HEALTH CARE AND INSURANCE

Genetic Testing: An Economic and Contractarian Analysis, by Alexander Tabarrok

Medical researchers are rapidly identifying the genetic causes of many diseases. Genetic tests can reveal an individual's probable health status many years in advance of sickness. Many fear that this will lead to genetic discrimination in the employment market and the health insurance market. Solutions such as consent laws are impractical and create adverse selection problems. A new form of insurance, genetic insurance, can eliminate these problems and allow everyone to be insured. It should be mandatory that every individual purchase genetic insurance before taking a genetic test. If the test came back positive, the individual would be paid a large sum of money to cover the expected cost of the disease. Those with negative results would lose their genetic insurance fee, but would gain the results of the test and lower health insurance premiums. This proposal requires that genetic testing be illegal unless genetic insurance is purchased. *Journal of Health Economics,* March 1994, 13(1): 75–91. (Reprinted with permission of ABI/Inform, copyright UMI.)

HEALTHCARE AND INSURANCE

Worker Demand for Health Insurance in the Non-Group Market, by Susan M. Marquis and Stephen H. Long

The present research examines decisions to purchase individual insurance by workers who do not have employment-based insurance. Using data from the Current Population Survey and the Survey of Income and Program Participation, coupled with prices for a standard insurance product in different markets, a price elasticity of –0.3 to –0.4 and an income elasticity of 0.15 are estimated. The estimate of the price response raises doubts that even substantial subsidies to the working uninsured would induce many of them to purchase coverage voluntarily. *Journal of Health Economics,* May 1995, 14(1): 47–63. (Reprinted with permission of ABI/Inform, copyright UMI.)

HEALTH CARE AND INSURANCE

Gainers and Losers Under a Tax-Based Health Care Reform Plan, by John F. Moeller

Currently, it appears that health care for the nonpoor and nonelderly in the United States will continue to be financed primarily through a private insurance market rather than a public insurance program. Even if this market-based system achieves maximum efficiency, a premium subsidy for low-income, non–Medicaid-eligible individuals likely will be required to make health insurance affordable for all Americans. There are advantages to carrying out that redistribution at the federal, rather than state or local level, possibly using credits or deductions within the federal personal income tax system. Which individuals decide to claim these tax credits or deductions, and how much the tax subsidies would have cost in 1993, are