on Health Care Utilization: Evidence from Medicare.” *American Economic Review*, 98(5), 2242-2258.

**Card David, Carlos Dobkin, and Nicole Maestas (2009). “Does Medicare Save Lives?” *Quarterly Journal of Economics*, 124(2), 597-636.**

**Currie, Janet and Jonathan Gruber (1996a). “Health Insurance Eligibility, Utilization of Medical Care, and Child Health.” *Quarterly Journal of Economics*, 111(2), 431-466.**

Currie, Janet and Jonathan Gruber (1996b). “Saving Babies: The Efficacy and Cost of Recent Changes in the Medicaid Eligibility of Pregnant Women.” *Journal of Political Economy*, 104(6), 1263–1296.

Dafny, Leemore and Jonathan Gruber (2005). “Public Insurance and Child Hospitalizations: Access and Efficiency Effects.” *Journal of Public Economics*, 89, 109-129.

Dave, Dhaval and Robert Keastner (2009). “Health Insurance and Ex Ante Moral Hazard: Evidence from Medicare.” *International Journal of Health Care Finance and Economics*, 9(4), 367-390.

Finkelstein, Amy and Robin McKnight (2008). “What Did Medicare Do? The Initial Impact of Medicare on Mortality and Out of Pocket Medical Spending.” *Journal of Public Economics*, 92, 1644-1668.

Hanratty, Maria (1996). “Canadian National Health Insurance and Infant Health.” *American Economic Review*, 86(1), 276-284.

Lichtenberg, Frank (2002). “The Effects of Medicare on Health Care Utilization and Outcomes.” In *Frontiers in Health Policy Research, Volume 5*, Cambridge, MA: MIT Press.

## IVC. Health Care Reform

### Overview Readings

Gruber, Jonathan (2008). Incremental Universalism for the United States: The States Move First? *Journal of Economic Perspectives*, 22(4), 51-68.

**Gruber, Jonathan (2011). The Impact of the Affordable Care Act: How Reasonable are the Projections? National Bureau of Economic Research Working Paper #17168.**

Patel K., McDonough J. (2010). From Massachusetts to 1600 Pennsylvania Avenue: Aboard the Health Reform Express. *Health Affairs*, 29(6), 1106-1110.

### Journal Articles

Akosa Antwi, Yaa, Asako Moriya, and Kosali Simon (2014). "Access to Health Insurance and the Use of Inpatient Medical Care: Evidence from the Affordable Care Act Young Adult Mandate." *Journal of Health Economics*, forthcoming.

Akosa Antwi, Yaa, Asako Moriya, and Kosali Simon (2014). "Effects of Federal Policy to Insure Young Adults: Evidence from the 2010 Dependent Coverage Mandate." *American Economic Journal: Economic Policy*, forthcoming.

**Barbaresco, Silvia, Charles Courtemanche, and Yanling Qi (2014). "Impacts of the Affordable Care Act Dependent Coverage Provision on Health-Related Outcomes of Young Adults." *Journal of Health Economics*, forthcoming.**

Courtemanche, Charles and Daniela Zapata (2014). "Does Universal Coverage Improve Health? The Massachusetts Experience." *Journal of Policy Analysis and Management*, 33(1), 36-69.

**Kolstad, Jonathan and Amanda Kowalski (2012). "The Impact of Health Care Reform on Hospital and Preventive Care: Evidence from Massachusetts." *Journal of Public Economics*, 96(11), 909-929.**

Long S., Stockely K. and Yemane A. (2009). Another Look at the Impacts of Health Reform in Massachusetts: Evidence Using New Data and a Stronger Model. *American Economic Review Papers and Proceedings*, 99(2), 508-511.

Miller, Sarah (2011). "The Effect of Insurance on Outpatient Emergency Room Visits: An Analysis of the 2006 Massachusetts Health Reform." *Journal of Public Economics*, 96(11), 893-908.

Miller, Sarah (2012). "The Impact of the Massachusetts Health Care Reform on Health Care Use among Children." *American Economic Review Papers and Proceedings*, 102(3), 502-507.

Sommers, Benjamin, Katherine Baicker, and Arnold Epstein (2012). "Mortality and Access to Care among Adults after State Medicaid Expansions." *New England Journal of Medicine*, 367, 1025-1034.

Sommers, Benjamin, Sharon Long, and Katherine Baicker (2014). "Changes in Mortality after Massachusetts Health Care Reform: A Quasi-Experimental Study." *Annals of Internal Medicine*, 160, 585-593.

## **V. Economics of Addiction**

### Overview Readings

**Cawley, John, and Christopher Ruhm (2011). "The Economics of Risky Health Behaviors." Chapter 3 in *Handbook of Health Economics, Vol. 2*, 95-199.**

### Journal Articles

Auld, M. Christopher and Paul Grootendorst (2004). "An Empirical Analysis of Milk Addiction." *Journal of Health Economics*, 23, 1117-1133.

**Becker, Gary and Kevin Murphy (1988). "A Theory of Rational Addiction." *Journal of Political Economy*, 96(4), 675-700.**

Becker, Gary, Michael Grossman, and Kevin Murphy (1991). "Rational Addiction and the Effect of Price on Consumption." *American Economic Review Papers and Proceedings*, 106(2), 237-241.

Becker, Gary, Michael Grossman, and Kevin Murphy (1994). "An Empirical Analysis of Cigarette Addiction." *American Economic Review*, 84(3), 396-418.

Bradford, David, Charles Courtemanche, Garth Heutel, Patrick McAlvanah, and Christopher Ruhm (2014). "Time Preferences and Consumer Behavior." NBER Working Paper #20320.

Chaloupka, Frank (1991). "Rational Addictive Behavior and Cigarette Smoking." *Journal of Political Economy*, 99(4), 722-742.

**Gruber, Jonathan and Botond Kosegi (2001). "Is Addiction 'Rational'? Theory and Evidence." *Quarterly Journal of Economics*, 116(4), 1261-1303.**

Orphanides, Athanasios and David Zervos (1998). "Myopia and Addictive Behaviors." *Economic Journal*, 108(446), 75-91.

## **VI. Economics of Smoking**

### Overview Readings

Cawley, John, and Christopher Ruhm (2011). "The Economics of Risky Health Behaviors." Chapter 3 in *Handbook of Health Economics*, Vol. 2, 95-199.

**Chaloupka, Frank and Kenneth Warner (2000). "The Economics of Smoking." Chapter 29 in *Handbook of Health Economics*, Vol. 1, 1539-1627.**

### Journal Articles

Abrevaya, Jason and Laura Puzello (2012). "Taxes, Cigarette Consumption, and Smoking Intensity: Comment." *American Economic Review*, 102(4), 1751-1763.

Adda, Jerome and Francesca Cornaglia (2006). "Taxes, Cigarette Consumption, and Smoking Intensity." *American Economic Review*, 96(4), 1013-1028.

Avery, Rosemary, Donald Kenkel, Dean Lillard, and Alan Mathios (2007). "Private Profits and Public Health: Does Advertising Smoking Cessation Products Encourage Smokers to Quit?" *Journal of Political Economy*, 115(3), 447-481.

Cawley, John, Sara Markowitz, and John Tauras (2004). "Lighting Up and Slimming Down: The Effects of Body Weight and Cigarette Prices on Adolescent Smoking Initiation." *Journal of Health Economics*, 23(2), 293-311.

DeCicca, Philip (2002). "Putting Out the Fires: Will Higher Taxes Reduce the Onset of Youth Smoking." *Journal of Political Economy*, 110(1), 144-169.

**Evans, William (1999). "Do Workplace Smoking Bans Reduce Smoking?" *American Economic Review*, 89(4), 176-194.**

**Gine, Xavier, Dean Karlan, and Jonathan Zinman (2010). "Put Your Money where Your Butt Is: A Commitment Contract for Smoking Cessation." *American Economic Journal: Applied Economics*, 2, 213-235.**

Viscusi, Kip (1990). "Do Smokers Underestimate Risks?" *Journal of Political Economy*, 98(6), 1253-1269.

## **VII. Economics of Alcohol**

### Overview Readings

Cawley, John, and Christopher Ruhm (2011). "The Economics of Risky Health Behaviors." Chapter 3 in *Handbook of Health Economics*, Vol. 2, Ch. 3, 95-199.

**Cook, Philip (2000). "Alcohol." Chapter 30 of *Handbook of Health Economics, Vol. 1*, 1629-1673.**

Journal Articles

Carpenter, Christopher (2007). "Heavy Alcohol Use and Crime: Evidence from Underage Drunk Driving Laws." *Journal of Law and Economics*, 50(3), 539-557.

**Carpenter, Christopher and Carlos Dobkin (2009). "The Effect of Alcohol Consumption on Mortality: Evidence from the Minimum Drinking Age." *American Economic Journal: Applied Economics*, 1(1), 164-182.**

Coate, D and Michael Grossman (1988). "Effects of Alcoholic Beverage Prices and Legal Drinking Ages on Youth Alcohol Use." *Journal of Law and Economics*, 31(1): 145-171.

Cook, Philip and George Tauchen (1982). "The effect of liquor taxes on heavy drinking." *Bell Journal of Economics* (now the *Rand Journal of Economics*), 13(2), 379-390.

Dee, Thomas. (1999). "State Alcohol Policies, Teen Drinking, and Traffic Fatalities." *Journal of Public Economics*, 72(2). 289-315.

Dee, Thomas and William Evans (2003). "Teen Drinking and Educational Attainment: Evidence from Two-Sample Instrumental Variables Estimates." *Journal of Labor Economics*, 21(1), 178-209.

Markowitz, Sara and Michael Grossman (2000). "The Effects of Beer Taxes on Physical Child Abuse." *Journal of Health Economics*, 19(2), 271-282.

Mullahy, John and Jody Sindelar (1996). "Employment, Unemployment, and Problem Drinking." *Journal of Health Economics*, 15(4), 409-434.

Pacula, Rosalie (1998). "Does Increasing the Beer Tax Reduce Marijuana Consumption." *Journal of Health Economics*, 17(5), 557-585.

Ruhm, Christopher (1996). "Alcohol Policies and Highway Vehicle Fatalities." *Journal of Health Economics*, 15(4), 435-454.

Saffer, Henry (1997). "Alcohol Advertising and Motor Vehicle Fatalities." *Review of Economics and Statistics*, 79(3), 431-442.

Saffer, Henry and Michael Grossman (1987). "Beer Taxes, the Legal Drinking Age, and Youth Motor Vehicle Fatalities." *Journal of Legal Studies*, 16, 351-374.

## VIII. Economics of Obesity

### VIIIA. Theory

#### Overview Readings

**Cawley, John, and Christopher Ruhm (2011).** “The Economics of Risky Health Behaviors.” Chapter 3 of *Handbook of Health Economics, Vol. 2*, 95-199.

#### Journal Articles

**Cutler, David, Edward Glaeser, and Jesse Shapiro (2003).** “Why Have Americans Become More Obese?” *Journal of Economic Perspectives*, 17, 93-118.

Philipson, T. and Posner, R. (2003): “The Long-Run Growth in Obesity as a Function of Technological Change,” *Perspectives in Biology and Medicine*, 46, S87-S107.

**Ruhm, Christopher (2012).** “Understanding Overeating and Obesity.” *Journal of Health Economics*, 31, 781-796.

Courtemanche, Charles, Garth Heutel, and Patrick McAlvanah (2012). “Impatience, Incentives, and Obesity.” *Economic Journal*, forthcoming.

### VIIIB. Causes of Adult Obesity

#### Overview Readings

Cawley, John, and Christopher Ruhm (2011). “The Economics of Risky Health Behaviors.” Chapter 3 of *Handbook of Health Economics, Vol. 2*, 95-199.

**Rosin, Odelia (2008).** “The Economic Causes of Obesity: A Survey.” *Journal of Economic Surveys*, 22(4), 617-647.

#### Journal Articles

Anderson, Michael and David Matsa (2011). “Are Restaurants Really Supersizing America?” *American Economic Journal: Applied Economics*, 3, 152-188.

Cutler, David, Edward Glaeser, and Jesse Shapiro (2003). “Why Have Americans Become More Obese?” *Journal of Economic Perspectives*, 17, 93-118.

Chou, Shin-Yi, Michael Grossman, and Henry Saffer (2004). “An Economic Analysis of Adult Obesity: Results from the Behavioral Risk Factor Surveillance System.” *Journal of Health Economics*, 23, 565-587.

Lakdawalla, Darius, Tomas Philipson, and Jay Bhattacharya (2005). "Welfare-Enhancing Technological Change and the Growth of Obesity." *American Economic Review Papers and Proceedings*, 95, 253-257.

Courtemanche, Charles (2009). "Rising Cigarette Prices and Rising Obesity: Coincidence or Unintended Consequence?" *Journal of Health Economics*, 28, 781-798.

Zhao, Zhenxiang and Robert Kaestner (2010). "Effects of Urban Sprawl on Obesity." *Journal of Health Economics*, 29, 779-787.

**Courtemanche, Charles and Art Carden (2011). "Supersizing Supercenters? The Impact of Walmart Supercenters on Body Mass Index and Obesity." *Journal of Urban Economics*, 69, 165-181.**

Courtemanche, Charles (2011). "A Silver Lining? The Connection between Gasoline Prices and Obesity." *Economic Inquiry*, 49, 935-957.

**Courtemanche, Charles, Garth Heutel, and Patrick McAlvanah (2014). "Impatience, Incentives, and Obesity." *Economic Journal*, forthcoming.**

Courtemanche, Charles, Joshua Pinkston, Christopher Ruhm, and George Wehby (2014). "Can Changing Economic Factors Explain the Rise in Obesity." NBER working paper.

### **VIIIC. Causes of Childhood Obesity**

#### Overview Readings

**Anderson, Patricia and Kristin Butcher (2006). "Childhood Obesity: Trends and Potential Causes." *The Future of Children*, 16(1), 19-45.**

Cawley, John, and Christopher Ruhm (2011). "The Economics of Risky Health Behaviors." Chapter 3 in *Handbook of Health Economics*, Vol. 2, 95-199.

#### Journal Articles

**Anderson, Patricia, Kristin Butcher, and Philip Levine (2003). "Maternal Employment and Overweight Children." *Journal of Health Economics*, 22, 477-504.**

Chou, Shin-Yi, Inas Rashad, and Michael Grossman (2008). "Fast-Food Restaurant Advertising on Television and Its Influence on Childhood Obesity." *Journal of Law and Economics*, 51, 599-618

Currie, Janet, Stefano DellaVigna, Enrico Moretti, and Vikram Pathania (2010). "The Effect of Fast Food Restaurants on Obesity and Weight Gain." *American Economic Journal: Economic Policy*, 2, 32-63.

Fletcher, Jason, David Frisvold, and Nathan Tefft (2010). “The Effects of Soft Drink Taxes on Child and Adolescent Consumption and Weight Outcomes.” *Journal of Public Economics*, 94, 967-974.

Millimet, Daniel, Rusty Tchernis, and Muna Husain (2010). “School Nutrition Programs and the Incidence of Childhood Obesity.” *Journal of Human Resources*, 45, 640-654.

## **VIIID. Consequences of Obesity**

### Overview Readings

**Cawley, John, and Christopher Ruhm (2011). “The Economics of Risky Health Behaviors.” Chapter 3 in Handbook of Health Economics, Vol. 2, 95-199.**

### Journal Articles

Baum, Charles and William Ford (2004). “The Wage Effects of Obesity: A Longitudinal Study.” *Health Economics*, 13, 885-799.

**Cawley, John (2004) “The Impact of Obesity on Wages.” *Journal of Human Resources*, 39, 451-474.**

Flegal, K., B. Graubard, D. Williamson, and M. Gail (2005). “Excess Deaths Associated with Underweight, Overweight, and Obesity.” *Journal of the American Medical Association*, 293, 1861-1867.

Bhattacharya, Jay and Neeraj Sood. (2011). “Who Pays for Obesity?” *Journal of Economic Perspectives*, 25, 139-158.

Cawley, John and Chad Meyerhoefer (2012). “The Medical Care Costs of Obesity: An Instrumental Variables Approach.” *Journal of Health Economics*, 31, 219-230.

**Tentative Course Outline (subject to change):**

Date	Topic	Overview Reading	Journal Article 1	Journal Article 2
Jan. 12 and Jan. 14	I. Introduction	Chernew and Newhouse (2011)	Acemoglu et al. (2013)	Cutler and McClellan (2001)
Jan. 19	Martin Luther King Day – No Class			
Jan. 21 and Jan. 26	II. Human Capital Model of Health	Grossman (2000)	Grossman (1972)	Muurinen (1982)
Jan. 28, Feb. 2, and Feb. 4	IIIA. Socioeconomic Status and Health: Income	Smith (1999)	Case et al. (2002)	Evans and Snyder (2006)
Feb. 9 and Feb. 11	IIIB. Socioeconomic Status and Health: Education	Cutler and Lleras-Muney (2008)	Lleras-Muney (2005)	Chou et al. (2010)
Feb. 16	IIIC. Socioeconomic Status and Health: Unemployment	Ruhm (2006)	Ruhm (2000)	--
Feb. 18 and Feb. 23	IVA. Health Insurance and Health: Randomized Experiments	Levy and Meltzer (2004)	Manning et al. (1987)	Finkelstein et al. (2012)
Feb. 25 and Mar. 2	IVB. Health Insurance and Health: Natural Experiments	McGuire (2011)	Currie and Gruber (1996a)	Card et al. (2009)
Mar. 4	Midterm Exam			
Mar. 9 and Mar. 11	IVC. Health Insurance and Health: Health Care Reform	Gruber (2011)	Kolstad and Kowalski (2012)	Barbaresco et al. (2014)
Mar. 16 and Mar. 18	Spring Break – No Class			
Mar. 23 and Mar. 25	V. Economics of Addiction	Cawley and Ruhm (2011)	Becker and Murphy (1998)	Gruber and Kosegi (2001)
Mar. 30 and Apr. 1	VI. Economics of Smoking	Chaloupka and Warner (2000)	Evans (1999)	Gine et al. (2010)
Apr. 6	VII. Economics of Alcohol	Cook (2000)	Carpenter and Dobkin (2009)	--
Apr. 8 and Apr. 13	VIIIA. Economics of Obesity: Theory	Cawley and Ruhm (2011)	Cutler et al. (2003)	Ruhm (2011)

Apr. 15 and Apr. 20	VIIIB. Economics of Obesity: Causes of Adult Obesity	Rosin (2008)	Courtemanche and Carden (2011)	Courtemanche et al. (2014)
Apr. 22	VIIIC. Economics of Obesity: Causes of Childhood Obesity	Anderson and Butcher (2006)	Anderson et al. (2003)	--
Apr. 27	VIIID. Economics of Obesity: Consequences of Obesity	Cawley and Ruhm (2011)	Cawley (2004)	--
Apr. 29	Final Exam (1:30 to 4)			

*The course syllabus provides a general plan for the course; deviations may be necessary.*