

Government Insurance Programs
RMI625
Spring 2002

Class: RMI625

Office Hours: 1 :30-2:30 pm or by appointment

Room: Grainger 1270

E-mail: gkrohm@facstaff.wisc.edu

Overview

This class will cover and integrate:

- theoretical arguments for and against the public provision of social insurance,
- insights into current practices and rules for the administration of public insurance programs,
- identification of fiscal, equity, and efficiency problems with current programs, .
- debate and discussion over the means of improving social systems, emphasizing actual policy proposals and reforms.

We will discover the limits of factual discussion in the face of formidable differences in social values and special interests. While this course is not about the political science of public policy change, it will equip the student to understand the issues in why and how public institutions and laws are made and altered.

<u>DATES</u>	<u>TOPIC</u>
Jan. 22--24	Economic security and insecurity Readings: text ch. 1
Jan. 29-31	Social insurance: principles, private vs. public Readings: text ch. 2 National Academy of Social Ins., "Why Social Insurance?"
Feb. 5-7	Premature death and aging Readings: text chs. 3 & 4 AARP, "Global Aging: Achieving its Potential" found at: http://www.aarp.org/globalaging/Global_Aaina.pdf
Feb. 12-14	Social Security: purposes, operations Readings: text chs. 5 & 6; generally review SS history and benefits found at: http://www.ssa.gov/understanding.htm National Academy, "Social Security: Past, Present and Future"
Feb. 19	Proposals to save Social Security

Readings: text ch. 7

OASDI Trustee's Report 2001, sec Roman I and II, found at:

<http://www.ssa.gov/OACT/TR/TR01/trTOC.html>

National Acad. Of Social Insurance, Evaluating Issues in Privatizing Soc. Security found at:

http://www.nasi.org/publications2763/publications_show.htm?doc_id=56732&name=Social%20Security

See also NASI report on "American Attitudes Toward SS"

http://www.nasi.org/publications2763/publications_show.htm?doc_id=54117

- Feb. 21 First mid-term exam
- Feb. 26 -28 Unemployment insurance
Readings: text chs. 13, 14 & 15
State of WI, portions of UI Handbook, beginning with "Important Definitions"
<http://www.dwd.state.wi.us/ui201/b1201.htm>
- Mar. 5 -7 Occupational injury and disease-OSHA Workers' compensation
Readings: text ch. 11 & 12
State of WI, "Facts for Injured Workers"
http://www.dwd.state.wi.us/wc/about_us/publications/wkc_18.htm
State of WI, "Facts for Employers"
http://www.dwd.state.wi.us/wc/about_us/publications/WKC-7317.htm
- Mar. 19 -21 Non occupational disability risks and financing Readings:
SSA Criteria for disability found at:
<http://www.ssa.gov/dibplan/dqualify4.htm>
National Acad. Of Social Insurance, Disability Income Policy in 2001 found at:
http://www.nasi.org/publications2763/publications_show.htm?doc_id=69492&name=Disability
- Mar. 26 -28 Spring break
- Apr. 2 -4 Other government funded risks
Readings: "Hauck, "The Impact of Catastrophe Perils Over the Decades"; Marlett, "Expansion of Public Sector's Involvement in Florida's Residential Prop. Ins. Market"; CPCU Society, "Managing Flood Losses"; Demerjian, "Forty Years of Involuntary Property Insurance Markets" (all on library reserve)

11)

- Apr. 9 Second mid-term
- April 11 No class
- Apr. 16 -18 Demographics and economics of medical care;
US health care industry and insurance industry
Reading: text ch 8
HCFA, "National Health Care Expenditures, 2000" found at:
<http://www.hcfa.gov/stats/NHE-OAct/hilites.htm>
- Apr. 23 Medicare and Medicaid
Readings: Medicare overview: see particularly the links to "what is Medicare" and "who is eligible"
<http://www.medicare.gov/Basics/Overview.asp>
Medicaid overview: see particularly eligibility and services covered at:
<http://www.hcfa.gov/medicaid/mover.htm>
For Medicaid see also: *Guide to Long- Term Care* (Library Reserve)
- Apr 25 International health financing comparisons
Reading: text ch. 10
Phy. For a Nat. Health Program, "International Health Systems" found at:
<http://www.pnhp.org/international.htm>
- Other materials to be assigned
- Apr. 30 Health financing reform proposals
Reading: text ch. 9
AMA, "MSAs Made Easy" found at:
<http://www.ama-assn.org/ama/upload/mm/363/msasmadeeasv.pdf>
Other materials to be assigned
- May 2 Poverty and public assistance;
Special interest groups and government assistance
Reading: text ch. 16 & 18
- May 7 Begin group presentations
- May 9 Presentations continue and review session
- May 13 Final examination

Text and Readings

Students will be responsible for reading all of the text, *Social Insurance and Economic Security* as well as special readings assigned for specific classes. Most of the readings are noted on the syllabus for specific class meetings; others topical papers and articles will be assigned to supplement class discussion of issues. The supplemental readings will discuss current issues and government administration of social insurance.

Grading

Exams = 75% with 15% for first mid-term; 25% for the second; and 35% for the final exam.

Term paper = 20%

Class participation = 5%

Class Participation

Questions and discussion enliven the classes and greatly enhance the learning process. Moreover, the ability to interact with others in group discussions and problem solving is a prized business skill. To model and refine these skills participation in class will be strongly encouraged. Students that actively participate in class discussion with insights, support, and questions will be awarded extra credit toward their grade. This participation "bonus" is limited to 5% of the course grade weight.

Examinations

Each examination is cumulative, i.e., it covers all of the material from the beginning of the course to the time of the exam. If a student misses either of the first two exams without arranging for an alternate exam time, the weight of that exam will be assigned to the final exam.

Term Project

Group activities enhance learning and develop valuable professional skills. For this reason, a major portion of the class will be devoted to a major paper and group presentation. The project consists of two parts: a paper and a group presentation.

The paper will be a defense of a public policy position on a subject discussed in class. After introducing the social insurance problem being considered your group should propose a specific correction or improvement to the system being discussed. The paper will be graded on research and factual background materials; creativity and insight into the causes and solutions of problems; and the organization and presentation of the material.

Plagiarism and use of material without proper attribution will be severely penalized.

Because of the complex subject matter and importance of the project, each group is expected to meet with the instructor at least once before the class presentation to guide and refine the preparations.

The presentation will be in the format of a legislative hearing: the group will present its "testimony" followed by questions from a panel. It will last up to 30 minutes. The presentation will be made on the days shown on the syllabus.

Topics for papers

1. Social Security Retirement age should be increased to age 73 by 2030.
2. Social Security old age benefits should be means tested, e.g., sliding scale reduction in benefits for household incomes over \$40,000 per year.
3. Coverage for Medicare should be expanded to include most prescription drugs.
4. The Social Security System should be completely abolished and replaced with a mandatory private investment program for all covered workers, with permissible investment vehicles regulated by the federal government.
5. The United States should adapt a single payer system much like the one in use in Canada.
6. Expensive Medicare and Medicaid medical treatments should be rationed to those would benefit in quality and quantity of life.
7. Nursing home benefits paid under Medicaid would be subject to a recapture by the government through a lien on the real assets of beneficiaries who died after collecting benefits.

You are encouraged to use imagination and creativity in filling in the details and mechanics of the policy proposal you select. Consider carefully how expanded benefits would be funded and/or the political consequences and practicality of cutting benefits.