Program	Funding	Eligibility	Evidence of consumption smoothing	Types of moral hazard, and evidence
Social Security (1935)	FICA payroll tax: 6.2% on employers, 6.2% on employees. Tax applies to first $87,900 of earnings.	Anyone with 40 quarters of covered employment. Older than 62.	1) quasi-experiments from UK, Italy: savings only increased by 30-40% of full drop in benefits-->only 30-40% crowdout. 2) consumption drops at retirement by 30%.	1) induces earlier retirement than if SS didn't exist. Two reasons: i) people see 62/65 as gov suggested retirement ii) set-up of system provides incentives to retire before age 65. (incentives to delay retirement: one more year of high earnings, DRC; disincentives: one more year of taxes, one less year of benefits). Evidence: spikes at ERA, FRA.
Unemployment Insurance (1935)	varies by state: averages 2.5% payroll tax on employees	1) minimum level of earning and earning history 2) can't quit or be fired 3) "looking for a job"	1) (Gruber) - elasticity of food consumption wrt replacement rate is .27.	WORKER: 1) re-employment spike at 26 weeks 2) elasticity of weeks of duration wrt benefit amount is .8 3) re-employment bonuses. Randomized trials giving people bonuses for finding a job faster, suggests people can re-enter LF faster than they do. FIRM: 1) imperfect experience rating --> incentive for some firms to lay off

Program	Funding	Eligibility	Evidence of consumption smoothing	Types of moral hazard, and evidence
Disability Insurance (1958/1965)	small payroll tax: (about 1% on both employers and employees)	1) inability to engage in any substantial gainful activity 2) wait five months 3) pass DI review board	Probably quite large.	1) study rejects: i) medical researchers determined 35% of rejects unable to work. ii) only 40-50% of rejects went back to work. iii) earnings of rejects fell by 55%. 2) effects of denial rate: elasticity of application rate wrt denial rate of -.4 (incr denial rate by 10%, reduce application rate by 4%)
Worker's Compensation (early 1900s)	private no-fault insurance paid for by firm	1) covered injury 2) waiting period (a few weeks)	Probably smaller than DI	DURATION OF INJURY: elasticity of duration with respect to benefit amounts bw 1.2 and 3.5 CLAIMING BENEFITS/TAKEUP: elasticity of take up rate with respect to benefit amount is .7

Program	Funding	Eligibility	Evidence of consumption smoothing	Types of moral hazard, and evidence
Medicaid (1965)	Federal / State split costs out of general tax revenue	1) children <=18 years living in family with income up to poverty line 2) kids <=6 with income up to 133% of poverty line 3) pregnant women with income up to 133% of poverty line	1) For kids, a 10% increase in state eligibility: i) reduces infant mortality by 3% ii) sig. increase in doctor, hospital utilitzation rates iii) reduces incidence of low birthweight by 1% 2) crowd-out of private insurance around 40% for kids, almost 100% for females, 50% for males	because such generous insurance (lots of services, small copay/deductible), potential for overuse.
Medicare (1965)	1.45% payroll tax. Part A (hospital service) has deductible. Part B (physician service) has monthly premium, deductible and coinsurance.	Anyone 65 years or older with 10 years of work experience (or a spouse who had 10 years of work experience)	concern here is about the effects of cost control measures: doctor side MH, rather than expanding eligibility or generosity (since basically everyone takes up). Move from retrospective to prospective (DRG) - called pps (prospective payment system) - to Medicare HMOs. No effect of retro-->PPS on long term mortality (after 1 year), but short term (if you were likely to die within 1 year under retrospective, now die sooner. if die after 1 year, no effect). **IMPORTANT POINTS: MH IN RETROSPECTIVE, PROSPECTIVE**	