

CCHE Seminar Series

State-dependent Utility and Long-term Care Insurance



Professor Michel Grignon
McMaster University

Date: Friday, January 29th, 2016

Time: 10 AM – 12 PM

Location: Health Sciences Building
Room 100 (first floor)

Summary: This paper presents the first findings of an empirical attempt at measuring the link between marginal utility of consumption and health. Using longitudinal data from NPHS to control for individual fixed effects and unapologetically running inter-individual comparisons of utility, we find some (fragile) indications of increased marginal utility of consumption when sick. If confirmed (but this is a big if), this finding would support full coverage (or even beyond) for long term care as an efficient insurance policy.

Michel Grignon, who was named director of CHEPA on Sept. 1, 2011, is an associate professor in the Department of Economics and the Department of Health, Aging and Society at McMaster University. He is editor-in-chief of the journal *Health Reform Observer – Observatoire des Réformes de Santé* and is also an adjunct scientist at the Institute for Health Economics in Paris, France. Before joining McMaster in July 2004, he worked at the Institut de Recherche, d'Etudes et de Documentation en Economie de la Santé (IRDES) in Paris. He was born in France, and obtained his Master's Equivalent at the National School for Statistics and Economics in Paris, and his PhD at Ecole de Hautes Etudes en Sciences Sociales, also in Paris. Grignon has extensive experience at an international level in research projects and activities in the areas of health economics, health-related policies, health insurance and aging. His current research projects cover a broad range of topics, including how an aging society impacts health care expenditures in Canada and in France. He is also involved in research examining inequities in health care utilization and health policy in Canada, as well as exploring equity and efficiency by using experimental economic methods for financing health care.