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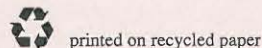


**1999-2000
Lecture-Seminar Series
Department of Economics
College of Arts and Sciences
Western Michigan University
1201 Oliver Street
Kalamazoo, MI 49008-5023**

The Economics of Health Care is the thirty-sixth annual Public Lecture-Seminar Series organized by the Department of Economics at Western Michigan University. This year the series focuses on the role of governments, enterprises, and consumers in health care insurance and provision. This year's series is directed by Huizhong Zhou, Associate Professor of Economics, with the assistance of Donald L. Alexander, Bassam Harik and Allan Hunt, and is co-sponsored by the W. E. Upjohn Institute for Employment Research. All Wednesday afternoon lectures, followed by a question and answer session and a reception, are open to the public. During his or her visit, each scholar will also present an academic seminar to faculty, graduate students and other interested practitioners. For further information, please contact Dr. Zhou at (616) 387-5550, or zhou@wmich.edu, or the WMU Economics Department at (616) 387-5535.

The public lectures in this series also comprise part of a mini-course for academic credit, supervised by Dr. Zhou, and open to graduate and advanced undergraduate students enrolled at Western Michigan University.

Directions: From I-94, take U.S. 131 north to Exit 36A (Stadium Drive). Travel east on Stadium Drive to the fourth traffic light at Howard Street. Turn left onto Howard and take the second right to the WMU campus. Follow the signs to the Miller Auditorium parking ramp. Knauss Hall is the dark brick building opposite the Waldo Library clock tower.



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WESTERN MICHIGAN UNIVERSITY

College of Arts and Sciences
Department of Economics
1999-2000 Guest Lecture-Seminar Series

**The Economics of
Health Care**

Public Lectures on Wednesdays
3:00 P.M. 3508 Knauss Hall
Reception Following

Fall Semester

Jonathan Gruber
Massachusetts Institute of Technology
September 15, 1999

Brigitte C. Madrian
University of Chicago
October 13, 1999

Catherine G. McLaughlin
University of Michigan
November 10, 1999

Winter Semester

Robert B. Helms
American Enterprise Institute
February 16, 2000

David M. Cutler
Harvard University
March 15, 2000

Laurence C. Baker
Stanford University
April 5, 2000

The Department of Economics and the College of Arts and Sciences gratefully acknowledge the co-sponsorship of this series by the W.E. Upjohn Institute for Employment Research, Kalamazoo, Michigan.

This series is directed by Huizhong Zhou, Associate Professor of Economics, with the assistance of Donald L. Alexander, Bassam Harik and Allan Hunt.

**Government Financing of Care for
Low Income Population**



Wednesday
September 15, 1999
3:00 P.M.
3508 Knauss Hall
WMU

Jonathan Gruber
Professor of Economics
Massachusetts Institute of Technology

Dr. Jonathan Gruber is a Professor of Economics at the Massachusetts Institute of Technology, where he has taught since 1992. He is also the Director of the Program on Children at the National Bureau of Economic Research. He is co-editor of the *Journal of Health Economics*, and an Associate Editor of the *Journal of Public Economics*.

Dr. Gruber received his B.S. in Economics from MIT, and his Ph.D. in Economics from Harvard. He has received an Alfred P. Sloan Foundation Research Fellowship, a FIRST award from the National Institute on Aging, and the Kenneth Arrow Award for the Best Paper in Health Economics in 1994. He was one of 15 scientists nationwide to receive the Presidential Faculty Fellow Award from the National Science Foundation in 1995. During the 1997-98 academic year, Dr. Gruber was Deputy Assistant Secretary for Economic Policy at the Treasury Department.

Dr. Gruber's recent research interests include the economics of employer provided health insurance, the efficiency of our current system of delivering health care to the indigent, the costs and benefits of providing social insurance for adverse events such as unemployment and disability, and the effect of the Social Security program on retirement behavior.

Dr. Gruber has written numerous journal articles and book chapters. His recent articles on health economics include: "The Effect of Expanding the Medicaid Program on Public Insurance, Private Insurance, and Redistribution," in *American Economic Review*; "Does Public Insurance Crowd Out Private Insurance?," in *Quarterly Journal of Economics*; "Employment Separation and Health Insurance Coverage" in *Journal of Public Economics*; "Physician Fee Policy and Medicaid Program Costs," in *Journal of Human Resources*; "Medicaid and Private Insurance: Evidence and Policy Implications," in *Health Affairs*; "Saving Babies: The Efficacy and Cost of Recent Expansions of Medicaid Eligibility for Pregnant Women," in *Journal of Political Economy*; "Physician Financial Incentives and the Diffusion of Cesarean Section Delivery," in *RAND Journal of Economics*; "Fundamental Tax Reform and Employer-Provided Health Insurance," in *Economic Effects of Fundamental Tax Reform*; Dr. Gruber has recently co-edited a book titled *Social Security and Retirement Around the World*.

**Health Insurance and the
Labor Market**



Wednesday
October 13, 1999
3:00 P.M.
3508 Knauss Hall
WMU

Brigitte C. Madrian
Professor of Economics
University of Chicago

Dr. Brigitte C. Madrian received her Ph.D. in economics from Massachusetts Institute of Technology. She is currently Assistant Professor at University of Chicago Graduate School of Business, Faculty Research Fellow at National Bureau of Economic Research, Research Associate at Population Research Center, University of Chicago and Faculty Affiliate of the Joint Center for Poverty Research, Northwestern University/University of Chicago. Dr. Madrian has received many awards, including National Bureau of Economic Research Aging and Health Economics Fellowship and National Academy of Social Insurance Dissertation Prize (First Place).

Professor Madrian has done research on effects of health insurance on retirement decisions, self-employment decisions and job change decisions. She has authored and co-authored many articles. Recent publications include: "Health, Health Insurance and the Labor Market," in Orley Ashenfelter and David Card, eds., *Handbook of Labor Economics*; "Health Insurance Portability: The Consequences of COBRA," *Regulation*; "Labor Market Responses to Rising Health Insurance Costs: Evidence on Hours Worked," *RAND Journal of Economics*; "Does Medicare Eligibility Affect Retirement?" *Inquiries in the Economics of Aging*; "Employment Separation and Health Insurance Coverage," *Journal of Public Economics*; "Health Insurance and Early Retirement: Evidence from the Availability of Continuation Coverage," in David A. Wise, ed., *Advances in the Economics of Aging*; "Health Insurance Availability and the Retirement Decision," *American Economic Review*; "Employment-Based Health Insurance and Job Mobility: Is There Evidence of Job-Lock?" *Quarterly Journal of Economics*; "The Effect of Health Insurance on Retirement," *Brookings Papers on Economic Activity*; "Health Insurance and Job Mobility: The Effects of Public Policy on Job-Lock," *Industrial and Labor Relations Review*.

Health Care Consumer Choice: The Role of Information



Catherine G. McLaughlin
Professor of Economics
University of Michigan

Wednesday
November 10, 1999
3:00 P.M.
3508 Knauss Hall
WMU

Professor McLaughlin received her Ph.D. in economics from the University of Wisconsin. She is currently an associate professor in the School of Public Health at the University of Michigan. Since 1993 she has been the Director of The Robert Wood Johnson Foundation's Scholars in Health Policy Research Program at Michigan. Prior to joining the faculty at the University of Michigan, she was an assistant professor of economics at Tufts University. Dr. McLaughlin serves on the editorial board of *Health Services Research* and *Medical Care Research and Review*. She is also on the University of Michigan Press Executive Committee.

Dr. McLaughlin has studied various health economics topics. She has published numerous articles on the impact of HMOs on market competition and health care costs, and on the determinants of small area variation in hospital utilization and costs. Her finding that HMOs did not result in market-wide competition or health care cost containment because of various institutional barriers was one reason why large corporations and state governments started changing the way they subsidized health insurance premiums.

Dr. McLaughlin's current research interests are the working uninsured, with particular emphasis on the small group health insurance market, and employee benefit choice. Her research on the small business health insurance market provided insight into insurance industry redlining procedures and the apparent failure of various public and private demonstration projects to reduce significantly the number of working uninsured in their communities. Recent publications include: "Health Care Consumers: Choices and Constraints," *Medical Care Research and Review*; "Competition, Quality of Care and the Role of Consumers", *The Milbank Quarterly*; "The Demand for Health Insurance Coverage by Low-Income Workers: Can Reduced Premiums Achieve Full Coverage?", *Health Services Research*; "Comment on: Worker Demand for Health Insurance in the Non-Group Market", *Journal of Health Economics*, and "Small-Business Winners and Losers Under Health Care Reform", *Health Affairs*.

The Tax Treatment of Health Insurance



Robert B. Helms
Resident Scholar
American Enterprise Institute

Wednesday
February 16, 2000
3:00 P.M.
3508 Knauss Hall
WMU

Dr. Robert B. Helms received his Ph.D. degree in economics from the University of California, Los Angeles. He is currently a resident scholar and director of Health Policy Studies at the American Enterprise Institute. He has written and lectured extensively on health policy, health economics, and pharmaceutical economic issues. Dr. Helms currently participates in the Consensus Group, an informal task force that is developing market-oriented health reform concepts, and the National Academy of Social Insurance's study panel on Long-Term Medicare Financing. From 1981 to 1989 Dr. Helms served as assistant secretary for planning and evaluation and deputy assistant secretary for health policy in the Department of Health and Human Services.

Dr. Helms is the editor of four AEI publications on health policy—*American Health Policy: Critical Issues for Reform*; *Health Policy Reform: Competition and Controls*; *Competitive Strategies in the Pharmaceutical Industry*; and *Medicare in the 21st Century: Seeking Fair and Efficient Reform*.

Dr. Helms has published numerous journal articles and book chapters on health economics and policies. His recent publications include: "Creating Incentives for Competition: Lessons from the United States," in Green, ed., *American Health Care: What Are the Lessons for Britain?*; "Catastrophic Health Insurance: Budget and Policy Issues" and "Health Policy and the Economy—Guessing About the Future," *American Journal of Pharmaceutical Education*; "Future Issues in Health Economics: One View from Washington," *Quarterly Review of Economics and Business*; "Doing the Right Thing for Children—While Being Up Against the Wall of Health Policy," in *Raising Children for the Twenty-first Century*; "Removing the Blinders in the Health Reform Debate," *Dynamics in Health Care*; "Seeking More Efficient Health Care Subsidies," in Altman, et. al. eds., *The Future U.S. Health Care System: Who Will Care for the Poor and the Uninsured*; "Market-Based Approaches to Insurance Reform," in Edmunds and Coye, eds., *America's Children: Health Insurance and Access to Care*; and "The Tax Treatment of Health Insurance: Early History and Evidence," in Arnett, ed., *Empowering Health Care Consumers through Tax Reform*.

Which Medical Care System is the Best?



David M. Cutler
Professor of Economics
Harvard University

Wednesday
March 15, 2000
3:00 P.M.
3508 Knauss Hall
WMU

Dr. David M. Cutler is John L. Loeb Professor of Economics at Harvard University, in the Economics Department and the Kennedy School of Government. Dr. Cutler is also Research Associate at the National Bureau of Economic Research. He received a B.A., *summa cum laude*, from Harvard College, and a Ph.D. in Economics from MIT. He has received a Sloan Foundation Fellowship, a National Institute of Health First Award, and other awards. Dr. Cutler's research is concentrated in health economics, including explanations for increasing health costs, the effect of managed care on medical outcomes and measuring the productivity of the medical sector. Dr. Cutler serves as Editor of *Journal of Health Economics* and Associate Editor of *Journal of Public Economics*.

During 1993, Dr. Cutler was on leave as Senior Staff Economist at the Council of Economic Advisers and Director of the National Economic Council in the Clinton Administration. Dr. Cutler's primary responsibilities were in helping to design the President's health reform plan.

Dr. Cutler has authored and co-authored numerous articles. Most recent journal articles on health economics include: "What Has Increased Medical Spending Bought?" and "The Effect of Medicaid Expansions on Public Insurance, Private Insurance and Redistribution," *American Economic Review*; "Labor Market Responses to Rising Health Insurance Costs," *RAND Journal of Economics*; "Are Medical Prices Falling?" and "Paying for Health Insurance: The Trade-off Between Competition and Adverse Selection," *Quarterly Journal of Economics*; "Measuring the Health of the United States Population," *Brookings Papers on Economic Activity, Microeconomics*. Book chapters include: "Consolidation in the Medical Care Marketplace," in S. Kaplan, ed., *Mergers and Productivity*; "Price Indexes for Medical Care Goods and Services: An Overview of Measurement Costs" in D. Cutler and E. Berndt, eds., *Medical Care Productivity and Output*; "Does the United States Spend Too Much on Medical Care?" in A. Garber, ed., *Health Care in the United States and Japan*; "What Does Medicare Spending Buy Us?," forthcoming in T. Saving, ed., *Medicare Reform*; "The Anatomy of Health Insurance," forthcoming in A. Culyer and J. Newhouse, eds., *Handbook of Health Economics*; "Public Policy for Health Care," in A. Auerbach, ed., *Fiscal Policy: Lessons from Economic Research*.

Two new books edited and co-edited by Dr. Cutler are published in 1999: *The Not-for-Profit Hospital* and *Medical Care Productivity and Output*.

What Has Managed Care Done to the Health Care Marketplace?



Laurence C. Baker
Professor of Economics
Stanford University

Wednesday
April 5, 2000
3:00 P.M.
3508 Knauss Hall
WMU

Dr. Laurence Baker received his Ph.D. in Economics from Princeton University in 1994. He is currently Assistant Professor of Health Research and Policy and Assistant Professor of Economics at Stanford University, and a Faculty Research Fellow of the National Bureau of Economic Research. Prior to coming to Stanford, Dr. Baker was a Research Economist at the Robert Wood Johnson Foundation. In 1993, he briefly served as a consultant to the White House task force formulating President Clinton's health reform proposal.

Dr. Baker has studied the development of managed care and its impacts on the health care system from many perspectives. He supervises research efforts to examine the effects of managed care on the development of technology and on overall health care costs, and projects to develop quantitative measures of the size and market power of managed care organizations. He also works with hospitals and managed care plans on projects aimed at improving quality of care measurement and systems of care, particularly for newborns. He was awarded the 1997 National Institute for Health Care Management Research award recognizing the best paper on health economics for his work on the relationship between managed care and fee-for-service health care expenditures.

Dr. Baker's work appears in both the economics and health policy literatures. Recent publications include: "Association of Managed Care Market Share and Health Expenditures for Fee-for-Service Medicare Patients," in *Journal of the American Medical Association*; "Managed Care, Consolidation Among Health Care Providers, and Health Care: Evidence from Mammography," in *RAND Journal of Economics*; "Managed Care and Health Care Expenditures: Evidence from Medicare, 1990-1994," in *Frontiers in Health Policy Research*; "HMO Penetration and the Cost of Health Care: Market Discipline or Market Segmentation?" in the *American Economic Review*; "The Effect of HMOs on Fee-For-Service Health Care Expenditures: Evidence from Medicare," in *Journal of Health Economics*; "Differences in Earnings Between Male and Female Physicians," in *New England Journal of Medicine*; "Effect of an Intensive Educational Program for Minority College Students and Recent Graduates on the Probability of Acceptance to Medical School," in *Journal of the American Medical Association*. Dr. Baker has also published work on emergency room costs, physician autonomy, and preventive health care utilization.