

Economics of Health Insurance Exercise Class

General Information

1) Organization

The exercise classes are designed to apply the concepts taught in the lecture and discuss the relevance of these concepts with respect to current economic literature. Classes will be blocked in the second half of the semester. The exact dates are:

Session	Date	Time	Room	Topic
1	20th June	FG 1.036	18.30 - 20.00	External Effects
2	21st June	FG 1.036	18.30 - 20.00	Risk Aversion and Insurance
3	22nd June	FG 2.016	18.30 - 20.00	Fair and Unfair Insurance Contracts
4	3rd July	FG 1.036	18.30 - 20.00	Minimum Income and Free Riding
5	4th July	FG 1.036	18.30 - 20.00	Private and Social Health Insurance
6	5th July	FG 1.036	18.30 - 20.00	Pooling and Separating Equilibria
7	6th July	FG 1.036	18.30 - 20.00	Moral Hazard

2) Preparation of Classes

You find the problems sets for all exercise classes on StudOn from the first semester-week on. Please solve the respective sheets after the topic was discussed in the lecture and send your (scanned) solution to simon.reif@fau.de. You can work in groups. We will use the time in class to discuss the solution and focus on those points where you had problems. Furthermore, you should not only be familiar with the theoretical concepts but also with the current debate about these concepts in the health economics literature. Therefore we selected a paper that empirically addresses a question in the respective area for each of the exercise classes. The general content of each paper is relevant for the exam. Please read the papers before class so that we can discuss them.

3) Voluntary Presentation

You can sign up for a voluntary 15 minute presentation of one paper. The presentation will be graded and accounts for 20% of your final mark if the presentation was better than the exam grade. Depending on the number of students in the course the presentations can be in groups. The presentations should contain:

- 1) The key question and a short summary of the paper.
- 2) A brief description of the data used.
- 3) The econometric method used in the paper.
- 4) A discussion on strengths and weaknesses.
- 5) Short outlook on 2-3 similar papers.

Please sign up for the presentation by stating your three most preferred topics to simon.reif@fau.de until 3rd May 2017.

4) Literature

External Effects: Ward (2014) "Influenza Vaccination Campaigns: Is an Ounce of Prevention Worth a Pound of Cure?" in *American Economic Journal: Applied Economics*, Volume 6, Issue 1: pp. 38-72.

Risk Aversion and Insurance: Dohmen et al. (2011) "Individual Risk Attitudes: Measurement, Determinants, and Behavioral Consequences" in *Journal of the European Economic Association*, Volume 9, Issue 3: pp.522–550.

Fair and Unfair Insurance Contracts: Tamm et al. (2007) "Elasticities of Market Shares and Social Health Insurance in Germany: A Dynamic Panel Data Approach" in *Health Economics* Volume 16, Issue 3: pp. 243–256.

Minimum Income and Freeriding: Herring (2005) "The effect of the availability of charity care to the uninsured on the demand for private health insurance" in *Journal Health Economics* Volume 24, Issue 2: pp. 225–252.

Private and Social Health Insurance: Polyakova (2016) "Risk selection and heterogeneous preferences in health insurance markets with a public option" in *Journal of Health Economics* Volume 49: pp. 153 - 168.

Pooling and Separating Equilibria: Wuppermann (forthcoming) "Private information in life insurance, annuity and health insurance markets" in *Scandinavian Journal of Economics*.

Moral Hazard: Cabral (2017) "Claim Timing and Ex Post Adverse Selection" in *Review of Economic Studies*, Volume 84: pp 1–44.